MEADOW POINTE COMMUNITY REINVESTMENT PROJECT AREA PLAN

ADOPTED JANUARY 14, 2020

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LEHI CITY

PIONEERING UTAH'S FUTURE

LEHI CITY REDEVELOPMENT AGENCY

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Section 1: **Introduction**

The Lehi City Redevelopment Agency (the "Agency") is looking at north Lehi as an area for growth in both personal and real property and the resulting sales and use tax and has prepared the following plan ("Plan"). This Plan has been prepared in compliance with Utah State Code and considers the economic impacts of commercial, retail, and industrial development as it relates to a return on investment for the community while also providing a return on the investment made by the development community. The current property encompassed by the Community Reinvestment Area ("CRA") has four Class A office buildings with three parking garages, and a fifth office building will be complete by December 31, 2019. In addition a hotel, Tru by Hilton, opened for business in December 2019. The southern end of the property currently has a convenience store and a car dealership under construction. The remainder of the property is vacant. Prior to the start of development, the property was vacant farm land. A goal of the CRA is to create a mechanism to fulfill the obligations of the RDA described in the 2011 Development Agreement which was executed prior to the commencement of development on the property. The City has determined that creating a CRA is in the best interest of its residents to grow the personal and real property tax, and sales and use tax and allow for additional services to enhance the residents' quality of life. The purpose of this plan is to evaluate the opportunity for the Meadow Pointe Development Project by describing how the CRA will work, mechanisms used for incentives, and a return on investment for the community and taxing entities.

This Plan follows Utah Code Annotated (UCA) Title 17C Chapters 1 and 5 (Utah Limited Purpose Local Government Entities – Community Reinvestment Agency Act). Requirements of the Act include notice and hearing obligations. The Agency must show that these requirements have been met in order to complete the CRA.

This document is prepared in good faith as a current reasonable estimate of the economic impact of this project. Fundamental changes in economic factors and other circumstances may influence the actual impact. With these assumptions, the information contained within this report represents the reasonable expectations of the project. The Agency makes no guarantee that the projections contained in this Plan document or in the Budget for the Project Area will accurately reflect the future development within the Project Area. Further, the Agency specifically reserves all powers granted to it under the Act, as amended, subject to the terms and provisions of this Plan, the 2011 Development Agreement, City ordinances, and State and Federal Law.

Section 2: Definitions

As used in the Plan:

2.1 "Act" means Title 17C of the Utah Code Annotated (UCA) 1953, as amended: the Utah Limited Purpose Local Government Entities – Community Reinvestment Agency Act, as amended, or such successor law or act as may from time to time be enacted.

2.2 “Agency” means the Lehi City Redevelopment Agency, created and operated pursuant to UCA 17C-1-101 and its predecessor or successor status, as designated by Lehi City to act as the redevelopment agency.

2.3 “Agency Board” means the governing body of the Agency.

2.4 “Base Taxable Value” has the same meaning as in the Act (UCA 17C-1-102(8)). “Base Taxable Value” is synonymous with “Base Year Taxable Value”, “Base Year Value”, and “Base Value”.

2.5 “Base Tax Amount” means a sum equal to the tax revenue arising from the Project Area during the Base Year, which is calculated as the product of the Base Taxable Value and the certified tax rate in effect during the Base Year.

2.6 “Base Year” means the year of the Base Taxable Value that will be set in the interlocal agreements with the Agency as contemplated by UCA 17C-1-102(9)(d). This Plan will utilize 2019 as the base year.

2.7 “Bond” means any bonds, notes, interim certificates, or other obligations issued by an agency.

2.8 “City” means Lehi City, a political subdivision of the State of Utah.

2.9 “Comprehensive General Plan” or “General Plan” means the general plan adopted by the City under UCA § 10-9a-401.

2.10 “Community Reinvestment” means development activities within a community, including the encouragement, promotion or provisions of development as provided for in the Act.

2.11 “Community Reinvestment Project Area Plan” means a project area plan, as defined by UCA § 17C-1-102(21) of the Act, designed to foster project area development, as defined by UCA § 17C-1-102(47) of the Act, developed by the Agency and adopted by ordinance of the governing body of the City, to guide and control community development projects in a specific project area.

2.12 “Governing Body” means (a) in reference to the Lehi City Redevelopment Agency; the Board of the Agency, or (b) if used in reference to Lehi City, City Council of Lehi City.

2.13 “Project Area” means the Meadow Pointe Community Reinvestment Project Area per resolution of the Lehi City Redevelopment Agency and is consistent with the 2011 Development Agreement, including as set forth in Exhibits A and B thereof.

2.14 “Property Taxes” means all levies on an ad valorem basis upon land, real property, personal property, or any other property, tangible or intangible.

2.15 “Sales Tax” means a tax on sales or on the receipts from sales.

2.16 “Taxing Entities” means the public entities, including the state, county, city, school district, special service district, or other public body, which levy property taxes on any parcel or parcels of property located within the Project Area.

2.17 “Tax Increment” means that portion of the taxes levied each year in excess of the base tax amount, which excess amount is paid into a special fund of the Agency, pursuant to UCA 17C-1-102(60)(a) and Part 5 of UCA Chapter 17C-1, as amended.

2.18 “Tax Year Real and Personal Property” means the 12-month period between sequential tax role equalizations (November 1st through October 31st) of the following year, e.g., the Nov 1, 2018 – Oct 31, 2019 tax year.

2.19 “Tax Year Sales Tax” means the 12-month period between January 1st through December 31st of the previous year, e.g., January 1, 2019 – December 31, 2019 tax year.

2.20 “2011 Development Agreement” means that agreement dated June 14th, 2011 between Lehi City, the Lehi City Redevelopment Agency, IR Lehi LLC, and Thanksgiving Station LLC. The 2011 Development Agreement and its exhibits are attached to this Plan as Appendix E and are incorporated herein by this reference.

Section 3: Description of the Community Reinvestment Project Area (17C-5-105(1)(a))

As described in Exhibits A and B, the Project Area is entirely located within the legal boundaries of Lehi City. The Project Area encompasses approximately 124 acres of land.

The Project Area encompasses the area identified in the 2011 Development Agreement, including without limitation, the fifteen parcels outlined on the map attached hereto as **APPENDIX A** (the “Project Area Map”). The fifteen parcels are owned by three landowners.

A legal description of the Project Area is attached as **APPENDIX B**.

Section 4: Project Area Characteristics and How They Will be Affected by Project Area Development (17C-5-105(1)(b))

Land Uses in the Project Area

The Project Area is currently in a regional commercial and resort community zone designation. The general plan shows the property in regional commercial and resort community. The city zoning and general plan are both in alignment as to the land designation and desired buildout. The resort community zoning for Thanksgiving Station is designated through an area plan. Thanksgiving Station consists of approximately 80 acres and designates multifamily, professional office, restaurants, and hotels as permitted uses as well as many other uses. Based on the size of the CRA area the property could develop with professional office space, multiple car dealerships, restaurants, and convenience stores with assorted retail and hotel(s). All contemplated private development must follow proper planning and zoning ordinances and requirements and be approved by Lehi City after being duly-noticed in a public meeting. 39 acres are designated as regional commercial per the Lehi City development code and land use map. Chapter 5 of the Lehi City development code designates automobile sales/rental sites 1 acre or larger and automobile service and repair as permitted uses within the zone. All other intended uses are listed as permitted uses to include restaurant, professional office, hotels and motels.

Layout of Principal Streets in the Project Area

The intent of the CRA Area is to complete among other things, the construction and/or expansion of the roads identified in the 2011 Development Agreement, including without limitation, expanding Ashton Blvd to a five-lane road. Ashton Blvd and the connector streets to the frontage roads are public infrastructure that will be paid for or reimbursed through Tax Increment Financing. Internal access roads connecting the professional office space or dealerships to arterial or commuter roads or highways will be considered private and not reimbursed.

Population in the Project Area

As of the 2018 Department of Workforce Services census information, Lehi has a population of 66,037. According to the State of Utah, Lehi City has grown 3.7% from 2017 to 2018. Currently there are four completed Class A office space buildings, with one additional building under construction and three additional buildings contemplated. In addition, the Tru by Hilton opened for business in December of 2019. Based on the square footage of each office building it is anticipated 4,000 people will be employed at full build-out of Phase 1 of Thanksgiving Station. On the southern half of the CRA area there are currently no existing buildings. There is a convenience store and a new automobile dealership under construction within the Project Area. Based on the additional contemplated development within the Project Area there could be an additional 2,000 - 4,000 people employed. It’s anticipated at full buildout the Project Area will employ 6,000 - 8,000 people. There are no single or multifamily homes on the property site and none were intended or contemplated by the 2011 Development Agreement. The intended development within the Project Area has no impact on existing or future homes in Lehi City.

Building Intensities in the Project Area

Development in the Project Area was and will be required to follow all planning and zoning ordinances as they currently exist or that might be amended in the future to include design and development standards, subject to vested or grandfathered rights, variances and other city ordinances and state or federal laws. The proposed Project Area will contain professional office space, at least one hotel, a convenience store, restaurants, and multiple car dealerships. The development code requires an urban look with buildings pushed up to the street or facing the interior streets, wide sidewalks, landscaping that promotes walkability, shared parking and if possible, higher building densities.

Section 5: Standards That Will Guide Community Development (17C-5-105(3)

Development Objectives

The Agency and the City want the Project Area to develop into professional office, restaurant and retail services, hotel and car dealerships. Professional office space provides a higher wage to employees. Restaurants, retail services, hotels and car dealerships provide sales tax. This creates an environment for tax generation, higher wages, and employment opportunities which helps drive sales and tax revenue.

Design Objectives

The property is zoned as regional commercial and resort community with all proposed uses being permitted. The developers will comply with city ordinances (including city design standards) and state and federal law. New auto dealerships are subject to each manufacturer's own guidelines and building standards. New professional office space will be designed and constructed to be comparable to what has already been developed within the Project Area.

All proposed development will be submitted to the City via the normal development approval process, which includes site plans containing development data and any other appropriate material describing the development, land coverage, setbacks, heights, off-street parking to be provided, and any other information as deemed appropriate by the City.

Section 6: How the Purposes of the Act Will be Attained (17C-5-105(1)(d))

Title 17C of the Utah Code contains the following definition of Project Area Development:

> "Project area development" means activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan, including:
>
> (a) promoting, creating, or retaining public or private jobs within the state or a community;
>
> (b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or improvements;
>
> (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues;
>
> (d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces;
>
> (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures;
>
> (f) providing open space, including streets or other public grounds or space around buildings;

(g) providing public or private buildings, infrastructure, structures, or improvements;

(h) relocating a business;

(i) improving public or private recreation areas or other public grounds;

(j) eliminating blight or the causes of blight;

(k) redevelopment as defined under the law in effect before May 1, 2006; or

(l) any activity described in Subsections (47)(a) through (k) outside of a project area that the board determines to be a benefit to the project area.

(Utah Code § 17C-1-102(47)).

The creation of the Project Area furthers the attainment of the purposes of Title 17C by addressing the following objectives:

Provision of development that enhances economic and quality of life basis. The Project and Project Area will provide numerous economic and community benefits including the creation of a number of full-time equivalent jobs ("**FTE**") within Lehi City, and the generation of a significant amount of new sales and use tax and personal, real property, and transient tax revenues for the City and all taxing entities.

Stimulation of associated business and economic activity by the development. This Project will meaningfully enhance the City's real property, transient tax, sales and use tax base as well as all other taxing entities through personal and real property tax generation. The direct and indirect impact provided by the creation of new jobs to the existing local economy will be significant. Local businesses that will benefit include hotels, restaurants, suppliers and vendors servicing new facilities in the Project Area.

The Project will achieve the following:

1. Enhance employment and income opportunities for community residents by offering employment opportunities within the Meadow Pointe Development area.
2. Increase the diversity of the tax base and increase the resources available for performing governmental services.
3. Encourage and support the efficient use of undeveloped land within Lehi City.
4. Support and encourage appropriate public and private development efforts in the community.

Section 7: How the Plan is Consistent With the City's General Plan (17C-5-105(5)

This Plan and the development contemplated within the Project Area will conform to the City General Plan, Land Use Regulations and the Lehi City Development Code. The current Lehi City Zoning Map shows the development being designated as resort community and regional commercial. Lehi City Planning and Zoning Ordinances designate the zoning for the Project Area as resort community and regional commercial. The ordinance describes the resort community zone as follows: the purpose of the

Resort Community Zone is to recognize and provide for the orderly development of certain properties as a tourist, convention, hospitality, business, and gather destination. A Resort Community Zone may include a cohesive and complimentary mixture of land uses, including commercial, residential, recreational, and/or business park. Uses should focus on services for tourists, visitors, and the local community. Over 60% of the land designated as Resort Community focuses on tourism and visitors to Lehi City. The proposed projects will provide retail, restaurant and business park development. As described in the City's development code, the regional commercial zone "is created to provide for a variety of retail and service oriented commercial uses that serve a broad geographical market beyond the Lehi area." This zone is generally applied to properties along major transportation corridors with the infrastructure to support them and is designed to promote high quality commercial developments that can take advantage of the zone's close proximity to I-15 and other major transportation corridors. Development within this zone should be designed in a manner that presents a favorable image of the City and is encouraged to be developed in large, well-planned and cohesive projects rather than smaller, piecemeal projects. The Meadow Pointe CRA Plan is aligned with the current zoning maps, Lehi City General Plan and Lehi City Planning and Zoning Ordinances for this project.

Section 8: Description of the Specific Projects That Are the Object of the Proposed Community Development (17C-5-105(6)

Based on land owner representations, the proposed use will be professional office space, retail, restaurants, hotel, convenience store and new car dealerships. This proposed use meets the objectives of the Agency and Lehi City for financial participation and is consistent with, the Lehi City General Plan and current zoning ordinances. This development will facilitate water and sewer extension, storm water retention, electrical upgrade and road improvements. Personal, real property, and transient tax generation is desired by all taxing entities and sales and use tax generation is also a driver for Lehi City. This project will create job centers, higher personal and real property taxes and sales and use tax generation through multiple new car dealerships and class A office buildings and related facilities.

Section 9: Ways in Which Private Developers Will be Selected to Undertake the Community Development (17C-5-105(1)(h))

The Agency and City will select or approve such development that is brought forth by developers that meets the development objectives as set forth in the Plan, subject to and consistent with City ordinances and state law. The Agency and City reserve the right to approve or reject any development plan(s) that do not meet the intent of the Project Area, subject to and consistent with City ordinances and state law. The Agency or City may at their discretion solicit development targeting specific industries or business clusters through Economic Development recruitment, and/or referrals, references or inquiries to the Agency or City, subject to and consistent with City ordinances and state law.

The Agency and City will ensure that all development conforms to the Project Area Plan and is approved by the City, subject to and consistent with City ordinances and state law. All development opportunities will need to be vetted by the City and will include development plans and financial information to support the viability and sustainability of the project and the developer to fulfill all obligations that could or will be required, to the extent permitted by and subject to and consistent with City ordinances, state law, and the 2011 Development Agreement. This process could or will include City staff and or third-party sources to review financial statements, verify the benefit of the development to the City, engineering, appraisal reports, etc., to the extent permitted by and subject to and consistent with City ordinances and the 2011 Development Agreement.

Any participation between the Agency and developer(s) and/or land owners shall be by an approved written agreement. Eight years ago the city entered into the 2011 Development Agreement with the property owner/developer for the designated Project Area. The Agency will utilize Tax Increment Financing to install, or reimburse developers for the cost of,the public infrastructure described by the 2011 Development Agreement and for other purposes allowed by the Act. It is for this purpose that the Agency is contemplating the creation of the CRA.

Section 10: Reasons for the Selection of the Project Area (17C-5-105(8)

The Meadow Pointe Community Reinvestment Project Area was selected by the Agency as an area that shows high potential for growth, infrastructure development, Class A office building construction, increase in property values and real property, transient, retail sales and use tax generation. This decision was driven by the land owners and developers. The boundaries were determined by the Agency based on the 2011 Development Agreement.The CRA area will also build out needed transportation corridors as described in the 2011 Development Agreement.

Section 11: Descriptions of Conditions Existing in the Area (17C-5-105(9)

The Project Area consists of approximately 124 acres as shown in the Project Area Map. The Agency wants to encourage development, utilizing infrastructure improvements, impact fee waivers, etc. as the incentives that are needed to facilitate the development. The CRA area will grow the tax base of Lehi City to provide greater funding sources to continue to meet the demand and services of its residents. The property was vacant within the proposed Project Area when the City, Agency and Developers executed the 2011 Development Agreement. Since the 2011 Development Agreement, development and associated infrastructure has proceeded on approximately 42 acres. Installation of infrastructure has begun to facilitate the current development but additional infrastructure will be needed to complete the development within the Project Area.

Section 12: Descriptions of Some Incentives Offered to Developer(s) or Land Owner(s) For Locating Facilities in the Project Area (17C-5-105(1)(k))

The following describes the payment/reimbursement and incentives the Agency intends to offer within the Project Area to developer(s), land owner(s) or participants to improve and develop the property within the Project Area:

1. The Agency intends to utilize the personal and real property taxes and sales and use tax generated from the development that is approved by an interlocal agreement with Lehi City for payment of required infrastructure improvements, and other expenditures as allowed by the Act and approved by the Agency, subject to and consistent with, but not limited by, the 2011 Development Agreement.
2. Payments will first be made to Lehi City to reimburse the City's cost for impact fees, infrastructure improvements, and land acquisition and any other costs associated with the RDA. Once Lehi City is reimbursed the landowner and developer(s) will receive reimbursement for improvements and land acquisition per the 2011 Development Agreement.
3. Expenditures and incentives approved and outlined in the adopted Project Area Budget and as allowed by the Act subject to and consistent with, but not limited by, the 2011 Development Agreement.

Subject to and consistent with, but not limited by, the 2011 Development Agreement, the Agency may agree to pay for eligible development costs and other items from such tax revenues for the period of time the Agency may deem appropriate under the circumstances.

Section 13: Result of the Public Benefit Analysis Performed by the Agency (17C-5-105(11)

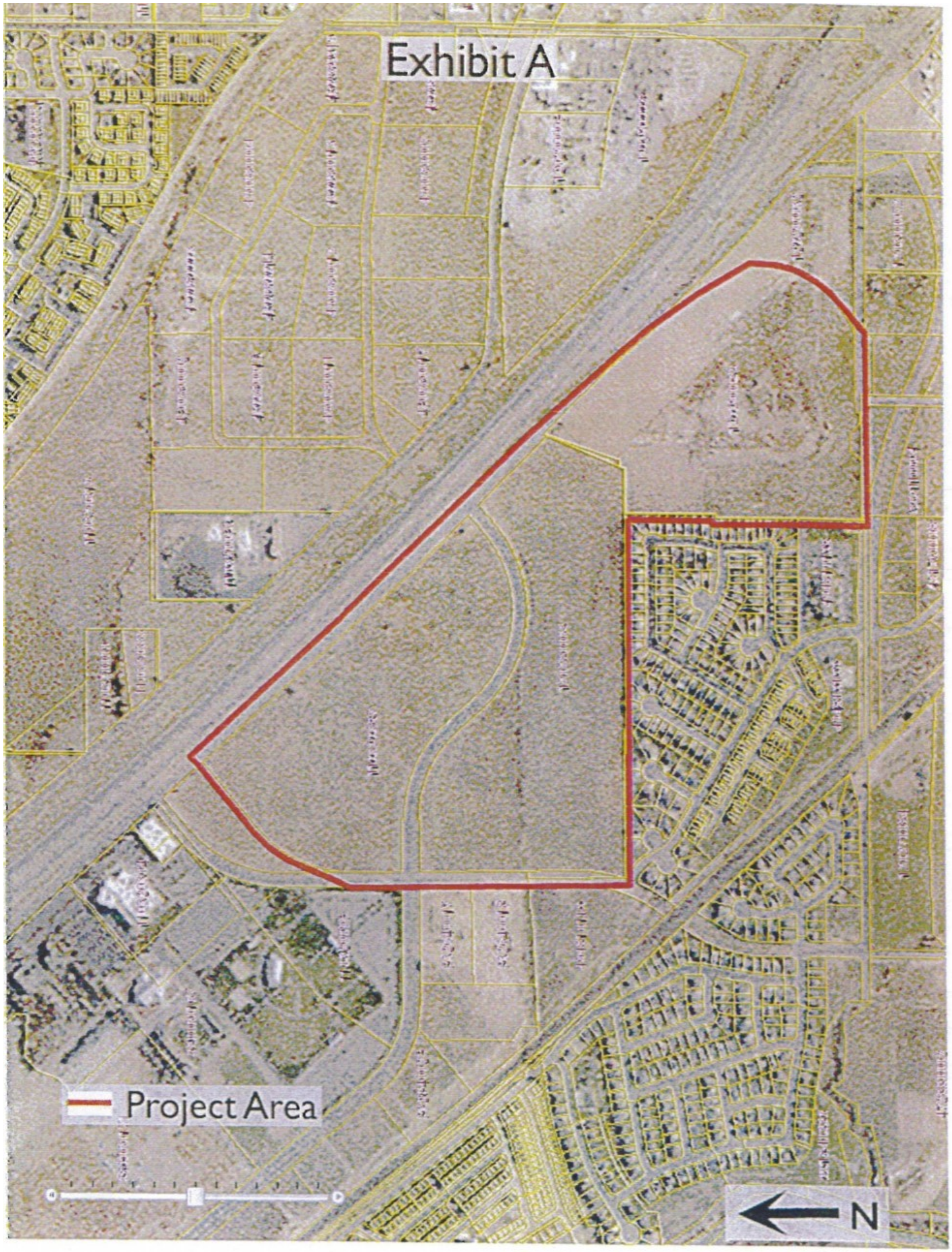
The public benefit analysis required by UCA § 17C-5-105(2) is described in greater detail in Appendix D, attached hereto. In summary, the Agency's public benefit analysis found that the creation of the Project Area, the provision of certain incentives, and other Agency activities as described in this Plan and allowed by the Act will provide significant public benefits to the Project Area and the greater Lehi City area.

Section 14: Other Information (17C-5-105(12)

There are no existing buildings or uses in the community reinvestment project area that are included in, or eligible for inclusion in, the National Register of Historic Places or the State Register.

The Project Area will not be subject to a Taxing Entity Committee; instead, the Agency anticipates entering into interlocal agreements with Lehi City, in order to obtain funding for Project Area development.

APPENDIX A - Project Area Map



APPENDIX B – Project Area Legal Description

This description is for Meadow Pointe CRA

NOTE: The legal Description should include the same elements, parcels and roads as referenced in the 2011 Development Agreement and its Exhibit A and B and should include the land south of Thanksgiving Point. This would replace the current Appendix B legal description

Beginning at a point being North 00°03'00" East, along the section line, 621.37 feet and North 89°57'00" West, 1288.57 feet from the East Quarter Corner of Section 6, Township 5 South, Range 1 East, Salt Lake Base and Meridian; said point also being the point of curvature on a 578.01 foot radius curve to the right; said curve also being the same curve described in Special Warranty Deed Entry No. 47975:2010, and running thence 730.88 feet along said curve through a central angle of 72°26'57" (chord bears: South 33°23'18" West, 683.15 feet) to a point on the north line of a public right-of-way; said right-of-way being more particularly described in Quit-Claim Deed Entry No. 38879 in Book: 2653 at Page: 8; and running thence along said public right-of-way the following three (3) courses: South 89°35'51" West, 320.78 feet; thence South 88°30'37" West, 100.80 feet; thence South 00°38'04" East, 21.05 feet to a point on a public right-of-way; said right-of-way being more particularly described in Special Warranty Deed Entry No. 47976:2010; and running thence along said public right-of-way the following three (3) courses: West, 60.64 feet; thence North 48°22'56" West, 77.23 feet; thence South 89°51'52" West, 96.87 feet; thence South 38°17’31” West, 75.20 feet; thence North 89°33’19” West, 303.29 feet; thence South 89°12'12" West, 22.43 feet to a point on the easterly line of "Pointe Meadows Phase I" (Entry No. 34925:2003, Map# 9918) and running thence along said subdivision line together with the easterly boundaries of the "Pointe Meadows Phase XXIV" (Entry No. 138458:2004, Map# 10232) and the "Pointe Meadows Phase IX" (Entry No. 66086:2003, Map# 10208) for the following three (3) courses: North 00°05'58" West, 809.19 feet; thence South 87°38’50” East, 19.97 feet to a point on an existing fence line corner; and continuing thence along said fence, and along said subdivision the following two (2) courses: North 00°04'44" West, 513.81 feet to an existing fence corner; thence North 89°44'51" West, 1993.71 feet along the North line of Pointe Meadows Subdivision and the Northwest corner of said subdivision Phase II; thence North 00°21'02" West, 9.25 feet; thence 260.26 feet along the arc of a 840 foot radius curve to the left (chord bears North 7°53'28" East, 259.22 feet); North 00°59'06" West, 280.96 feet; thence North 00°58'24" West, 606.37 thence North 01°01’35” West, 101.69 feet; thence North 00°58’24” West 280.15 feet; thence 604.56 feet along the arc of a 685 foot radius curve to the right (chord bears North 24°18’37” East 585.12 feet); thence North 49°35’38” East, 465.69 feet to a point on the westerly right of way line of Thanksgiving point Way; thence along said westerly right of way line the following three (3) courses: South 41°46’23” East, 1506.51 feet to a point on a 2540 foot radius curve to the left; thence 120.73 feet along said curve through a central angle of 02°43’24” (chord bears South 43°08’05” East 120.72 feet); thence South 44°29’47” East, 1031.87 feet; thence North 18°00’26” East, 24.02 feet to a point on the southwesterly side of a public right-of-way, said right-of-way being more particularly described in Special Warranty Deed Entry No. 8600 in Book: 876 at Page: 192; and running thence along said right-of-way the following two (2) courses: South 44°57'22" East, 264.46 feet; thence South 44°36'09" East, 186.33 feet to a point on the Northwesterly corner of a UDOT property; said UDOT property being more particularly described in Special Warranty Deed Entry No. 47975:2010, and running thence along said UDOT property the following two (2) courses: South 40°19'32" East, 555.50 feet; thence South 30°51'51" East, 501.73 feet to the point of beginning.

Contains: 124 Acres (5,401,231 Sq. Ft.)

APPENDIX C – Public Benefit Analysis

Benefit Analysis of the Proposed SR-92 Digital Drive Community Reinvestment Area

The following benefit analysis is presented to meet the requirement of Utah Code (17C-5-105(12)

The analysis shall consider:

(a) A reasonableness of the costs of the proposed project area development
(b) Efforts that have been taken or will be taken to maximize private investment
(c) The rationale for use of project area funds, including an analysis of whether the development might occur in the foreseeable future solely through private investment
(d) An estimate of the total of project area funds to be spent on the project area development and the length of time the funds will be spent

The anticipated public benefit derived from the proposed project area development including;

(e) The beneficial influences on the community's tax base
(f) The associated business and economic activity the proposed project area development will stimulate
(g) Whether adoption of the proposed community reinvestment project area plan is necessary and appropriate to undertake the proposed project

The following is the public benefit analysis showing the benefit to be derived from the financial assistance and any other public assistance provided to the landowners or developers for the proposed development in the Project Area. This is intended to provide a framework for the Agency to make critical decisions and show whether it is good policy and in the interest of Lehi City Redevelopment Agency to invest agency funds in the Project Area. This document is prepared in good faith as an estimate of the economic impact of this project. Market conditions and unforeseen forces could influence the project in a favorable or unfavorable way. The information contained herein is considered an accurate accounting and reasonable expectations of the project.

Introduction of Project

The benefit analysis analyzes the potential increment generated through personal and real property development, and sales and use tax revenue generated from the project area. It identifies the net benefit or loss to the Agency and Lehi City. The proposed project includes 124 acres to be developed as approximately 1.5 M square feet of professional office space, three car dealerships equating to over 150,000 square feet, and at least one 60,000 square foot hotel, restaurants and a convenience store. This development is consistent with the Lehi City General Plan and Planning and Zoning Ordinances. This development is intended to serve the Lehi City residents in providing needed job centers, services and retail purchase options for the area. The overall benefit and investment brought to the project includes greater personal real property, transient, and sales and use tax generation, as well as higher and better use of vacant land and public infrastructure. Per Utah State Code 17C-5-307(2) there will be a 10% set aside for low to moderate income housing and or projects that will benefit low to moderate income housing.

This analysis contemplates private investment in the proposed project area to be estimated at approximately $180 million. The overall new taxable personal and real property value will be approximately $147,833,947. The proposed new car dealerships are anticipated to generate $127,406,857 annually in sales. Sales and use tax generation is estimated to be 1% or $1.274M annually. The economic benefit resulting from the construction of the project includes; both short term and long-term employment opportunities, local purchases of goods and services by local residents and employees constructing the development, purchase of utilities and increased tax revenue to the state and local governments. This report identifies the potential tax revenue that may be generated from an increase in personal and real property value, and increase in sales and use tax from retail sales resulting from the development.

Project Development Overview

It is proposed the Community Reinvestment Area be created for the purpose of developing new professional office space, restaurants, convenience store, hotel, retail center and new car dealerships in the community. It is anticipated that the Meadow Pointe CRA will contribute greatly to the economic well-being of the community through personal, real property, transient and sales tax generation.

The project area is currently zoned Commercial Regional and Resort Community and designated as Commercial and Resort Community in the General Plan. Both designations promote retail, office and business commercial and car dealerships. The Resort Community is under the Thanksgiving Point Area Plan which allows all of the proposed development projects.

Capital Investment Projections for Personal and Real Property and Sales and Use Taxes

The Project Area currently resides in a Commercial Regional District and Resort Community zoning and was vacant land when the development was proposed in 2011. The current base value is $160,609,400 which generates $1,672,104 in taxes annually. The base year is set for 2019. (Note: The Agency will only request participation for personal or real property taxes from Lehi City and no other taxing entity.) The Meadow Pointe Project Area is anticipated to have a base value of $308,443,347 at full buildout. Per the Community Reinvestment Agency Act, the Lehi City Redevelopment Agency is authorized to provide funding for the Project Area Plan through interlocal agreements with all public entities who levy property taxes within the Project Area. The Agency can negotiate with the public entities for all or a portion of the tax increment revenue and or increased sales and use tax resulting from the proposed Project Area. The Lehi City Redevelopment Agency will only request participation from Lehi City for personal and real property, and sales and use tax. The Agency will utilize the personal and real property and sales and use tax for the incentive. The proposed incentive is 50% of the personal and real property and sales and use tax collected from the community reinvestment area to reimburse Lehi City and developers for public infrastructure improvements, land acquisition and impact fees. Per Utah State Code, the agency will also provide a 10% set aside of funds over $100,000 for low to moderate income housing. It's anticipated the Meadow Pointe CRA will generate over $100,000 Tax Increment Financing on an annual basis. There will also be a 5% administration fee for the RDA.

Personal and real property, and sales and use tax may help pay for infrastructure costs associated with the Project Area and be utilized as a direct incentive to the developers or land owners. The estimated future personal and real property and sales and use tax increment cash flows are projected in additional detail in Schedule 1 attached as Appendix D.

Evaluation of Reasonableness of Economic Development Costs

It is anticipated that an estimated $7,641,966 will be generated annually in Sales and Use tax at 6.25% of sales. Based on the project terms the Agency would receive $305,678 (average) in sales and use Tax on an annual basis. This would equate to a total budget for sales and use tax of approx. $5,267,549. It is reasonably expected the developer will invest over $127M in the project annually for inventory and parts. The developers will invest over $180,000,000 in personal and real property in the professional office space, restaurants, retail center, convenience store, hotel and dealerships. Between Lehi City and the development community there will be over $3,600,000 invested in infrastructure costs to include water retention system, curb gutter and sidewalk, irrigation canals, landscaping and extension of utilities within the development and road improvements. Costs are being covered by Lehi City and the developer per the 2011 agreement. The Meadow Pointe Community Reinvestment Area Plan doesn't bind the RDA or require the RDA to pay for or reimburse any infrastructure costs outside of the 2011 Development Agreement.

The proposed uses of the funds have been reviewed to evaluate their "reasonableness" of the costs of the proposed project area development. The development pro forma is based on building development and sales estimates from the developer, market standards as reported in industry publications and contains costs that are considered reasonable for a development of this scale and scope.

Efforts to Maximize Private Development

Private investment has, to the extent possible, been maximized. The total private investment in the project area is estimated at $180M. Upon completion it is anticipated the taxable value will grow to over $147M. The difference between investment in the Project Area and taxable value is due to infrastructure improvements and assessed value being lower than actual costs. It is anticipated that the overall value to include base value and anticipated growth will exceed $308M.

The use of tax increment financing can serve as a catalyst or incentive to accelerate private investment and development in an area that would otherwise develop to a lower use or tax generator. If there is no private sector investment, there will be no tax increment financing generated for the project area. It is this private investment that allows public agencies to leverage the increase in tax revenues to construct needed public infrastructure. Leveraging compares the dollar amount privately invested into the project area compared to the dollar amount of tax increment the agency pledges to the project. The leverage ratio of private to public monies in the Project Area exceeds 24.5 to 1. The leverage ratio, which should be achieved by an economic development project like this one is indeterminate. However, federal economic development programs such as the Small Business Administration require leverage ratios of 3:1 or 5:1 based on the program and the former Urban Development Action Grant shows an overall leverage ratio of 6:1. The leveraging ratio of 24.5:1 is favorable compared to other similar economic development programs.

Rational for use of project area funds, including an analysis of whether the proposed project area development might reasonably occur in the foreseeable future solely through private investment.

In 2011 the Redevelopment Agency entered into the 2011 Development Agreement for a development to occur in the Meadow Pointe Project Area. In 2011 the project area was devoid of any infrastructure except a ribbon road connecting Triumph Blvd to 2100 North. Since the 2011 Development Agreement was executed much development has occurred but the majority of the development is still to occur. Per the 2011 Development Agreement, infrastructure improvements need to be funded. The cost of private construction and annual return on investment through personal, real property, transient and sales and use tax make this project desirable. Development of the proposed project area only occurred due to the proposed shared cost of the infrastructure improvements and incentive being offered to the developer.

But for the economic development incentive being considered it is reasonable to assume that this development might not have reasonably occurred as professional office space, restaurants, retail center, convenience store, and hotel(s) and car dealerships in the foreseeable future.

An estimate of the total amount of project area funds that the Agency intends to spend on project area development and length of time over which the project area funds will be spent

It is anticipated that an estimated $6,108,707 (Budget Expense) of personal and real property, and sales and use tax increment will be expended over 20 years to undertake the development of the Project Area. The Agency anticipates expending approximately $723,702 or 10% of the funds collected above $100,000 on an annual basis for low to moderate income housing per state statute. The Agency also anticipates collecting $367,706 in an administrative fee. It is anticipated that over a 20-year period, the Meadow

Pointe CRA will generate $7,366,620 in personal and real property and sale and use tax. The budget will be capped at $6,018,707 or 20 years, whichever comes first.

Increment New Taxes Resulting from the Proposed Development

The Public Investment in the project is expected to create an environment that will produce private investment to continue the professional office development and start the dealerships, convenience store, hotel, restaurants and retail sites and will result in tax increment revenues to all taxing entities. As a result of the development it is anticipated that the Project Area will produce an estimated total gross revenue between sales and use tax and personal and real property, and transient tax of not less than $20,388,308 over a 20-year period. The following is a schedule of personal and real property to the taxing entities:

Total Increment Value Generated for Taxing Entities

Taxing Entity	*Length*	*Percentage*	*Sales Tax*	*Property Tax*
Utah County	20 Years	100%		$ 831,371.14
Alpine School District	20 Years	100%		$17,595,673.84
Lehi City	20 Years	50%	$5,267,549	$ 2,099,071.57
Water Conservancy Districts	20 Years	100%		$ 2,421,813.21
Total Taxes			**$5,267,549**	**$23,947,929.76**

The proposed budget only analyzes sales and use, personal and real property tax, it does not include an analysis of franchise, transient room or any other tax revenue generation. It also only estimates the sales and use tax at the City's rate (1%). Of the 1% sales and use tax rate the City only collects .5% with the other .5% going to the state pool. The 50% the Redevelopment Agency will collect is based on the actual collection of the .5%.

The Associated Business and Economic Activity Likely to be Stimulated;

The public investment of Tax Increment is expected to stimulate the following economic activity:

Short Term Construction and Employment

For purposes of this analysis the national multiplier average is 8.34 – 8.6 jobs created per million dollars spent on a project. Based on the estimated value of $180M it is anticipated that this project will employ approximately 501-1,548 workers. Average wage for a general laborer construction worker is $14.75 per hour or $30,680 (Utah Department of Workforce Services Data) per year. Total estimated payroll during the 8 year construction period is $46,056M-47,492M. This equates to approximately 25% - 26% of the total overall costs. National averages range between 30% - 35% of total construction costs. It is safe to assume based on the multiplier and national average ranges, the estimated number of workers and payroll is accurate. The remaining 74% - 75% of the construction costs will be used for materials and overhead.

It is reasonable to expect that construction workers will spend a typical portion of their wages in Lehi City for food, clothing, recreation, transportation and housing which will generate sales and use tax as well as personal and real property tax revenue. There is no way to determine how much of the building materials will be purchased from within Lehi City but it is reasonable to expect that all material will come from within the state therefore providing sales tax revenue to the state and local economies.

Direct Employment

According to Cornet Global the average professional office development will employ an average of 600 - 675 employees. This is an average of 200sqft per person minus common area of 10% - 20%. Wages vary greatly based on type of business located in the professional office space. On the lower end would be telemarketing companies paying $14.46 per hour or $30,080 annually. The upper end would be software developers averaging $45.74 per hour or $95,150 annually. There is a potential of 5 new professional office spaces employing 4,000 employees. New car dealerships provide approximately 69 full-time jobs. This ranges from sales representatives, after market and warranty sales, service department, mechanics and executive management. The average wage according to the National Auto Dealers Association (NADA) is $69,000 per employee. Based on size of property, there could be up to three dealerships employing 207 employees. Hotel, restaurant and retail will be lower wage and part time positions. Average wage will be $10.25 - $10.75 per employee part time with no benefits. Average annual income of $22,000 annually. Employee count ranges from 450 – 600 lower wage employees. The average per capita income for Utah County is $36,215 showing the majority of the wages far exceeds the county average wage.

Direct Purchases of Supplies and Services

It is anticipated that the development opportunities locating with the Project Area will directly purchase goods and services from the surrounding established businesses. Based on historical trends, the land developers utilize local contractors who source out of Utah. During the development phase, it's anticipated the developers will utilize Utah companies to source goods and materials for building. Upon completion, businesses need to purchase goods and service to run their business. It is anticipated that professional office space will utilize local merchants for goods and services. This could include lease copiers, lease office furniture, office supplies, computers, networking assistance, internet, etc. While the majority of a dealership's product is cars that are purchased from out of state, all other items needed to run the business could be purchased locally or along the Wasatch front. This includes tools, fuel, office supplies, meals, etc. All other proposed development will most likely utilize local sourced goods and services for their businesses. It is induced there will be a direct and in-direct impact to the local economy through job and income generation and wages being spent in the local economy. Direct jobs also create secondary or support jobs that are viewed by a multiplier or the multiplier effect. The multiplier number shows the economic impact to an area is much larger than just the direct jobs or impact created.

Impact on Other Taxing Entities

The formation of the Meadow Pointe Community Reinvestment Area authorizes the Redevelopment Agency to enter into an Interlocal Agreement with all public entities who have a tax levy to temporarily divert tax increment from the taxing entities to the Agency. The taxing entities agree via the Interlocal Agreement to give a portion of the real and personal property tax and sales and use tax generated from the new development to the agency for a set time and amount that can then be used as an incentive to the developer or for project costs within the Project Area. Per the agreement the Redevelopment Agency would like to enter into an interlocal agreement with Lehi City for 50% personal and real property and collected sales and use tax only for the project. The sales and use tax calculation will be 50% of what the city collects, not what the business generates. All other taxing entities will not be asked to provide any personal and real property tax. The analysis indicates the overall sales and use tax and personal and real property tax generated from the Project Area to be approximately $36M for 20 years. The Agency is proposing a 50% participation from Lehi City for personal and real property and sales and use taxes generated by the development for the sooner of a 20-year period or until all development costs are covered. This would provide $4,927,299 (based on the budget) in tax increment to the Agency. There will be a 5% administrative fee associated with this CRA. The total TIF to include incentive, admin fee and housing is $6,019,890.15 (based on the budget projections and set agreement amounts). This incentive will be utilized by the development and Lehi City to cover public infrastructure and land acquisition costs needed to develop the project site and an incentive for locating multiple new car dealership in Lehi City. The actual tax increment generated is dependent on personal and real property generation through development of hotels, restaurants, retail, professional office space development and car sales and service department revenues. Per the 2011 Development Agreement the Agency is responsible to finance the installation of the public infrastructure identified in the 2011 Development Agreement insofar as sufficient increment is generated within the Project Area. The car dealership will receive a credit of $250,000 for impact fees per dealership not to exceed $750,000. Upon completion of the agreed Interlocal Agreements, Lehi City will receive the benefit of increase in the remaining taxes collected.

Conclusion

Lehi City Redevelopment Agency is proposing utilizing a portion of the new sales and use tax and personal and real property tax increment generated as an incentive to the developer. This requires the Redevelopment Agency to install all needed infrastructure and pay for land acquisition costs in the development area as long as sufficient tax increment is generated. This project will immediately enhance and strengthen the economic base of the community and the state of Utah by broadening the sales and use tax and personal and real property values in the area. It will also enhance community safety, prosperity, peace, order and convenience to the community by taking vacant land and utilizing it to a higher and better use.

The Agency seeks to utilize the tax increment as an incentive to reimburse infrastructure costs for the development project. If not for the 2011 Development Agreement and additional incentives, the development would most likely not have occurred and would have remained vacant and produced no personal and real property or sales and use tax.

The incentive given must be weighed against the value received on a project by project basis over the life of the project. As previously stated, there will be additional economic development that increases the tax base and/or tangible and quantifiable benefits to the City as a result of this development for which a contribution/reimbursement is being sought.

In determining whether the appropriation/reimbursement is necessary to accomplish the goals of economic development, job creation and preservation, growth of tax revenues and other public purposes, the Agency should consider what would be paid every year in return for the development of the Project Area and generation of new tax revenues.

The economic benefits to the Meadow Pointe Community Reinvestment Area include:

- Total investment estimated at $180,000,000 to include land, infrastructure and building costs
- Short term construction employment of 1,501 – 1,548 workers with an estimated payroll of $46,056M - $47,492M.
- New direct employment of approximately 8,000 full and part-time jobs
- Multiplier effect of additional jobs created in the City as support services for the direct employment.
- Purchases of goods or services from local venders during and after construction
- Immediate new growth in the tax revenues due to land being developed from vacant lot to new professional office space, restaurants, hotel, retail centers, convenience store and car dealerships with service centers.
- A continued economic and commercial diversification of Lehi City and the state.

Without establishing the Meadow Pointe Community Reinvestment Area and providing tax increment assistance the Meadow Pointe concept development will not occur. The coverage of infrastructure costs and incentives are intended to move the development forward and fulfill the 2011 agreement. The alternative is to wait until the property is purchased by another developer and utilized for a lower use.

The Meadow Point Community Reinvestment Area meets all the requirements as set forth in Utah Code title: 17C-5-105 regarding the proposed Project Area. The Meadow Pointe Community Reinvestment Area in Lehi City will provide a beneficial influence upon the tax base of the City, will stimulate business and associated economic activity, and promote the public peace, health, safety and welfare of Lehi City.

There are substantial economic benefits associated with the sales and use tax and personal and real property tax increment investment to Lehi City and all other taxing entities in the Meadow Pointe Community Reinvestment Project Area.

APPENDIX D

Schedule 1

Meadow Pointe CRA
Community Reinvestment Area 2018

	Year		1	2	3	4	5	6	7	8	9	10	
Increment Property Tax	Payment Year		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
	Tax Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Tax Rate			0.001830	0.001830	0.001830	0.001830	0.001830	0.001830	0.001830	0.001830	0.001830	0.001830	
Overall Project			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Current Base Value	$	109,250,800.00	$109,250,800.00	$109,250,800.00	$109,250,800.00	$109,250,800.00	$109,250,800.00	$109,250,800.00	$109,250,800.00	$ 109,250,800.00	$109,250,800.00	$109,250,800.00	
Total Assessed Value	$	380,261,637.75	$161,506,199.06	$192,364,740.57	$234,616,539.63	$279,165,888.69	$282,165,888.69	$318,139,237.75	$355,739,637.75	$ 380,261,637.75	$380,261,637.75	$380,261,637.75	
Minus Base Year Value	$	271,010,837.75	$ 52,255,399.06	$ 83,113,940.57	$125,365,739.63	$169,915,088.69	$172,915,088.69	$208,888,437.75	$246,488,837.75	$ 271,010,837.75	$271,010,837.75	$271,010,837.75	
													Total
Total Increment Value	$	495,949.83	$ 95,627.38	$ 152,098.51	$ 229,419.30	$ 310,944.61	$ 316,434.61	$ 382,265.84	$ 451,074.57	$ 495,949.83	$ 495,949.83	$ 495,949.83	$ 3,425,714.33
Sales and Use Tax			$ 12,500.00	$ 70,000.00	$ 200,125.00	$ 280,380.25	$ 358,266.22	$ 388,713.40	$ 405,039.36	$ 422,051.02	$ 439,777.16	$ 458,247.80	$ 3,035,100.22
Total Increment Value Generated													Total
Utah County		0.000779	$ 40,706.96	$ 64,745.76	$ 97,659.91	$ 132,363.85	$ 134,700.85	$ 162,724.09	$ 192,014.80	$ 211,117.44	$ 211,117.44	$ 211,117.44	$ 1,458,268.56
Alpine School Dist		0.007167	$ 374,514.45	$ 595,677.61	$ 898,496.26	$ 1,217,781.44	$ 1,239,282.44	$ 1,497,103.43	$ 1,766,585.50	$ 1,942,334.67	$ 1,942,334.67	$ 1,942,334.67	$ 13,416,445.15
Lehi City		0.00183	$ 95,627.38	$ 152,098.51	$ 229,419.30	$ 310,944.61	$ 316,434.61	$ 382,265.84	$ 451,074.57	$ 495,949.83	$ 495,949.83	$ 495,949.83	$ 3,425,714.33
Water Conservancy Dist		0.000409	$ 21,372.46	$ 33,993.60	$ 51,274.59	$ 69,495.27	$ 70,722.27	$ 85,435.37	$ 100,813.93	$ 110,843.43	$ 110,843.43	$ 110,843.43	$ 765,637.79
Total Taxes		0.010185	$ 532,221.24	$ 846,515.48	$ 1,276,850.06	$ 1,730,585.18	$ 1,761,140.18	$ 2,127,528.74	$ 2,510,488.81	$ 2,760,245.38	$ 2,760,245.38	$ 2,760,245.38	$ 19,066,065.84
												$ 22,101,166.05
Property Tax Participation Rate by Taxing Entity			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Utah County			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Alpine School Dist			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lehi City			50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	
Water Conservancy Dist			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Property Tax Increment for Budget													
Utah County			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Alpine School Dist			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lehi City			$ 47,813.69	$ 76,049.26	$ 114,709.65	$ 155,472.31	$ 158,217.31	$ 191,132.92	$ 225,537.29	$ 247,974.92	$ 247,974.92	$ 247,974.92	$ 1,712,857.17
Water Conservancy Dist			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Increment Taxes for the Budget			$ 47,813.69	$ 76,049.26	$ 114,709.65	$ 155,472.31	$ 158,217.31	$ 191,132.92	$ 225,537.29	$ 247,974.92	$ 247,974.92	$ 247,974.92	$ 1,712,857.17
			$ 47,813.69	$ 123,862.95	$ 238,572.60	$ 394,044.90	$ 552,262.21	$ 743,395.13	$ 968,932.42	$ 1,216,907.33	$ 1,464,882.25	$ 1,712,857.17	
Sales and Use Tax			$ 12,500.00	$ 70,000.00	$ 200,125.00	$ 280,380.25	$ 358,266.22	$ 388,713.40	$ 405,039.36	$ 422,051.02	$ 439,777.16	$ 458,247.80	$ 3,035,100.22
Total Property and Sales Tax for Budget			$ 60,313.69	$ 146,049.26	$ 314,834.65	$ 435,852.56	$ 516,483.53	$ 579,846.32	$ 630,576.65	$ 670,025.93	$ 687,752.08	$ 706,222.72	$ 4,747,957.38

Use of Funds Breakdown												Total
Infrastructure Improvements	85%	$ 57,298.01	$ 124,141.87	$ 267,609.45	$ 370,474.67	$ 439,011.00	$ 492,869.37	$ 535,990.15	$ 569,522.04	$ 584,589.27	$ 600,289.31	$ 4,041,795.15
Administration Fee	5%	$ 2,390.68	$ 7,302.46	$ 15,741.73	$ 21,792.63	$ 25,824.18	$ 28,992.32	$ 31,528.83	$ 33,501.30	$ 34,387.60	$ 35,311.14	$ 234,382.18
CRA Housing 10%	10%	$ -	$ 14,604.93	$ 31,483.47	$ 43,585.26	$ 51,648.35	$ 57,984.63	$ 63,057.67	$ 67,002.59	$ 68,775.21	$ 70,622.27	$ 468,764.37

Remaining Property Tax Revenue to Entities												Total
Utah County		$ 40,706.96	$ 64,745.76	$ 97,659.91	$ 132,363.85	$ 134,700.85	$ 162,724.09	$ 192,014.80	$ 211,117.44	$ 211,117.44	$ 211,117.44	$ 1,458,268.56
Alpine School Dist		$ 374,514.45	$ 595,677.61	$ 898,496.26	$ 1,217,781.44	$ 1,239,282.44	$ 1,497,103.43	$ 1,766,585.50	$ 1,942,334.67	$ 1,942,334.67	$ 1,942,334.67	$ 13,416,445.15
Lehi City		$ 47,813.69	$ 76,049.26	$ 114,709.65	$ 155,472.31	$ 158,217.31	$ 191,132.92	$ 225,537.29	$ 247,974.92	$ 247,974.92	$ 247,974.92	$ 1,712,857.17
Water Conservancy Dist		$ 21,372.46	$ 33,993.60	$ 51,274.59	$ 69,495.27	$ 70,722.27	$ 85,435.37	$ 100,813.93	$ 110,843.43	$ 110,843.43	$ 110,843.43	$ 765,637.79
Total remaining Taxes for the Taxing Entities		$ 484,407.55	$ 770,466.23	$ 1,162,140.41	$ 1,575,112.87	$ 1,602,922.87	$ 1,936,395.82	$ 2,284,951.53	$ 2,512,270.47	$ 2,512,270.47	$ 2,512,270.47	$ 17,353,208.67

Total Overall Budget	
CRA Housing 10%	$ 468,764.37
Administration Fee 5%	$ 234,382.18
Development Incentive	$ 4,041,795.15

Total Increment Value Generated for Taxing Entities

Taxing Entity	*Length*	*Percentage*	*Total*
Utah County	10 Years	100%	$ 1,458,268.56
Alpine School Dist	10 Years	100%	$ 13,416,445.15
Lehi City	10 Years	50%	$ 1,712,857.17
Water Conservancy Dist	10 Years	100%	$ 765,637.79
Total Taxes			$ 17,353,208.67

Property Tax Increment for Budget	
Utah County	$ -
Alpine School Dist	$ -
Lehi City	$ 1,712,857.17
Water Conservancy Dist	$ -
Total Increment Taxes for the Budget	$ 1,712,857.17

Sales and Use Tax Increment for Budget	
Lehi City	$ 3,035,100.22
Total Increment Taxes for Budget	$ 3,035,100.22

Total Increment for Budget	
Lehi City	$ 4,747,957.38
Total Increment Taxes for Budget	$ 4,747,957.38

Administrative Costs	
CRA Housing Requirement at 10%	$ 468,764.37
CRA Project Area Administration 5%	$ 234,382.18
Total Costs	*$ 703,146.55*

APPENDIX E – 2011 DEVELOPMENT AGREEMENT