EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA

PLAN & BUDGET



PREPARED BY: LAYTON CITY

OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT

ADOPTED DATE: OCTOBER 18, 2007 AMENDED DATE: JULY 1, 2010

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PART I. EAST	GATE ECONO	OMIC DEVELO	OPMENT PRO	JECT AREA PLAN

INTRODUCTION

The Board of the Redevelopment Agency of Layton City has determined that it is in the best interest of the City to create an Economic Development Project Area on the east side of Hill Air Force Base. This action is being taken to grow the local and regional economy by creating jobs and sustaining Hill Air Force Base. This plan is in compliance with Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies, of the Utah State Code.

This plan recommends that industrial, open space, business and research uses be developed in the area. The project area shall be known as the East Gate Economic Development Project Area (Project Area).

SECTION 1 - Boundaries of the Economic Development Project Area

A map of the Project Area is attached and incorporated herein by this reference as Exhibit "A".

The Legal Description of the Project Area is attached and incorporated herein by this reference as Exhibit "B".

Certain portions of the Project Area are outside the City's boundary and are unincorporated Davis County. According to the State Code Title 17C, Chapter 1, Section 204 this land may be included in the Project Area. This section of the Code states:

17C-1-204. Urban renewal, economic development, and community development by an adjoining agency — Requirements.

- (1) An agency or community may, by resolution of its board or legislative body, respectively, authorize an agency to conduct urban renewal, economic development, or community development activities in a project area that includes an area within the authorizing agency's boundaries or within the boundaries of the authorizing community if the project area or community is contiguous to the boundaries of the other agency.
- (2) If an agency board or community legislative body adopts a resolution under Subsection (1) authorizing another agency to undertake urban renewal, economic development, or community development activities in the authorizing agency's project area or within the boundaries of the authorizing community:
- (a) the other agency may act in all respects as if the project area were within its own boundaries;
- (b) the board of the other agency has all the rights, powers, and privileges with respect to the project area as if it were within its own boundaries; and
- (c) the other agency may be paid tax increment funds to the same extent as if the project area were within its own boundaries.
- (3) Each project area plan approved by the other agency for the project

area that is the subject of a resolution under Subsection (1) shall be adopted by ordinance of the legislative body of the community in which the project area is located.

The City will collect Tax Increment from the entire Project Area, including areas that are outside the City limits. A map and legal description of the portion of the Project Area that is outside the City limits are attached and incorporated herein by this reference as Exhibit "C". The resolution from the County authorizing the Agency to include the specified County land in the Project Area is also contained in Exhibit "C". Layton City will be responsible for maintaining all development in unincorporated Davis County.

SECTION 2 - Project Area Characteristics and How They Will be Affected by Economic Development

A. Land Uses in the Project Area

Land uses in the area will be directly consistent with the officially adopted zoning ordinances of Layton City. The following zones exist in the Project Area: (a) Agriculture; (b) Professional Business; (c) Manufacturing; (d) Business/Research Park; and (e) Commercial. There will be no new retail construction permitted in the Project Area, except supportive services for businesses in the Project Area. Smaller retail operations such as restaurants, copy shops, etc. will be allowed in the project area.

The current land uses in the Project area are commercial (12.3%); office (1.4%); agriculture / open space / undeveloped land (86.3%).

Land uses in the Project Area will be affected by future developments. Demolition of existing buildings will be minimal though may be required. Most development will be the construction of new buildings as most of the land in the area is undeveloped. The current uses of existing buildings will largely remain the same with no changes. There will be a large increase in commercial development. All anticipated uses will be consistent with the General Plan of Layton City.

B. Layout of Principal Streets in the Project Area

All principal streets in the Project Area are shown on the Land Use map attached as Exhibit "A". The infrastructure in the Project Area is an integral component of the Plan. Infrastructure will be a catalyst for development as much of the area is not currently accessible. Tax Increment generated from the Project Area will go almost exclusively to infrastructure installation and improvements.

Layton City anticipates that the Project Area could affect the existing infrastructure as follows: (a) one or more of the existing streets will be improved; (b) one or more new streets will be constructed to further development objectives;

(c) intersections may be improved or altered to ensure maximum efficiency for traffic flow and to increase traffic capacity in the Project Area.

C. Population in the Project Area

The Project Area has no residential buildings and though there are small residential zones in the Project Area this plan and the City's General Plan do not allow for any residential uses. Near the Project Area there is a mobile home park and some single-family dwellings. These residences are outside the Project Area and will not be mixed with the proposed development.

The daytime population, workers who work for firms in the Project Area, will be affected by development. Development in the Project Area will bring more workers into the Project Area during the daytime hours.

D. Building Intensities in the Project Area

The building intensities within the boundaries of the Project Area were analyzed. It is expected that the building intensities within the project area will be affected in the following ways:

- 1. New manufacturing, office, industrial and research buildings will need to be constructed. Some existing buildings will be remodeled or renovated or may be demolished with new manufacturing, office, industrial and research buildings being the focus of development and redevelopment.
- 2. It is anticipated that the Project Area will transition from lower density commercial and agricultural use to an area of more intense commercial and office uses. This change will increase the daytime population.
- 3. Infrastructure installation will open up land in the Project Area that had not previously been accessible and developable. This will allow development to occur throughout Project Area.

SECTION 3 - Standards That Will Guide Economic Development

A. Development Objectives

The following objectives will be pursued in order to create a more viable Project Area:

1. Promote and market the Project Area for development or redevelopment that will enhance the economic health of the community through diversification of the City's tax base, create a dynamic Industrial/Business Park that will be a large job base and establish infrastructure that will better accommodate mobility throughout the Project Area.

- 2. Assist in the expansion, rehabilitation, or construction of buildings if sound long-term economic activity can be increased thereby.
- 3. Encourage development through the assembly of land into reasonably sized and shaped parcels for expanded economic activity.
- 4. Provide utilities, streets, curbs, sidewalks, parking areas and landscaping to give the area an improved look and to attract and encourage expanded business activity.
- 5. Coordinate and improve the public transportation system, including streets and public transit services.

B. Design Objectives

Subject to the development objectives and other provisions of this Plan, owners and developers will be allowed flexibility in the development of land located within the Project Area and will be expected to achieve to the highest quality design and development. Each development proposal will be considered subject to: (1) appropriate elements of the City's General Plan; (2) the planning and zoning code of the City; (3) other applicable building codes and ordinances of the City; (4) a review and recommendation by the City Planning Commission; and (5) a review and recommendation by the Agency to ensure that the development is consistent with this Plan. A review of development proposals may also be made by an advisory design review committee established by the Agency. If the Agency or an advisory design review committee reviews the proposal they will have no more than three weeks to make a review and recommendation concerning the proposal. All reviews will be done before the Planning Commission reviews the proposal.

Each development proposal by an owner or developer will be accompanied by site plans, development data and other appropriate material that clearly describes the extent of the proposed development, including land coverage, setbacks, heights and bulk proposed, off-street parking to be provided, use of public transportation, and any other data determined to be necessary or requested by the City or the Agency.

The general design of specific projects may be developed or approved by the Agency in cooperation with the Planning Commission. The particular elements of the design should be such that the overall development of the Project Area will:

- 1. Provide an attractive environment.
- 2. Blend harmoniously with the adjoining areas.

- 3. Provide for the optimum amount of open space and well-landscaped area in relation to new buildings.
- 4. Provide surface parking area and structures and structures parking facilities, appropriately designed, screened and landscaped to blend harmoniously with the area.
- 5. Provide open spaces and pedestrian walks which are oriented to the directions of maximum use and designed to derive benefit from land use relationships and views.
- 6. Result in the development of land within the Project Area in such a manner that available off-street parking will be maintained to the maximum degree.
- 7. Comply with the provisions of this plan.

C. Specific Design Objectives

- 1. Building Design Objectives:
 - a. New buildings shall be of design and materials that will be in harmony with the adjoining area and other new developments, and shall be subject to design review and approval by the Agency.
 - b. The design of buildings shall take optimum advantage of available views and topography and shall provide, where appropriate, separate levels of access.
 - c. Buildings within the Project Area should be designed to be aesthetically pleasing.

2. Open Space Objectives:

- a. Attractively landscaped open spaces shall be provided, which will offer maximum usability to occupants of the building for which they are developed.
- b. Where feasible and appropriate to scale landscaped, paved, and graded pedestrian walks should be provided along the lines of the most intense use, particularly from building entrances to streets, parking areas, and adjacent buildings on the same site.
- c. Materials and design paving, retaining walls, fences, curbs, benches, and other items, should be of good appearance, easily maintained, and indicative of their purpose.

d. The location and design of pedestrian walks should afford maximum safety and separation from vehicular traffic and should recognize desirable views of new and existing development in the area.

3. Parking Design Objectives:

- a. Parking areas shall be designed with careful regard to orderly arrangement, topography, relationship to view, ease of access, and as an integral part of the overall site design.
- b. Multi-story parking is allowed, in accordance with City ordinances and regulations.

4. Landscape Design Objectives:

- a. A coordinated landscaped design over the entire Project Area incorporating landscaped treatment for open space, roads, paths, and parking areas into a continuous and integrated design shall be a primary objective.
- b. Primary landscape treatment shall consist of shrubs, ground cover, and shade trees as appropriate to the character of the Project Area and as determined by the City and the Agency.

5. Project Improvement Design Objectives:

- a. Public rights-of-way. All streets, sidewalks and walkways within public rights-of-way will be designed or approved by the City and be consistent with all design objectives.
- b. Street lighting and signs. Lighting standards and signs of pleasant appearance and modern illumination standards shall be provided as necessary as approved by the City.

D. Techniques to Achieve Project Area Plan Objectives

Possible activities contemplated in carrying out the Plan in the Project Area include the acquisition, clearance, construction, or rehabilitation of properties in the Project Area.

- 1. Acquisition and Clearance: Parcels of real property located in the Project Area may be acquired by purchase at fair market value.
- 2. Construction: New construction may be initiated in order to encourage additional private sector building and investment.

- 3. Rehabilitation: Properties determined to be in substandard condition by the Agency and not otherwise intended for development may be sufficiently rehabilitated to insure a reasonable remaining economic life.
- 4. Implementation of Projects: The Agency shall have the right to approve the design and construction documents of all development with the Project Area to ensure that all development within the Project Area is consistent with this Project Area Plan. The City shall notify the Agency of all requests for (1) zoning changes; (2) design approval; (3) site plan approval; and (4) building permits within the Project Area. Projects within the Project Area shall be implemented as approved by the Agency and the City.

SECTION 4 - How the Purposes of State Law Would Be Attained by Economic Development

It is the intent of the Agency, with the assistance and participation of private owners, to encourage and accomplish appropriate development within the Project Area by methods described in this Plan. This includes the installation and improvement of infrastructure in the Project Area. The Agency reserves the right to remove buildings or structures, to construct new buildings, facilities, to purchase land, and to use incentives to maximize appropriate development beneficial to Layton City. By these methods, the private sector should be encouraged to undertake new development or redevelopment which will strengthen the tax base of the community in furtherance of the objectives set forth in this Plan.

SECTION 5 - How the Plan is Consistent with the City's General Plan

This Plan is consistent with and the proposed development conforms the City's General Plan in the following respects:

A. Zoning Ordinances

The property within the Project Area is currently zoned for Agriculture (A, A-1); Business/Research Park (B-RP); Professional Business (PB); Commercial (CP-1, C-H); and Residential (R-1-8). The proposed development is permitted under the current zoning classifications of the City. If any zoning changes are required, such changes will be submitted to the City for consideration and approval. There is some residential zoning in the Project Area but no residential structures. All residential zoning in the Project Area is in the City's General Plan as being zoned for Business/Research Park.

The City General plan envisions the entire project area as being Business/Research Park, Commercial, Agriculture and Manufacturing. The City has pursued this zoning to support the development proposed in this Plan.

B. Building Codes

The construction of all new buildings and improvements and the rehabilitation of any existing buildings or improvements will be done in accordance with the standards set forth in the General Plan of the City and in accordance with the Building Codes adopted by or applicable to the City. All building permits for construction or rehabilitation will be issued by the City in order to assure that new development or redevelopment is consistent with the General Plan of the City.

C. Planning Commission

This Plan is consistent with the General Plan of the City which encourages viable commercial centers and the development of an Industrial/Business Park in the Project Area. The Planning Commission must review this Plan for it to be valid.

SECTION 6 - Description of how the Economic Development will create Additional Jobs

A description of how the economic development will create jobs is in the Economic Benefit Analysis which is attached and incorporated herein as Exhibit "D".

SECTION 7 - Description of the Specific Projects that are the Object of the Proposed Economic Development

The Agency believes on the basis of input received by the Agency from owners of real property within the Project Area that a number of development projects may be undertaken by private owners to accomplish the purposes of this Plan. Specific projects will include development that supports the mission of Hill Air Force Base. Infrastructure will need to be installed to facilitate any development. The Infrastructure will open all areas of the Project Area for development.

The Agency will use Tax Increment primarily for the construction of infrastructure and other improvements throughout the Project Area. The Agency believes that increasing access through the Project Area will make the area more attractive to firms and developers looking to locate to the area.

SECTION 8 - Ways in Which Private Developers Will be Selected to Undertake the Economic Development

A. Selection of Private Developers

The Agency desires owners of real property in the Project Area to undertake development of their property and contemplates that owners will take advantage of the opportunity to develop their property. In the event that owners do not wish to participate in development or redevelopment in compliance with the Plan, the Agency reserves the right pursuant to the provisions of the Act to acquire parcels,

to encourage other owners to acquire other property within the Project Area, or to select non-owner developers by private negotiation, public advertisement, bidding or solicitation of written proposals, and by so doing encourage or accomplish the desired development of the Project Area.

B. Identification of Developers Who Are Currently Involved in the Proposed Development

The Agency has been contacted by or has been in contact with developers and current property owners within the Project Area. Several developers have inquired concerning the Project Area. Grandview Corporate Center, LLC and East Layton, LLC are both landowners in the Project Area. They are not working directly with the Agency but have taken various steps to develop land in the Project Area.

- 1. Qualified Owners: The Agency shall first permit qualified owners within the Project Area to participate as developers in the development of the Project Area.
- 2. Other Parties: Regarding all or any portion of the Project Area, if owners in the Project Area do not propose development projects, or do not possess the necessary skill, experience and financial resources, or are not willing or able to appropriately develop all or part of the project Area, the Agency may identify other qualified persons who may be interested in developing all or part of the Project Area. Potential developers may be identified by one or more of the following processes: (1) public solicitation, (2) requests for proposals (RFP), (3) requests for bids (RFB), (4) private negotiation, or (5) some other method of identification approved by the Agency.

SECTION 9 - Reasons for the Selection of the Project Area

For the following reasons the Agency has selected this site for the location of the Project Area:

- The Project Area has specific economic advantages because of its location to Hill Air Force Base. The development proposed in this Plan will provide support to the base.
- With infrastructure installments the Project Area will become a vibrant economic quadrant within the City.
- This location offers easy access to a variety of transportation means.
- The Project Area is one of the last remaining Greenfield sites in all of Davis County. The Agency wants to ensure this project is developed in the most efficient manner possible.

- Northern Davis County is in need of life sustaining jobs, this site will be able to support multiple firms that will be bringing high paying jobs to the community.
- This location offers the flexibility and zoning to house a variety of industries.
- The Project Area is one of the last areas in the City where a successful industrial/business park could be located. Most Greenfield areas in Layton are surrounded by housing. There are houses near the Project Area, but they are limited and there is a natural separation between the proposed development and residential structures. The majority of the Project Area is surrounded by Hill Air Force Base and the Wasatch Integrated Waste Management District's garbage disposal facilities.

SECTION 10 - Description of the Physical, Social and Economic Conditions Existing in the Area

A. Physical Conditions

The Project Area consists of 676 acres including public streets. All of the land in the Project Area is privately or quasi-publicly owned, and there is no public land. The majority of the property is undeveloped and there are no public roads to most of the land.

The southwest portion of the Project Area is the only part of the Project Area that has experienced significant development. This area is zoned M-1, light manufacturing, and most businesses in this area are conforming to the M-1 zoning requirements. This area does have some older buildings that may need to be rehabilitated or demolished.

The Sun Hills Golf Course is located in the middle of the Project Area. The Golf Course does have a clubhouse, which is in good shape. The Golf Course will remain open space unless the owner decides to develop the property.

With the exception of one office building in the southeast corner of the Project Area these mentioned developments are the only developments in the Project Area. The remaining portions of the Project Area are undeveloped.

B. Social Conditions

There are no residential structures in the Project Area. There are some commercial buildings in the Project Area that provide jobs. Jobs in the area are generally mixed in pay. The companies that provide jobs in the Project Area are mostly industrial related. There are some firms that do provide higher paying office jobs.

C. Economic Conditions

The land in the Project is largely underutilized. Though some small pockets of the Project Area have been developed, most of the land is undeveloped. The Project Area's location near the Hill Air Force Base make it ideal for industrial/business related development.

The Project Area has remained undeveloped because the needed infrastructure is costly. With the proper infrastructure in place the area will become economically viable and able to support the developments which this plan propose.

SECTION 11 - Description of any Tax Incentives Offered to Private Entities for Facilities Located in the Project Area

Subject to the establishment of the Project Area, the following generally describes tax or other incentives which the Agency intends to offer within the Project Area to developers in consideration for constructing and operating the proposed development.

The Agency may use the City's share of any property tax collections and may under certain conditions use capital improvement funds along with Tax Increment generated from the Project Area to help pay for costs associated with the development of the Project Area. These funds may be used for such items as public infrastructure improvements and installations, Agency requested off-site improvements and upgrades and on-site upgrades, land write downs, desirable Project Area improvements and other items as approved by the Agency. Payment to the developer shall be made through an agreement between the Agency and the City or the Agency and the developer. Except where the Agency issues bonds or otherwise borrows or receives funds, the Agency expects to pay the City or developer for the agreed upon amount. Subject to the provisions of the Act, the Agency may agree to pay for eligible costs and other items from taxes for any period of time the Agency may deem to be appropriate under the circumstances.

SECTION 12 - Analysis of the Anticipated Public Benefit to be Derived from the Economic Development

A description of how the economic development will create jobs is in the Economic Benefit Analysis, which is attached as Exhibit "D".

SECTION 13 - National or State Register of Historic Places

There are no buildings or places in the Project Area that are on or eligible for the National or State register of historic places.

SECTION 14 - Owner Participation

This Plan provides for reasonable opportunities to participate in the development of property in the Project Area by the owners of property in the Project Area. The Agency has previously adopted an Owner Participation Plan, copies of which may be obtained from the office of the Agency upon request.

SECTION 15 - Relocation Plan

This Plan does not include any plans, or participation on the part of the RDA, for the relocation of any residents or businesses. The relocation process will be managed by the private sector.

SECTION 16 - Eminent Domain

The use of eminent domain as part of this plan is limited and will only be use in accordance with Utah State Code Title 17C, Chapter 1, Section 206.

SECTION 17 - Amending Plan and Budget

The Agency may amend or modify this Plan or Budget at any time in accordance with the State Code Title 17C, Chapter 3, Sections 109 and 205.

SECTION 18 - Project Financing

A. Financial Sources

As described in PART II. THE EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA BUDGET, the following sources will be contributing to development in the Project Area.

1. Private Entities:

Private entities will be responsible for financing their respective developments.

2. Layton City:

Where feasible Layton City will appropriate funds to improve and install infrastructure in the Project Area. The City does not have the financial resources to allocate significant financial resources to the area. The City will participate as budgetary constraints allow. The City will contribute resources, aside from Tax Increment received from the Project Area, to support the development proposed by this Plan.

3. Tax Increment:

This Plan specifically incorporates the provisions of Tax Increment Financing permitted by the State Code Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies. This money will primarily be used to improve and install infrastructure and other improvements in the Project Area.

The property tax increments shall be set forth in Section 18 B. Briefly stated. the tax increments that will be available under this Plan are determined in the following manner. After this Plan is adopted, the total taxable value of the property within the Project Area is determined using the last taxable values shown on the last equalized assessment roll prior to adoption of the Plan. This provides a base figure. To the extent the taxable values of property within the Project Area increase above this base figure, application of prevailing tax rates to the increased value above the base figure yields "tax increment." These tax increments arise only with respect to property located in the Project Area. Other taxing entities continue to be entitled to receive the tax revenues that result from application on prevailing tax rates to the base figure of the taxable value, so long as the total of taxable values in the Project Area exceed the base figure. The tax increments are made available for financing and assisting with the financing of development within the Project Area. Such financing can be accomplished through the use of tax increment bonds or other borrowing. These bonds or other borrowing are retired using the tax increments generated from increased taxable values within the Project Area. Bond holders and other creditors have no recourse against anything but such tax increments for payment of such bonds or other borrowing to the extent such bonds or other borrowing are based solely on tax increments. In particular, they have no claims against City funds.

The Agency is authorized to issue bonds if appropriate and feasible in an amount sufficient to finance all or any part of the project.

The Agency is authorized to obtain advances, to borrow funds and to create indebtedness in carrying out the plan. The principal, interest on such advances, funds, and indebtedness may be paid from tax increments or any other funds available to the Agency.

B. Tax Increment and Plan Duration:

The following is an estimate of the total amount of tax increment that will be expended in undertaking economic development and the length of time for which it will be expended.

The Agency has elected to collect 90 percent of the annual tax increment from the Project Area. This includes Property and Personal Property taxes. The Agency will collect 90 % tax increment from the Davis School District and the State

School Board for a period of 15 years commencing from the first tax year the Agency accepts tax increment for the entire project area. The Agency will collect 90% tax increment from all tax entities, except the School District and State School Board, in the Project Area for a period of 25 years commencing from the first tax year the Agency accepts tax increment for the entire project area. The City will start receiving Tax Increment Financing from all Taxing Entity's in the same year.

The Agency must commence implementation of this Plan within *five* (5) years after the date the plan is adopted. The Agency has selected 2006 as a base year for Tax Increment Financing calculations. The Agency will review the Plan at least every five years to assess how development is in line with the requirements and timeline of the Plan. The Agency will hold a Taxing Entity Committee meeting annually to insure that all funds are needed for completion of the items in the Budget.

PART II. EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA BUDGET

EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA BUDGET

ADOPTED DATE: AMENDED DATE: October 18, 2007 July 1, 2010

LINE ITEM EXPENDITURES

Project Area Improvements: 100% of Tax Increment Received

Project Area Improvements Include:

Infrastructure
INFRASTRUCTURE EXPENDITURES TO BE PAID BY TAX

INCREMENT FINANCING FROM PROJECT AREA:

Expenditures to be paid by Tax Increment for infrastructure include: The improvements and extension of Fairfield Road as, it extends north and then east around the Sun Hills Golf Course: The extension of 1700 East as, it extends north and then weat as it extends around the Sun Hills Golf Course to connect into the

Fairfield Road extension; utilities that will support future development; detention improvements to support development inFRASTRUCTURE EXPENDITURES TO BE PAID BY PRIVATE PARTIES.

Expenditures to be paid by private parties for infrastructure include: Greyhawk Commercial Church Street Extension.

Egymentores to be gent by Leyton City, for intrastructure include. The 2006 Enterior of Fairfield Road: Construction of Sin Brinth from Fairfield Road: to the East Gate of dill Air Finze Road.

Land Assemblage:

Tax Increment could be used to purchase parcels of land from property owners in the Economic Development Project Area. Tax Increment will be used for land purchase only when in line with the vision and goals of the Project Area Plan.

Economic Development Incentives:

Tax Increment will be used for economic development incentives.

Administration:

No more than three (3) percent of Tax Increment received on an annual basis will be used for administration of the Project Area Plan and Budgel.

TAXING ENTITIES IN THE PROJECT AREA, TAX RATES AND CONTRIBUTION

GOVERNMENTAL AGENCY		TAX RATE*	ESTIMATED CONTRIBUTION TO EDA	% OF TOTAL
DAVIS SCHOOL DISTRICT		0.00579	\$9,263,939	31%
DAVIS COUNTY		0.002003	\$7,007,275	23%
LAYTON CITY		0.002092	\$7,320,862	24%
MOSQUITO ABATEMENT		0.000086	\$299,605	1%
NORTH DAVIS SEWER DISTRICT		0.000763	\$2,669,416	9%
STATE ASSESING AND COLLECTION		0.000139	\$486,995	2%
WEBER BASIN WATER CONSERVANCY DISTRICT		0.000178	\$663,688	2%
STATEWIDE SCHOOL RATE		0.001515	\$2,432,07 <u>4</u>	8%
	TOTAL=	0.012566	\$30,143,854	100%

*2006 Certified Tax Rates

PROJECTS FUNDED INCLUDE

The Agency has elected to collect 90 percent of the ahnual tax increment from the Project Area. This includes Property as increment. The Agency will collect 90% tax increment from the Davis School District and the State School Board for a period of 15 years commencing from the first tax year the Agency accepts tax increment for the entire Project Area. The Agency will collect 90% tax increment from all tax entities, except the School District and State School Board, in the Project Area for a period of 25 years commencing from the first tax year the Agency accepts tax increment for the entire project area. The Agency has selected 2006 as a base year for Tax Increment Financing calculations.

TIMELINE FOR EXPENDITURES AND TAX INCREMENT FINANCING

2006 BASE VALUE OF TOTAL LAND=
"This amount was received from the Davis County Assessors office for the property value of land in the Project Area.

\$30,594,080 *

YEAR ONE ESTIMATED TIF RECEIVED \$186,055 PROJECTS FUNDED INCLUDE: YEAR TWO ESTIMATED TIF RECEIVED= \$270,443 PROJECTS FUNDED INCLUDE: YEAR THREE ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE: \$367,489 YEAR FOUR ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE: \$479,091 YEAR FIVE ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE: \$607,434.00 ESTIMATED TIF RECEIVED= \$755.028 PROJECTS FUNDED INCLUDE: YEAR SEVEN ESTIMATED TIF RECEIVED= \$924,761 PROJECTS FUNDED INCLUDE: YEAR FIGHT ESTIMATED TIF RECEIVED= \$1,119,955

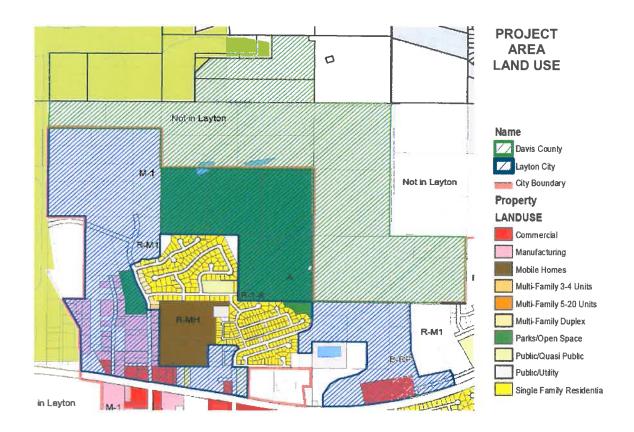
YEAR NINE ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$1,344,427
YEAR TEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$1,602,570
YEAR ELEVEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$1,899,435
YEAR TWELVE ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$2,240.829
YEAR THIRTEEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$2,345,524
YEAR FOURTEEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$2,454,406
YEAR FIFTEEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$2,567,643
YEAR SIXTEEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$905,412
YEAR SEVENTEEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE	\$956,690
YEAR EIGHTEEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$1,010,018
YEAR NINETEEN ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$1,065,480
YEAR TWENTY ESTIMATED TIF RECEIVED≈ PROJECTS FUNDED INCLUDE:	\$1,123,160
YEAR TWENTY-ONE ESTIMATED TIF RECEIVED≔ PROJECTS FUNDED INCLUDE:	\$1,183,148
YEAR TWENTY-TWO ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$1,245,535
YEAR TWENTY-THREE ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$1,310,417
YEAR TWENTY-FOUR ESTIMATED TIF RECEIVED= PROJECTS FUNDED INCLUDE:	\$1,377,895
YEAR TWENTY-FIVE ESTIMATED TIF RECEIVED≃ PROJECTS FUNDED INCLUDE:	\$1,448,072

Estimated Grand Total of Tax Increment to be Received:

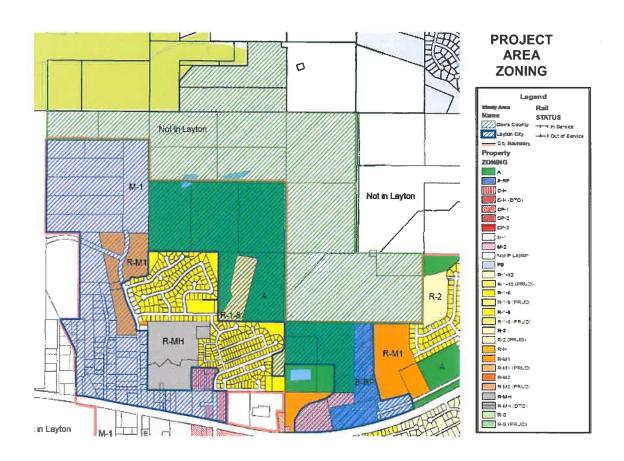
\$30,790,917

EXHIBIT A.

Map of the Project Area including Land Uses, Zoning and Principal Street Layout



21



PROJECT AREA PRINCIPAL STREET LAYOUT

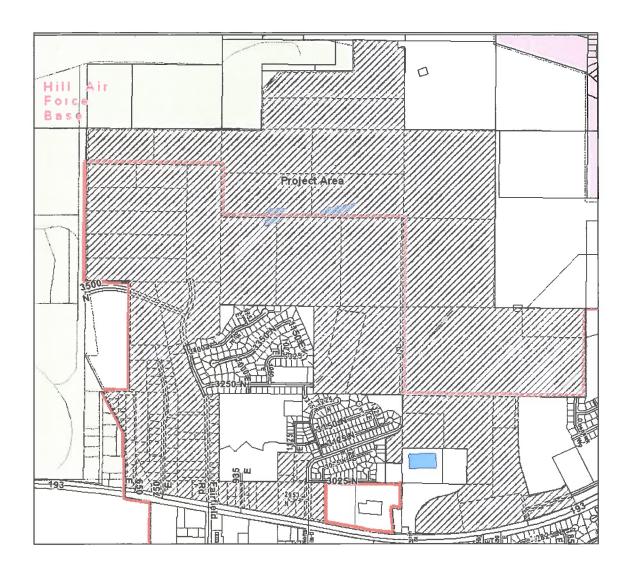


EXHIBIT B. Legal Description of the Project Area

BEGINNING AT A POINT WHICH IS N 82^10'34" W 274.078 FEET FROM THE SOUTHWEST CORNER OF SECTION 2, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE S 26^46'49" E 147.313 FEET, THENCE S 11^52'45" E 185.927 FEET, THENCE S 78^55'30" W 2364.885 FEET, N 00^04'04' E 229.227 FEET, THENCE N 55^43'09" E 751.202 FEET, THENCE N 55°03'49" E 179.106 FEET, THENCE N 00°00'00" E 529.871 FEET, THENCE N 89^37'17" W 965.036 FEET, THENCE S 00^05'25" W 231.37 FEET, THENCE N 89⁵⁶13" W 238.173 FEET 00^16'41" N 392.141 FEET, THENCE N 55^18'54" E 288.449 FEET, THENCE N 00^05'16" E 465.647 FEET, THENCE N 89^37'47" W 1297.955 FEET, THENCE N 00^08'31" E 1310.51 FEET, THENCE N 89^46'40" W 1384.588 FEET, THENCE S 00^44'47" E 436.465 FEET, THENCE S 51^13'58" W 55.375 FEET, THENCE S 84^35'50" W 66.181 FEET, THENCE S 75^25'01" W 103.68 FEET, THENCE N 83^41'14" W 119.325 FEET, THENCE S 33^16'34" W 65.78 FEET, THENCE S 69^22'25" W 108.083 FEET, THENCE S 53^05'00" W 82.324 FEET, THENCE S 20^02'39" E 81.716 FEET, THENCE N 81^12'39" E 11.461 FEET, THENCE S 14^09'03" E 209.538 FEET; THENCE S 24^21'22" E 438.406 FEET, THENCE S 15^54'33" E 98.768 FEET, THENCE S 03^49'05" E 104.029 FEET, THENCE N 86^56'47" E 216.851 FEET, THENCE S 00^06'16" W 1120.811 FEET, THENCE S 89^24'00" E 881.884 FEET, THENCE N 09^12'39" W 101.274 FEET, THENCE N 00^08'23" E 341.274 FEET, THENCE S 88^28'04" E 503.358 FEET, THENCE S 28^49'59" E 76.533 FEET, THENCE S 22^46'31" W 285.345 FEET, THENCE S 01³0'52" W 100.199 FEET, THENCE S 89⁴6'21" E 263.947 FEET, THENCE S 00^07'01" W 607.153 FEET, THENCE N 79^46'52" W 197.124 FEET, THENCE N 79^39'16" W 1508.307 FEET, THENCE S 88^09'31" W 62.157 FEET, THENCE N 79^37'09" W 1033.734 FEET, THENCE N 83^48'59" W 167.741 FEET, THENCE N 01^23'50" W 842.608 FEET, THENCE N 27^06'10" W 667.248 FEET, THENCE S 89^34'14" E 375.6 FEET, THENCE N 00^08'26" E 1642.56 FEET, THENCE N 90^00'00" W 657.329 FEET, THENCE N 00^01'40" E 2281.95 FEET, THENCE N 89^55'10" E 2576.982 FEET, THENCE N 00^42' 17" W 584.217 FEET, THENCE N 43^08'58" E 395.836 FEET, THENCE N 89^51'19" E 1063.987 FEET, THENCE N 00^20'35" W 456.518 FEET, THENCE N 89^39'25" E 659.006 FEET, THENCE S 00^20'35" E 114.129 FEET, THENCE S 88^22'05" E 106.83 FEET, THENCE S 00^26'29" W 1218.654 FEET, THENCE S 89^59'09" E 1348.39 FEET, THENCE S 00^10'49" W 2643.212 FEET, THENCE S 89^45'28" E 1346.493 FEET, THENCE S 00^18'03" W 1329.666 FEET, THENCE N 89^28'34" W 971.978 FEET, THENCE S 01^22'04" E 968.304 FEET, THENCE S 15^47'10" E 520.265 FEET, THENCE N 76^33'52" E 470.486 FEET, THENCE N 52^22'45" E 96.802 FEET TO THE POINT OF BEGINNING.

CONTAINS APPROXIMATELY 675.60 ACRES.

EXHIBIT C.

A Resolution from Davis County Authorizing the Agency to include County Land in the Project Area Under State Code (17C-1-204) Including a Map and Parcels of the Portions of the Project Area that are not in Layton City Boundaries.

RESOLUTION 07-277

A RESOULTION BY THE DAVIS COUNTY COMMISSION AUTHORIZING A PORTION OF UNINCORPORATED DAVIS COUNTY FOR USE BY LAYTON CITY IN AN ECONOMIC DEVELOPMENT PROJECT AREA.

WHEREAS, the Davis County Commission supports economic development that creates life sustaining jobs throughout Davis County; and

WHEREAS, the Davis County Commission is aware that Layton City is desirous to use a portion of unincorporated Davis County in the East Gate Economic Development Project Area; and

WHEREAS, the East Gate Economic Development Project Area will serve to bring life sustaining jobs to Davis County; and

WHEREAS, the Utah State Code governing Economic Development Project Areas (17C-1-204) allows a community to use contiguous property outside its boundaries if the legislative body of the community in which the land lies gives its approval; and

WHEREAS, Layton City will be responsible for all public services to new developments that occur in the East Gate Economic Development Project Area whether the land is in Layton City or unincorporated Davis County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DAVIS COUNTY AS FOLLOWS:

- As permitted by 17C-1-204 UCA Davis County does hereby authorize Layton City to include certain portions of unincorporated Davis County in the East Gate Economic Development Project Area.
- 2. Layton City may act in all respects as if the project area located in the unincorporated area of Davis County were within its own boundaries.
- Layton City by this Resolution has all the rights, powers, and privileges with respect to the project area located in the unincorporated area of Davis County as if it were within its own boundaries.
- Layton City may be paid tax increment funds to the same extent as if the project area located within the unincorporated area were within its own boundaries.
- 5. The unincorporated portions of Davis County that will be included in the East Gate Economic Development Project Area are listed by their Tax Identification Numbers in Exhibit "A", which is attached hereto and incorporated by this reference, and as identified on the map in Exhibit "B", which is attached hereto and incorporated by this reference.

Passed and Adopted by the Commissioners of Davis County this 24th day of

July, 2007. August

Alan Hansen, Chair Davis County Commission

Approved as to Form:

Steve S. Rawlings Davis County Clerk/Auditor

EXHIBIT A

The following are Tax Identification Numbers for parcels to be included in Layton City's East Gate Economic Development Project Area. This list is exhaustive and there are no parcels that will be divided for inclusion in the Project Area:

EXHIBIT B

The following is a map of the East Gate Economic Development Project. This map identifies which portions of the Project Area are outside Layton City boundaries and are in unincorporated Davis County.

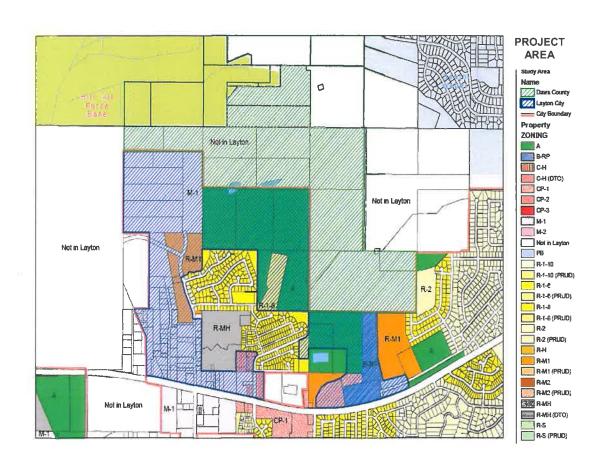


EXHIBIT D. Economic Benefit Analysis

EAST GATE ECONOMIC DEVELOPMENT ANALYSIS



Prepared By:
Layton City
Department of Community and Economic Development

Purpose

The Redevelopment Agency of Layton City (Agency) has identified a 676 acre area immediately east of the Hill Air Force Base and north of Highway 193 as an area having potential for economic growth. The Agency feels that the proximity of the area to the Air Force Base will create economic growth associated with the Base.

In order to establish a mechanism to assist with economic growth and development and to ensure the compatibility of this growth with Layton City's vision and goals, the Agency proposes establishing the East Gate Economic Development Project Area (Project Area).

The Project Area provides an opportunity for the City to direct certain funds and resources to:

- 1. Encourage renovation and retention of existing businesses
- 2. Encourage new businesses to locate in this area
- 3. Provide infrastructure improvements to entice business expansion and relocation
- 4. Protect existing businesses from encroachment by undesirable developments

For these reasons, the RDA adopted a resolution authorizing the preparation of a project area plan for the 676 acre project area. The Agency has identified infrastructure as the primary investment for tax increment to be received from the Project Area. This plan will consider multiple aspects of the proposed development.

Background

As outlined in Utah State Code, Title 17C-3-103, this study will address the following issues concerning development in the Project Area:

- 1. The benefit of any financial assistance or other public subsidy proposed to be provided by the agency, including:
- An evaluation of the reasonableness of the costs of economic development;
- Efforts the agency or developer has made or will make to maximize private investment:
- The rationale for use of tax increment, including an analysis of whether the proposed development might reasonably be expected to occur in the foreseeable future solely through private investment;
- 2. The anticipated public benefit to be derived from the economic development, including:
- The beneficial influences upon the tax base of the community;
- The associated business and economic activity likely to be stimulated; and
- The number of jobs or employment anticipated to be generated or preserved.

Strengths, Weaknesses, Opportunities and Threats

The Agency has identified several key economic opportunities and concerns in and around the Project Area.

- 1. The local economy is largely a bedroom community with a retail based economy
- 2. Residential development is consuming most of the undeveloped land in Layton City
- 3. The Project Area borders the Hill Air Force Base, which is a catalyst for development
- 4. Industrial and Business developments exist in the Project Area
- 5. Much of the Project Area is undeveloped and underutilized

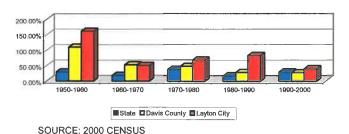
Layton City is largely a retail economy that serves as a bedroom community for commuters traveling to Ogden and Salt Lake. Various studies have shown that 40%-50% of the workforce in Layton commute out of the City to work. This mass exodus of workers has wide spread ramifications.

The freeways through Layton are filled to capacity during rush hour as the transportation means are not sufficient. The Utah Department of Transportation is expanding infrastructure to augment traffic capacity throughout Davis County. The Utah Transit Authority is installing Commuter Rail through Davis County as a mass transportation alternative. In addition to transportation problems, commuter emission outputs also have a negative impact on the environment

The retail economy in Layton does not provide high paying jobs. The average monthly salary for a person working in Layton is \$2,200. The average house in Layton costs \$195,000. This means that the average person working in Layton cannot afford a house in Layton.

The average home price in Layton is still reasonable compared to Salt Lake area home prices. As a result of reasonable housing prices Layton has become a desirable location to live. Layton is one of the fastest growing areas in the state. The 2000 consensus listed the Layton population at 58,474 with the current population being 68,017.³

Decennial Population Change



¹ Source: www.laytoncity.org/public/Depts/ComDev/Downloads/Planning/StatisticsDemographicsInfo.pdf

² Source: http://money.cnn.com/magazines/moneymag/bplive/2006/snapshots/PL4943660.html

³ Source: www.laytoncity.org/public/Depts/ComDev/Downloads/Planning/StatisticsDemographicsInfo.pdf

This growth has led to most undeveloped land in the City being developed for residential uses. Currently 77% of the City is residential, 7% is commercial and 16% remains open land. Since 1990, approximately 700 acres a year have been converted from agriculture land to residential and commercial land in Davis County. Residential land accounts for 96% of the converted land. Layton ranks first in land conversion with nearly 2,300 acres. According to the Utah State Tax Commission, Davis County has had an 80.6% increase in retail sales since 1990, which is the largest increase among the Wasatch Front counties.

The City is running out of room where viable commercial centers can exist. To help bring higher paying jobs to Layton, City leaders have identified areas of the City that would be naturally attractive and suitable for Economic Development. City leaders have taken specific steps to insure that land is set aside for economic development that will benefit the City. The City has used zoning to facilitate economic development objectives. The growing population creates a threat to possible economic development activities as undeveloped land is continually developed for residential purposes.

City leaders have taken steps to preserve the area east of Hill Air Force Base to allow for development that would create life sustaining jobs. The City has set aside the area specifically because of its proximity to Hill Air Force Base. The Base is the largest single employer in the state; the Base also provides job indirectly through contractors. The City has worked with Base leaders to open an East Gate access point for companies wanting to develop in the area. The City has also built some infrastructure to make the area more accessible.

City leaders selected the Project Area because there are existing industrial structures, zoning and uses. The area has an industrial access point and is naturally separated from residential development. The existing industrial is in decline but provides a natural entrance to an industrial area. The area already has the framework for the proposed development.

The area was also set aside because it is largely undeveloped. City leaders have prioritized undeveloped land and have focused on making the land more accessible. Currently the land has very few roads and is mostly inaccessible.

Project Area Description

The proposed Project Area is located immediately east of Hill Air Force Base and runs south of the Base and the Wasatch Integrated Waste Management District landfill. The Project Area runs north of Highway 193 and is west of Redshoulder Drive. The area consists of 676 acres and has 103 parcels. Major employers in the area include National Fitness Systems and Layton Storage. The area also includes the Sun Hills golf course.

⁴ Source: "Layton City Atlas" 2005 Edition

⁵ "The Changing Economic Structure and Current Baseline of Davis County and Municipalities." Study Completed by the Bureau of Economic and Business Research a the University of Utah, June 2007.

Tax Base

Potential new and expanded commercial developments which could occur in the Project Area have potential to increase property taxes by 100%. The current value of property in the Project Area is estimated at \$55,080,000. All taxing entities in the Project area tax at a rate totaling .013347, or \$735,152.76. If development increases values by 100% then the taxed amount would be 1,470,305.52. In addition to property tax revenues, development could also provide an increase in sales and franchise tax for the Project Area and surrounding areas.

All taxing entities in the area, including the Davis School District, Davis County and other special taxing districts, would be benefited by the increased tax revenues.

Associated Economic Activity

Associated economic activities could take many forms. The most likely associated economic activities are:

- 1. Businesses retained
- 2. Businesses dislocated
- 3. New businesses recruited

Activities could be segmented into those that occur within the Project Area, and those in surrounding areas (the "ripple-effect"). All associated activities will impact Layton City's current and future tax base.

As land and structures are developed underutilized property will become more efficient which will increase the tax base. It is anticipated that no businesses will be dislocated or closed due to the proposed development.

Redevelopment

The Project Area presently contains approximately 15 acres of developed property that is declining. The majority of the Project Area is greenfield and requires no redevelopment. However, both greenfield areas and areas that are in decline are underutilized and do not utilize all the advantages the area offers. For example there are no businesses in the area that directly serve Hill Air Force Base.

Businesses Retained or Dislocated

Businesses in the area will be fortified by the proposed development. The investment of both private and public money and increased economic vibrancy will compliment and strengthen existing businesses. No property owners have indicated they will leave as a

result of development. It is anticipated that no businesses will be dislocated by the proposed development.

Businesses Remodeled and Expanded

Within the Project Area and the surrounding area it is expected that the influence of development will likely encourage other businesses and property owners to expand, remodel and renovate.

Economic Costs

The cost of municipal service delivery varies widely from community to community and depends on the level of services desired and offered by each community, the size of the community, economies of scale, etc. In contrast, revenues are calculated using set formulas for each revenue source. Therefore, expenditures are much more subjective and difficult to estimate. Expenditures are generally projected using a variety of approaches including cost of service studies, comparative analysis with other communities and interviews with municipal staff. The approach used in this analysis has been to use a combination of personal interviews with Layton City staff as well as analyzing similar developments in other cities in Utah.

Interviews with City Fire Department Staff indicate that a significant fire fighting cost could arise from the construction of buildings that would house certain hazardous activities. This is a possibility because of the nature of the proposed development. It is impossible to predict what hazardous activities might be undertaken by firms looking to relocate to the area. Similar developments in the Salt Lake area have required more full time firefighters to help service the area. Fire considerations should be taken into account when determining what types of activities will be allowed in the area.

The Agency has taken into account the necessary costs for public utilities installations and servicing in the area. The Agency has also accounted for detention basins for additional use in the area. The Agency has also accounted for road installation throughout the Project Area. The Agency plans to use Tax Increment Financing to pay for these installations.

As mentioned in the Net Benefits section of the Analysis, there will be a return on public money invested in the Project Area.

Net Benefits

Comparative research (case studies) conducted by the American Farmland Trust suggests that the average cost of providing municipal services for commercial property ranges between \$0.26 and \$0.43 for every \$1.00 of revenue generated. This means the expected

⁶ Research conducted by the American Farmland Trust for Utah County suggests \$0.26 of expenditures for every dollar generated. The average commercial cost for 18 Midwestern communities as reported by

net revenue to Layton City could be somewhere between \$0.57 and \$0.74 for every dollar of revenue generated after subtracting the City's costs of providing services.

The net benefits from the proposed development are substantial. This report assumes that the benefits ignore the present revenue situation and only include the incremental costs and revenues the new developments generate. Even when consideration is made for additional fire fighting costs and additional infrastructure expenses, the benefit from increased tax collections and the development of the Project Area greatly exceed any costs.

It is estimated that 1,000,000 square feet of business/industrial space could be developed in the Project Area. This square footage could house anywhere between 2,000 and 4,000 jobs. The proposed development allows for multiple industries with the number of jobs provided by each firm fluctuating according to business type.

Purpose for the Appropriation and Conformity with Public Purposes

The primary purpose for the Agency to invest public money into the Project Area is to attract new businesses to the area that will provide life sustaining jobs. As addressed previously, the lack of life sustaining jobs and land use issues in Davis County are causing problems that must be addressed. Firms that would be attracted to the Project Area are highly sought for and have extensive transportation needs. Communities recruiting these businesses must give themselves every advantage to be successful.

Currently the Project Area has almost no infrastructure and is mostly inaccessible. The only entrance point is unsuitable for the amount of development the Project Area can support. Businesses naturally avoid areas that will have serious financial commitments required for development. The cost of building roads and installing public utilities is estimated at around \$20,000,000. Most businesses cannot and will not make an investment of this magnitude for non-operating related expenses. The proposed development will not occur "but for" public investment for infrastructure and public utility installation. The infrastructure will also provide multiple points of efficient entrance to the Project Area, which is necessary to maximize the full potential of the land. This analysis recommends that the Agency seek payback arrangement with firms that benefit from the proposed installations. By only using Tax Increment Financing to pay for infrastructure and public utilities the Agency insures the full cost of development will be paid by the private industry.

Need for the Appropriation

A project of this magnitude, with the potential to significantly impact the Layton City and Davis County economy, plus the potential to positively influence tax collections was deemed critical to the economic prosperity of the City. To not proactively address the area's potential for economic development and potentially allow the area to be

American Farmland Trust was \$0.43 for every dollar generated. The Trust has not completed any studies for Davis County.

continually underutilized and not take advantage of the proximity to Hill Air Force Base would be a high risk situation Layton City cannot afford to have. Public investment is necessary to address a potentially critical economic situation.

EXHIBIT E.Listing of Parcels to be included in the Project Area