

REQUEST FOR AGENCY ACTION

SUBJECT: Modification of the Project Area Plan for Economic Development Area #5
– Pioneer Technology District.

SUMMARY: Proposed modification of the boundaries of the Pioneer Technology District to exclude certain areas of the existing project area, resulting in a reduction in the total area size.

FISCAL

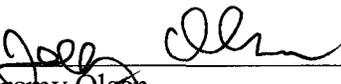
IMPACT: Due to the level of involvement of consultants with regard to the establishment of EDA # 5, the estimated expenditures for the preparation of plans and documents related to EDA #5 have been revised, and are expected to be between \$20,000 to \$30,000, which will be paid from Redevelopment Agency funds.

RECOMMENDED MOTION:

“I move to approve resolution # 186 allowing for a reduction in size of the project area boundaries to Economic Development Area #5 – Pioneer Technology District, to an area of approximately 230 acres.”

Roll Call Vote Required

Prepared by:



Jeremy Olsen
Economic and Development Assistance
Supervisor

Reviewed by:



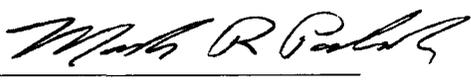
Paul Coates
Economic Development Manager

Approved by:



David Oka
Development Director

Authorized by:



Mark Palesh
City Manager

BACKGROUND DISCUSSION:

The process for modifying an Economic Development Project Area is established in the Limited Purpose Local Government Entities – Community Reinvestment Agency Act of the Utah State Code.

The procedure for reducing the size of a project area is described in §17C-3-109, which requires the Redevelopment Agency to hold a public hearing and submit the amended project area boundaries for adoption.

The proposed boundary adjustment would remove all parcels from the EDA #5 boundaries which are not associated with a proposed data center development, leaving approximately 230 acres within the project area boundaries.

At its March 31, 2016 meeting, the Redevelopment Agency adopted the economic development project area study, the first step in establishing an economic development area. The second step, as stipulated in 17C-3-102(1)(d), is to prepare a draft project area plan and provide notice and receive public comment on the draft, which commenced at the Agency's June 22, 2016 meeting.

Following the public notice and comment period the agency adopted the Project Area Plan for the Pioneer Technology District – EDA #5, in accordance with §17C-3-102(1)(g), at its July 27th meeting, which was then submitted to the City Council for adoption, which also occurred on July 27th, 2016.

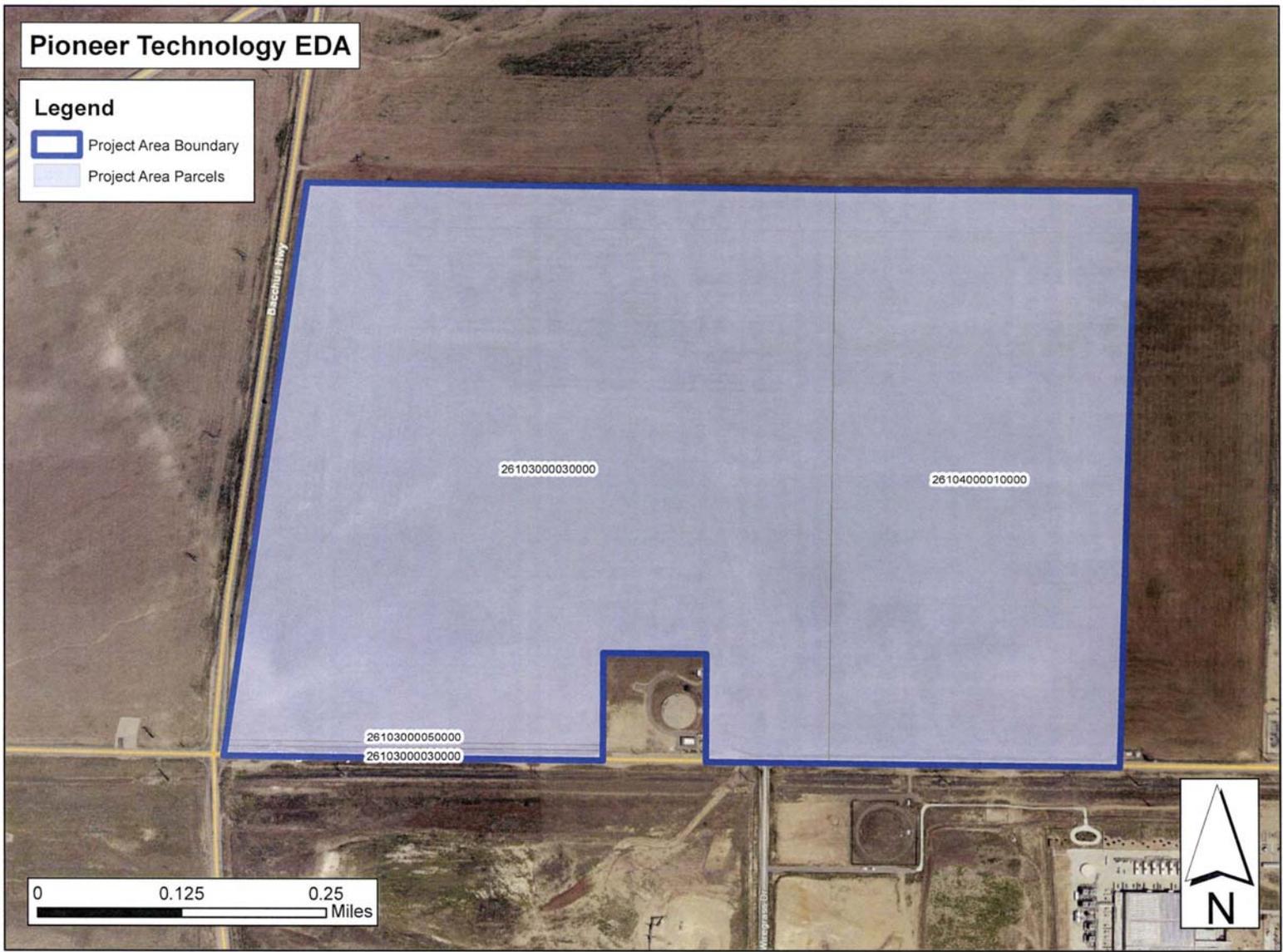
The Project Area Plan for Economic Development Area #5 – Pioneer Technology Park includes a strategy to bring employment and private investment to West Jordan by utilizing tax increment financing to attract a variety of businesses, including office, industrial, and warehousing, to the southwestern area of the City, bounded generally by Old Bingham Highway to the South, New Bingham Highway to the North, State Route 111 to the West, and 6400 West to the East.

Agency staff have been in contact with a company interested in constructing a data center, and are negotiating terms to a development agreement for a large project, to be built in multiple phases. Once these terms have been finalized, the development agreement will be provided to the Agency Board for approval.

Pioneer Technology EDA

Legend

-  Project Area Boundary
-  Project Area Parcels



THE REDEVELOPMENT AGENCY OF WEST JORDAN, UTAH

RESOLUTION NO. 186

A RESOLUTION AMENDING THE PROJECT AREA PLAN FOR THE PIONEER TECHNOLOGY DISTRICT ECONOMIC DEVELOPMENT PROJECT AREA AND ADOPTING THE AMENDED PLAN AS THE OFFICIAL PLAN FOR THE PIONEER TECHNOLOGY DISTRICT ECONOMIC DEVELOPMENT PROJECT AREA.

WHEREAS, pursuant to the provisions of the Utah Community Development and Renewal Agencies Act (since renamed as the Utah Community Reinvestment Agency Act; the “Act”), specifically Utah Code Annotated (“UCA”) § 17C-3, the West Jordan Redevelopment Agency (the “Agency”) adopted a resolution designating the Pioneer Technology District Economic Development Project Area (formerly known as the New Bingham Highway Economic Development Project Area) (the “Project Area”) and calling for the preparation of a project area plan; and

WHEREAS, the Agency held, on July 27, 2016, a duly noticed public hearing to allow public comment on the Draft Plan and whether it should be revised, approved, or rejected; and to receive all written and hear all oral objections to the Draft Plan; and

WHEREAS, on July 27, 2016, having received and heard all commentary on and objections to the draft plan submitted for its consideration, the Agency approved and adopted the draft project area plan as the official plan for the Project Area (the “Plan”); and

WHEREAS, the Agency has determined that certain parcels included in the Project Area are no longer necessary or desirable to the Project Area; and

WHEREAS, in accordance with UCA § 17C-3-109(4), the Agency is not required to comply with the notice and hearing requirements of the Act prior to effectuating this amendment; and

WHEREAS, the Agency now desires to amend the Plan to remove those parcels that the Agency has determined are no longer necessary or desirable to the Project Area.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE REDEVELOPMENT AGENCY OF WEST JORDAN AS FOLLOWS:

SECTION 1 Legal Description.

§ 1.1 The amended boundaries of the Project Area are set forth in the amended Project Area Plan attached hereto as **EXHIBIT A** (the “Amended Plan”).

SECTION 2 The Agency's Purposes and Intent with Respect to the Project Area.

The purposes and intent of the Agency with respect to the Project Area are as follows:

§ 2.1 To satisfy the purposes of the Act, as defined therein, by promoting, creating, and/or retaining jobs through the planning, design, development, construction, rehabilitation, or business relocation within the Project Area, as well as the provision of office, industrial, manufacturing, warehousing, distribution, parking, public, or other facilities, or other improvements that benefit the state or a community;

§ 2.2 To increase the City's tax base as well as its commercial and industrial base so as to improve both opportunity and quality of life for all of its citizens;

§ 2.3 To promote, encourage, and bring to fruition, the development within the Project Area of a commercial and industrial development comprised of large, reputable commercial concerns;

§ 2.4 To stimulate the economy of the City of West Jordan and the surrounding area;

§ 2.5 To provide for the installation of needed infrastructure, as necessary, for development within the Project Area.

§ 2.6 To take any or all additional steps which may be appropriate or necessary to promote or further the aim of improving the Project Area (and, indirectly, of surrounding areas).

SECTION 3 Designation, Adoption, and Incorporation of the Plan.

§ 3.1 The Amended Plan for the Pioneer Technology District Economic Development Project Area, as attached hereto as **EXHIBIT A**, is hereby designated the *Official Plan for the Pioneer Technology District Economic Development Project Area* (the "**Official Plan**"), and is incorporated herein by this reference.

§ 3.2 The Agency hereby officially approves and adopts the Official Plan for the Pioneer Technology District Economic Development Project Area.

SECTION 4 Required Findings.

§ 4.1 A need exists to effectuate a public purpose; to wit, the exercise of the statutorily enacted economic development mechanism for the benefit of the citizens of the City of West Jordan.

§ 4.2 Benefit to the public shall accrue from the execution of the Official Plan, as each project undertaken thereunder shall be subject to the analysis described in UCA § 17C-3-103.

§ 4.4 The adoption and carrying out of the Official Plan is economically sound and feasible.

§ 4.5 The Official Plan conforms to the City's General Plan.

§ 4.6 Carrying out the Official Plan will promote the public peace, health, safety, and welfare of the City of West Jordan.

SECTION 5 Submission of the Official Plan to the West Jordan City Council for Adoption by Ordinance.

§ 5.1 Pursuant to UCA §§ 17C-3-102 & -106, the Agency Board hereby submits the Official Plan to the West Jordan City Council for review and adoption.

SECTION 6 Recording and Transmittal.

§ 6.1 Pursuant to UCA § 17C-3-108, Agency personnel are hereby directed and authorized to take the following actions within 30 days after adoption of the Official Plan by the West Jordan City Council:

a) to record with the Salt Lake County Recorder a document containing a description of the land within the Project Area, a statement that the Official Plan for the Project Area has been adopted; and the date of its adoption by the City Council; and

b) to transmit a copy of the description of the land within the Project Area, a copy of the City Council ordinance adopting the Official Plan, and a map indicating the boundaries of the Project Area to each of the following: (i) the auditor and assessor of the county in which the project area is located; (ii) the officer or officers performing the function of auditor or assessor for each taxing entity, if any, that does not use the county assessment roll or collect its taxes through the county; (iii) the legislative body or governing board of each taxing entity; (iv) the State Tax Commission; and (v) the State Board of Education.

SECTION 7 Execution of the Plan.

§ 7.1 Following the adoption of the Official Plan by the West Jordan City Council, the Agency shall proceed to carry out the Plan.

SECTION 8 Directions to the Agency Staff.

§ 8.1 The Agency staff is hereby directed and authorized to take all such actions as necessary to effectuate the purposes and aims of this resolution.

SECTION 9 Effective Date

§ 9.1 This Resolution shall take effect upon its adoption.

APPROVED AND ADOPTED by the governing board of the Redevelopment Agency of West Jordan this 24th day of August, 2016.

Kim Rolfe, Chairperson

Attest:

Mark R. Palesh, Executive Director

Voting by the Redevelopment Agency Board:

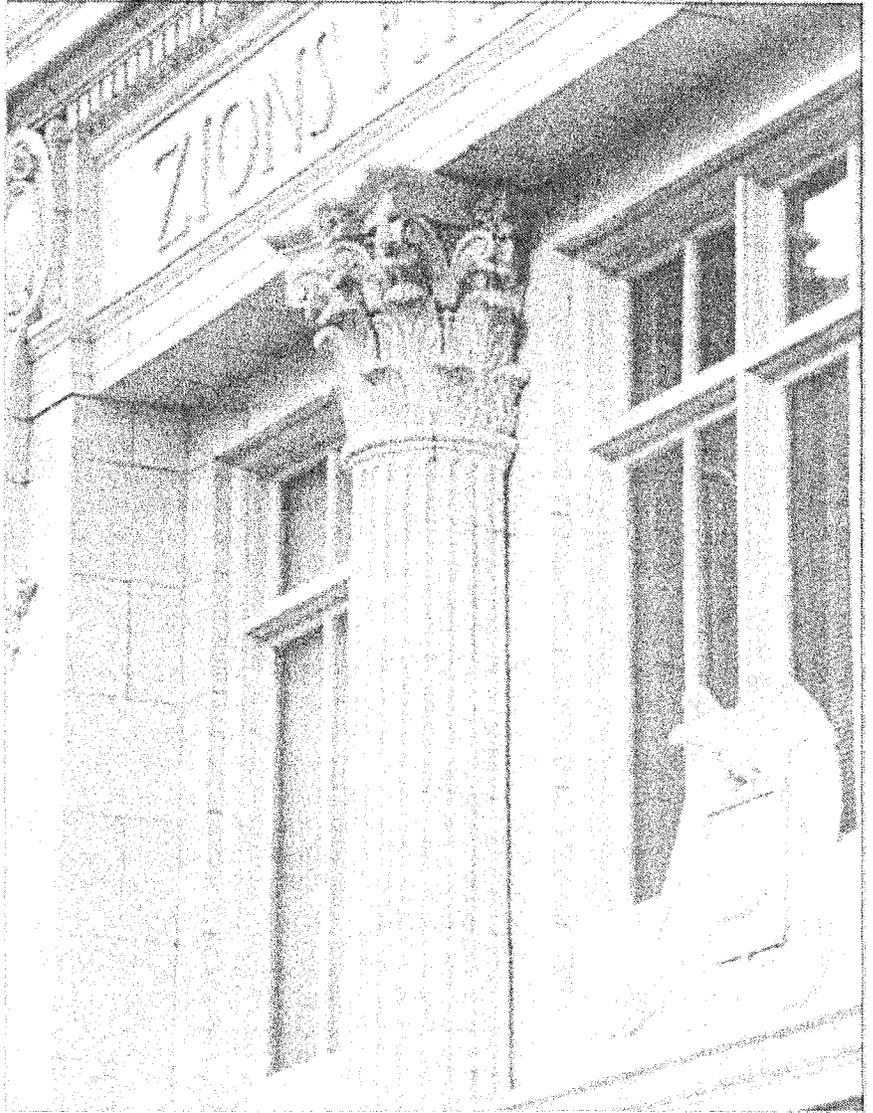
Board Member Chris McConnehey
Board Member Dirk Burton
Board Member Zach Jacob
Board Member Sophie Rice
Board Member Jeff Hagga
Board Member Chad Nichols
Chair Kim Rolfe

“Aye”

“Nay”

EXHIBIT A

Amended Project Area Plan



Redevelopment Agency
City of West Jordan

Pioneer Technology District EDA
Amended Project Area Plan

August 24, 2016

ZIONS  PUBLIC FINANCE, INC.



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1. Introduction

The Amended Project Area Plan reduces the Project Area Plan to the area for Project Discus only which includes 231.68 acres. The Budget projections have also been removed from the Plan document due to ongoing negotiations.

The City of West Jordan Redevelopment Agency (the “Agency”), following thorough consideration of the needs and desires of the City of West Jordan (the “City”) and its residents, as well as the need of and capacity for new development, has prepared this Economic Development Project Area Plan (the “Plan”) for the West Jordan Pioneer Technology District Economic Development Project Area (the “Project Area”) described in more detail below.

In accordance with the terms of this Plan, the Agency will encourage, promote and provide for the development of office and business park space within the Project Area. The Project Area covers 231.68 acres.

It is anticipated that the project will generate significant economic activity in the region through the creation of temporary construction jobs, full-time employment for new office and business park development, the generation of additional tax revenues, and diversification through new business opportunities. Tax increment is needed to assist with additional infrastructure to the Project Area, as well as for incentives to encourage top-quality businesses to locate in the area.

This Plan will govern development within the Project Area, including the capture and use of tax increment to construct needed infrastructure and to promote and incentivize new development. The purpose of this Plan is to clearly set forth the aims and objectives of this development, its scope, available incentives and the mechanism for funding such incentives, and the value of the Plan to the residents, businesses and property owners, and taxing entities in this area.

This Plan represents good-faith estimates and predictions of the Agency as to future development within the Project Area; however, actual development depends on numerous factors outside of the control of the Agency or the City and the projections in this Plan may not match actual development. While the Agency anticipates the development of a large-scale business park within the Project Area, the Agency recognizes that circumstances may change and reserves the right to promote and encourage other uses of industries within the Project Area that will benefit the City and its residents. Further, the Agency reserves all rights and powers granted to it under the Act (as defined below), as may be amended from time to time; the Plan should not be taken as limiting or constraining the powers granted to the Agency by the Act. While the Agency expects that tax increment (as defined below) will provide the primary source of funding for the Agency’s efforts within the Project Area, the Agency may utilize other funding sources or financing methods as allowed by the Act and other applicable laws.

2. Definitions

As used in this Economic Development Project Area Plan:

1. The term “**Act**” shall mean and include the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act Title 17C, Chapters 1 through 5, Utah Code Annotated, including such amendments or successor statutes as shall from time to time be enacted.
2. The term “**Agency**” shall mean the City of West Jordan Redevelopment Agency, a separate body corporate and politic.
3. The term “**base taxable value**” shall mean the base taxable value of the property within the Project Area, as shown upon the assessment roll last equalized, before the date the taxing entity committee adopts the first project area budget.
4. The term “**City**” shall mean the City of West Jordan, Utah.
5. The term “**Developer**” shall mean any person or entity undertaking development activities in the Project Area.
6. The term “**economic development**” shall mean to promote the creation or retention of public or private jobs within the State through planning, design, development, construction, rehabilitation, business relocation, or any combination of these within a community; the provision of office, light industrial, manufacturing, warehousing, distribution, parking, public, or other facilities, or other improvements that benefit the State or a community; and other activities of the Agency as allowed by the Act.
7. The term “**Plan Hearing**” means the public hearing on the draft Project Area Plan required under Subsection 17C-3-102 of the Act.
8. The term “**planning commission**” shall mean the planning commission of the City.
9. The term “**Project**” means the activities associated with this Project Area Plan.
10. The term “**Project Area**” or “**Pioneer Technology District Economic Development Project Area**” shall mean the geographic area described in this Project Area Plan where the economic development set forth in this Project Area Plan takes place or is proposed to take place.
11. The term “**Project Area Funds**” shall mean tax increment or sales and use tax revenue that an agency receives under a project area budget adopted by a taxing entity committee or an interlocal agreement.

12. The term “**Project Area Plan**” or “**Plan**” shall mean the Pioneer Technology District Economic Development Area Project Area Plan that was adopted pursuant to the Act to guide and control economic development activities within the project area.
13. The term “**Project Area Budget**” shall mean a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the project area, prepared in accordance with Utah Code § 17C-3-201 and other provisions of the Act, that specifies, among other things:
 - (a) the project area funds collection period; and the percentage of tax increment the agency is authorized to receive from the project area under the project area budget; and
 - (b) the maximum cumulative dollar amount of tax increment that the agency may receive from the project area under the project area budget (unless this requirement is waived by the taxing entity committee as allowed by Utah Code § 17C-1-402(4)(b)(vi)(C)).
14. The terms “**tax,**” “**taxes,**” “**property tax**” or “**property taxes**” includes privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.
15. The term “**taxing entity**” shall mean each public entity that levies a property tax on property situated within the Project Area.
16. The term “**taxing entity committee**” shall mean the committee representing the interests of taxing entities, created in accordance with Utah Code § 17C-1-402.
17. The term “**tax increment**” shall mean the difference between (i) the amount of property tax revenues generated each tax year by all taxing entities from the area designated in the Project Area Plan as the area from which tax increment is to be collected, using the current assessed value of the property, and (ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property.
18. The term “**Tax Increment Collection Area**” shall mean the area from which tax increment is collected under the project area budget. It is the intention of the Agency that the Tax Increment Collection Area has the same boundaries as the Project Area for this Plan.
19. All other terms shall have the same meaning set forth in the Act unless the context clearly indicates otherwise.

3. Preconditions for Designating an Economic Development Project Area

- a) Pursuant to the provisions of §17C-3-102(2)(a) and (b) of the Act, the City has a planning commission and general plan as required by law; and
- b) Pursuant to the provisions of §17C-3-102(1)(b), (c) and (d) of the Act, the Agency made the draft Project Area Plan available to the public at the Agency's offices during normal business hours, provided notice of the plan hearing and is held a public hearing on the draft plan on July 27, 2016; and
- c) Pursuant to the provisions of §17C-3-102(1)(d) of the Act, the Agency conducted one or more public hearings for the purpose of informing the public about the proposed Project Area, allowing public comment on the draft Project Area Plan and whether the plan should be revised, approved or rejected, and receiving all written and oral objections to the Plan.

4. Project Area Boundaries [17C-3-103(1)(a)]

The area identified for study (see map in Appendix A) consists of approximately 231.68 acres. The Project Area is bound by Old Bingham Highway to the south and Bacchus Highway to the west. The northern boundary is at approximately 9790 South and the eastern boundary is at approximately 6500 West.

5. General Statement of Land Uses, Layout of Principal Streets, Population Densities, Building Intensities and How They will be Affected by the Economic Development [17C-3-103(1)(b)]

A. Land Uses in the Project Area

The current land use of the Project Area is primarily agricultural. There are no buildings in the Project Area. With this Plan in place, it is expected that land will be developed as a business park.

B. Layout of Principal Streets in the Project Area

There are no streets in the Project Area.

C. Population Densities in the Project Area

Currently, there are no dwelling units and no residents within the Project Area. The Plan does not currently propose any residential development. Existing and proposed residential densities within the Project Area will therefore remain at zero persons per square mile.

D. Building Intensities in the Project Area

There are no buildings in the Project Area.

6. Standards That Will Guide the Economic Development [17C-3-103(1)(c)]

The general standards that will guide the economic development are as follows:

A. General Design Objectives

Economic development projects within the Project Area shall be implemented as approved by the Agency and the City. The Agency may, as necessary, provide input or comments on the design and construction standards applicable to construction within the Project Area.

Development within the Project Area will be held to quality design and construction standards, suitable for a business park and will be subject to: (1) appropriate elements of the City's General Plan; (2) applicable City building codes and ordinances; (3) planning commission review and recommendation; (4) the City's land use code; and (5) development agreement that includes design guidelines.

Developers will be allowed flexibility of design in developing land located within the Project Area. The development shall be of a design and shall use materials that are subject to design review and approval by the City, generally pursuant to a development agreement with the Developer specifically addressing design issues.

Coordinated and attractive landscaping shall also be provided as appropriate for the character of the Project Area. Materials and design paving, retaining walls, fences, curbs, benches, and other items shall have an attractive appearance and be easily maintained.

All development will be based on site plans, development data, and other appropriate submittals and materials clearly describing the development, including land coverage, setbacks, heights, and any other data dictated by the City's land use code, and applicable City practice or procedure.

B. Specific Design Objectives and Controls

In addition to the general City design objectives and standards described above, a developer may be required to adhere to specific design guidelines that focus on the development of a business park atmosphere that will benefit the City. Specific guidelines may include the following:

1. Building Design Objectives

All new buildings shall be of design and materials that will be in harmony with adjoining areas and other new development and shall be subject to design review and approval by the City.

The design of buildings shall take advantage of available views and topography and shall provide, where appropriate, separate levels of access.



2. Open Space Pedestrian Walks and Interior Drive Design Objectives

All open spaces, pedestrian walks and interior drives shall be designed as an integral part of an overall site design, properly related to other buildings in the project area.

Comfortably graded pedestrian walks should be provided in areas of the most intense use, particularly from building entrances to parking areas, and adjacent buildings on the same site.

The location and design of pedestrian walks should afford adequate safety and separation from vehicular traffic.

Materials and design of paving, retaining walls, fences, curbs, and other accouterments, shall be of good appearance and easily maintained.

3. Parking Design Objectives

Parking areas shall be designed with regard to orderly arrangement, topography and ease of use and access.

4. Project Improvement Design Objectives

Public Rights-of-Way. All streets and walkways within public rights-of-way will be designed or approved by the City and will be consistent with all design objectives.

Street Lighting and Signs. Lighting standards and signs of pleasant appearance and modern illumination standards shall be provided as necessary and as approved by the City.

Grading. The Project Area will be graded in conformance with the final project design as approved by the City in accordance with City Code.

C. Approvals

Development within the Project Area shall be implemented by the Agency in accordance with this Plan, and as approved by the City in accordance with applicable land use and building code provisions. 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.

7. How the Purposes of the Act Will Be Attained by the Economic Development [17C-3-103(1)(d)]

It is the intent of the Agency, with the assistance and participation of the Developer(s), to facilitate and promote the development of business park-related activities that will result in the creation of jobs in the Project Area. Further, the Project Area will strengthen the tax base of the City, which will also serve to accomplish economic development objectives and create a well-planned business park.

The purposes of the Act will be achieved by the following:

A. Establishment of New Business and Increased Tax Base

The proposed Project envisions business park development that will benefit the State and all of the taxing entities through increased job creation, increased property tax base, increased income taxes paid (both corporate and individual) and increased energy usage. Multiplier (indirect and induced) impacts will result from job creation and expenditures for construction and supplies.

B. Public Infrastructure Improvements

The construction of public infrastructure improvements in the Project Area will support the development contemplated herein and provide for future development in surrounding areas. The associated public infrastructure improvements will make the land within the Project Area more accessible to and from other parts of the City. Thus, the components of the Project provided in this Plan will encourage, promote and provide for economic development within the Project Area and the City generally for years to come.

8. The Plan is Consistent with and will Conform to the Community's General Plan [17C-3-103(1)(e)]

This Plan is consistent with the City's General Plan that was adopted March 14, 2012. The City's Vision Statement for Economic Development as contained in Chapter 10 of the General Plan is as follows:

The attraction of new businesses into an economy will increase the tax base, job supply, economic vitality, and diversity of the local economy. The attraction and retention of new and existing commercial, professional, and manufacturing businesses and industries is vital to provide the quality services and jobs that West Jordan and its residents demand. New opportunities for commercial, professional, and manufacturing development are anticipated to occur near transit stations along the TRAX light rail line, along the future Mountain View Corridor, and along U-111, which will further enhance the city's economy.

The General Plan notes that 91 percent of the City's employed residents commute outside the City limits to work. Further, the Plan states that of the seven largest Utah cities, West Jordan has the smallest percentage of its population that is also employed in their city of residence. The Plan states, "[a]s a means of creating a more economically sustainable community, the City should begin looking at ways to increase the jobs to housing ratio as a way to increase its tax base." (General Plan, p. 148)

The General Plan recognizes that West Jordan is second lowest in gross retail sales among the seven largest cities in Utah, suggesting that increased retail sales are critical to the City's economic development as well. Increased jobs and number of employees in the City will strengthen existing

businesses by keeping a larger portion of retail purchases within the City and be a means of attracting additional retail businesses to the area.

The General Plan identifies several specific goals and policies for economic development. Goal #1 is as follows: “Promote and encourage a vibrant, comprehensive, and healthy economy for the City of West Jordan” (General Plan, p. 158). The General Plan suggests a policy of providing “a balanced mix of commercial, office, industrial, institutional and residential land uses throughout the City” in order to achieve its goal.

The General Plan also has a stated goal to “Diversify and strengthen the employment and tax base in the City of West Jordan.” The stated policy to achieve this goal is “Actively seek to increase the number of new businesses and industries within the City.” (General Plan, p. 161)

Other General Plan related goals include:

Provide adequate and accessible commercial and business services to all City residents (General Plan, p. 164)

Develop attractive, properly designed, and well located professional office buildings and business parks within the City of West Jordan (General Plan, p. 164).

Clearly, the development planned for the West Jordan Pioneer Technology District EDA is supportive of the City’s overall goals and the General Plan.

9. Describe How the Economic Development will Create Additional Jobs [17C-3-103(1)(f)]

Based on information provided by a prospective tenant for a portion of the property within the Project Area, approximately 130 jobs will be created, with roughly 50 jobs created in Phase 1. Average wages for these jobs will be 125 percent of the local median wage. Further development within the Project Area will bring additional jobs to the City and the Agency expects that average wages for those jobs will be at or above the current local median wage.

10. Description of Any Specific Project or Projects That are the Object of the Proposed Economic Development [17C-3-103(1)(g)]

West Jordan is working with a data center that is considering this site, among other sites, for a future facility. Their development plans include an initial 550,000 square foot building, plus additional buildings in later phases that would eventually house about 130 employees. Future phases would include additional buildings that would be built to a similar size approximately every three years for a total of six expansion phases.

11. How Private Developers Will Be Selected and Identification of Current Developers in the Project Area [17C-3-103(1)(h)]

A. Selection of Private Developers

The Agency is working with EDCUtah to locate a national firm as an initial tenant for the Project Area. The Agency further contemplates that owners of real property within the Project Area will take advantage of the opportunity to develop their property, or sell their property to developers for the development of facilities within the Project Area. In the event that owners do not wish to participate in the economic development in compliance with the Plan, or in a manner acceptable to the Agency, or are unable or unwilling to appropriately participate, the Agency may, consistent with the Act, encourage other owners to acquire property within the Project Area, or to select non-owner developers by private negotiation, public advertisement, bidding or the solicitation of written proposals, or a combination of one or more of the above methods.

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

Project Discus is currently being evaluated by the City and EDCUtah as a potential tenant for the Project Area. The Developer was identified through EDCUtah's site selection process; however, the identity of the developer must remain confidential at this point in the process.

12. Reasons for the Selection of the Project Area [17C-3-103(1)(i)]

The Project Area was selected by the Agency as that area within the City having an immediate opportunity to strengthen the community through a developer who is willing to invest private capital into a business park that will allow for job creation. It is also anticipated that the initial development will spur additional surrounding business park type development that will bring new businesses and services into the City, and provide for public infrastructure which will support the development and provide for future development in surrounding areas.

The Project Area contains a portion of the City that is desirable for business park development because of its proximity to Bingham Highway and public transit.

13. Description of the Physical, Social and Economic Conditions Existing in the Area [17C-3-103(1)(j)]

A. Physical Conditions

The proposed Project Area consists of approximately 231.68 acres of land as shown on the Project Area map in Appendix A. The land is flat and suitable for business park development.

B. Social Conditions

There are currently no residential buildings and no residents within the Project Area. No unusual social conditions were found to exist. Because of the shifting of land uses from agricultural land to active business park in the Project Area, consistent with the General Plan of the City, this area will take on a new social character that will enhance existing development in the City. The Project Area Plan will bring workers from the surrounding region to the Project Area for employment purposes. It is anticipated, therefore, that the proposed Project Area will add to the City's economy, quality of life, and reputation.

C. Economic Conditions

There are currently no buildings in the Project Area and the land is held in greenbelt status.

14. Tax Incentives Offered to Private Entities for Facilities Located within the Project Area [17C-3-103(1)(k)]

It is anticipated that property and municipal energy tax increment will be distributed to the Agency for a period of 20 years.

Property Tax Increment. The Agency intends to receive different percentages of property tax increment for different phases of the initial development within the Project Area for use within the Project Area. For the first two phases, which include \$500 million of investment in real and personal property, the Agency expects to receive 75 percent of the tax increment in order to provide an incentive for the development to occur. For phases 3 and 4, which include an additional \$500 million in investment in real and personal property, the Agency expects to receive 85 percent of property tax increment to be used mainly to incentivize development. For the last two phases of the project, which will include another \$500 million in investment in real and personal property, the Agency expects to receive 100 percent of property tax increment in order to incentivize further development. The Budget document will outline more specifically how tax increment is to be collected, received and disbursed.

The collection of tax increment by the Agency is governed by a project area budget that will be approved by the taxing entity committee and adopted by the Agency. The Agency intends to work with the taxing entities — Salt Lake County, Jordan School District, West Jordan City, South Salt Lake Mosquito Abatement District, Jordan Valley Water Conservancy District, Central Utah Water Conservancy District and the Salt Lake County Library -- to obtain approval whereby all or a portion of the property tax increment generated will flow to the Agency for a period of time in order to facilitate and accelerate economic development in the Project Area. The increment is necessary for the Project Area in order to assist with infrastructure costs and other economic incentives. Estimated incremental revenue to the Agency for a period of 20 years is \$183.9 million.



TABLE 1: INCREMENTAL PROPERTY TAX REVENUES TO AGENCY FOR USE WITHIN THE PROJECT AREA, YEARS 1-20

Taxing Entity	Total, Years 1-20	NPV,* Years 1-20
Salt Lake County	\$38,544,011	\$23,816,817
Jordan School District	\$93,960,427	\$58,059,299
West Jordan City	\$30,777,782	\$19,017,969
South Salt Lake Mosquito Abatement	\$259,786	\$160,525
Jordan Valley Water Conservancy	\$5,469,175	\$3,379,470
Central Utah Water Conservancy	\$5,537,540	\$3,421,714
Salt Lake County Library	\$9,338,616	\$5,770,445
TOTAL	\$183,887,336	\$113,626,239

*NPV = net present value using a discount rate of 4 percent.

As noted, the Project Area Budget is not yet finalized and the estimates contained in this Plan are dependent on approval of the Budget.

15. Analysis of Whether the Adoption of the Project Area Plan is Beneficial under a Benefit Analysis [17C-3-103(1)(l)]

The public will realize benefits from the development of the Economic Development Project Area as proposed by this Plan. The Agency’s long-term objective in developing the Project Area is to create a high quality business park that will diversify the City’s economic and tax base, and offer good-paying employment opportunities. The Agency adopted a resolution for the preparation of this Plan because of the opportunity to “jump start” the proposed business park development with Project Discus.

A. Evaluation of the Reasonableness of the Costs of Economic Development [17C-3-103(2)(a)(i)]

The total estimated property tax increment revenue to the Agency that is intended for use within the Project Area, over the 20-year period, is \$183.9 million. Currently, the Project Area is generating an estimated \$164 annually in property taxes for all of the taxing entities represented in the Project Area. At the completion of the 20-year period for the Project Area, an estimated \$14.4 million (depending on personal property depreciation and replacement schedules) will be generated annually in property tax revenues – an increase to the taxing entities of over 87,000 times current levels of property tax revenues.

Total incentives to the initial developer are estimated at about \$180 million, generated from incremental property taxes. This represents a ratio of over 1:8 when compared to the private investment of \$1.5 billion in land, buildings and personal property to be made by the developer.

B. Efforts the Agency or Developer Has Made or Will Make to Maximize Private Investment [17C-3-103(2)(a)(ii)]

The Agency is encouraging the Developer to expand its initial investment through six phases of development. As an incentive for further private investment, the Agency plans to offer increasing levels of property tax increment to correspond with increased investment levels. The Agency will only provide incentives to developers through a written participation agreement approved by the Agency Board.

C. 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 [17C-3-103(2)(a)(iii)]

This development is unlikely to happen solely through private investment. Project Discus currently has options to locate its business outside of Salt Lake County and outside of Utah and will do so without the requested public assistance. Therefore, tax increment is a means of attracting Project Discus to West Jordan over other, competitive sites.

The City and Agency are desirous of having Project Discus locate in the City because of the significantly high property tax value that this development will bring, as well as incremental sales and municipal energy tax revenues. Personal property investment is estimated to be as much as investment in real property, thereby creating higher taxable values per acre than in other developments with minimal investment in personal property and equipment. With limited commercial sites available in the City, it is advantageous and desirable to attract businesses that contribute high taxable values on a per acre basis.

D. 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 [17C-3-103(2)(a)(iv)]

The draft Project Area Budget suggests a 20-year timeframe in order for absorption to occur throughout the entire Project Area and to provide for appropriate infrastructure and incentives in the area. The estimated total amount of property tax revenues to be expended on Project Discus is \$180.3 million over the 20-year period. The actual number of years for which the Agency can collect tax increment from the Project Area will be determined when the final Project Area Budget is approved by the taxing entity committee.

E. Beneficial Influences Upon the Tax Base of the Community [17C-3-103(2)(b)(i)]

The County and taxing entities will see an increase in taxable value of an estimated \$750 million in real property (land and buildings). In addition, there will be additional taxable value due to investment in personal property (i.e., equipment). Personal property values will depreciate over time and equipment will be replaced over time; therefore, the taxable value fluctuates from year to year.



At the end of the 20-year period, the taxing entities will receive the entire (100%) tax increment from all of the parcels in the Project Area which would amount to an estimated \$14.4 million more per year more than what they are currently receiving in property taxes.

TABLE 2: INCREMENTAL ANNUAL PROPERTY TAX REVENUES TO TAXING ENTITIES AFTER PROJECT AREA (PER YEAR)

Taxing Entity	Annual Amount
Salt Lake County	\$3,023,378
Jordan School District	\$7,370,220
West Jordan City	\$2,414,198
South Salt Lake Mosquito Abatement	\$20,378
Jordan Valley Water Conservancy	\$429,000
Central Utah Water Conservancy	\$434,363
Salt Lake County Library	\$732,518
TOTAL	\$14,424,053

Further, the City and the County will receive annual incremental sales tax revenues during and at the end of the 20-year period. The City will also receive incremental municipal energy tax revenues.

F. Associated Business and Economic Activity Likely to be Stimulated [17C-3-103(2)(b)(ii)]

Other business and economic activity likely to be stimulated includes business, employee and construction expenditures.

1. Business and Employee Expenditures

Approximately 130 full-time permanent jobs will be created by the initial development in the Project Area, with estimated annual wages of 125 percent of the local median wage. The Agency expects many more jobs to be created by additional development in the Project Area. The increased buying power will result in increased sales tax revenues to the State, the County and the City and increased economic activity generally.

It is anticipated that the business owners and employees of the Project Area facilities will directly or indirectly purchase local goods and services related to their operations from local or regional suppliers. These purchases will likely increase employment opportunities in the related businesses of office equipment, furniture and furnishings, office supplies, computer equipment, communication, security, transportation and delivery services, maintenance, repair and janitorial services, packaging supplies, office and printing services, transportation and delivery services.

Employees often make many of their purchases near their workplace, assuming that goods and services are available. These purchases generally include: lunchtime eating, gasoline and



convenience store, personal services such as haircuts and auto repair. In addition, there may be limited purchases for gifts, hobbies, etc., if such goods are available.

The following summarizes the benefits to the community:

- Provide an increase in direct purchases in the community.
- Provide economic diversification within the City.
- Complement existing businesses and industries located within the City by adding new employees who may live and shop and pay taxes in the City and the region.
- Provide an increase in indirect and induced (“multiplier”) impacts for business purchases, as well as purchases by employees and their households.
 - The types of expenditures by employees in the area will likely include convenience shopping for personal and household goods, lunches at area restaurants, convenience purchases and personal services (haircuts, banking, dry cleaning, etc.). The employees will not make all of their convenience or personal services purchases near their workplace, and each employee's purchasing patterns will be different. However, it is reasonable to assume that a percentage of these annual purchases will occur within close proximity to the workplace (assuming the services are available).

2. Construction Expenditures

Economic activity associated with the Project Area will include construction activity. Construction costs for Project Discus are expected to reach approximately \$600 million,¹ of which 40 percent approximates labor costs, another 40 percent represents materials and supplies, and the remaining 20 percent represents overhead and profit.

TABLE 3: CONSTRUCTION SPENDING

	Percent	Amount
Labor	40%	\$240,000,000
Supplies	40%	\$240,000,000
Overhead	20%	\$120,000,000
TOTAL	100%	\$600,000,000

A portion of the labor costs may be re-spent in the community – to the extent that convenience goods and services, such as fast food for lunch, personal services, etc., are available. Additional

¹ Assumes that of the \$750 million investment in land and buildings, 20 percent is for land costs, leaving approximately \$600 million for building costs.

development, other than Project Discus will produce additional construction investment, with resulting expenditures for labor and supplies.

G. Number of Jobs or Employment Anticipated to be Generated or Preserved [17C-3-103(2)(b)(iii)]

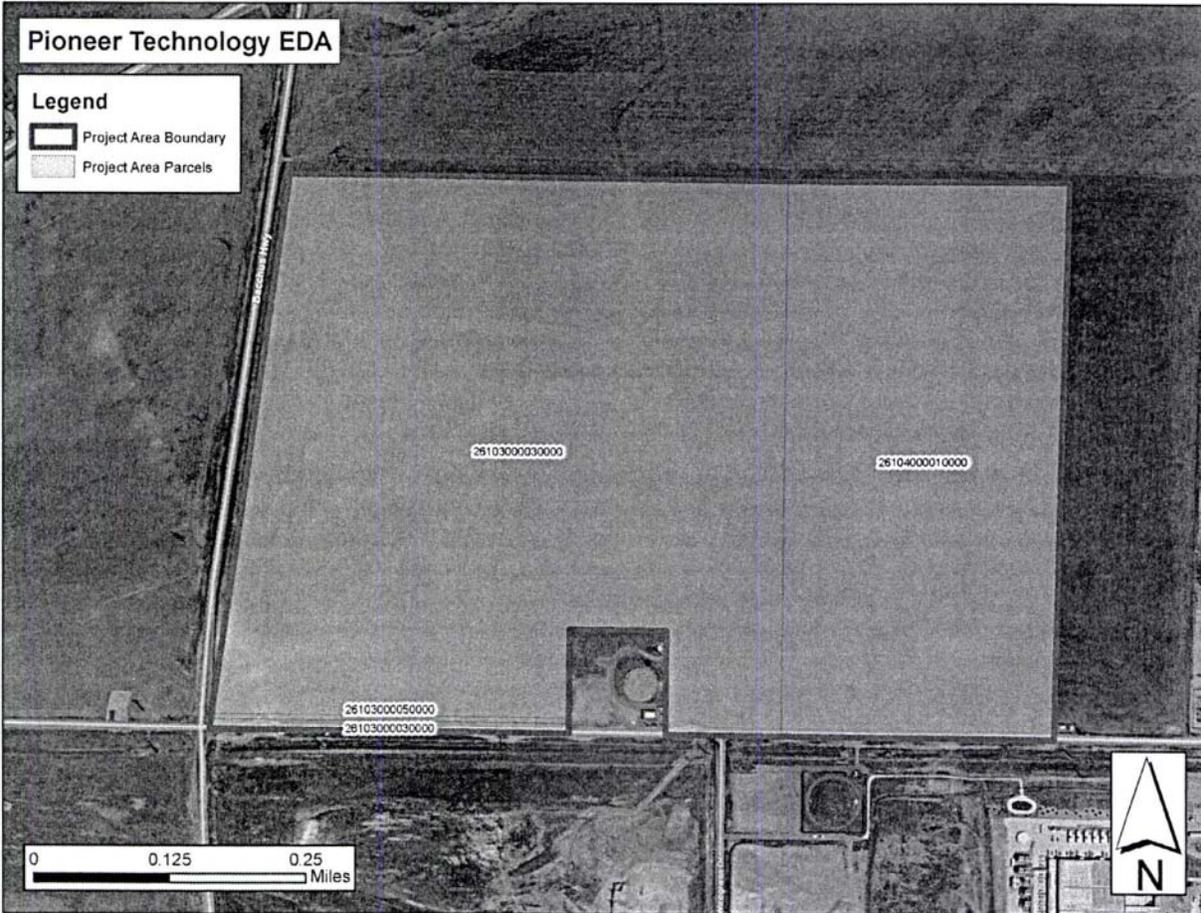
It is anticipated that Project Discus will create 130 jobs, with 50 of these jobs being created in Phase 1. The average wage is projected to be at least 125 percent of the area median wage.

Construction Jobs. The purchase of construction supplies is expected to reach \$240 million for Project Discus. Additional development, other than Project Discus, will create additional construction jobs.

To summarize, the creation of the Project Area and adoption of the Project Area Plan is beneficial to the City for the following reasons:

- Increased tax base that will provide additional tax revenues to the various taxing entities;
- Creation of 130 jobs by Project Discus, with 50 jobs created in Phase 1;
- Creation of jobs in the local area thus reducing travel commute times for local residents and improving air quality;
- Creation of construction jobs;
- Increased spending in the local area for construction supplies and for convenience purchases by full-time employees at the business park; and
- Added economic diversification to the City.

APPENDIX A: PROJECT AREA MAP





APPENDIX B: PARCEL LIST AND LEGAL DESCRIPTION

TABLE 4: PARCEL LIST

Parcel	2015 Taxable Value
26103000030000	\$7,980
26103000050000	\$0
26104000010000	\$4,240
	\$12,220

Legal Description

Beginning at the Southeast Corner of the Southwest Quarter of the Southeast Quarter of Sec. 10, Township 3 South, Range 2 West, SLBM; thence running West 1878 feet more or less to the Southeast Corner of Parcel #2610300002; thence North 495.84 feet; thence West 470 feet; thence South 496.96 feet; thence West 1726 feet more or less to the East right-of-way line of State Road U111; thence Northeasterly along said State Road right-of-way 2665 feet more or less to the Northwest Corner of Parcel #2610300003; thence East 3735 feet more or less to the Northeast Corner of the Northwest Quarter of the Southeast Quarter of Section 10; thence South 1320 feet more or less to the point of beginning.

Containing 231.68 Acres