

**Project Thanksgiving
Community Reinvestment
Project Area Budget**

DRAFT

Adopted March 18, 2020

Box Elder County Redevelopment Agency

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1. Introduction

The Box Elder County Redevelopment Agency Board requested that the Box Elder County Redevelopment Agency (also referenced herein as the “**Agency**”), with the assistance of hired consultants and staff, prepare a Community Reinvestment Project Area Budget pursuant to the provisions of Chapters 1 and 5 of the Utah Community Reinvestment Agency Act, Title 17C of the Utah Code Annotated 1953, as amended (the “**Act**”) for the Project Thanksgiving Community Reinvestment Project Area (the “**CRA**” or the “**Project Area**”). This Community Reinvestment Project Area Budget (the “**Project Area Budget**” or the “**Budget**”) is for a project (the “**Project**”) located entirely within the boundaries of Box Elder County. The requirements of the Act, including notice and hearing obligations, have been scrupulously observed at all times throughout the establishment of the Project, the Project Area Plan, and this Budget.

This Budget is prepared in good faith as a current reasonable estimate of the economic impact of projected development within the Project Area. Fundamental economic and other circumstances may influence the actual impact. With these assumptions, the information contained within this Budget represents the reasonable expectations of the Agency. The Agency makes no guarantee that the projections contained in this Budget of the Project Area Plan for the Project Area accurately reflect the future development within the Project Area. Further, the Agency specifically reserves all powers granted to it under the Act, now and as may be amended; this Budget shall not be interpreted to limit or restrict the powers of the Agency as granted by the Act. The actual amount of tax increment received by the Agency will be determined solely by interlocal agreement(s) between the Agency and the various taxing entities; this Budget does not control the flow of tax increment money, nor does it entitle the Agency to receive money from tax increment or any other source.

2. Base Taxable Value (§ 17C-5-303(1)(a))

The base taxable value of locally-assessed personal property within the Project Area is estimated to be approximately \$80 million. For budget purposes, the Agency will use \$0 (zero) dollars as base-year for Project Thanksgiving and Project Thanksgiving will create two separate reports for personal property within the Project Area. The Box Elder County Assessor and the Utah State Tax Commission will determine the amount of taxable personal property.

The base taxable value used to calculate the sharing of tax increment pursuant to interlocal agreements with the taxing entities will be set in each interlocal agreement as required by Utah Code § 17C-5-204(6)(a).

3. Projected Amount of Tax Increment to be Generated within the Project Area (§ 17C-5-303(1)(b))

Based on projected new investment of approximately \$40 million within the Project Area, the Agency expects that the Project will generate a total of \$417,000 in tax increment over 11 years.

4. Project Area Funds Collection Period (§ 17C-5_303(1)(c))

The Agency anticipates collecting tax increment from the Project Area for a period of 11 years. The actual details of tax increment collected by the Agency will be established via interlocal agreements with the various taxing entities.

5. Projected Amount of Tax Increment to be Paid to Other Taxing Entities in Accordance with Section 17C-1-410 (§ 17C-5-303(1)(d))

The Agency anticipates collecting 100% of the tax increment from Box Elder County (unless other taxing entities participate) for a period of 11 years and distributing 10% back to Box Elder County – meaning the Agency will retain 90% of the tax increment generated within the Project Area. The actual details of tax increment collected by the Agency will be established via interlocal agreements with the taxing entities. Based on these anticipated percentages, the Agency estimates that the various taxing entities will receive \$41,000 of property tax increment from the Project Area over the 11 years as follows:

| | |
|---------------------------------------|----------|
| Box Elder County | \$41,000 |
| Box Elder School District | \$0 |
| Bear River Water Conservancy District | \$0 |
| Box Elder Mosquito Abatement | \$0 |

After the project area is complete Box Elder County will recognize the new growth within the county.

6. Area from which Tax Increment is to Be Collected (§ 17C-5-303(1)(f))

The Agency anticipates collecting tax increment from the entire Project Area. The actual details of tax increment collected by the Agency will be established via interlocal agreements with the various taxing entities.

7. Percentage of Tax Increment the Agency is Authorized to Receive (§ 17C-5-303(1)(g))

The Agency anticipates collecting 100% but only retaining 90% of the tax increment from the taxing entities (specifically Box Elder County) for a period of 11 years. The actual details of tax increment collected by the Agency will be established via interlocal agreements with the various taxing entities.

8. Maximum Cumulative Dollar Amount the Agency is Authorized to Receive (§ 17C-5-303(1)(g))

The actual details of tax increment collected by the Agency will be established via interlocal agreements with the various taxing entities and may include a maximum amount of tax increment that the Agency may receive.

9. Sales and Use Tax Revenue (§ 17C-5-303(2))

The Agency does not anticipate that the development within the Project Area will generate any new sales or use tax revenues, and the Agency therefore does not expect to receive any sales or use tax revenue from the Project Area.

10. Uses of Project Area Funds (§ 17C-5-303(3))

As set forth in the Project Area Plan, the Agency intends to use tax increment generated by development within the Project Area for incentives to the developer of the Project within the Project Area, or other uses as allowed by the Act.

11. Combined Incremental Value (§ 17C-5-303(4))

The current market value of the real property within the Project Area is estimated to be approximately \$20 million and the current value of the personal property is around \$80 million. The Agency anticipates that the proposed Project will involve new capital investment within the Project Area of approximately \$40 million of incremental personal property. As such, the Agency expects that the combined incremental taxable value of the personal property within the Project Area will be approximately \$120 million upon completion of the proposed development (minus depreciation). As the proposed new investment is all taxable personal property, the Agency does not anticipate a significant change in the value of the real property within the Project Area.

12. Amount of Project Area Funds used for Administrative Expenses (§ 17C-5-303(5))

The Agency does not anticipate using any of the tax increment for administrative expenses.

13. Property Owned by the Agency (§ 17C-5-303(6))

The Agency does not own any property within the Project Area and does not anticipate acquiring any property within the Project Area.

14. Other Matters

Detailed financial projections for the Project Area are set forth on the attached **Exhibit A**. These calculations are based on assumptions about future development that may or may not be correct. The figures set forth on the spreadsheet are for illustrative purposes only and shall not be interpreted to limit or obligate the Agency with regard to the receipt or distribution of tax increment from the Project Area.

Exhibit A

Detailed financial projections

Project Thanksgiving Community Reinvestment Project Area
 Ongoing Budget
 Multi-Year Project Area Budget Projections
 February 20, 2020

Percent to Project Thanksgiving: 90%

| Tax Year Payment Year | 2022 | 2023 | 2024 | 2025 | 2026 | HISTORIC PROJECTED | | 2028 | 2029 | 2030 | 2031 | 2032 TOTALS |
|--|---------------|---------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|--------------|--------------|----------------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
| REVENUE | | | | | | | | | | | | |
| PROJECT THANKSGIVING | | | | | | | | | | | | |
| TAXABLE VALUATION: | | | | | | | | | | | | |
| Personal Property | \$ 37,400,000 | \$ 34,600,000 | \$ 31,500,000 | \$ 28,300,000 | \$ 25,500,000 | \$ 22,300,000 | \$ 18,700,000 | \$ 15,100,000 | \$ 11,900,000 | \$ 8,300,000 | \$ 4,300,000 | |
| Depreciation Schedule | 94% | 87% | 79% | 71% | 64% | 56% | 47% | 38% | 30% | 21% | 11% | |
| Real Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Centrally Assessed | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Base Year Value | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| TOTAL ASSESSED VALUE | \$ 37,400,000 | \$ 34,600,000 | \$ 31,500,000 | \$ 28,300,000 | \$ 25,500,000 | \$ 22,300,000 | \$ 18,700,000 | \$ 15,100,000 | \$ 11,900,000 | \$ 8,300,000 | \$ 4,300,000 | \$ 237,900,000 |
| INCREMENTAL ASSESSED VALUE - AREA 124 | \$ 37,400,000 | \$ 34,600,000 | \$ 31,500,000 | \$ 28,300,000 | \$ 25,500,000 | \$ 22,300,000 | \$ 18,700,000 | \$ 15,100,000 | \$ 11,900,000 | \$ 8,300,000 | \$ 4,300,000 | \$ 237,900,000 |
| TAX RATE: | | | | | | | | | | | | |
| Box Elder County | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% |
| TOTAL TAX RATE - AREA 124 | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% | 0.1755% |
| TAX INCREMENT REVENUES | | | | | | | | | | | | |
| Tax Increment - Area 124 | \$ 65,637 | \$ 60,723 | \$ 55,283 | \$ 49,667 | \$ 44,753 | \$ 39,137 | \$ 32,819 | \$ 26,501 | \$ 20,885 | \$ 14,567 | \$ 7,547 | |
| TOTAL TAX INCREMENT | \$ 65,637 | \$ 60,723 | \$ 55,283 | \$ 49,667 | \$ 44,753 | \$ 39,137 | \$ 32,819 | \$ 26,501 | \$ 20,885 | \$ 14,567 | \$ 7,547 | \$ 417,515 |
| Percent of Tax Increment for Project | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Tax Increment Available to RDA | \$ 65,637 | \$ 60,723 | \$ 55,283 | \$ 49,667 | \$ 44,753 | \$ 39,137 | \$ 32,819 | \$ 26,501 | \$ 20,885 | \$ 14,567 | \$ 7,547 | |
| Economic Incentive Fund (Project Thanksgiving) | \$ 65,637 | \$ 60,723 | \$ 55,283 | \$ 49,667 | \$ 44,753 | \$ 39,137 | \$ 32,819 | \$ 26,501 | \$ 20,885 | \$ 14,567 | \$ 7,547 | |
| Cumulative Economic Incentive Fund | \$ 59,073 | \$ 54,651 | \$ 49,754 | \$ 44,700 | \$ 40,277 | \$ 35,223 | \$ 29,537 | \$ 23,850 | \$ 18,796 | \$ 13,110 | \$ 6,792 | \$ 375,763 |
| TAX INCREMENT TO TAXING ENTITIES | | | | | | | | | | | | |
| Housing Allocation (10%) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Tax Increment to Box Elder County | \$ 6,564 | \$ 6,072 | \$ 5,528 | \$ 4,967 | \$ 4,475 | \$ 3,914 | \$ 3,282 | \$ 2,650 | \$ 2,088 | \$ 1,457 | \$ 755 | \$ 41,751 |
| TOTAL EXPENDITURES | \$ 65,637 | \$ 60,723 | \$ 55,283 | \$ 49,667 | \$ 44,753 | \$ 39,137 | \$ 32,819 | \$ 26,501 | \$ 20,885 | \$ 14,567 | \$ 7,547 | \$ 417,515 |
| Jobs Created in Project Area | | | | | | | | | | | | |

ASSUMPTIONS

1. Personal property is forecasted to depreciate over the useful life of the assets. Once depreciated to approximately 11%, the value is to remain constant.