

# **STEEL SOLAR PROJECT**

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## **Community Reinvestment Project Area Plan**

Box Elder County Redevelopment Agency  
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## **1. Introduction and adoption of area plan**

Pursuant to Resolution No. 19-02 (the “Resolution”), the Board of the Box Elder County Redevelopment Agency (also referenced herein as the “Agency”) authorized the preparation of this Community Reinvestment Project Area Plan (the “Plan”) in accordance with provisions of Title 17C of the Utah Code Annotated 1953, as amended (the “Act”). The Plan shall be titled the “Steel Solar Project Community Reinvestment Project Area Plan”.

In accordance with the Act, the Agency’s objectives in approving this Plan are to use Tax Increment<sup>1</sup> to expand and diversify Box Elder County’s industrial tax base and benefit all taxing entities, promote the efficient use of natural resources, support the growth and development of clean energy production, create new employment opportunities, facilitate development of underutilized property, provide funds for local income targeted housing, and encourage development of currently tax-exempt land. The Agency anticipates that the objectives of the Plan cannot be achieved without the use of Tax Increment.

The Plan covers approximately 1,670 acres of vacant agricultural land located in northeast Box Elder County (the “County”), Utah, near the junction of Interstate 15 (I-15) and State Route 13 (SR 13), northwest of the Town of Plymouth, Utah (the “Project Area”). The Project Area is more particularly depicted in attached Exhibit A-1 (the “Project Area Map”) and described in attached Exhibit A-2 (the “Plan Area Legal Description”).

The implementation and execution of this Plan is intended to incentivize the development and operation of a utility-scale solar energy generation project (the “Solar Project”) proposed by Steel Solar, LLC (“Steel Solar”), which will benefit all local taxing entities, provide significant economic returns to the community, create jobs, and otherwise expand and diversify Box Elder County’s industrial tax base.

The Agency proposes to use Tax Increment to encourage economic development and industrial expansion within the Plan Area. The Agency anticipates that the goals and objectives of this Plan cannot be achieved without the use of Tax Increment. Therefore, the Agency will request the participation of each taxing entity that levies a property tax within the Plan Area to agree to allow the Agency to receive a percentage of the Tax Increment generated within the Plan Area for the term of this Plan. As outlined in the Act, the Agency will negotiate separate interlocal agreements with each participating taxing entity, which will outline the specifics related to the amount of Tax Increment and participation time frame over which the Tax Increment will be received by the Agency. Pursuant to these interlocal agreements, the Agency will receive the Tax Increment and will use this financing source to accomplish the purposes and objectives of this Plan.

Moreover, the Agency anticipates negotiating an individual participation agreement with Steel Solar to allow for the reimbursement of the Tax Increment generated by the Solar Project. The terms of the Tax Increment participation for the Solar Project, including participation

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<sup>1</sup> The Act defines “*Tax increment*” to mean the difference between: (i) the amount of property tax revenue generated each tax year by a taxing entity from the Project Area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from the Project Area using the base taxable value of the property.

percentages and term, will be negotiated separately between Steel Solar and the Agency. This Plan shall remain in effect for the term of the participation agreement between the Agency and Steel Solar.

The ordering of sections within this Plan are consistent with the requirements and other criteria for Community Reinvestment Project Area Plans set forth in Utah Code Ann. § 17C-5-105. Each capitalized term not otherwise defined in this Plan shall have the meaning described to it in the Act.

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## **2. Community Reinvestment Project Area Plan boundaries**

The Project Area encompasses approximately 1,670 acres of privately-owned, vacant agricultural land located entirely within unincorporated areas of the County. The Project Area is bounded to the east by Interstate 15, on the southern side by SR-13, on the west by 7000 West, and on the north by 22400 North and includes the following Assessor Parcel Numbers: 08-055-0007; 08-056-0003; 07-091-0006; 07-090-0003; and 07-036-0001. The Nucor Steel complex is located to the west of the Project Area. Transmission line for the proposed Solar Project will extend

approximately 0.85 miles southwest of the project substation via a 138kV transmission line to the existing Josephson substation at the Nucor Steel Plant on portions of Assessor Parcel Numbers 07-035-0001 and 07-036-0001.

### **3. Summary of current conditions and impact of project area development**

#### **a. Existing land uses**

Land within the Project Area is located in unincorporated Box Elder County and is not zoned. The proposed Solar Project is a permitted use, subject to the County's approval of site plan for the Solar Project in accordance with Section 2-2-120 of the County's Land Use Management and Development Code. There is little development in the general vicinity of the Project Area, and the closest community is Plymouth.

#### **b. Principal streets**

Interstate 15 runs north and south and sits east of the Project Area. The Project Area is bounded on the southern side by 20800 North, on the west by 7000 West, and on the north by 22400 North.

#### **c. Population densities**

There are no residential housing units or residents within the Project Area. As noted above, there are industrial activities west of the Project Area.

#### **d. Building intensities**

Other than the Interstate 15, there are no improvements or structures within the Project Area.

#### **e. Impact of project area development**

Once operational, the Solar Project within the Project Area will consist of photovoltaic solar panels and accessory facilities; electrical collection and transmission lines and facilities; communication lines, cables, conduits, and facilities; electrical transformers, substations, and interconnection facilities; energy storage facilities; telecommunications equipment; control buildings and maintenance yards; access roads, fences and gates. This use is not anticipated to cause any detrimental effects on existing surrounding uses. An aboveground 138kV transmission line will run from the Solar Project substation to the Josephson substation at the Nucor Steel Plant approximately 0.85 mile southwest of the project substation and will consist of a single-circuit line, transmission poles, and ancillary equipment and improvements. The Solar Project and its facilities and improvements are not reasonably anticipated to cause detrimental effects on existing surrounding uses.

The Solar Project will not include any residential units and the population of the Project Area is not expected to increase in connection with its development. However, as new

jobs are created within the Project Area, a corresponding number of new housing units may be constructed in other portions of the County.

Currently anticipated development is not expected to add significantly to the cumulative impact on public roads or other County infrastructure. During construction, there will be an influx of construction workers and delivery of materials to the Project Area; however, such impacts are temporary and not reasonably anticipated to detrimentally affect the surrounding area.

Due to the remote location of the Project Area, future development options are limited. The proposed Solar Project takes advantage of the Project Area's solar resources with minimal impact on the surrounding area. The development of the Solar Project within the Project Area will convert otherwise unproductive land into productive use and is anticipated to result in the following benefits: significant new property tax revenues and an increase in the County's property tax base; enhanced employment opportunities for County residents; support of public schools through increased property tax revenues; funding of local targeted income housing options; and diversification of the local economy.

**4. Development standards**

The development and operation of the Solar Project will be subject to all applicable County, State, and Federal regulations.

**5. How the purposes of the Act will be attained by the Plan**

Pursuant to Utah Code Ann. § 17C-1-102(47), the purpose of implementing a Project Area Plan may include activities which the Agency has determined either provides or encourages job creation or the development of improvements, facilities, structures, or buildings either on-site or off-site.

The Agency anticipates the Tax Increment incentives authorized by this Plan will result in the following outcomes:

**a. Create jobs**

The Agency anticipates the Tax Increment incentive authorized by this Plan will incentivize the development and operation of a utility-scale solar project which will create an estimated 175 - 200 FTE construction jobs, with a daily maximum of 240 workers, during the projected 10 to 12 month construction period and at least one full-time, high-paying permanent job with an estimated average annual salary of \$60,000 to \$70,000.

**b. Tax revenue**

It is anticipated that future development within the Plan Area will generate significant and meaningful tax revenue to the County through increases in property taxes. Predicted

tax revenue generated by the Solar Project will be evaluated as part of Agency's negotiation of a participation agreement with Steel Solar.

**c. Fund local economic development**

The Agency will retain a portion of the Tax Increment generated within the Project Area to cover the administrative costs of implementing the Plan and for other purposes that are authorized under the Act.

**d. Provide funding for Utah education**

It is anticipated that the capital investment required to construct this project will increase property value in the Plan Area which will generate additional property tax revenue and provide additional funding for Box Elder School District.

**e. Provide funds for local housing needs**

Pursuant to the Act, ten percent (10%) of the Tax Increment will be allocated to fund local income-targeted housing needs or homeless assistance.

**6. Consistent with Box Elder County General Plan**

All development within the Project Area will conform to the Box Elder County General Plan (the "General Plan") and will further the County's Economic Development Goals in the following ways. The Solar Project is consistent with the County's goal to pursue diverse economic development activities that complement existing businesses and industries, and that are sensitive to the natural environment and compatible with the area's rural character. Given its location adjacent to Interstate 15 and the Josephine Substation, the Solar Project furthers the General Plan's goal to support industrial development adjacent to major transportation corridors and public utility areas. Additionally, the Solar Project is an environmentally sustainable source of renewable energy and will promote the efficient use of the County's natural resources. In terms of economic development, the Solar Project is anticipated to create new employment opportunities and will diversify the County's tax base. In addition to generating significant tax revenues for the County, the Solar Project will support public schools through increased property tax revenues without increasing demand for services.

**7. Elimination or reduction of blight within Project Area**

This element is not applicable to the Project Area.

**8. Project Area development**

The implementation and execution of this Plan is intended to incentivize the development and operation of the Solar Project proposed by Steel Solar. The proposed Solar Project consists of a solar photovoltaic plant that will be capable of generating up to one hundred and forty-seven (147) megawatts (MW) of renewable energy upon completion. Once operational, the Solar Project will include solar panels and related equipment, electrical

transformers and substation facilities, collection, distribution and transmission lines, telecommunications equipment, access drives and fencing, energy storage facilities and operations and maintenance facilities.

**9. Selection of participants**

Steel Solar is an affiliate of Enyo Renewable Energy (“Enyo”). The principals of Enyo have extensive experience with developing renewable energy projects in Utah. The Agency believes that Steel Solar, LLC has the resources and experience to successfully develop this project.

**10. Reasons for selection of Project Area**

The Agency seeks to pursue economic development to strengthen the local economy and diversify and expand the County’s industrial base. Future development opportunities within the Project Area are severely limited due to the lack of available infrastructure. The proposed Solar Project will take advantage of the County’s existing surrounding land uses, create local construction jobs and high-paying permanent jobs, and generate local tax revenue on land that will otherwise likely remain unproductive.

**11. Physical, social, and economic conditions within Project Area**

The Project Area consists of non-irrigated rangeland used for agricultural uses. It is unsuitable for residential, commercial, or most industrial uses due to the distance to the lack of available water or sewerage and infrastructure. There are no residential buildings, and thus no residents, within the Project Area, nor are any structures located within the Project Area.

**12. Tax incentives for facilities located in Project Area**

Developing the Solar Project as part of this Plan allows the County and other taxing entities to receive tax revenue from a project that would not otherwise be financially feasible to develop. Utility-scale renewable energy projects are extremely price sensitive and compete against projects in other cities, counties, and states that offer tax incentives. Without the Tax Increment incentives available through a Community Reinvestment Project Area Plan process, the Solar Project would not be competitive and could not be built.

As noted above, the Agency intends to offer Tax Increment incentives, as needed, in consideration for new development within the Plan Area that furthers the goals outlined in this Plan. The Agency anticipates negotiating an individual participation agreement with Steel Solar to allow for the reimbursement of a portion of the Tax Increment generated by the Solar Project.

**13. Anticipated public benefits from the Plan**

The Act provides that any Community Reinvestment Project Area Plan include an analysis or description of the anticipated public benefit resulting from project area

development, including benefits to the community's economic activity and tax base. This Plan is necessary to catalyze economic development through the strategic and targeted support of the Solar Project located within the Plan Area.

**a. Economic activity benefits**

As has been mentioned above, development of the Solar Project will create an estimated 175 - 200 FTE construction jobs, with a daily maximum of 240 workers, during the projected 10 to 12-month construction period and at least one full-time, high-paying permanent job. During construction, local businesses such as motels and restaurants are expected to benefit by increased demand for goods and services. Adoption of the Plan is anticipated to expand and diversify the County's industrial base.

The Agency will use a portion of the Tax Increment for administrative expenses and for other purposes that are authorized under the Act.

**b. Tax base benefits**

Development of the Solar Project will generate significant and meaningful tax revenue through property taxes not otherwise available without the tax incentive. While taxing entities will necessarily need to agree to forego a percentage of the growth in the tax base within the Plan Area while the Plan is in effect, the Agency's role in stimulating economic growth and increasing assessed values within the Plan Area will benefit the community as a whole and, over time, each of the taxing entities.

Private investment alone cannot be reasonably expected to achieve substantial economic growth in the near future. The Plan Area has not attracted significant private investment to date, and given the constraints of the site, is not anticipated to do so in the future without support from the Agency. The Solar Project cannot be developed within the Plan Area without the incentives contemplated by this Plan.

**c. Additional benefits**

The Solar Project will also provide significant economic returns to the County and school district without increasing demand for public services, such as new infrastructure or schools. Also, pursuant to the Act, ten percent (10%) of the Tax Increment will be allocated to fund local income targeted housing needs or homeless assistance programs.

**14. Compliance with Section 9-8-404 Heritage, Arts, Libraries, and Cultural Development**

This element is not applicable to the Project Area.

**15. Project Area subject to taxing entity committee or an interlocal agreement**

This Project Area will be subject to an interlocal agreement with each applicable taxing entity.



## **Exhibit A-2**

### **Project Area Legal Description**

#### **Parcel 1**

THE WEST HALF OF SECTION 3, TOWNSHIP 13 NORTH, RANGE 3 WEST, SLM. CONTAINING 320 ACRES, MORE OR LESS.

Parcel No. 07-090-0003

#### **Parcel 2**

LOTS 1 AND 2 AND THAT PART OF LOT 3 LYING EASTERLY OF THE 100FT RR ROW IN SECTION 4, TOWNSHIP 13 NORTH, RANGE 3 WEST, SLM. CONTAINING 96.83 ACRES, MORE OR LESS.

Parcel No. 07-091-0006

#### **Parcel 3**

THE SOUTHWEST QUARTER, WEST HALF OF NORTHEAST QUARTER AND WEST HALF OF SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 14 NORTH, RANGE 3 WEST, SALT LAKE MERIDIAN.

Parcel No. (08-056-0003)

#### **Parcel 4**

THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 14 NORTH, RANGE 3 WEST, SALT LAKE MERIDIAN.

Parcel No. 08-055-0007

#### **Parcel 5**

AN APPROXIMATE FOUR-ACRE PARCEL LOCATED IN THE NORTHWEST CORNER OF THE FOLLOWING DESCRIBED REAL PROPERTY:

BEG AT A PT 1790 FT N OF SW COR OF SEC 10, TWP 13N, R 3W, SLM, RUNNING E 925 FT, S 13°E 538 FT, S 78°35'E 326 FT TO A PT ON 1/4 SEC LINE, N 2470 FT, E 80 RDS, N 100 RDS, W 160 RDS, S 2490 FT TO BEG. LESS 12 FT BY 160 RDS ALG N SIDE. LESS: TRACT DEEDED TO G GARTH JOSEPHSON ETAL. LESS: TRACT DEEDED TO NUCOR CORP. CONT 146.23 ACRES MIL

Parcel No. 07-036-0001 (portion)

## Transmission Line Parcel

BEG AT NW COR OF SEC 9, TWP 13N, R 3W, SLM, S 0°14'03W 3945.19 FT, E 1333 FT, S 331.50 FT, E 2328 FT, N 35°13'E 408 FT, N 50°15'E 440 FT, N 18°35'E 555 FT, N 76°30'E 342 FT, N 35°20'E 274 FT, S 57°00'E 260 FT, N 37°51'46E 302.47 FT TO E LINE OF SD SEC 9, N 0°04'21W 2733.51 FT TO NE COR OF SD SEC 9, N 89°58'48W 2202 FT ALG N LINE OF SEC 9, M/L TO W R/W LINE OF OSLRR, TH FOLLOWING THREE COURSES ALG SD W R/W LINE: N 13°16'35W 706.41 FT M/L & N 13°48' 43W 12996.25 FT M/L TO N LINE OF SW/4 OF SEC 4, N 89°55'56W 2486.91 FT ALG SD N LINE TO NW COR OF SD SW/4 OF SEC 4, S 0°07'20W 2642.17 FT ALG W LINE OF SW/4 OF POB. LESS RDS. LESS: THE FOLLOWING WITHIN PLYMOUTH CORP. BEG AT A PT LOCATED S 0°04'21E 2620.30 FT FROM NE COR OF SEC 9, S 0°04'21E 100.00 FT, N 89°06'40W 1845.38 FT, N 0°53'20 E 100.00 FT, S 89°06'40E 1843.70 FT TO BEG. CONT 627.93 ACRES M/L

Parcel No. 07-035-0001

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