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**RESOLUTION NO. RDA 18-06**

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF DRAPER CITY  
ADOPTING AN AMENDMENT TO THE OFFICIAL PLAN FOR THE SAND  
HILLS REDEVELOPMENT PROJECT AREA**

**WHEREAS**, the Redevelopment Agency of Draper City (the "Agency") was created to transact the business and exercise the powers provided for in the current Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code Ann. 1953, as amended (the "Act"); and

**WHEREAS**, the Agency adopted the SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN (herein referred to as the "Plan", the "Project Area Plan", or the "Sand Hills Neighborhood Development Plan") on June 19, 1990, in the form attached hereto as **Exhibit D**.

**WHEREAS**, the Agency, by Resolution, has authorized the preparation of a draft amendment to the SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN as provided in the Act; and

**WHEREAS**, pursuant to the Act, the Agency has prepared an amendment to the SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN (the "Amendment"), in the form attached hereto as **Exhibit C**, and for clarifying certain objectives of said Plan and uses of tax increment;

**NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF DRAPER CITY:**

**Section 1. Adoption of Amendment to Project Area Plan.** It has become necessary and desirable to adopt the Amendment as an official amendment to the SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN. The Amendment, in the form attached hereto as **Exhibit C**, and together with any changes to the Amendment as may be indicated in the minutes of this meeting (if any), is hereby designated and adopted as an official Amendment to the official SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN. The Agency shall submit the Amendment to the City Council requesting that the Amendment be adopted by ordinance of the legislative body of the City in accordance with the provisions of the Act.

**Section 2. Legal Description of the Project Area Boundaries.** The legal description of the boundaries of the Project Area covered by the Project Area Plan is attached hereto and incorporated herein as **Exhibit A**. A map of the Project Area is attached and incorporated herein as **Exhibit B**. The Amendment does not amend the original Project Area boundaries in any way.

**Section 3. Agency's Purposes and Intent.** The Agency's purposes and intent with respect to the Project Area remain the same as contemplated in the SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN, as amended by the Amendment.

**Section 4. Project Area Plan Incorporated by Reference.** The Amendment in the form attached as **Exhibit C**, and together with any changes to the Amendment as may be indicated in the

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Book - 10732 Pa - 8664-8728  
ADAM GARDINER  
RECORDER, SALT LAKE COUNTY, UTAH  
CITY OF DRAPER RECORDER  
1020 E PIONEER RD  
DRAPER UT 84020  
BY: RWA, DEPUTY - MA 65 P.

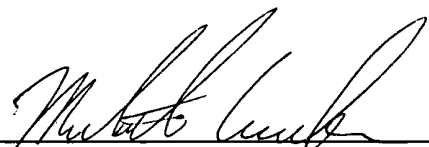
minutes of this meeting (if any), is hereby incorporated herein by reference, and made a part of this Resolution. Copies of the Amendment shall be filed and maintained in the office of the Agency and the City Recorder for public inspection.

**Section 5. Agency Board Findings.** The Agency Board hereby determines and finds that the Project Area Plan, as amended by the Amendment:

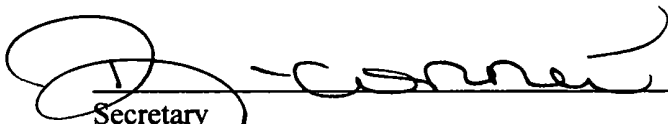
- A. Serves a public purpose by, among other things, encouraging and accomplishing appropriate community reinvestment activities within the Project Area;
- B. Produces a public benefit in the form of, among other things, increased development activity and/or reinvestment activity within the boundaries of the Agency, that is desirable and will enhance the tax base of all taxing entities within the Project Area, as demonstrated by the analysis provided in the Project Area Plan;
- C. Is economically sound and feasible; in that the revenue needed for the implementation of the Project Area Plan will come from incremental property taxes generated by new private development and/or reinvestment activities within the Project Area, all as further shown and supported by the analysis contained in the Project Area Plan;
- D. Conforms to the City's general plan in that, among other things, the Project Area Plan provides that all project area development and reinvestment in the Project Area is to be in accordance with the City's zoning ordinances and requirements, and the development activities contemplated by the Project Area Plan are in harmony with the City's general plan; and
- E. Promotes the public peace, health, safety and welfare of the City.

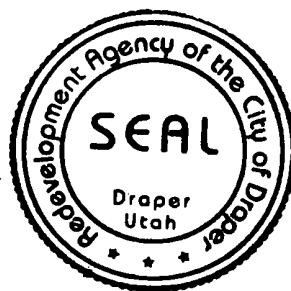
**Section 6. Effective Date.** This Resolution takes effect immediately upon adoption, and pursuant to the provisions of the Act, the Project Area Plan becomes effective upon adoption by Ordinance of the legislative body of the City.

**IN WITNESS WHEREOF**, the Governing Board of the Redevelopment Agency of Draper City has approved, passed and adopted this Resolution this November 13, 2018.

  
\_\_\_\_\_  
Agency Chair

Attest:

  
\_\_\_\_\_  
Secretary



## EXHIBIT A – LEGAL DESCRIPTION OF THE PROJECT AREA

### A. Description of the Redevelopment Project Area

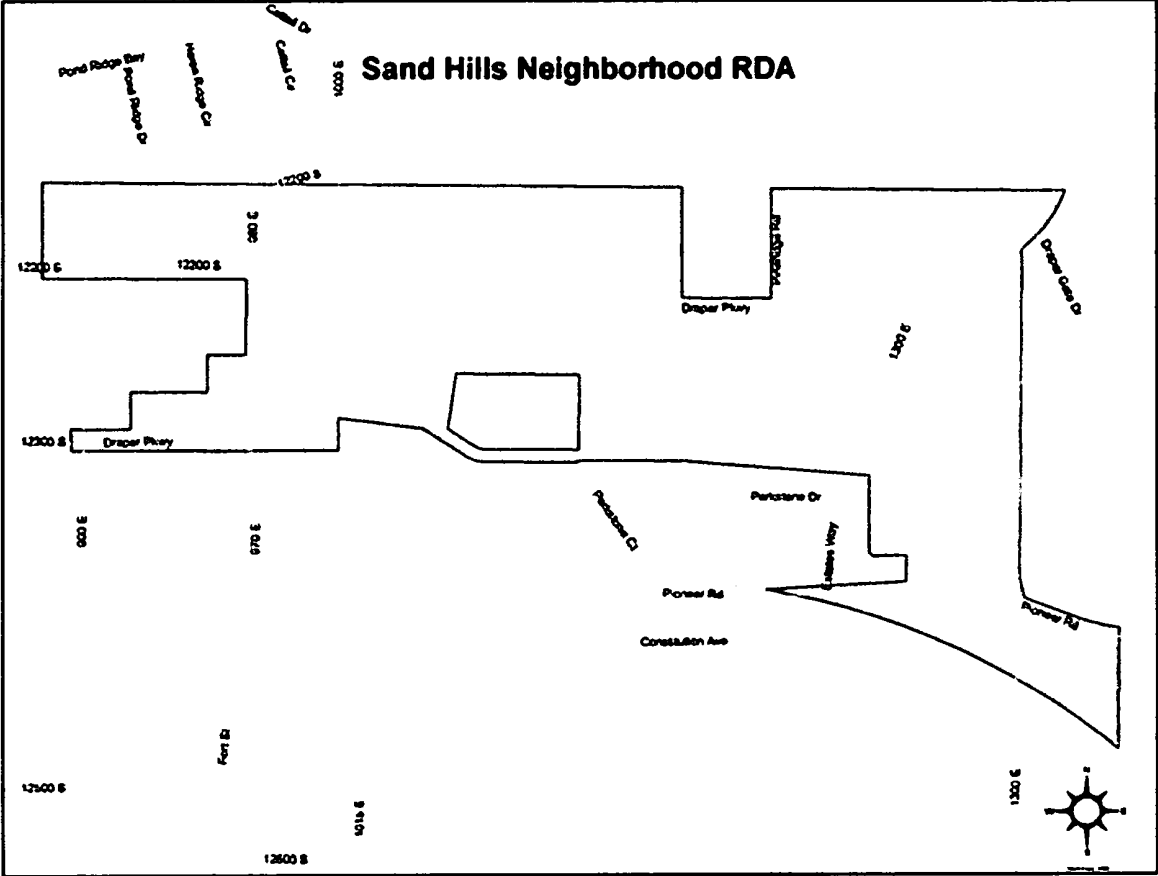
The Sand Hills Neighborhood Development Project Area, hereinafter referred to as the project area, is enclosed within the following boundaries:

Beginning at the East Quarter Corner of Section 29, Township 3 South, Range 1 East, Salt Lake Base and Meridian; thence running South  $89^{\circ}42'54''$  East 264.88 feet to a point on a 428.00 foot radius curve to the right, the center of which bears North  $89^{\circ}34'39''$  West; thence Southerly 505.52 feet along the arc of said curve through a central angle of  $67^{\circ}40'23''$  to a point on the East line of said Section 29; thence South  $0^{\circ}29'56''$  West 1202.15 feet, more or less, to the North line of Pioneer Avenue; thence South  $70^{\circ}00''$  East 246.0, more or less; thence Easterly along a curve to the left 210.0 feet, more or less; thence South 480.0 feet, more or less to the North line of the Union Pacific Railroad; thence Northwesterly along a curve to the left 1500.0 feet, more or less to the North line of said Pioneer Avenue; thence North  $86^{\circ}38'40''$  East 491.13 feet; thence North  $0^{\circ}17'22''$  West 101.975 feet; thence South  $88^{\circ}50'49''$  West 133.915 feet; thence North  $42^{\circ}49'08''$  West 18.857 feet; thence North  $0^{\circ}22'48''$  West 27.598 feet; thence South  $85^{\circ}20'04''$  West 117.374 feet; thence North  $2^{\circ}46'22''$  East 121.56 feet; thence West 40.04 feet; thence North 59.88 feet; thence West 171.8 feet; thence North 129.41 feet to the South line of the Draper Irrigation Canal; thence North  $85^{\circ}41'00''$  West 354.446 feet; thence North  $89^{\circ}47'10''$  West 769.66 feet to a point of tangency with a 133.00 foot radius curve to the right; thence 75.46 feet along the arc of said curve through a central angle of  $32^{\circ}30'30''$ ; thence North  $57^{\circ}16'40''$  West 171.47 feet to a point of tangency with a 152.00 foot radius curve through a central angle of  $27^{\circ}35'13''$ ; thence North  $84^{\circ}51'53''$  West 134.34 feet; thence North  $81^{\circ}11'22''$  West 115.84 feet; thence South 160.58 feet to a point on a line extended easterly along the South line of 12300 South; thence West 272.25 feet; thence South 11.75 feet; thence West 775.75 feet; thence North 106.0 feet to the North line of 12300 South; thence East 249.75 feet; thence North 148.50 feet; thence East 297.0 feet; thence North 148.5 feet; thence East 148.5 feet; thence North 297.0 feet; thence West 676.5 feet; thence North 363.0 feet to the quarter section line of said Section 29; thence South  $89^{\circ}27'41''$  East 1031.25 feet to the center of said Section 29; thence South  $89^{\circ}27'41''$  East 1331.05 feet; thence South  $0^{\circ}12'49''$  West 504.96 feet; thence South  $89^{\circ}27'41''$  East 395.23 feet; thence North  $0^{\circ}12'49''$  East 473.40 feet; thence South  $89^{\circ}27'41''$  East 924.67 feet to the point of Beginning.

Excluding the following parcel:

Beginning at a point 1722.60 feet North 89°27'41" West along the Quarter Section Line and South 731.766 feet from the East Quarter Corner of Section 29, Township 3 South, Range 1 East, Salt Lake Base and Meridian; thence South 297.564 feet to the North line of the Draper Irrigation Canal; thence along said North line the following 3 calls: North 89°47'10" West 361.90 feet to a point of tangency with an 83.50 foot radius curve to the right; thence 47.376 feet along the arc of said curve through a central angle of 32°30'30" and North 57°16'40" West 159.491 feet; thence North 8°00'11" East 200.189 feet; thence South 89°50'00" East 513.035 feet to the point of beginning. Contains 3.45 acres.

EXHIBIT B – MAP OF THE PROJECT AREA



**EXHIBIT C: AMENDMENT TO PROJECT AREA PLAN**

**[ATTACHED]**

## **AMENDMENT TO THE SAND HILLS REDEVELOPMENT PROJECT AREA PLAN**

The Sand Hills Redevelopment Project Area Plan dated June 19, 1990 (the “Plan”), adopted by the governing board of the Redevelopment Agency of Draper City and the City Council of Draper City as the official plan for the Sand Hills Redevelopment Project Area (the “Project Area”), is amended as follows:

**C. Statement of Development Objectives** found on pages 5-6 of the Plan is amended with the following addition:

14. Assist with both onsite and offsite infrastructure and improvements that provide a benefit to the Project Area, residents of Draper City, or new and existing businesses within the Project Area and or within a close proximity to the Project Area.

**Dated November 13, 2018.**



**EXHIBIT D: SAND HILLS PROJECT AREA PLAN**

**[ATTACHED]**

SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN  
PRELIMINARY PLAN, AS AMENDED

June 19, 1990

Redevelopment Agency of Draper City  
12441 South 900 East  
City of Draper, Utah

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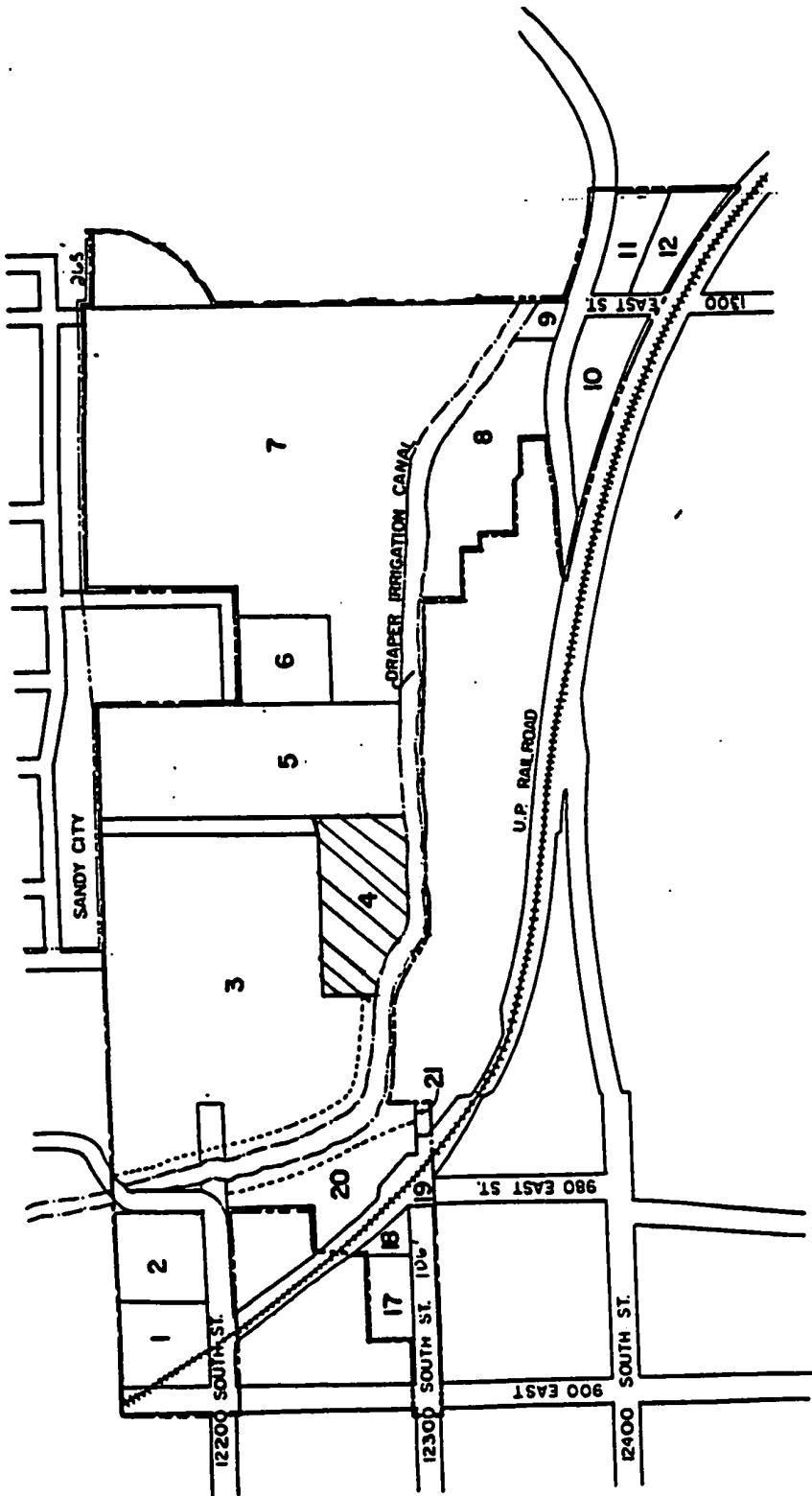
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BK 10732 PG 8677

**LEGEND**

--- PROJECT AREA BOUNDARY

▨ EXCLUDED PARCEL

**SAND HILLS NEIGHBORHOOD PROJECT AREA**



SCALE: 1" = 400'

FIGURE 1

B. Definitions

As used in this project area redevelopment plan:

1. The term "Agency" shall mean the Redevelopment Agency of Draper City.
2. The term "City" shall mean the City of Draper.
3. The term "plan" or "redevelopment plan" shall mean a redevelopment plan developed by the Agency and adopted by ordinance of the governing body of the City to guide and control development undertakings in a specific redevelopment project area.
4. The term "redevelopment" shall mean the "planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all or part of a project area, and the provisions of such residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them," as defined in Section 17A-2-1202(8) Utah Code Annotated 1953, as amended.
5. The term "project area" or "area" shall mean "an area of a community which is a blighted area within a designated redevelopment survey area, the redevelopment of which is necessary to effectuate the public purposes. . . ," as defined in Section 17A-2-1202(10) Utah Code Annotated 1953, as amended.
6. The term "blighted area" shall mean "an area used or intended to be used for residential, commercial, industrial, or other purposes or any combination of such uses which is characterized by two or more of the following factors:
  - (a) defective design and character of physical construction;
  - (b) faulty interior arrangement and exterior spacing;
  - (c) high density of population and overcrowding;

(d) inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities;

(e) age, obsolescence, deterioration, dilapidation, mixed character, or shifting of uses;

(f) economic dislocation, deterioration or disuse, resulting from faulty planning;

(g) subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development;

(h) laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions;

(i) existence of inadequate streets, open spaces, and utilities, and

(j) existence of lots or other areas which are subject to being submerged by water," as defined in Section 17A-2-1202(9), Utah Code Annotated 1953, as amended.

7. The term "tax increment" shall mean monies which the Agency expects to receive from the project area, pursuant to the provisions of Section 17A-2-1247(1)(e), Utah Code Annotated 1953, as amended, as modified by the provisions of Section 17A-2-1247(1)(f), Utah Code Annotated 1953, as amended, as a result of the increase in the assessed value of the real and personal property located within the project area.

C. Statement of Development Objectives

1. Removal of structurally substandard buildings or improvements to permit the return of the project area land to economic use and new construction.
2. Removal of impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels served by improved public utilities, infrastructure improvements and new community facilities.



3. Rehabilitation of buildings to assure sound long-term economic activity in the core area of the City.
4. The elimination of environmental deficiencies, including: irregular lot subdivision, improper drainage, weeds and excessive vegetation, overcrowding of the land and underutilized land.
5. Achievement of an environment reflecting a high level of concern for architectural, landscape and urban design principles, developed through encouragement, guidance, appropriate controls, and professional assistance to owner participants and redevelopers.
6. Promote and market sites for development or redevelopment that would be complimentary to existing businesses and industries or would enhance the economic base through diversification.
7. Provide utilities, streets, curbs, sidewalks, parking areas, landscape areas, plantings, and/or street furniture to give the area a new look and to attract business activity.
8. Provide for the strengthening of the tax base and economic health of the entire community and the State of Utah.
9. Provide improved public streets and road access to the area to facilitate better traffic circulation and reduce traffic hazards.
10. Insure compatible relationships among land uses and quality standards for their development, such that the area functions as a unified and viable center of social and economic activity for the City.
11. Provide improved pedestrian circulation systems.
12. Coordinate and improve the transportation system.
13. Eliminate or alleviate flood potential within the area.

D. General Land Use Plan

1. Land Use Map

A map entitled, "Proposed Land Use," included as an exhibit and made a part of this plan, indicates the type and location of land uses to be permitted in the redevelopment project area and the major circulation routes serving the area.

2. Description of Land Uses

The permitted uses within the project area shall be those uses permitted by the officially adopted zoning ordinances of Draper City, as said ordinances may be amended from time to time.

3. Planning Criteria

In order to provide developers a maximum flexibility in the development of acquired land and to encourage and obtain the highest in quality development and design, specific development controls for the use districts identified above are not set forth herein. Each development proposal may be considered as a planned unit development and subject to: appropriate elements of the City's Master Plan; the Planning and Zoning Code of the City; other applicable building codes and ordinances of the City; and a review and recommendation by the Draper City Planning and Zoning Commission and approval by the Agency.

A review of redevelopment proposals may also be made by a design review committee established by the Agency. Development proposals shall be accompanied by site plans, development data and other appropriate material that clearly describes the extent of development proposed, including land coverage, setbacks, heights and bulk proposed, off-street parking and loading to be provided, and any other data determined necessary or requested.

E. Techniques to Achieve Plan Objectives

Activities contemplated in carrying out the plan in the area include the acquisition, clearance and rehabilitation of properties in the project area.

1. Rehabilitation

Properties determined to be in substandard condition by the Agency and not otherwise needed for redevelopment may be sufficiently rehabilitated to insure a remaining economic life of twenty years.

2. Acquisition and Clearance

Parcels of real property located in the project area may be acquired by purchase or condemnation.

3. Implementation of Redevelopment Projects.

Redevelopment projects may be undertaken and carried out as provided in Section 17A-2-1215, Utah Code Annotated 1953, as amended. Funding for redevelopment projects and activities shall be provided for in the annual budget of the Agency.

F. Property Acquisition, Disposition, Relocation and Development

The objectives of this redevelopment plan are to be accomplished by:

1. Acquisition of Real Property

The Agency may acquire but is not required to acquire, all real property located in the project area, by gift, devise, exchange, purchase, eminent domain, or any lawful method. The Agency is authorized to acquire any other interest in real property less than fee title. The Agency shall not acquire real property on which an existing building is to be continued on its present site and in its present form and use without the consent of the owner, unless, in the Agency's judgment, (1) such building requires structural alteration, improvement, modernization, or rehabilitation, or (2) the site or lot in which the building is situated requires modification in size, shape, or use, or (3) it is necessary to impose upon such property any of the standards, restrictions and controls of the plan.

2. Acquisition of Personal Property

Generally personal property shall not be acquired. However, where necessary in the execution of this plan, the Agency is authorized to acquire personal property in the project area by any lawful means.

3. Cooperation with Public Bodies

Certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, undertaking, construction, or operation of this project. The Agency shall seek the aid and cooperation of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency, however, will seek the cooperation of all public bodies which own or intend to acquire property in the project area. The Agency shall impose on all public bodies the planning and design controls contained in the plan to insure that present uses and any future development by public bodies will conform to the requirements of this plan.

4. Property Management

During such time that property, if any, in the project area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for redevelopment.

5. Property Disposition and Development

The Agency is authorized to demolish and clear buildings, structures, and other improvements from any real property in the project area as necessary to carry out the purposes of this plan. The Agency is authorized to install and construct or to cause to be installed and constructed the public improvements, public facilities, and public utilities, within the project area, not prohibited by law which are necessary to carry out this plan. The Agency is authorized to prepare or cause to be prepared as building sites

any real property in the project area. The Agency is also authorized to rehabilitate or to cause to be rehabilitated any building or structure in the project area. The Agency is also authorized and directed to advise, encourage, and assist in the rehabilitation of property in the project area not owned by the Agency.

For the purposes of this plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property. The Agency is authorized to dispose of real property by leases or sales by negotiation with or without public bidding. All real property acquired by the Agency in the project area shall be sold or leased to public or private persons or entities for development for the uses permitted in the plan. Real property may be conveyed by the Agency to the City or any other public body without charge. The Agency shall reserve such controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to insure that development is carried out pursuant to this plan. All purchasers or lessees of property shall be made obligated to use the property for the purposes designated in this plan, to begin and complete development of the property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this plan.

#### 6. Development

To the maximum possible extent, the objectives of the plan are to be accomplished through Agency encouragement of, and assistance to, private enterprise in carrying out development activities control and review. To provide adequate safeguards to ensure that the provisions of this plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the Agency, as well as all property subject to participation agreements, shall be made subject to the provisions of this plan by leases, deeds, contracts, agreements, declarations of restrictions, provision of the City

ordinance, conditional use permits, or other means. Where appropriate, as determined by the Agency, such documents or portions thereof shall be recorded in the Office of the County Recorder. The leases, deeds, contracts, agreements, and declarations of restrictions may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions, subsequent, equitable servitudes, or any other provision necessary to carry out this plan.

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct any building, facility, structure, or other improvement either within or without the project area for itself or for any public body or public entity to the extent that such improvement would be of benefit to the project. During the period of development in the project area, the Agency shall insure that the provisions of this plan and of other documents formulated pursuant to this plan are being observed, and that development in the project area is proceeding in accordance with development documents and time schedules. Development plans, both public and private, shall be submitted to the Agency for approval and architectural review. All development must conform to this plan and all applicable federal, state, and local laws. For the purpose of this plan, the Agency is authorized to sell, lease, exchange, transfer, assign, pledge, encumber, and otherwise dispose of personal property.

G. Other Provisions To Meet State Or Local Law

1. The project area described in the redevelopment plan shall not exceed 100 acres of privately-owned property unless the governing body of each local taxing agency which levies taxes upon property within the proposed redevelopment project area consents in writing to the redevelopment project area plan.
2. The assessed value of the project area described in the redevelopment plan, when added to the total assessed value as shown on the last equalized assessment roll certified by the county assessor for other redevelopment project areas of the community for which an allocation of ad valorem taxes is provided, shall not exceed, at

the time of the adoption of the redevelopment plan an amount in excess of 15% of the total locally assessed value of the City, unless the governing body of each local taxing agency which levies taxes upon the property within the proposed redevelopment project area shall consent in writing.

3. The redevelopment plan contains the following limitations on the power of the Agency:
  - a. A time limit of 7 years from the date of the approval of the plan after which the Agency shall not commence acquisition of property through eminent domain;
  - b. A time limit of 15 years from the date of the approval of the plan after which no bonds may be issued for redevelopment projects; and
  - c. A time limit of 32 years from the date of the approval of the plan after which no tax increment from the project area may be allocated to or used by the Agency.
4. The redevelopment plan provides for reasonable opportunities to participate in the redevelopment of property in the project area by the owners of property in the project area if the owners enter into a participation agreement with the Agency. The Agency may permit owners and tenants within the project area reasonable opportunities to participate in the redevelopment of the project area by executing a participation agreement with the Agency which provides:
  - a. Owners retaining, maintaining, and if necessary rehabilitating, all or portions of their properties;
  - b. Owners acquiring adjacent or other properties in the project area;
  - c. Owners selling all or portions of their improvements to the Agency, retaining the land, and developing their properties;
  - d. Owners selling all or portions of their properties to the Agency and purchasing other properties in the project area;

- e. Owners selling all or portions of their properties to the Agency and obtaining preferences to re-enter the project area;
- f. Tenants having opportunities to become owners of property in the project area, subject to the opportunities of owners of property in the project area; and
- g. Other methods as may be approved by the Agency.

The Redevelopment Agency may extend reasonable preferential opportunities to owners and tenants in the project area ahead of persons and entities from outside the project area, to be owners and tenants in the project area during and after the completion of redevelopment.

- 5. The documents listed on Exhibit "A" entitled, "Supporting Documents," are incorporated herein, and made a part thereof.

#### H. Provisions For Amending Plan

The redevelopment plan may be modified any time by the Agency in the same manner as in the adoption of the original Plan.

#### I. Tax Increment Provisions

The redevelopment plan specifically incorporates the provisions of tax increment financing permitted by Section 17A-2-1247, Utah Code Annotated, 1953, as amended, which provides, in part, as follows:

"(1) Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in a redevelopment project each year by or for the benefit of the State of Utah, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, shall be divided as follows:

- (a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection



with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of such ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the county last equalized on the effective date of the ordinance shall be used in determining the assessed valuation of the taxable property in the project on the effective date); and . . .

- (e) In a redevelopment project with a redevelopment plan adopted after April 1, 1983, that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under subsection (1)(a) shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency according to the limits set forth in subsection (1)(f) to pay the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, re-funded, assumed, or otherwise) incurred by such redevelopment agency after April 1, 1983, to finance or refinance, in whole or in part, such redevelopment project. Payment of tax revenues to the redevelopment agency shall be subject to and shall except uncollected or delinquent taxes in the same manner as payments of taxes to other taxing agencies are subject to collection. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in such project as shown by the last equalized assessment roll referred to in subsection (1)(a) of this section, all of the taxes levied and collected upon the taxable property in such redevelopment project shall be paid into the funds of the respective taxing agencies. When such loans, advances, and indebtedness, if any, and interest thereon, have been paid, all monies thereafter received from taxes upon the taxable property in such redevelopment project shall be paid into the funds of the respective taxing

agencies as taxes on all other property are paid."

J. Implementation of Redevelopment Project Program

The redevelopment projects set forth in the project area redevelopment plan shall be implemented as approved by the Agency.

K. General Design Objectives

The general design of redevelopment projects may be developed by the Agency in cooperation with the Planning Commission. The particular elements of the design should be such that the overall redevelopment of the project area will:

1. Provide an attractive urban environment;
2. Blend harmoniously with the adjoining areas;
3. Provide for the optimum amount of open space in relation to new buildings;
4. Provide unobtrusive parking areas, appropriately 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 topographical conditions and views;
6. Provide for the maximum separation and protection of pedestrian access routes from vehicular traffic arteries;
7. The development of land within the project area will be undertaken in such a manner that available off-street parking will be maintained to the maximum degree. Special emphasis will be placed on phases of construction of all new development projects to support the parking program.

L. Specific Design Objectives and Control

1. Building Design Objectives

- a. All new buildings shall be of design and materials which will be in harmony with

adjoining areas and other new development 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 renewal area should be designed and placed to act as significant landmarks in the project area and the City.

2. Open Space Pedestrian Walks and Interior Drive Design Objectives

- a. All open spaces, pedestrian walks and interior drives shall be designed as an integral part of an overall site design, properly related to existing and proposed buildings.
- b. Attractively landscaped open spaces shall be provided, which will offer maximum usability to occupants of the building for which they are developed.
- c. Landscaped, paved, and comfortably 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.
- 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 and surrounding community.
- e. Materials and design of paving, retaining walls, fences, curbs, benches, and other accouterments, shall be of good appearance, easily maintained, and indicative of their purpose.

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 overall site design.

- b. It is desirable that parking areas be level or on terraces as determined by the slope of the land.

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 non-deciduous shrubs, ground cover, and street trees as appropriate to the character of the project area.

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 will 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.
- c. Rough grading. Existing structures, retaining walls, underbrush, pavement, curb and gutters will be removed and the entire site graded in conformance with the final project design determined by the Agency.

M. Relocation Plan

The Agency shall provide relocation assistance to persons who are displaced as a result of the acquisition of real property by the Agency or written request by the Agency to vacate real property for a program of purchase undertaken by the Agency, or as a direct result of redevelopment activities conducted by the Agency in accordance with the relocation program adopted by the Agency entitled "Rules Governing Relocation Assistance For the Redevelopment Agency of Draper City."

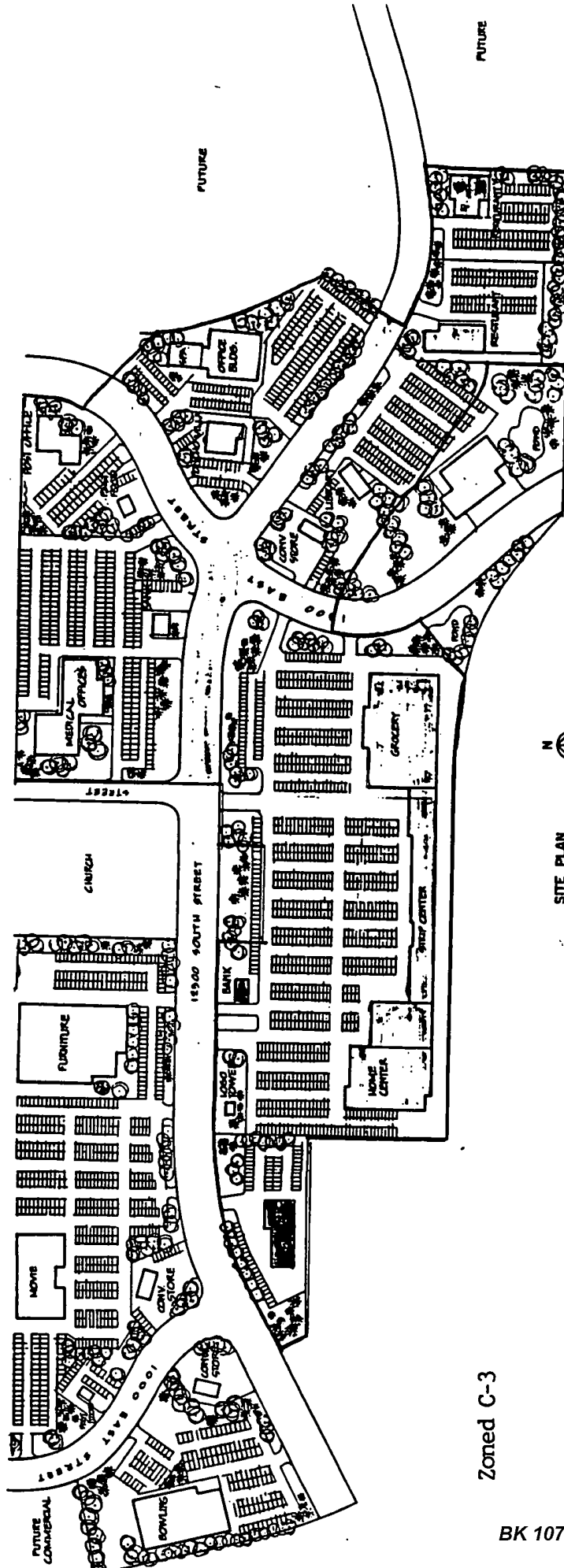
EXHIBIT "A"

SUPPORTING DOCUMENTS

SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN  
June 19, 1990

The following documents are part of the Sand Hills Neighborhood Development Plan dated June 19, 1990, and are incorporated by reference. The documents support the statements and findings incorporated in the Sand Hills Neighborhood Development Plan.

1. Draper Survey Area No. 1 Blight Analysis Survey prepared by Richard Chong & Associates dated May 30, 1990.
2. Draper City Master Plan, dated April 18, 1989.
3. Draper City Major Street Plan adopted March 24, 1987.
4. Proposed Draper City Master Flood Plan, prepared by Roland Palmer, 1989.



Zoned C-3

PROPOSED LAND USE MAP  
SAND HILLS NEIGHBORHOOD PROJECT AREA

REPORT ON REDEVELOPMENT PLAN  
ENTITLED  
"SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN"

June 19, 1990

Redevelopment Agency of Draper City  
12441 South 900 East  
City of Draper, Utah

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REPORT ON REDEVELOPMENT PLAN

ENTITLED

"SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN"

The following report on the project area development plan entitled "Sand Hills Neighborhood Development Plan" dated June 19, 1990, is submitted in accordance with the provisions of Section 17A-2-1220, Utah Code Annotated 1953, as amended.

1. The Reasons for the Selection of the Project Area

The proposed Sand Hills Neighborhood Development Plan project area was selected as that area within the City of Draper having an immediate need for treatment to stabilize and strengthen the commercial business and economic base of the community. This area contains that portion of the City that is desirable for the development and redevelopment of a commercial base or core. Specific boundaries were arrived at after a review of the area by members of the Agency, City Planning and Zoning Department, and other technicians. Planned treatment of this area will be to prevent and eliminate blight and to stimulate new developments and upgrade this area of the urban core to the degree necessary for sound long-range growth.

2. The Description of the Physical, Social, and Economic Conditions Existing in the Area

A. Physical Conditions

The physical characteristics of the Sand Hills Neighborhood Development Plan project area may generally be classified into two categories. The first category are those areas where no rehabilitation or redevelopment has occurred since original construction. This category includes a mixture of construction, blighted property and property that is in need of rehabilitation or refurbishment. The second category are those areas which have not been developed or redeveloped by private or public redevelopment projects and lack the necessary infrastructure for development to occur. The physical conditions in the project area were found to have various evidence of blight due primarily to obsolescence and neglect. Some of the structures appear to have outlived their usefulness and are in advanced stages of dilapidation. Other structures have undergone recent remodeling; however, the original building shell reveals signs of both exterior and interior deficiencies incident to existing structures would not presently meet the seismic code qualifications according to the Uniform Building Code and that to do so would not be economically feasible for any of the buildings. Physical conditions

existing within the project area which cause blight include:

1. Defective design and character of physical construction:

There are 12 permanent structures.

- (a) Ten (10) structures, representing eighty-three percent (83%) of the permanent buildings are in dilapidated condition. These structures pose a clear and present danger to the safety and general welfare of the community.
- (b) One (1) structure, representing eight percent (8%) of the permanent buildings is in deteriorated condition.
- (c) One (1) structure, representing eight percent (8%) of the permanent buildings, is in deficient condition.

This represents a total of one hundred percent (100%) of the structures in substandard condition.

2. Economic dislocation, deterioration, or disuse, resulting from faulty planning:

- (a) There is a hodgepodge of uses including: open storage of junk, agricultural uses, residential uses, small businesses and vacant, unused land.
- (b) One hundred percent (100%) of the structures are in substandard condition.
- (c) Eleven (11) parcels, representing fifty-five percent (55%) of the parcels are vacant.
- (d) Two (2) buildings, eleven percent (11%) of the buildings are vacant.

3. Age, obsolescence, deterioration, dilapidation, mixed character or shifting or uses:

- (a) The area is characterized by conflicts with present zoning for the area, including illegal storage and conflicting land uses.
  - (b) The area is characterized by many parcels and structures that exhibit economic obsolescence and mixed character of the site and/or existing structures.
  - (c) All parcels to various degrees exhibit poor maintenance. Ten (10) parcels, representing fifty percent (50%) are deemed in need of major repair or maintenance.
  - (d) One (1) parcel probably has underground fuel storage tanks which could potentially be an environmental hazard.
4. Subdividing and sale of lots or irregular form and shape and inadequate size for proper usefulness and development:
- (a) Thirteen (13) parcels, representing sixty-five percent (65%) of the parcels, suffer from poor lot size and/or poor configuration for development, resulting in marginal usefulness and development potential.
  - (b) Three (3) parcels, representing fifteen percent (15%) of the parcels, have no frontage on a dedicated street.
  - (c) Three (3) parcels, representing fifteen percent (15%) of the parcels, have poor frontage with respect to commercial development.
  - (d) Four (4) parcels, representing twenty percent (20%) of the parcels, suffer from poor size due to zoning requirements for present use.
5. Laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions:
- (a) Surface soils have been eroded on Parcels, 1, 3, 4, 5, 6, 7, 8, 9, 11, and 13 as a result of steep slopes and loose soil.

These conditions restrict the development of these parcels.

6. Existence of inadequate streets, open spaces, and utilities:
  - (a) The terrain within the area is irregular, sloping to the west and south. The west end is relatively flat, and rises steeply east of the railroad to the edge of a bluff, and then falling steeping to Relations Street. There are unbuildable areas with slopes greater than 30 percent on Parcels, 3, 4, 7, 13 and 20. Construction of the infrastructure to serve this area will require careful planning and will increase development costs over the average development.
  - (b) The Union Pacific Railroad and the Draper Irrigation Canal traverse the south and west sides of the area. These also present difficulties in development, restricting the design of the infrastructure.
  - (c) The canal crossing at 12200 South and the railroad crossing at 12300 South do not exist at the present time. The roadway at 12300 South and 980 East has been constructed over the Railroad property. This cuts off legal access from one street to the other. The configuration of these streets in relation to the railroad creates additional problems in designing this crossing for the extension of 12300 South Street.
  - (d) The Draper Irrigation Canal creates another obstacle to the extension of 12300 South Street. Because the canal lies at the top of a steep rise, the roadway will have to cross under it. This will require an extensive structure and a large amount of grading which will increase development costs and restrict the access design for Parcels 3, 20 and 21.
  - (e) Portions of this canal are not lined, and subject to erosion from the flow of water. Since the canal runs along a steep bench, there is the possibility that failure of

the bank could occur from this erosion.  
This has reportedly happened in the past.

- (f) Asphalt surfacing is deteriorated and in need of repair on portions of 12200 South and 12400 South.
- (g) The extension of 900 East north of 1220 South and 12200 South east of 980 East are not paved and should probably be vacated.
- (h) There is a lack of sidewalk on portions of 12200 South, 12300 South and 12400 South Streets. This restricts pedestrian traffic and is inconsistent with City ordinances.
- (i) Portions of 12200 South, 12300 South and 12400 South and Relations Street have no curb and gutter or drainage ditches to collect and contain storm runoff. This allows street flooding to cause damage to road shoulders and low lying property adjacent to the roadway.
- (j) The existing transportation network is inadequate to meet the future needs of commercial development in the area. Relations Street, 12400 South and 12200 South need increased capacity to meet traffic demand. The 12300 South Corridor needs to be improved with additional lanes and signalization of intersections.
- (k) The 12300 South arterial must be extended east from 980 East and 1300 East must be continued through the area. An expensive structure will have to be constructed to support the canal and span the roadway. Also, a great deal of earth must be moved in constructing the road. Parcels 3, 4, 5, 7, 9, 13, 20 and 21 restrict these extensions.
- (l) The railroad crossings and roadway geometry and alignment restrict the capacity of 12200 South, 12300 South and 980 East Streets.
- (m) Parcels 4, 20 and 21 have no direct access to a public street.

- (n) The existing access to Parcels 11, 12, 17, and 18 are inadequate for commercial uses.
- (o) Topography restricts internal circulation on Parcels, 3, 4, 7, 13, 19, 20 and 21.
- (p) The Union Pacific Railroad crossing on 12400 South Street is hazardous and restricts roadway capacity. The angle of this crossing is approximately 10 degrees which restricts sight distance, especially for truck traffic. Stationary trains unloading north of this crossing can trip the crossing lights, causing unnecessary traffic delays. Gates should be installed and improvements made to the geometrics and surfacing at this crossing.
- (q) Draper City has developed a Storm Drainage Master Plan which calls for a trunkline to be constructed on 12300 South Street to serve the area. This trunkline has not been constructed. Thus, there is no means to collect drainage from the area and dispose of it into the Jordan River. Its construction will be required for development in the area to occur. Each parcel will be required to provide a collection, detention, or other facilities necessary to connect to this trunkline. These improvements include curb and gutter on roadway frontages where none currently exists.
- (r) There are no storm drainage facilities now serving the area.
- (s) There is no water service to Parcels 4, 20, and 21.
- (t) There is no sewer service to Parcels, 3, 4, 5, 7, 20 and 21.
- (u) Parcels with no access to a public road (4, 20 and 21) cannot be served with storm drains, water, and sewer without easements across private property, which could then restrict development of those parcels with utility easements.

(v) Parcels which cannot drain to a public road (3, 5, and 7) cannot be served with storm drains or sewer without easements.

(w) Current local fire department standards call for hydrant spacing of approximately 500 feet. The existing water system does not meet this standard with the area. Development of parcels which are not served by existing hydrants (3, 4, 5, 6, 7, 13, 20 and 21) will require that waterlines be extended and hydrants or fire sprinkling systems be installed.

7. Existence of lots or other areas which are subject to being submerged by water:

(a) Portions of 12200 South, 12300 South and 12400 South and Relations Street have no curb and gutter or drainage ditches to collect and contain storm runoff. This allows street flooding to cause damage to road shoulders and low lying property adjacent to the roadway.

The physical conditions within the project area are described in greater detail in the "Draper Survey Area No. 1 Blight Survey" which is by reference incorporated herein and made a part hereof.

B. Social Conditions

The Sand Hills Neighborhood is comprised of a mixture of land uses, including mostly vacant property, a single family residences, small scale agricultural uses and a sand and gravel pit. The effects of the old sandpit, the nature of the topography of the Project Area, and the lack of through street access make it difficult for the present neighborhood in the Project Area to have any social unity. The fourteen (14) existing structures



in the project area, all of which are in dilapidated condition and the steepness of the abandoned sandpit pose a clear and present danger to the community and especially to children and youth. The existing structures are in very poor physical condition and some of them constitute health violations which have been reported to the City.

C. Economic Conditions

Major economic dislocation has occurred in the Sand Hills area. The extensive blight conditions in the area make it difficult for private investment to be attracted to the area unless a program is undertaken to upgrade the entire area. The proposed Redevelopment Plan addresses this issue.

Special note should be made of the decline in constant dollars of the assessed valuation of certain properties. This decline reflects a potential for further decline.

Gains in assessed value within the project area are projected as a result of the construction of new facilities which are planned or will be provided for.

3. Financial Analysis Describing the Proposed Method of Financing Redevelopment at the Project Area

The Agency is a separate government entity established pursuant to the Utah Neighborhood Development Act. Its purpose is to prepare and carry out plans for the improvement, rehabilitation, and the development and

redevelopment of blighted areas within the territorial limits of Draper City. To accomplish this objective, the Agency may acquire land, relocate residents and businesses, demolish deteriorated improvements, grade land, provide ancillary off-site improvements, and resell the land to the public or private sector for development. The Agency can enter into contracts, issue bonds or other obligations and provide certain financial incentives to assist in the development or redevelopment of the Project Area.

Most of the Agency's activities are funded by tax increment financing. Under tax increment financing, the assessed value of all personal and real property within the redevelopment area in the year prior to the adoption of the redevelopment plan becomes the base year. In all years following the base year, the local taxing unit receives the taxes generated by applying the current year tax levy to the base year assessed valuation. The Agency will receive any taxes collected due to an increase in the assessed value of the redevelopment area over that of the base year.

The Utah Neighborhood Development Act provides a means for financing redevelopment projects based upon an allocation of taxes collected within a redevelopment project area. The assessed valuation of a project area last equalized prior to plan adoption, or base roll, is

established and, except for the period during which the acquired property is temporarily in agency ownership, the taxing bodies thereafter receive the taxes produced by the levy of the current tax rate upon the base roll. Taxes collected upon any increase in assessed valuation over the base roll are to be paid to the Agency for the repayment of any indebtedness incurred in financing or refinancing a project. The Agency has no authority to levy taxes and must look specifically to the allocation of taxes produced as above described.

In determining the economic feasibility of the plan, the Agency determined the present real property tax base within the project area and estimated future increments in assessed valuation and resulting incremental tax revenues. The tax base for the redevelopment project area is equal to the sum of the assessed values of real property, personal property and State-assessed property for the "base year" or the tax assessment roll preceding the year in which the redevelopment project area plan is officially adopted.

It is the intent of the Agency to implement the redevelopment plan as monies become available from tax increment funds, generated by the investment of private capital within the project area, and other sources of revenue to the Agency such as loans, grants, gifts, and bonds, as authorized by law. The implementation of

redevelopment projects in the project area is economically feasible because as redevelopment occurs, each project will generate additional tax increment revenues, resulting from the increased value of land and improvements, which will be used to further additional development within the project area.

4. Relocation Plan

The redevelopment project area plan incorporates by reference the provisions of the Utah Relocation Assistance Act as found in Section 57-12-1, et seq., Utah Code Annotated 1953, as amended, and the Rules Governing Relocation Assistance For The Redevelopment Agency Of Draper, as adopted by the Agency Board on the 22nd day of May, 1990, which is attached as part of the Report.

5. Analysis of the Preliminary Plans

All the land uses determined appropriate for the Sand Hills Neighborhood Development Plan are in accord with the general guidelines of the Master Plan and the applicable Planning and Zoning Codes of Draper City.

Planning criteria in the redevelopment plan relative to land uses, densities, characteristics of internal circulation systems, and need and type of public improvements are consistent with the long-range plans of Draper City for redevelopment of the project area.

The redevelopment within the project area may be considered by Draper City Planning and Zoning Commission

as a planned unit development. It shall be subject to the provisions of applicable requirements of the City's Master Plan and other applicable development codes and ordinances.

The redevelopment plan conforms with the Master Plan of Draper City in that it relates to the definite and local objectives of retaining and promoting an economically healthy and growing community, by providing adequate and desirable locations for redevelopment and uses within an atmosphere which will encourage the removal of blight from the project area. The plan is related to local objectives in that the land use proposals will strengthen and widen the range of activities within the project area. Order and visual identity through a variety of design principles will be provided, creating a healthy and pleasing environment for shopping, working, and living. Public improvements will be upgraded in the area to eliminate hazards and unsightliness, and adequate off-street parking will be provided in new developments.

6. The Report and Recommendation of the Planning Commission

See the attached letter report and recommendation from the Draper City Planning Commission, which is incorporated herein.

UTAH STATE TAX COMMISSION  
PROPERTY TAX DIVISION

REDEVELOPMENT AGENCY: CITY OF DRAPER  
PROJECT AREA: SAND HILLS NEIGHBORHOOD DEVELOPMENT PLAN  
NOMENCLATURE: (K-2)

TAX DIST NO(S): 55A

A. TOTAL TAXABLE VALUATION OF PROPERTY FOR PREVIOUS TAX YEAR:

1998	LOCAL ASSESSED TOTAL REAL	28,665,032	LOCAL ASSESSED PERSONAL PROP	9,775,607	LOCAL ASSESSED MOTOR VEHICLES	0	STATE ASSESSED PROPERTIES	553,816
	VALUATION:							
	TOTAL VALUATION	38,994,455						

B. BASE VALUATION FOR PROJECT AREA AND ADJUSTMENTS MADE PURSUANT TO 17A-2-1251, 17A-2-1252 AND 17A-2-1253 U.C.A.

	LOCAL ASSESSED RESIDENTIAL REAL	LOCAL ASSESSED OTHER REAL	LOCAL ASSESSED ATTACHED P P	LOCAL ASSESSED TOTAL REAL	LOCAL ASSESSED PERSONAL PROP	LOCAL ASSESSED MOTOR VEHICLES	STATE ASSESSED PROPERTIES
1989 BASE:	72,240	498,216	0	570,456	8,002	0	31,190
'90 ADJ:	1,000	1,000	1,000	3,000	1,000	1,000	1,000
'90 ADJ BASE:	72,240	498,216	0	570,456	8,002	0	31,190
'91 ADJ:	1,1123	1,1875	1,0000	3,3000	1,0000	1,0000	1,0000
'91 ADJ BASE:	80,352	591,632	0	671,984	8,002	0	31,190
'92 ADJ:	1,0036	1,0000	1,0000	3,0000	1,0000	1,0000	1,0000
'92 ADJ BASE:	80,638	591,632	0	672,270	8,002	0	31,190
'93 ADJ:	1,0000	1,0000	1,0000	3,0000	1,0000	1,0000	1,0000
'93 ADJ BASE:	80,638	591,632	0	672,270	8,002	0	31,190
'94 ADJ:	1,0153	1,0526	1,0000	3,0679	1,0000	1,0000	1,0000
'94 ADJ BASE:	81,872	622,771	0	704,643	8,002	0	31,190
'95 ADJ:	0,8088	1,0000	1,0000	2,8088	1,0000	1,0000	1,0000
'95 ADJ BASE:	66,220	622,771	0	688,991	8,002	0	31,190
'95 BASIC ADJ:	0,000000	0,000000	0,000000	0,000000	0,000000	0,000000	0,000000
'96 ADJ BASE:	0	0	0	0	0	0	0
'96 BASIC ADJ:	0,000000	0,000000	0,000000	0,000000	0,000000	0,000000	0,000000
'96 ADJ BASE:	0	0	0	0	0	0	0
'97 BASIC ADJ:	1,000000	1,000000	1,000000	3,000000	1,000000	1,000000	1,000000
'97 ADJ BASE:	0	0	0	0	0	0	0

C. INCREMENTAL TAXABLE VALUE AVAILABLE FOR TAX INCREMENT FINANCING:

D. TAX INCREMENT FINANCING CALCULATION AND PAYMENT:

CURRENT TAX RATE FOR: 1998

=====

38,994,455

=====

0.0123180

=====

TAX INCREMENT "AVAILABLE" TO THE AGENCY FOR THE PREVIOUS TAX YEAR:

TAX INCREMENT "REQUESTED" BY THE AGENCY FOR THE PREVIOUS TAX YEAR:

TAX INCREMENT "PAID" TO THE AGENCY FOR THE PREVIOUS TAX YEAR:

=====	480,334
=====	
=====	474,330
=====	
=====	474,330
=====	

THIS REPORT OF TAX INCREMENT FINANCING IS ISSUED PURSUANT TO SECTION 17A-2-1218 UTAH CODE ANNOTATED, AS AMENDED.

DATE: 3-23-99

SIGNED BY: Mike McRae

DEPUTY COUNTY AUDITOR OF SALT LAKE COUNTY.

**(B) Allocation of Remaining Payments of Tax Increment**

The remaining portion of the tax increment monies received by the Agency from the Project Area and not paid under the provisions of subsection 5(A) above shall be divided and paid according to the following priorities described below:

**(1) Payment to the Agency:**

The Agency shall have the right to retain annually for its own administrative, legal, and other expenses, an amount of money equal to fifteen percent (15%) of the remaining tax increment monies which the Agency receives or has the right to receive each year for a period of not to exceed twenty-five (25) years from the time the Agency first receives tax increment monies from the Improvements constructed by the Developer on the Site, and other developers in the Project Area, less any negative tax increment from the balance of the Project Area. The Agency's right to retain, for its own use, the above-described percentage of tax increment monies received by the Agency shall not be altered, notwithstanding the fact that the total amount of tax increment monies may be reduced, curtailed or limited in any way.

**(2) Payments to the Developer:**

(a) The Agency agrees to make annual payments in an amount equal to eighty-five percent (85%) of the remaining tax increment monies to be received by the Agency to the Developer in consideration of the Developer's construction of the Improvements in the Project Area, but in no event an amount greater than \$2,424,375.00, together with simple interest at the same rate as paid by the Developer on the S.I.D. Bond, with interest beginning on the same day as interest begins to accrue on the S.I.D. Bond issued by the City, provided, however, that no interest will be charged, accrued, or paid by the Agency on \$350,000.00 of the principal amount of \$2,424,375.00 (i.e., interest will only accrue on the principal sum of \$2,084,375.00) over a period not to exceed ten (10) years, commencing from the first year the Agency receives tax increment monies from the Project Area, provided that the Improvements in the Project Area are timely constructed and completed according to the Schedule of Performance, Attachment No. 3, and the Improvements are assessed by the County Assessor and are placed on the tax assessment roll.

(b) The Agency shall have no obligation to make tax increment payments to the Developer under Subparagraph 5(B)(2)(a) for taxes collected and paid to the Agency after the tenth (10th) tax increment year, except as to the amount and pursuant to the conditions more fully described in Subparagraph 5(B)(4)(b)(i).



(c) The Developer acknowledges and agrees that the Developer and other owners of real property in the S.I.D. have the sole obligation to make the annual S.I.D. Bond payments. The Site real property and the Developer owned real property in the Project Area shall secure the payments of the S.I.D. Bond and the real property shall be used to secure the payment of the S.I.D. Bond. The Developer agrees that if the Agency has not "triggered" the tax increment by agreeing to receive tax increment monies for the first time, or if there are no tax increment monies received by the Agency, or if there are insufficient tax increment monies received by the Agency to pay the Developer under the order of priority of payments described herein, the Developer shall be responsible to pay its share of the S.I.D. Bond payment.

(d) The Agency anticipates, based upon representations made by the Developer, that there will be other development activities in the Project Area apart from the Improvements to be constructed by the Developer such as the construction of store by Albertson's occurring within the Project Area, but not on the Site, which may cause the Agency to "trigger" the taking of tax increment monies for the first time at a time sooner or later than the dates mentioned herein. Subject to the provisions of Section 1.03(D) and this Subsection, the decision by the Agency as to the time to commence "triggering" or the running of the statutory period in which the Agency may receive tax increment funds within the Project Area shall be made solely by the Agency. This decision shall be made after review of the Developer's actual construction of the Improvements on the Site, and a review of the other developments of improvements being constructed in the remaining portion of the Project Area. The decision by the Agency may be made independently of Developer's construction of the Improvements on the Site as may be determined by the Agency to be in its best interest in light of the total amount of tax increment which may be available in the Project Area. The Developer understands that the Agency's decision to delay the taking or "triggering" of the tax increment will mean that the Developer will not receive any payments pursuant to the provisions of Subsection 5(B)(2)(a) during that tax increment year, provided, however, that notwithstanding the provisions contained in Subsection 1.03(D) or this subsection, that in the event that the Developer has: (i) constructed and completed as part of the Improvements to be constructed on the Site the Albertson's Site (Major C), the PayLess Drug Store (Major B), and the K-Mart Store (Pad 2D) as shown on the Site Plan, Attachment No. 1 sooner than October 15, 1995, (or an equal amount of buildings containing not less than 170,000 square feet of usable space which is assessed and on the finalized assessment roll); and (ii) has certified to the Agency in writing prior to October 15th of any calendar year before October 15, 1995, that the

above-described Improvements are completed, then the Agency agrees to "trigger" the taking of tax increment money for the next calendar year beginning January 1st pursuant to Section 17A-2-1247(i)(f), Utah Code Annotated 1953, as amended by giving the appropriate statutory notices and including the amount of anticipated tax increment to be taken in the Agency's next annual budget for the Agency's fiscal year beginning July 1st and terminating June 30th of the year following the giving of such written certification by the Developer.

(e) The Agency's payments to the Developer shall be made to the Developer or to an escrow agent designated by the Developer.

(f) It is understood by the Developer that the Agency makes no representation to the Developer or any other party that the remaining eighty-five (85%) portion of the anticipated tax increment monies to be received by the Agency in tax increment years one (1) through ten (10) and paid to the Developer will be an amount large enough to repay the Developer the amounts described in Subparagraph 5(B)(2). The Agency believes, in fact, that the tax increment monies will not be sufficient to pay the Developer the amount of tax increment monies described in Subparagraph 5(B)(2). The Agency has not computed, nor can it compute the amount of anticipated tax increment which may be available from the Project Area for tax increment years one (1) through ten (10), tax increment years eleven (11) through thirteen (13), or tax increment years fourteen (14) through twenty-five (25). The Agency has relied upon the representations made to the Agency by the Developer that the Developer and Albertson's will construct Improvements on the Site and within the Project Area which will create sufficient tax increment monies to be received by the Agency to repay the Developer during tax increment years one (1) through ten (10) the amounts described in Subparagraph 5(B)(2), to pay Albertson's during tax increment years eleven (11) through thirteen (13) the amount described in Subparagraph 5(B)(3), and to pay the Developer during tax increment years fourteen (14) through twenty (20) the amount described in Subparagraph 5(B)(4)(b) through (h).

(3) Payments to Albertson's:

(a) Following the payments to the Developer as described in Subparagraph 5(B)(2) above, the Agency agrees to make annual payments of eighty-five percent (85%) of the tax increment proceeds received by the Agency to Albertson's for a period of three (3) years, commencing with the eleventh (11) year the Agency receives tax increment monies from the Project Area and continuing through the twelfth (12) and thirteenth (13) tax increment years. The payments shall be made annually by the Agency for up to a three year period, or until the total amount

of the Albertson's Loan, including principal and interest, has been paid in full. After three years of tax increment payments have been made by the Agency to Albertson's, the payments shall terminate even though the Albertson's Loan, together with accrued interest has not been paid in full.

(b) In the event that the Albertson's Loan, together with accrued interest, has not been fully repaid from the tax increment proceeds paid to Albertson's during tax increment years eleven (11), twelve (12) and thirteen (13), the Agency shall have no obligation to make further payments of tax increment monies to Albertson's. Any unpaid balance of principal and interest remaining unpaid at the end of the three year period shall be deemed to be a grant by Albertson's to the Agency and the unpaid balance of the debt, including principal and interest on the Albertson's Loan, shall be forgiven.

(c) It is understood by the Developer that the Agency makes no representation to the Developer or any other party that the remaining eighty-five (85%) portion of the anticipated tax increment monies to be received by the Agency and paid to Albertson's during the three year period will be an amount large enough to repay the Albertson's Loan, together with ten years of accrued interest on which no payments of either principal or interest at the rate of six percent (6%) per annum simple interest have been made, (i.e.,  $\$435,600.00 \times 0.06 \times 10 \text{ years} = \$261,360.00$ ). The Agency has not computed, nor can it compute the amount of anticipated tax increment which may be available from the Project Area for tax increment years eleven (11), twelve (12) and thirteen (13), or any other earlier three year period. The Agency has relied upon the representations made to the Agency by the Developer and Albertson's, each for itself and no other, that the Developer, Albertson's, and other unknown developers will construct Improvements in the Project Area which will create sufficient tax increment monies to be received by the Agency to repay the Albertson's Loan within the three year period of tax increment years eleven (11), twelve (12), and thirteen (13). If the Developer is paid earlier than anticipated under Subsection 5(B)(2), the Agency reserves the right to accelerate the payment of the tax increment payments to Albertson's to some earlier, but not later, three year period as determined by the Agency.

(d) It is understood by the parties that because of the nature of the "rollback" provisions of the tax increment statutes, it is likely that an earlier three year period following the repayment of the Developer would have more tax increment money available to the Agency than tax increment years eleven (11), twelve (12), and thirteen (13), and Albertson's would have no objection if the Agency was in a position to accelerate the payments on the Albertson's Loan to an earlier

three year period following the Agency's payments to the Developer. It is the understanding and intent of the parties that the Agency's obligation to Albertson's is to use a portion of the anticipated tax increment monies for a period of three tax increment years towards repayment of the Albertson's Loan, but makes no representation or guarantee that the Albertson's Loan will be paid in full during the three year tax increment period, or that there will be sufficient tax increment monies available during the three year tax increment period to pay the Albertson's Loan.

(4) Additional Payments to the Developer:

(a) Initial Soil Work Payment. The Agency agrees that upon receipt of the Albertson's Loan in the amount of \$435,600.00, and solely from the Albertson's Loan proceeds, and providing that the Developer is not in default under the terms of this A.D.L., the Agency will pay to the Developer an amount as determined by the Agency in accordance with the provisions of Attachment No. 10 Paragraph (A), not to exceed the sum of \$435,600.00, to reimburse the Developer for the cost and expenses of undertaking and completing the Soil Work in the Project Area.

(b) Following the payments by the Agency to the Sewer District as described in Subparagraph 5(A), to the Agency as described in Subparagraph 5(B)(1), to the Developer as described in Subparagraph 5(B)(2), to Albertson's as described in Subparagraph 5(B)(3) and providing that the Developer is not in default under the terms of the A.D.L., the Agency agrees to pay to the Developer from the remaining eighty-five percent (85%) portion of the tax increment proceeds to be received by the Agency the following additional amounts, determined by the Agency to be due and owing in accordance with the following provisions and priority of payment:

(i) Carryover Costs. In the event that the Developer was paid a sum less than \$2,434,375.00 principal, together with simple interest at the rate and on the amount of principal as described in Subparagraph 5(B)(2)(a), during the tax increment years one (1) through ten (10) pursuant to the provisions of Subparagraph 5(B)(2), the Agency agrees to carry forward the unpaid principal amount, together with accrued simple interest at the rate and on the amount of principal as described in Subparagraph 5(B)(2)(a) then owing to the Developer into tax increment years fourteen (14) through twenty (20). The Agency agrees to pay to the Developer during tax increment years fourteen (14) through twenty (20), the remaining portion of the unpaid balance, together with simple interest, at the rate and on the amount of principal as described in Subparagraph 5(B)(2)(a), but not to exceed the principal sum of \$2,434,375.00. (For

example, if the Developer had been paid the principal amount of \$2,000,000.00, together with accrued interest at the rate and in the amount as described in Subparagraph 5(B)(2)(a) during the first ten (10) tax increment years, the Agency would pay the Developer the additional principal amount of \$434,375.00, together with accrued interest at the rate and in the amount as described in Subparagraph 5(B)(2)(a). If the Developer had been paid the principal amount of \$2,200,000.00, together with accrued interest at the rate and in the amount as described in Subparagraph 5(B)(2)(a), the Agency would pay the additional principal amount of tax increment of \$234,375.00, together with accrued interest at the rate and in the amount as described in Subparagraph 5(B)(2)(a). If the Developer had been paid the principal amount of \$2,434,375.00, the Agency would make no additional amounts of tax increment or interest payments.) It is understood and agreed that in computing interest on all carryover costs, if any, no interest will be charged on \$350,000.00 of the portion of the \$2,434,375.00 amount described in Subsection 5(B)(2)(a) of any unpaid principal amount being carried over during tax increment years ten (10) through thirteen (13) (when no principal or interest payments will be made to Developer because the tax increment is being paid to Albertson's) or tax increment years fourteen (14) through twenty (20), but interest to Developer on the carryover amount of any portion of the unpaid principal amount of \$2,084,375.00 as described herein will continue to accrue interest during tax increment years ten (10) through twenty (20) as described in Subparagraph 5(B)(2)(a).

(ii) Canal Relocation Payments. Canal relocation payments paid by the Developer in an amount not to exceed \$65,000.00; and

(iii) Roadway Right of Way Acquisition Payments. Roadway right of way acquisition payments paid by the Developer in an amount not to exceed \$68,000.00.

(iv) Engineering Services. Engineering services paid by the Developer in an amount not to exceed \$188,374.00, which amount, however, shall be reduced by an amount of money equal to 78% of the total amount of money which the City pays to the property owners owning property within the Special Improvement District from the S.I.D. Bond contingency reserve account, if any, including interest thereon after repayment of the S.I.D. Bond.

(c) Additional Site Preparation Payments. Additional Site preparation payments in an amount not to exceed \$463,600.00 to be paid as follows:

(i) Following the payments to the Special Improvement District, the Sewer District, and to Albertson's to repay the

Albertson's Loan, and providing that the Developer is not in default under the terms of the A.D.L., the Agency will pay to the Developer from the remaining eighty-five percent (85%) of the portion of the tax increment proceeds to be received by the Agency the following additional amounts, determined by the Agency to be due and owing in accordance with the following provisions:

(ii) Additional Payments Following the Completion of Albertson's Store. Following the completion of the Albertson's' improvements to be constructed on the Albertson's' parcel, a sum not to exceed \$200,000.00; and

(iii) Additional Payments Following the Completion of Parcel 2D Improvements. An additional sum not to exceed \$200,000.00 upon the completion of the Improvements to be constructed on Parcel 2D as shown on Attachment No. 1, consisting of a K-Mart Store or another comparable type retail anchor store having at least 40,000 square feet of useable retail space; and

(iv) Additional Payments Following Completion of Improvements on Combination of any Two Parcels. An additional sum of \$63,600.00 upon the completion of the Improvements to be constructed on any two of the following development pads: 1-A, 1-B, 1-C, 2-A, 2-B, 2-C, 2-E, 2-F, 2-G, 2-H, 4-A, 4-B, 4-C, 4-D, 4-E, 5-A, and 5-B.

(d) If a sum not to exceed the amount of \$784,974.00 as described in Subparagraphs 5(B)(4)(b) and (c) has not been fully paid to Developer pursuant to the provisions of Subparagraph 5(B)(4)(b) and Subparagraph 5(B)(4)(c) (less 78% of the total amount which the City pays to the property owners owning property within the Special Improvement District from the S.I.D. Bond contingency reserve account, including interest thereon after repayment of the S.I.D. Bond) from the taxes collected and paid to the Agency for tax increment years fourteen (14) through twenty (20), the Agency shall have no other obligation to pay the Developer the amounts of money described in Subparagraphs 5(B)(4)(b) and 5(B)(4)(c) (less 78% of the total amount which the City pays to the property owners owning property within the Special Improvement District from the S.I.D. Bond contingency reserve account, including interest thereon after repayment of the S.I.D. Bond) providing that the Developer has met all of the conditions set forth herein. Any unpaid balance remaining at the end of the twentieth (20th) tax increment year shall be forgiven and the Agency shall have no further obligation to pay the amount set forth.

(e) If a sum not to exceed the principal amount of \$2,434,375.00 as described in Subparagraph 5(B)(2)(a) and such carryover amount, if any, as described in Subparagraph

5(B)(4)(b)(i) has not been fully paid to Developer from the taxes collected and paid to the Agency for tax increment years fourteen (14) through twenty (20) by the end of the 20th tax increment year, the Agency shall have no other obligation to pay the Developer the amounts of money described in Subparagraph 5(B)(4)(e). Any unpaid balance remaining at the end of the twentieth (20th) tax increment year shall be forgiven and shall be deemed to be a grant to the Agency and the Agency shall have no further obligation to pay the Developer the amount set forth.

(f) The Developer shall submit to the Agency, in a form acceptable to the Agency, evidence showing payment of the amounts paid by the Developer described in Subparagraph 5(B)(4) herein.

(g) It is understood by the Developer that the Agency makes no representation to the Developer or any other party that the remaining eighty-five (85%) portion of the anticipated tax increment monies to be received by the Agency in tax increment years fourteen (14) through twenty (20) and paid to the Developer will be an amount large enough to repay the Developer the amounts described in Subparagraph 5(B)(4). The Agency has not computed, nor can it compute the amount of anticipated tax increment which may be available from the Project Area for tax increment years fourteen (14) through twenty (20). The Agency has relied upon the representations made to the Agency by the Developer that the Developer and Albertson's will construct Improvements on the Site and within the Project Area which will create sufficient tax increment monies to be received by the Agency to repay the Developer during tax increment years fourteen (14) through twenty (20).

(h) If the Developer and the Albertson's Loan are paid earlier than anticipated, the Agency reserves the right, at its option, to accelerate the payment of the tax increment payments to Developer to some tax increment year earlier than the fourteenth (14th) tax increment year as described in Subparagraph 5(B)(4), as determined by the Agency. The Agency reserves the right to pay the Developer all or a portion of the unpaid principal amount, together with accrued interest at any time.

#### 6. Time And Terms of Tax Increment Payments:

(a) The tax increment payments received each year by the Agency from the ad valorem taxes paid by taxpayers to the County Treasurer on November 30th each year on the Site shall be paid to the appropriate party or parties within ten (10) days following receipt of said funds by the Agency. The Agency anticipates receipt of these funds in late December or early January of each year from the ad valorem taxes paid by property owners within the Project Area which are due November 30th each year.

(b) Section 17A-2-1247, Utah Code Annotated 1953, as amended, provides that the Agency will be paid tax increment funds on a diminishing percentage basis as set forth in Section 17A-2-1247(1)(f), (the "rollback" provisions) and contingent on the amount of assessed value of the Improvements as determined by the Salt Lake County Assessor each year and the rate of tax levy or the percentage of assessment levied by each of the taxing agencies. The Agency is not a guarantor of the assessment determination made by Salt Lake County Assessor and does not warrant or guarantee the amount of tax increment payments anticipated to be received by the Agency. Contingent upon the Developer, or other permitted successors or developers constructing the Improvements on the development pads on the Site and within the Project Area and making timely payments of all ad valorem taxes when due and owing, the Agency agrees to use its best efforts to collect all tax increment monies owed to the Agency relating to the Site and the Project Area, and to promptly remit the same within ten (10) days following receipt of such monies to the Developer as outlined above.

(c) The tax increment monies resulting from the incremental increase in assessed value of the Site and the Project Area as a result of the construction of the Improvements on the Site by the Developer (as determined from the assessment records of the Salt Lake County Assessor and the payment records of the Salt Lake County Treasurer), less any negative tax increment from the balance of the Project Area, shall be paid if and only as they are paid to the Agency by Salt Lake County, the entity which has the legal responsibility to collect property taxes. Notwithstanding the foregoing, and contingent upon the Developer making timely payments of all ad valorem taxes on the Site, the Agency agrees to use its best efforts to collect the tax increment proceeds payable to it, and to promptly remit such proceeds to the person or entity to whom the money is owed as described herein.

(d) The payments to be made by the Agency to the Sewer District, Albertson's, and the Developer are secured solely by a pledge of the Agency of the tax increment monies which the Agency anticipated will be produced by the Improvements that are constructed on the Site by the Developer and within the Project Area by Albertson's, and the Developer shall have no other recourse to the Agency or the City and no recourse whatever to any other party for payment.

7. Interest.

To the extent there are tax increment monies available under the provisions of Subparagraphs 5(A) and 5(B)(3):



(a) Interest payments when paid by the Agency shall be simple interest, without compounding.

(b) Interest shall be paid by the Agency to the Sewer District pursuant to the provisions of Subparagraph 5(A) as specified in the Sewer Agreement Attachment No. 11.

(c) Interest shall only be paid by the Agency to the Developer pursuant to an on the amount described in Subparagraph 5(B)(a) and 5(B)(4)(b)(i) at the rate described in Subparagraph 5(B)(2)(a).

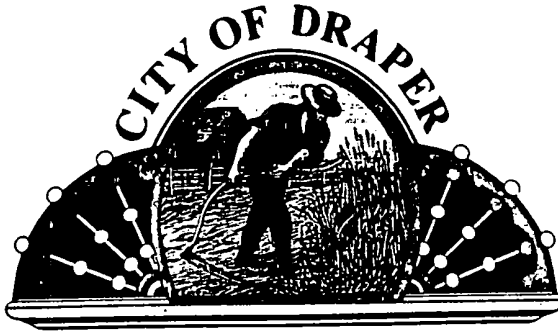
(d) Interest shall not be paid by the Agency to the Developer pursuant to and on the amounts described in Subparagraph 5(B)(4) except for the amounts described in Subparagraph 5(B)(4)(b)(i).

(e) Interest shall be paid by the Agency to Albertson's on the Albertson's Loan pursuant to Subparagraph 5(B)(3) at the rate of six percent (6%) simple interest per annum, without compounding.

8. Default. Subject to the provisions of Article 8.05, if the Developer defaults or breaches any of its obligations contained in this Agreement and does not timely cure such default or breach as provided in this Agreement, or if the Developer fails to obtain from the Agency a certificate of occupancy as described in Section 4.08, because the Improvements are not timely completed or not completed according to the approved plans, the obligation of the Agency to pay the tax increment payment to the Developer shall be voidable at the option of the Agency until such time as the breach default is cured and/or the certificate of occupancy is issued. Notwithstanding the foregoing, if the Developer is using its best efforts to cure any such delay or default, and such delay or default is enforced beyond the Developer's control as contemplated by Article 8.05, then the obligation of the Agency to pay the tax increment payments to the Developer shall not be voidable for so long as the Developer is using its best efforts to cure such default or delay.

**MAYOR**  
CHARLES L. HOFFMAN

**COUNCIL MEMBERS**  
TODD ANDERSEN  
WAYNE H. BALLARD  
RANDOLPH B. GAINER  
CLAIR L. HUFF  
B. JEFF RASMUSSEN



P.O. BOX 1020, 12441 SOUTH 900 EAST  
DRAPER, UTAH 84020 (801) 571-4121  
FAX (801) 571-9685

**CITY MANAGER**  
ANDREW HATTON-WARD

**CITY RECORDER**  
BARBARA L. SADLER

**CITY TREASURER**  
KAREN L. WILKINS

June 18, 1992

Kevin L. Mortensen  
Area Real Estate Manager  
Albertson's  
2255 East 2100 South  
Salt Lake City, Utah 84109

Re: Approval of Albertson's Drawings, Construction Documents Pursuant to Section 4.02 of the ADL Agreement Between the Redevelopment Agency Of Draper City and Albertson's

Dear Kevin:

The City of Draper has shared with us a copy of the following documents which you have submitted pursuant to the provisions of Section 4.02 of the Agreement for Disposition of Land for Private Development (ADL) dated June 2, 1992 by and between the Redevelopment Agency of Draper City and Albertson's Inc.:

List of names and dates of each document submitted, including the person of entity who prepared the document and the number of pages.

1. SITE PLAN APPLICATION  
April 8, 1992  
Raddon Construction - owner  
Tim Soffe - Applicant  
One Page Document
2. SITE PLAN  
June 12, 1992  
Tim Soffe - (ASWN) - applicant  
Ten Page Document
3. BUILDING PERMIT APPLICATION  
April 9, 1992  
Tim Soffe - applicant  
One Page Document

4. BUILDING PLANS  
June 17, 1992  
Nadel Partnership, Inc.  
3090 Bristol Street  
Suite #200  
Costa Mesa, Calif. 92626  
Thirty Four Page Document

The Redevelopment Agency is treating these documents as the schematic drawings, the preliminary construction documents, and the final construction documents pursuant to Section 4.02(B) (1), (2), and (3) of the ADL. Subject to the submission of the following items to Draper City Building Department, the Redevelopment Agency of Draper City does hereby approve the above listed final construction documents:

1. Corrected Site plans submitted and dated June 12, 1992, are approved with minor corrections as noted on the plans. A detailed list is available upon request.
2. The site improvements and building are required to comply to the revised "Hidden Valley Shopping Center Project Development and Design Standards", submitted and dated May 29, 1992, and to be adopted by the Planning Commission, June 18, 1992.
3. One off-site master project sign is to be installed as a condition of the building permit. Installation is to be completed prior to occupancy. The location and design will be as represented in the revised "Development And Design Standards".
4. All site grading and structural fill areas are to comply to the geotechnical reports and instructions,
5. The building construction plans are still under plan exam. The plans will be approved subject to satisfaction of the list of "Corrections Required" attached to the City letter dated June 17, 1992.
6. Prior to issuance of the building permit, Albertsons or its contractor is required to execute an "Improvement Completion Commitment" on the City forms, which pledges completion of on-site improvements prior to receipt of a Certificate Of Occupancy.

If improvements are not completed at the time a Certificate Of Occupancy is requested, an "Escrow Agreement" will need to be executed on approved City forms in an amount equal to

115% of the estimated costs of improvements remaining to be completed.

7. The following fees will be charged and collected with the issuance of the building permit;

- a. City eng. 1% of excrow, estimated: \$ 1,000.00
- b. Flood control impact fee,  
\$0.10 x impervious surface, est.: 19,500.00
- c. permit fees:
  - building; \$ 5,083.00
  - plan chk.; 3,304.00
  - elect.; 458.00
  - plumb.; 249.00
  - mech.; 330.00

subtotal: 9,424.00

Total (approximate) \$30,000.00

8. Since the Special Improvement District No. 91-1 has been established to construct certain improvements within the district, all property owners must sign the necessary Supplement Acknowledgment, Waiver and Consent.

Subject to the satisfaction and/or receipt of the above eight items, Albertson's may treat this letter as the Agency's final approval of these documents.

Thank you for your cooperation in submitting these documents to the Agency. We look forward to watching the development of your new building.

Very truly yours,

  
Grant Beagley  
Executive Director

cc: Raddon Brothers Construction  
Gregg Bell, Atty.  
David Campbell, City Manager  
Hollis Hunt, City Atty.  
Bill Oswald, RDA Atty.  
Tom Spencer, City Planner

June 18, 1992

William D. Oswald, Legal Counsel  
Redevelopment Agency of Draper City  
201 South Main Street, 12th Floor  
Salt Lake City, UT 84111

Re: Approval of Terms and Conditions of Raddon  
Brothers ADL

Dear Mr. Oswald:

Pursuant to the decision of the Board of Directors of the Redevelopment Agency of Draper City on June 16, 1992, notwithstanding the recommendation of the Agency's staff and Legal Counsel not to change the June 2, 1992 draft of the Raddon Brothers Construction ADL, the governing board of the Agency directed you to make the following changes:

1. That the Developer, Raddon Brothers Construction Company, is to be paid by the Redevelopment Agency the principal sum of \$2,392,271.00, plus simple interest at the same rate as set forth in the S.I.D. Bonds to be issued by Draper City as more fully described in the ADL. Since the principal amount of \$350,000.00 (which was added to the S.I.D. Bond when the S.I.D. Bond was increased from \$2,650,000.00 to \$3,000,000.00) is included in the \$2,392,271.00 principal amount, the \$350,000.00 portion of that amount should be excluded from the portion drawing interest. Mr. Raddon agreed that the amount would not draw interest at any time during the interest payment period when the City Council increased the amount of S.I.D. Bond. The remaining portion of the \$2,392,271.00 or \$2,042,271.00 (i.e., \$2,392,271.00 less \$350,000.00) will be subject to the payment of simple interest on the unpaid balance during the tax increment years one (1) through ten (10) and fourteen (14) through twenty (20).

2. That any payments to the Developer, Raddon Brothers Construction, of the principal sum of \$2,392,271.00 that are not paid in the first ten (10) tax increment years will carry over and be repaid to the Developer in tax increment years fourteen (14) through twenty (20). There will be a full and complete forgiveness by the Developer of payments at the end of the twentieth (20th) tax increment year meaning that any payments or

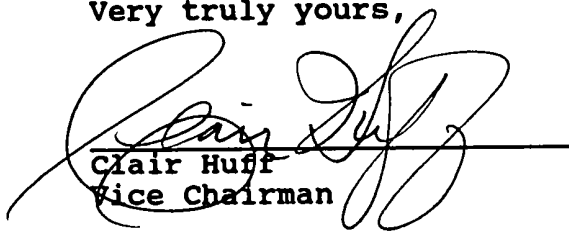
interest owing at the end of the twentieth (20th) tax increment year shall become a grant to the Agency.

3. That the "trigger" for receipt of the tax increments by the Agency will occur not later than calendar year 1996, or upon completion of the Albertson's, Payless and K-Mart stores or, in the alternative, upon the completion of the equivalent of 170,000 square feet of useable building space which is placed upon the finalized assessment roll. The Developer shall be required to notify the Agency on or before October 15th of the year prior to the "triggering" in order that the Agency can give the appropriate statutory notices that the Agency intends to take tax increment funds from the Project Area.

We request that you make these corrections and deliver these changes to Mr. Raddon's attorney when completed.

If you have any questions, please contact me.

Very truly yours,



Clair Huff  
Vice Chairman

June 22, 1992

William D. Oswald, Legal Counsel  
Redevelopment Agency of Draper City  
201 South Main Street, 12th Floor  
Salt Lake City, UT 84111

Re: Approval of Terms and Conditions of Raddon  
Brothers ADL

Dear Mr. Oswald:

Pursuant to the decision of the Board of Directors of the Redevelopment Agency of Draper City on June 16, 1992, notwithstanding the recommendation of the Agency's staff and Legal Counsel not to change the June 2, 1992 draft of the Raddon Brothers Construction ADL, the governing board of the Agency directed you to make the following changes:

1. That the Developer, Raddon Brothers Construction Company, is to be paid by the Redevelopment Agency the principal sum of \$2,434,375.00, plus simple interest at the same rate as set forth in the S.I.D. Bonds to be issued by Draper City as more fully described in the ADL. Since the principal amount of \$350,000.00 (which was added to the S.I.D. Bond when the S.I.D. Bond was increased from \$2,650,000.00 to \$3,000,000.00) is included in the \$2,434,375.00 principal amount, the \$350,000.00 portion of that amount should be excluded from the portion drawing interest. Mr. Raddon agreed that the amount would not draw interest at any time during the interest payment period when the City Council increased the amount of S.I.D. Bond. The remaining portion of the \$2,434,375.00 or \$2,084,375.00 (i.e., \$2,434,375.00 less \$350,000.00) will be subject to the payment of simple interest on the unpaid balance during the tax increment years one (1) through ten (10) and fourteen (14) through twenty (20).

2. That any payments to the Developer, Raddon Brothers Construction, of the principal sum of \$2,434,375.00 that are not paid in the first ten (10) tax increment years will carry over and be repaid to the Developer in tax increment years fourteen (14) through twenty (20). There will be a full and complete forgiveness by the Developer of payments at the end of the twentieth (20th) tax increment year meaning that any payments or

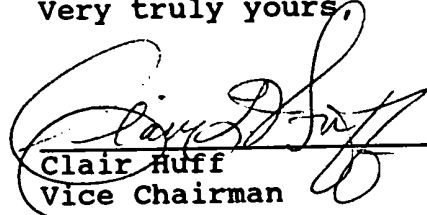
interest owing at the end of the twentieth (20th) tax increment year shall become a grant to the Agency.

3. That the "trigger" for receipt of the tax increments by the Agency will occur not later than calendar year 1996, or upon completion of the Albertson's, Payless and K-Mart stores or, in the alternative, upon the completion of the equivalent of 170,000 square feet of useable building space which is placed upon the finalized assessment roll. The Developer shall be required to notify the Agency on or before October 15th of the year prior to the "triggering" in order that the Agency can give the appropriate statutory notices that the Agency intends to take tax increment funds from the Project Area.

We request that you make these corrections and deliver these changes to Mr. Raddon's attorney when completed.

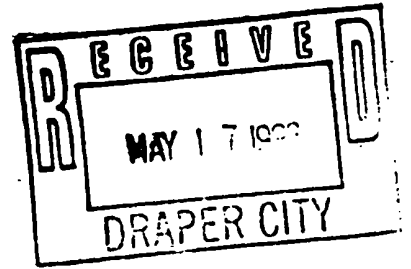
If you have any questions, please contact me.

Very truly yours,

  
Clair Huff  
Vice Chairman



RADDON BROTHERS CONSTRUCTION, INC.  
1380 EAST 4500 SOUTH  
SALT LAKE CITY, UTAH 84117



May 14, 1993

Mayor Kumen Davis  
Chairman, Draper City  
Redevelopment Agency  
P.O. Box 1020  
Draper City, Utah 84020-1020

VIA CERTIFIED MAIL

**RE: INITIATION OF TAX INCREMENT FOR THE HIDDEN VALLEY SHOPPING CENTER.**

Dear Mayor Davis:


In accordance with the Agreement for the Disposition of Land (ADL) of the Sandhill Redevelopment Project, Raddon Brothers Construction, Inc. hereby requests the Draper City Redevelopment Agency to initiate the collection of tax increment on the above mentioned project. In order to maximize the tax increment return to Draper City, we request that the initial assessment be calculated on all improved property as of January 1, 1994. The first tax increment disbursement would arrive sometime after November, 1994.

As you are aware, Albertson's Grocery Store opened in December of 1992 and both Payless Drug and K-Mart will open this month along with many of the shops. These openings satisfy the prerequisites established by the ADL for the initiation of the tax increment funding.

The Draper City Redevelopment agency, accordingly, must officially notify Salt Lake County of its intent to take the tax increment on this project. Grant Beagley, your Executive Director, and Bill Oswald, your legal counsel, can advise you as to this process.

In the meantime, thank you for your support of this project. I am sure you will agree, we have one of the best looking shopping centers in the State.

Sincerely,

  
\_\_\_\_\_  
Ron A. Raddon

cc: Greg Liell  
Draper City Council  
David Campbell  
Grant Beagley  
William Oswald