

ROCKET SOLAR PROJECT

Community Reinvestment Project Area Plan

Box Elder County Redevelopment Agency
July 2019

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1. Introduction and adoption of area plan

Pursuant to Resolution No. 19-01 (the “Resolution”), the Board of the Box Elder County Redevelopment Agency (also referenced herein as the “Agency”) authorized the preparation of this Community Reinvestment Project Area Plan (the “Plan”) in accordance with provisions of Title 17C of the Utah Code Annotated 1953, as amended (the “Act”). The Plan shall be titled the “Rocket Solar Project Community Reinvestment Project Area Plan”.

In accordance with the Act, the Agency’s objectives in approving this Plan are to use Tax Increment¹ to expand and diversify Box Elder County’s industrial tax base and benefit all taxing entities, promote the efficient use of natural resources, support the growth and development of clean energy production, create new employment opportunities, facilitate development of underutilized property, provide funds for local income targeted housing, and encourage development. The Agency anticipates that the objectives of the Plan cannot be achieved without the use of Tax Increment.

The Plan covers approximately 961 acres of undeveloped land (the “Project Area”) more particularly depicted in attached Exhibit A-1 (the “Project Area Map”) and described in attached Exhibit A-2 (the “Plan Area Legal Description”).

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

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

Moreover, the Agency anticipates negotiating an individual participation agreement with Rocket Solar to allow for the reimbursement of the Tax Increment generated by the Solar Project. The terms of the Tax Increment participation for the Solar Project, including participation percentages and term, will be negotiated separately between Rocket Solar and the Agency. This

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

Plan shall remain in effect for the term of the participation agreement between the Agency and Rocket Solar.

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

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2. Community Reinvestment Project Area Plan boundaries

The Project Area is located entirely within unincorporated areas of Box Elder County (the “County”) on remote, undeveloped property. The Project Area is located on private land 20 miles west of Corinne at the intersection of Utah State Route 83 (SR-83) and Golden Spike Drive/7200 North Road near the Northrop Grumman plant in portions of Sections 31, 32, and 33 Township 11 North, Range 5 West, Salt Lake Base and Meridian, and a portion of Section 06, Township 10 North, Range 5 West, Salt Lake Base and Meridian on portions of Assessor Parcel

Numbers 04-005-0012, 04-005-0014, 04-006-0002, 05-004-0083, 05-004-0084, and 05-004-0052, and 05-004-0055. Transmission lines for the proposed Solar Project will extend eastward across SR-83 via a 138kV transmission line to the existing Lampo Substation on portions of Assessor Parcel Numbers 05-004-0054, 05-004-0073, and 05-004-0072. This line will cross a historic rail corridor managed by the Bureau of Land Management (“BLM”). Permission to cross this right-of-way has been secured by Rocket Solar (BLM Reference 2800 (UTW011) UTU-092038).

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

a. Existing land uses

Land within the Project Area is located in unincorporated Box Elder County and in an area of the County that is not zoned. The proposed Solar Project is a permitted use, subject to the County’s approval of site plan for the Solar Project in accordance with Section 2-2-120 of the County’s Land Use Management and Development Code. The County issued a Site Plan Permit for the Solar Project on January 22, 2019.

There is little development in the general vicinity of the Project Area, and the closest community is Corinne. The Northrop Grumman complex lies to the northeast of the proposed Project Area. An underground pipeline traverses the Project Area from northwest/southeast and Golden Spike Drive/7200 North Road bisects the Project Area.

b. Principal streets

State Route 83 runs roughly north/south near the eastern boundary of the Project Area and 7200 North/Golden Spike Drive separates the northern portion of the Project Area from the southern portion of the Project Area. The site facilities will be accessed from Golden Spike Drive.

c. Population densities

There are no residential housing units or residents within the Project Area, and there are few units to the north and south of the Project Area. As noted above, industrial activities are located east of the Project Area.

d. Building intensities

Other than an underground pipeline crossing the Project Area and 7200 North/Golden Spike Drive separating the northern portion of the Project Area from the southern portion of the Project Area, there are no major improvements or structures within the Project Area.

e. Impact of project area development

Once operational, the Solar Project within the Project Area will consist of photovoltaic solar panels and accessory facilities; electrical collection and transmission lines and facilities; communication lines, cables, conduits, and facilities; electrical transformers,

substations, and interconnection facilities; energy storage facilities; telecommunications equipment; control buildings and maintenance yards; access roads, fences and gates. The Solar Project substation will include a large transformer, breakers, and electrical buswork, and controls systems housed within a small structure. An aboveground 138kV transmission line will run from the Solar Project substation to the Lampo Substation and will consist of a single-circuit line, transmission poles, and ancillary equipment and improvements. The Solar Project and its facilities and improvements are not reasonably anticipated to cause detrimental effects on existing surrounding uses.

The Solar Project's transmission line will span the historic railroad managed by BLM. Rocket Solar has secured a right-of-way grant from the BLM for this purpose. Development of the Solar Project is consistent with the visual protections outlined in the ACEC management plan.

Corrine is the nearest incorporated area and lies approximately 20 miles to the southeast. The Solar Project will not include any residential units and the population of the Project Area is not expected to increase in connection with its development. Currently anticipated development is not expected to add significantly to the cumulative impact on public roads. However, as new jobs are created within the Project Area, a corresponding number of new housing units may be constructed in other portions of the County.

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

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

4. Development standards

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

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

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

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

a. Create jobs

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

b. Tax revenue

It is anticipated that future development within the Plan Area will generate significant and meaningful tax revenue to the County through increases in property taxes. Predicted tax revenue generated by the Solar Project will be evaluated as part of Agency's negotiation of a participation agreement with Rocket Solar.

c. Fund local economic development

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

d. Provide funding for Utah education

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

e. Provide funds for local housing needs

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

6. Consistent with Box Elder County General Plan

All development within the Project Area will conform to the Box Elder County General Plan (the "General Plan") and will further the County's Economic Development Goals in the following ways. The Solar Project is consistent with the County's goal to pursue diverse economic development activities that complement existing businesses and industries, and that are sensitive to the natural environment and compatible with the area's rural character. Given its location adjacent to State Route 83 and the Lampo Substation, the Solar Project furthers the General Plan's goal to support industrial development adjacent to major transportation corridors and public utility areas. Additionally, the Solar Project is an environmentally sustainable source of renewable energy and will promote the efficient use of the County's natural resources. In terms of

economic development, the Solar Project is anticipated to create new employment opportunities and will diversify the County’s tax base. In addition to generating significant tax revenues for the County, the Solar Project will support public schools through increased property tax revenues without increasing demand for services.

7. Elimination or reduction of blight within Project Area

This element is not applicable to the Project Area.

8. Project Area development

The implementation and execution of this Plan is intended to incentivize the development and operation of the Solar Project proposed by Rocket Solar. The proposed Solar Project consists of a solar photovoltaic plant that will be capable of generating up to up to one hundred twenty-five (125) megawatts (MW) of renewable energy upon completion. Once operational, the Solar Project will include solar panels and related equipment, electrical transformers and substation facilities, collection, distribution and transmission lines, telecommunications equipment, access drives and fencing, energy storage facilities, and operations and maintenance facilities.

9. Selection of participants

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

10. Reasons for selection of Project Area

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

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

The Project Area consists of non-irrigated rangeland used for agricultural uses. It is unsuitable for residential, commercial, or most industrial uses due to the distance to the lack of available water or sewerage and infrastructure. There are no residential buildings, and thus no residents, within the Project Area, nor are there any structures or improvements within the Project Area other than the underground pipeline and Golden Spike Drive/7200 North.

12. Tax incentives for facilities located in Project Area

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

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

13. Anticipated public benefits from the Plan

The Act provides that any Community Reinvestment Project Area Plan include an analysis or description of the anticipated public benefit resulting from project area development, including benefits to the community's economic activity and tax base. This Plan is necessary to catalyze economic development through the strategic and targeted support of the Solar Project located within the Plan Area.

a. Economic activity benefits

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

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

b. Tax base benefits

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

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

c. Additional benefits

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

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

This element is not applicable to the Project Area.

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

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

Exhibit A-2 – Project Area Legal Description

Parcel 1

EAST HALF OF SECTION 6, TOWNSHIP 10 NORTH, RANGE 5 WEST, SALT LAKE BASE AND MERIDIAN, LESS WEST 400 FEET, ALSO LESS BEGINNING AT A POINT 400 FEET EAST OF THE NORTHWEST CORNER OF NE/4 OF SAID SECTION, EAST 25 RODS, SOUTH 40.5 RODS, WEST 25 RODS, NORTH 40.5 RODS TO BEGINNING.

Tax Parcel No. 04-005-0012

Parcel 2

LOTS 4,5,6,& 7, E/2 OF W/2 OF SECTION 6, TOWNSHIP 10 NORTH, RANGE 5 WEST, SALT LAKE BASE AND MERIDIAN.

Tax Parcel No. 04-005-0014

Parcel 3

ALL OF SECTION 31, TOWNSHIP 11 NORTH, RANGE 5 WEST, SALT LAKE BASE AND MERIDIAN, LESS COUNTY ROAD.

LESS: [05-004-0084] BEGINNING AT A POINT 113 RODS NORTH OF THE SOUTHEAST CORNER OF SECTION 31, TOWNSHIP 11 NORTH, RANGE 5 WEST, SALT LAKE BASE AND MERIDIAN, RUNNING THENCE NORTH 34.75 RODS, THENCE WEST 320 RODS, THENCE SOUTH 34.75 RODS TO A POINT WEST OF BEGINNING, THENCE EAST 320 RODS TO BEGINNING.

Tax Parcel No. 05-004-0083

Parcel 4

SECTION 32, TOWNSHIP 11 NORTH, RANGE 5 WEST, SALT LAKE BASE AND MERIDIAN LYING WEST OF CPRR R/W.

Tax Parcel No. 05-004-0052

Parcel 5

BEGINNING AT A POINT 113 RODS NORTH OF THE SOUTHEAST CORNER OF SECTION 31, TOWNSHIP 11 NORTH, RANGE 5 WEST, SALT LAKE BASE AND MERIDIAN, RUNNING THENCE NORTH 34.75 RODS, THENCE WEST 320 RODS, THENCE SOUTH 34.75 RODS TO A POINT WEST OF BEGINNING, THENCE EAST 320 RODS TO BEGINNING.

Tax Parcel No. 05-004-0084

Parcel 6

ALL OF SECTION 1, TOWNSHIP 10 NORTH, RANGE 6 WEST, SALT LAKE BASE AND MERIDIAN, LESS AND EXCEPTING THE COUNTY ROAD AND THE PROPERTY SOLD TO THE U.S.A.

Tax Parcel No. 04-006-0002

Parcel 7

BEGINNING AT POINT SOUTH 136.6 FEET & WEST 3512.0 FEET FROM THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 11 NORTH, RANGE 5 WEST, SLM, WHICH IS ON NORTH FENCE OF HWY R/W, THENCE ALONG R/W FENCE BY WAY OF 2 COURSES TO-WIT: S77°50`W 111.1 FEET, S87°13`W 1705.1 FEET M/L TO WESTERN BOUNDARY OF SAID SECTION 33, N01°00`W 3089.6 FEET M/L ALONG THE WESTERN BOUNDARY SAID SECTION TO R/W/L OF CPRR, S32°01`E 3519.5 FEET M/L ALONG SAID R/W LINE TO THE POINT OF BEGINNING.

Tax Parcel No. 05-004-0055

Gen-Tie Parcels

COLLECTOR LINE EAST EASEMENT

A 100.00 FOOT WIDE POWERLINE EASEMENT BEING 50.00 FEET RIGHT AND 50.00 FEET LEFT OF THE FOLLOWING DESCRIBED ALIGNMENT:

A PART OF THE NORTHEAST QUARTER OF SECTION 32 AND A PART OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 11 NORTH, RANGE 5 WEST OF THE SALT LAKE BASE AND MERIDIAN.

BEGINNING AT A POINT LOCATED 2967.57 FEET NORTH 00°07'20" EAST AND 380.03 FEET NORTH 90°00'00" WEST AND 250.00 FEET NORTH 56°49'54" EAST AND 49.43 FEET NORTH 33°10'06" WEST FROM THE SOUTHEAST CORNER OF SAID SECTION 32;

RUNNING THENCE NORTH 58°46'58" EAST 539.44 FEET TO THE TERMINUS OF THIS EASEMENT.

Tax Parcel No. 05-004-0072 and -0073 (portions)

POWERLINE EASEMENT

THE CENTERLINE OF A 100.00 FOOT WIDE POWER LINE EASEMENT BEING 50.00 FEET LEFT AND 50.00 FEET RIGHT OF THE FOLLOWING DESCRIBED ALIGNMENT:

A PART OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 11 NORTH, RANGE 5 WEST OF THE SALT LAKE BASE AND MERIDIAN.

BEGINNING AT A POINT IN AN EXISTING FENCE LINE THAT IS ALONG THE SOUTHERLY BOUNDARY OF A ROCKY MOUNTAIN POWER SUBSTATION BEING A POINT LOCATED 393.67 FEET NORTH 87'23'35 EAST ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 33 AND 3593.73 FEET NORTH 00'00'00"EAST FROM THE SOUTHWEST CORNER OF SAID SECTION 33;

RUNNING THENCE SOUTH 33"08'48" EAST 95.46 FEET; THENCE SOUTH 58"46'58 WEST 205.32 FEET TO THE EAST RIGHT-OF-WAY LINE OF STATE HIGHWAY 83 AND THE TERMINUS OF THIS EASEMENT.

Tax Parcel No. 05-004-0054 (portion)

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