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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Brad C. Smith
Chief Executive Officer

DATE: December 5, 2014

INFORMATION: Outcome of Taxing Entity Committee (TEC) Meetings

Background:

UCA 17C-1-402 (11) states:

Each time a school district representative or a representative of the State Board of Education votes as a member of a taxing entity committee to allow an agency to be paid tax increment or to increase the amount or length of time that an agency may be paid tax increment, that representative shall, within 45 days after the vote, provide to the representative's respective school board an explanation in writing of the representative's vote and the reasons for the vote.

Additionally, State Board policy now requires a report back to the Board each time there is a positive or negative Taxing Entity Committee project vote on all Community Development and Renewal Agency project budgets.

Key Points:

The outcome of the Taxing Entity Committee for the Redevelopment Agency of Box Elder County held Monday, November 10, 2014, will be reported to the Finance Committee.

Anticipated Action:

No action is required.

Contact: Bruce Williams, Associate Superintendent, 801-538-7514
Cathy Dudley, MSP Budget and Property Tax Specialist, 801-537-7667



**Redevelopment Taxing Entity Committee Actions
and Reasons for the Vote
December 5, 2014**

First Redevelopment Agency Taxing Entity Committee Action

Summary of Action:

On November 10, 2014, the Box Elder County Redevelopment Agency Taxing Entity Committee approved the budget (6 to 0) for the Washakie Economic Development Project Area Budget. Cathy Dudley voted to approve this budget, along with the school district.

Overview of activities to be funded:

Washakie Renewable Energy is proposing an expansion of their current operations at a capital investment between \$44 million and \$69 million. Washakie is building a crush plant to crush raw soybeans which they can use for biofuel and other derivative products. They are also building a warehouse, storage tanks for both fuel and soy products, power substation expansion, glycerin facility, soybean refinery, and rail line extension. Washakie is in need of assistance from the Agency through this EDA to install infrastructure improvements, including transportation and water infrastructure.

Redevelopment Agency Request:

The Agency has requested that the Taxing Entity Committee authorize a seven year project area budget which includes the 1,087.51 parcel acres. The Agency is estimating that the first tax increment year will be 2016, but has the option of not triggering the tax increment until 2020. The base year property tax value for the project area budget will be the total taxable value for the 2014 tax year which is estimated to be \$9,186,358.

While property tax increment generated within the project area is expected to be approximately \$3.3 million over the project area time frame of seven (7) years, only a portion of this increment will be shared with the Agency. It is anticipated that all taxing entities will contribute 80 percent of their respective tax increment for seven (7) years while collecting the remaining 20 percent of the tax increment. As such, Box Elder School District will contribute a total of \$1,948,128 for those seven (7) years, while receiving 20 percent of the tax increment or \$487,032.

Reasons for the vote:

The reasons for the vote in favor of this new project budget are as follows:

- This project is for a very short period of time (seven (7) years);
- Twenty percent (20% or \$664,283) of the total tax increment collected (\$3.3 million) will be shared with the taxing entities;
- This project area plan will create an additional 65 full-time positions, with a potential of adding an additional 100-200 new jobs. These jobs would have an average expected salary of \$38,066, which is 115% of the average county wage;
- Box Elder County School District is in favor of this economic development project area plan; and
- The redevelopment project area plan is reasonable and accomplishable within the parameters of the plan.