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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Joel Coleman
Interim Chief Executive Officer

DATE: November 7, 2014

ACTION: Taxing Entity Committee (TEC) to the Redevelopment Agency of Box Elder County for the Washakie Economic Development Project Area

Background:

The Box Elder County Redevelopment Agency is seeking tax increment participation from the taxing entities in order to encourage the expansion of Washakie Renewable Energy.

Key Points:

The Redevelopment Agency of Box Elder County will be requesting Taxing Entity Committee (TEC) approval to approve the amended budget for the Washakie Economic Development Project Area.

Anticipated Action:

It is anticipated that the Finance Committee will give specific direction to the Board's TEC representative regarding this proposed TEC budget.

Contact: Bruce D. Williams, Associate Superintendent, 801-538-7514
David Roberts, School Finance Director, 801-538-7668
Cathy Dudley, MSP Budget and Property Tax Specialist, 801-538-7667



Reasons for Recommended Vote
REDEVELOPMENT AGENCY OF BOX ELDER COUNTY
WASHAKIE ECONOMIC DEVELOPMENT PROJECT AREA PLAN
November 7, 2014

Washakie Economic Development Project Area Plan

The Box Elder County Redevelopment Agency would like to create the Washakie Economic Development Project Area (EDA). Washakie is located north of Plymouth, Utah, and west of I-15 in Box Elder County.

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.

Land uses will be mostly industrial, manufacturing, and supporting uses. In order to redevelop the project area, the Agency along with property owners, developers, and/or businesses will need to construct infrastructure improvements that enhance transportation and create better utilization of land.

The transportation improvements include rebuilding and widening a portion of the I-15 frontage road between the Portage Exit (25800 North and 24000 North). This road segment is outside the project area, but is necessary for the development of the project area. Additional water infrastructure will also be needed to provide adequate water service to the project area.

It is anticipated that the new crush plant, warehouse, glycerin facility, and soybean refinery planned within the project area will create an additional 65 full-time positions, with 100-200 additional new jobs if the French fry plant comes online. These additional jobs are deemed to be beneficial to the state, county, and other taxing entities within the project area. The average expected salary for the new jobs is \$38,066, which is 115 percent of the average county wage. The jobs are expected to be full time, benefited positions.

Tax increment arising from the development within the project area shall be used for public infrastructure improvements, Agency requested improvements and upgrades, off-site and on-site improvements, incentives, desirable project area improvements, and other items as approved by the Agency.

The property encompasses approximately 1,087.51 parcel acres. 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. Using the 2014 tax rates established with the project area, the property taxes levied equate to \$105,074 annually.

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. 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.

Recommendation: To vote yes to approve the project area plan budget for the Washakie Economic Development Area (EDA).

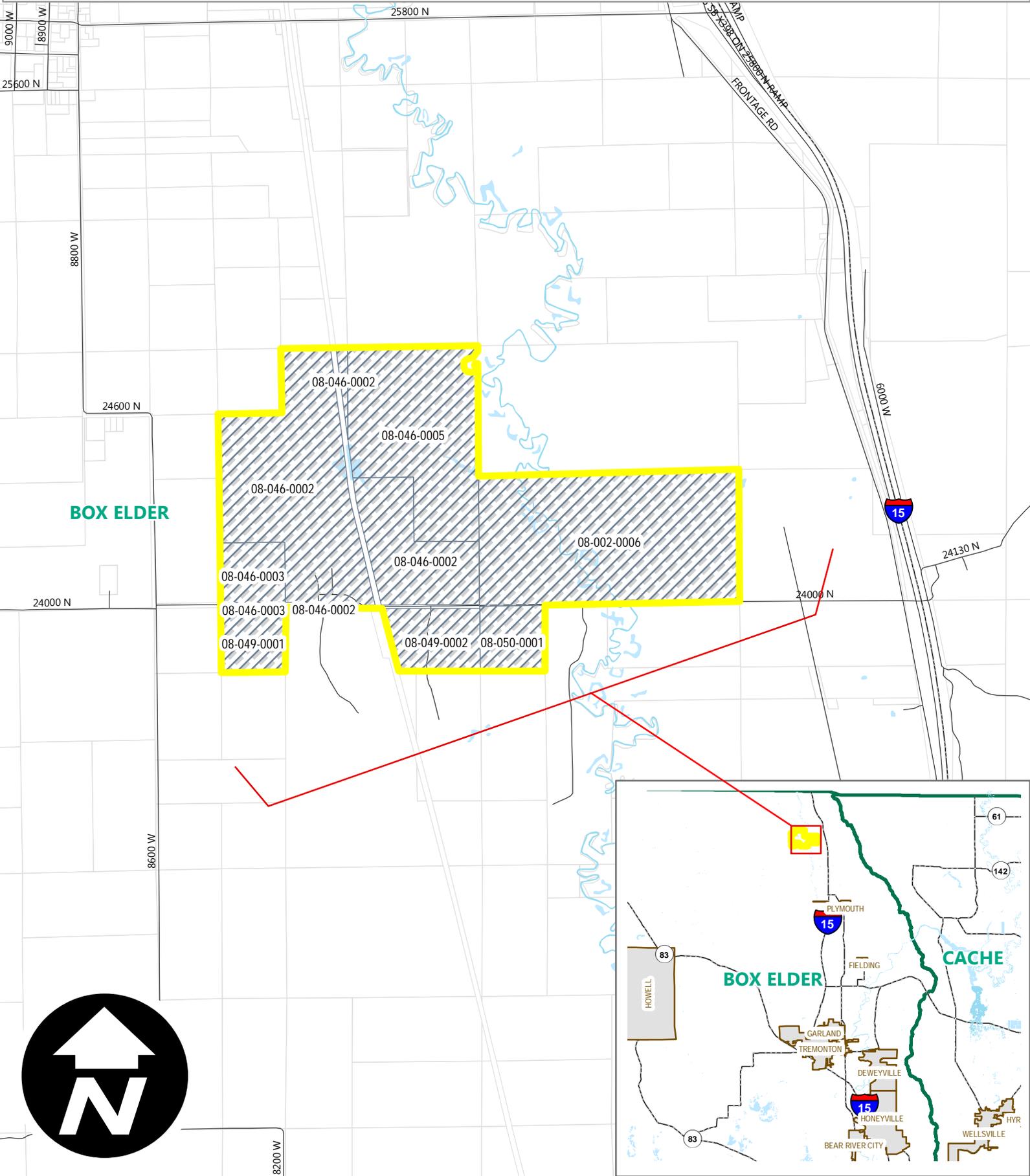
Reasons for a “yes” vote are as follows:

- 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 percent 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.

BOX ELDER RDA



- PROPOSED WASHAKIE PROJECT AREA
- BOX ELDER MUNICIPALITIES
- PARCEL BOUNDARIES
- PROJECT AREA PARCELS
- ROADS



BOX ELDER

