

NOTICE & AGENDA

REDEVELOPMENT AGENCY OF FARMINGTON

NOTICE IS HEREBY GIVEN that a meeting of the Governing Board of the Redevelopment Agency of Farmington City, Davis County, Utah, will be held at the second floor of **Farmington City Hall** located at 160 South Main, Farmington, Utah, on **Tuesday, May 21, 2019, at 7:30 p.m.** The agenda shall be as follows:

7:30 Roll Call

PUBLIC HEARING:

7:35 Station Park Redevelopment Area Budget Amendment

NEW BUSINESS:

7:45 Burke Park Conservation Easement

Motion to adjourn and reconvene the City Council meeting.

DATED this 21st day of May, 2019.

REDEVELOPMENT AGENCY

By: _____


Holly Gadd, Secretary

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting, should notify Holly Gadd, City Recorder, 451-2383 x 205, at least 24 hours prior to the meeting.

Posted 05/16/2019

REDEVELOPMENT AGENCY AGENDA

For RDA Meeting:
May 21, 2019

PUBLIC HEARING: Station Park Redevelopment Area Budget Amendment

ACTION TO BE CONSIDERED:

1. Hold Public Hearing.
2. Receive public comment on the proposed RDA budget amendment. *No action required.*

GENERAL INFORMATION:

See enclosed staff report prepared by Brigham Mellor, Economic Development Director.

NOTE: Appointments must be scheduled 14 days prior to RDA Meetings; discussion items should be submitted 7 days prior to RDA meeting.



F A R M I N G T O N C I T Y

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
DOUG ANDERSON
ALEX LEEMAN
CORY RITZ
REBECCA WAYMENT
CITY COUNCIL

DAVE MILLHEIM
CITY MANAGER

RDA Staff Report

To: Honorable Mayor and City Council

From: Brigham Mellor, Economic Development Director

Date: May 21st, 2019

SUBJECT: **Station Park Redevelopment Area Budget Amendment**

RECOMMENDATION

Hold public hearing to receive comment on the proposed RDA budget amendment

BACKGROUND

The purpose of the public hearing is to accept public comment on a draft amendment/extension to the official budget and plan for the Station Park Redevelopment Project Area (the “Project Area”). On June 1, 2005, the Board of Directors of the Agency adopted Resolution No. 2005-09 approving an official budget for the Project Area (the “Budget”). The Budget was approved by the Taxing Entity Committee on May 20, 2005. The Agency and Farmington City also approved an official plan for the Project Area, dated April 1, 2005 (the “Plan”). The Plan and Budget each provides for a 20-year tax increment collection period. The Budget also includes a maximum cap of \$18,500,000 in cumulative tax increment revenues to be collected by the Agency (the “Collection Cap”).

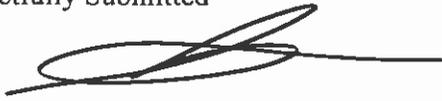
The Agency intends to increase the Collection Cap in the Budget by \$4,060,000, so that the new Collection Cap will be up to \$22,560,000. The 20-year tax increment collection period in the Plan and Budget will remain the same. Property tax revenues resulting from an increase in valuation of property within the Project Area will be paid to the Agency for project area development rather than to the taxing entity to which the tax revenues would otherwise have been paid, if the Budget extension/amendment is approved by a taxing entity committee (TEC) representing all the taxing entities within the project area (TEC meeting 2pm May 22nd Farmington City Hall).

As noted, the Agency has requested up to an additional \$4,060,000 in property tax revenues that will be generated by development within the Project Area to fund a portion of project costs within the Project Area. These property tax revenues will be used for the following: Project Area administration costs, housing allocation, and Project Area development activities as determined by the Agency Board.

Area administration costs, housing allocation, and Project Area development activities as determined by the Agency Board.

These property taxes will be taxes levied by the following governmental entities, and, assuming current tax rates, the taxes paid to the agency for this project area from each taxing entity will be as follows (estimates): Davis County - \$674,141; Davis County School District - \$2,537,418; Farmington City - \$581,553; Weber Basin Water Conservancy District - \$54,037; Davis County Mosquito Abatement District - \$39,210; Central Davis County Sewer District - \$58,650; and County Library - \$114,993.

Respectfully Submitted



Brigham Mellor
Economic Development Director

Concur



Shane Pace
City Manager



May 10, 2019

Farmington Redevelopment Agency Board
160 South Main Street
Farmington, UT 84025

RE: Amendment to the Station Park RDA Budget

Dear Farmington Redevelopment Agency Board:

CenterCal Properties has been an active development partner within Davis County for over 10 years. During that time, no other developer has added and operated more commercially assessed property on the Davis County Tax Roles, which have exceeded \$300M in value, than CenterCal. At this time, we are moving into a new area of development and are very excited about the prospects. There are many moving parts, tenants, and partnerships that still need to be signed on and established. Along with the amazing potential, our venture also involves a good deal of risk.

Our analysis has revealed that an incentive of \$4M in tax increment is necessary to take on a project of this magnitude. Without the TIF contribution from the Farmington redevelopment agency, the project will not be feasible.

Since we began doing business together, Farmington and CenterCal have exceeded the RDA's expectations by more than 300%. We ask that you give us a chance to exceed your expectations once again. We anticipate that this project will only enhance the existing development and add to the success of the project area.

Yours truly,

A handwritten signature in black ink, appearing to read "Fred Bruning". The signature is fluid and cursive.

Fred Bruning
Chief Executive Officer
CenterCal Properties

FB/lr

EXHIBIT A: ORIGINAL PROJECT AREA BUDGET

RESOLUTION OF THE REDEVELOPMENT AGENCY OF FARMINGTON CITY
ADOPTING THE STATION PARK REDEVELOPMENT PROJECT AREA BUDGET AS
APPROVED BY THE TAXING ENTITY COMMITTEE ON MAY 20, 2005

WHEREAS, the Redevelopment Agency of Farmington City (the "Agency") was created to transact the business and exercise the powers provided for in the former Utah Neighborhood Development Act, the Redevelopment Agencies Act and any successor law or act (the "Act"); and

WHEREAS, pursuant to Section 17B-4-501(2) of the Act, the Agency has: (a) prepared a draft of the Project Area Budget for the Station Park Redevelopment Project Area; (b) made a copy of the draft Project Area Budget available to the public at the Agency's offices during normal business hours; and (c) provided notice of the Budget hearing as required by Part 7 of the Act; and

WHEREAS, on Thursday, May 19, 2005, the Agency published in the Davis County Clipper, a newspaper of general circulation, a display advertisement, which met the requirements of Sections 17B-4-501(2)(d) and 17B-4-502 of the Act; and

WHEREAS, pursuant to the provisions of the Act, a public hearing was held on June 1, 2005 to allow public comment on the draft Project Area Budget and whether the draft Project Area Budget should be revised, adopted or rejected; and

WHEREAS, the Agency has considered comments made and information presented at the public hearing relating to the draft Project Area Budget; and

WHEREAS, pursuant to the provisions of Sections 17B-4-504 and 17B-4-1010 of the Act, the Agency has allocated 20% of the total tax increment received by the Agency from the Station Park Redevelopment Project Area to be used for housing as set forth in the Act, up to the total amount of \$3,700,000; and

WHEREAS, the Agency has selected the option of collecting 100% of the annual tax increment from the Station Park Redevelopment Project Area for twenty (20) years; and

WHEREAS, the governing body of the Agency desires to approve and adopt the Project Area Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF FARMINGTON CITY:

Section 1. Station Park Redevelopment Project Area Budget. As the project area budget, the Agency hereby approves and adopts, as a multi-year cumulative budget for the Station Park

Redevelopment Project Area (the "Project Area"), the Project Area Budget entitled "Station Park Project Area, Redevelopment Agency of Farmington City, 20 Year - Multi-Year Budget - Cumulative" as approved by resolution of the Taxing Entity Committee on May 20, 2005, and as shown on the attached Exhibit "A." The boundaries of the Project Area are more fully described and shown in the Project Area Plan.

The Project Area Budget is a multi-year cumulative budget. This means that the annual amounts of projected tax increment revenue to the Agency as shown in each year of the materials submitted or presented with the Project Area Budget are not limitations but are for informational purposes only, and that the Agency is authorized to receive 100% of the tax increment each year until the cumulative total amount (\$18,500,000) has been received by the Agency. The Agency specifically approves the following maximum dollar amounts and percentages for the multi-year cumulative Project Area Budget, applying the line item descriptions and maximum dollar amounts shown in the columns of the attached Project Area Budget, entitled "Cumulative **2009-2028**" and "Allocated % of Total Tax Increment" and percentages derived therefrom (or the percentages indicated in the Budget), of the attached Project Area Budget as follows:

The maximum total of all tax increment payable pursuant to the Budget to the Agency over the twenty (20) year Project Area Budget covering the twenty (20) tax increment years beginning between 2009 and 2012 as selected by the Agency is 100% of the total tax increment but not to exceed \$18,500,000. From the total of all tax increment actually received by the Agency pursuant to this Project Area Budget, 20% thereof, using appropriate net present value calculations, if applicable, shall be allocated to housing purposes as required by the Act, and up to \$300,000 of the total tax increment received by the Agency over the entire twenty (20) year period may be used by the Agency for administration purposes.

Section 2. Housing Element. Pursuant to the provisions of Sections 17B-4-504 and 17B-4-1010 of the Act, the Agency has allocated 20% of the total tax increment received by the Agency to be used for housing as set forth in the Act, up to the total amount of \$3,700,000.

Section 3. Tax Increment Financing.

A. The Agency may collect tax increment from all or a part of the Project Area. The tax increment shall be paid to the Agency to finance or refinance, in whole or in part, the redevelopment of the project area and infrastructure and access and utilities within and outside the Project Area that benefit the Project Area, according to the amounts established by the Taxing Entity Committee as shown in the approved Project Area Budget attached as Exhibit "A" and in this Resolution.

B. Subject to any limitations required by currently existing law (unless a limitation is subsequently eliminated), for example limitations of the Project Area Budget approved by the taxing entity committee, this Resolution hereby specifically incorporates all of the provisions of the Act that authorize or permit the Agency to receive tax increment from the Project Area and

that authorize the various uses of such tax increment by the Agency, and to the extent greater authorization for receipt of tax increment by the Agency or use thereof by the Agency is provided by any amendment of the Act or by any successor provision, law or act, those are also specifically incorporated herein. It is the intent of this Resolution that the Agency shall have the broadest authorization and permission for receipt of and use of tax increment as is authorized by law, whether by existing or amended provisions of law. This Resolution also incorporates the specific provisions of tax increment financing permitted by Sections 17B-4-1001 and 1004 of the Act, which provide, in part, as follows:

- 1001(1) An agency may receive and use tax increment, as provided in this part.
- (2) (a) The applicable length of time or number of years for which an agency is to be paid tax increment under this part shall be measured . . . for a post-June 30, 1993 project area plan, from the first tax year the agency is to receive tax increment as shown in the project area budget.
- (b) Tax increment may not be paid to an agency for a tax year prior to the tax year following the effective date of the Plan.
- (3) With the written consent of a taxing entity, an agency may be paid tax increment, from that taxing entity's tax revenues only, in a higher percentage or for a longer period of time, or both, than otherwise authorized under this chapter. . .

1004(2) An agency board may provide in the project area budget for the agency to be paid:

- (a) if 20% of the Project Area Budget is allocated for housing as provided for in Subsection 17B-4-504:
 - (i) 100% of annual tax increment for 15 years;
 - (ii) 75% of annual tax increment for 24 years; or
 - (iii) if approved by the taxing entity committee, any percentage of tax increment up to 100%, or any specified dollar amount, for any period of time; or
- (b) if 20% of the project area budget is not allocated for housing under Section 17B-4-504:
 - (i) 100% of annual tax increment for 12 years;
 - (ii) 75% of annual tax increment for 20 years; or
 - (iii) if approved by the taxing entity committee, any percentage of tax increment up to 100%, or any specified dollar amount, for any period of time.

C. Subject to modifications of the Act by amendments or by any successor act or law, the Project Area Plan incorporates the provisions of Section 17B-4-1006(2)(a) of the Act, which states:

- (a) The amount of the base taxable value to be used in determining tax increment shall be:
 - (i) increased or decreased by the amount of an increase or decrease that results from:
 - (A) a statute enacted by the Utah State Legislature or by the people through an initiative;
 - (B) a judicial decision;

- (C) an order from the Utah State Tax Commission to a County to adjust or factor its assessment rate under Subsection 59-2-704(2);
- (D) a change in exemption provided in Utah Constitution, Article XIII, Section 2, or Section 59-2-103; or
- (E) an increase or decrease in the percentage of fair market value, as defined under Section 59-2-102; and
- (ii) reduced for any year to the extent necessary, even if below zero, to provide an agency with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:
 - (A) in that year there is a decrease in the county's certified tax rate under Subsection 59-2-924(2)(c) or (d)(i);
 - (B) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and
 - (C) the decrease would result in a reduction of the amount of tax increment to be paid to the agency.
- (b) Notwithstanding an increase or decrease under Subsection (a), the amount of tax increment paid to an agency each year for payment of bonds or other indebtedness may not be less than would have been paid to the agency each year if there had been no increase or decrease under Subsection (a).

D. As shown in the Project Area Budget, the Agency has elected to receive 100% of the tax increment monies from the Project Area for a period not to exceed twenty (20) years.

IN WITNESS WHEREOF, the Redevelopment Agency of Farmington City has approved, passed and adopted this Resolution this 1st day of June 2005.

ATTEST:



Chairperson



Executive Director

EXHIBIT A

STATION PARK REDEVELOPMENT PROJECT AREA REDEVELOPMENT AGENCY OF FARMINGTON CITY 20 YEAR - MULTI-YEAR BUDGET - CUMULATIVE		DRAFT 4/21/2005	
	BASE YEAR 2004	CUMULATIVE **2009-2028**	ALLOCATED % OF TOTAL TAX INCREMENT
PROJECT REVENUES			
Property Tax (Base Year Taxable Value)	\$34,349 \$2,655,327	\$686,986	
Projected Tax Increment RDA TOTAL -20 YEARS			
Agency			
Eligible Project Area Expenditures	\$0	\$14,600,000	78.38%
Housing	\$0	\$3,700,000	20.00%
RDA Administration	\$0	\$300,000	1.62%
Total Tax Increment	\$0	\$18,500,000	100.00%
TOTAL PROJECT REVENUES	\$0	\$18,500,000	
Taxing Entity Flow-thru Other Taxing Entities	\$0	\$0	
PROJECT EXPENDITURES			
CAPITAL COSTS & RELATED EXPENSES			
PUBLIC USES AND INFRASTRUCTURE COSTS			
Total - Project area improvements and infrastructure benefiting the project area in & outside the project area.	\$0	\$10,500,000	
PRIVATE DEVELOPMENT COSTS			
PROJECTED BUILDING & CAPITAL EQUIPMENT EXPENSE/COSTS			
Total Building Costs	\$0	\$73,866,725	
Total Capital Equipment Expense	\$0	\$5,387,750	
TOTAL CAPITAL AND RELATED COSTS/EXPENSES	\$0	\$79,234,474	
EXPENDITURES REIMBURSABLE FROM TAX INCREMENT			
Redevelopment Agency Operating Expenses Administration	\$0	\$300,000	1.62%
Housing (20% Annually)	\$0	\$3,700,000	20.00%
Total Tax increment for project area improvements and infrastructure benefiting the project area in & outside the project area & other eligible expenditures, including but not limited to, cost of financing such as Interest/issuance costs & reserves.	\$0	\$14,500,000	78.38%
TOTAL EXPENDITURES REIMBURSABLE FROM TAX INCREMENT	\$0	\$18,500,000	100.00%
TOTAL PROJECT EXPENDITURES	\$0	\$97,734,475	
** TAX INCREMENT YEAR ONE MAY OCCUR ANYTIME FROM 2009 TO 2012 DEPENDING ON THE DETERMINATION OF THE REDEVELOPMENT AGENCY TO MAXIMIZE THE AMOUNT OF AVAILABLE ANNUAL TAX INCREMENT. IT IS ANTICIPATED THAT TAX INCREMENT WILL BE COLLECTED FOR 20 YEARS FROM THE FIRST YEAR IN WHICH TAX INCREMENT IS RECEIVED.**			

EXHIBIT B: AMENDMENT TO PROJECT AREA BUDGET

**FIRST AMENDMENT TO THE
STATION PARK URBAN RENEWAL PROJECT AREA BUDGET**

The Station Park Urban Renewal Project Area Budget dated April 21, 2005 (the “Original Budget”), adopted by the governing board of the Redevelopment Agency of Farmington City (the “Agency”) on June 1, 2005, as approved and consented to by the Taxing Entity Committee for the Redevelopment Agency of Farmington City on May 20, 2005 (the “TEC”), as the official budget for the Station Park Urban Renewal Project Area (the “Project Area”), is amended as follows:

1. The Original Budget as approved by the TEC included a maximum tax increment collection cap of \$18,500,000.00 (the “Collection Cap”). The Collection Cap is by this amendment increased to \$22,560,00.00 (the “Amended Collection Cap”), which is a \$4,060,000 increase above the original Collection Cap. To be clear, the Agency is entitled to continue to receive 100% of all tax increment from the Project Area, as provided in the Original Budget, until the Agency has collected an amount equal to the Amended Collection Cap. Once the Agency has received the full amount of the Amended Collection Cap, the Agency will stop collecting tax increment from the Project Area. The Agency’s collection of tax increment, beyond the original Collection Cap amount, is subject to the limitations and conditions set forth in the resolution of the Taxing Entity Committee approving this amendment.
2. The Agency will use all additional tax increment (in excess of the original Collection Cap) collected from the Project Area for the following purposes:

<u>Amount</u>	<u>Use</u>
\$60,000	Project Area Administration
\$4,000,000	Project Area Development as defined by Section 17C-1-102(47) of the Utah Code Ann. (2018) (generally, “activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan . . .”), and as permitted by the approval of the Taxing Entity Committee

[End of amendment]

Exhibit B

Station Park RDA Budget Amendment 2019		Totals
Amended Expenditures Reimbursable from Tax Increment		
1		
2	(2019 Amended) RDA Admin Allocation	\$44,000
3	(2019 Amended) County Admin Allocation	\$16,000
4	(2019 Amended) RDA Operating Expenses Administration [1+2]	\$60,000
5	(2005) RDA Operating Expenses Administration	\$300,000
6	RDA Operating Expenses Administration [4+5]	\$360,000
7	(2019 Amended) Tax increment for project area Improvements	\$4,000,000
8	(2005) Tax increment for project area Improvements	\$14,500,000
9	Total Tax increment for project area Improvements [7+8]	\$18,500,000
10	(2019 Amended) Housing allocation	\$0
11	(2005) Housing allocation	\$3,700,000
12	Total Housing Allocation [10+11]	\$3,700,000
Total Expenditures Reimbursable from Tax Increment [6+9+12]		\$22,560,000
2003 Base Value		\$2,655,327
2005 Projected PP&E and Building Value in 2028		\$79,234,474
2018 Final Taxable Value		\$331,398,335
2022 Projected Taxable Value		\$356,398,335

See RDA Report

See Exhibit A

See Exhibit A

May 10, 2019

Farmington Redevelopment Agency Request to waive 20% housing in 2019 Station Park Redevelopment Area Amendment

According to the 2017 ACS Survey, Farmington is growing at approximately 272 housing units a year with a housing stock of approximately 6,689 housing units with a 96 percent occupancy rate.

According to more recent observations there is little or no vacancy currently in Farmington. Interesting, however is the diverse types of homes being rented. Of the 1,259 renter occupied structures only 30% are single family homes leading staff to believe there is an interest in diverse housing types in the city.

While no city in Utah has solved the problem of unaffordability of housing for residents or potential residents alike. The City has focused a large amount of city RDA resources to addressing the issue.

RDA Housing projects in the works:

- The Station Park RDA in particular in the end will have contributed over \$2 million in Tax increment toward addressing the housing shortage in Davis County. Within the boundary of the RDA there have been produced approximately 600 residential multi-family units which are rented out and are eligible for Section 8 HUD housing vouchers depending on the size of the family.
- Old Farm Purchase – At the Farmington Main Street/I-89 interchange there are 19 acres that the city purchased back in 2011 with agency funds (from tax increment generated from the old Kmart RDA) dedicated for a housing related purpose. That property has a large amount of interest and is slated for development around 2024.
- North Station CRA 1 & CRA 2 – This area north of Station Park is expected to generate a combined 5.8 Million in tax increment over 20 years that is dedicated solely to funding affordable housing projects in our community.
- The Agency presently has 1 million dollars in its accounts for funding housing projects.

As the intent of this budget amendment is specifically directed toward a single use project - an event arena – and given all the projects the RDA is participating in (listed above). It is the preference of the RDA that the 20% housing component outlined in 17B-4-1010 be waived and that tax increment pass through to the Agency so as to close out the project area in a timelier fashion.

REDEVELOPMENT AGENCY AGENDA

For RDA Meeting:
May 21, 2019

SUBJECT: Burke Park Conservation Easement

ACTION TO BE CONSIDERED:

Make a motion to approve the conservation easement in favor of the Redevelopment Agency being the "grantee" of the easement.

GENERAL INFORMATION:

See enclosed staff report prepared by Brigham Mellor, Economic Development Director.

NOTE: Appointments must be scheduled 14 days prior to RDA Meetings; discussion items should be submitted 7 days prior to RDA meeting.



F A R M I N G T O N C I T Y

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
DOUG ANDERSON
ALEX LEEMAN
CORY RITZ
REBECCA WAYMENT
CITY COUNCIL
DAVE MILLHEIM
CITY MANAGER

RDA Staff Report

To: Honorable Mayor and City Council
From: Brigham Mellor, Economic Development Director
Date: May 21st, 2019
SUBJECT: **Burke Park Conservation Easement**

RECOMMENDATION

Approve execution of the conservation easement as the “Grantee” of the easement.

BACKGROUND

UDOT is condemning our park on 1100 west for the construction of West Davis Corridor, one of the terms of that condemnation agreement was to place a conservation easement on the property, we were acquiring with the funds used for mitigation. This needs to be completed before the last \$1.61 Million in park improvement funds are to be released from the State account to the City account. The City Council approved to form the easement as the owner (“Grantor”) of the park on April 14th, 2019

Respectfully Submitted

Brigham Mellor
Economic Development Director

Concur

Shane Pace
City Manager

WHEN RECORDED, MAIL TO:

FARMINGTON CITY
Attn: City Manager
160 South Main
Farmington, Utah 84025

CONSERVATION EASEMENT

THIS CONSERVATION EASEMENT is made this 16 day of April, 2019, by Farmington City Corporation whose mailing address is 160 South Main street Farmington, Utah 84025, (hereinafter "Grantor"), in favor of **FARMINGTON CITY REDEVELOPEMNT AGENCY**, a Municipal Tax Increment Financing Jurisdiction whose mailing address is 160 South Main Street, Farmington, Utah, 84025, (hereinafter "Grantee").

RECITALS:

WHEREAS, Grantor is the sole owner in fee simple title of certain real property located in Farmington City, Davis County, State of Utah, which property is more particularly described herein at Section 2, hereinafter referred to as the "Property;" and

WHEREAS, the Property possesses unique and sensitive natural, scenic, open space, stream and drainage detention basin, wetlands, wildlife habitat, and/or recreational park amenities and values (collectively referred to as "conservation values") of great importance to the Grantor, the Grantee, Farmington City, Utah, and the public; and

WHEREAS, Grantor intends that the conservation values of the Property be preserved and maintained by the continuation of the use of the Property in such a way which does not significantly impair or interfere with those values; and

WHEREAS, Grantor intends to preserve and protect the conservation values of the Property in perpetuity through this Easement and dedication of the same to Grantee; and

NOW, THEREFORE, in consideration of the above and the covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the State of Utah, particularly *Utah Code Ann. § 57-18-1*, et seq., as amended, with the intention of making an irrevocable easement in perpetuity, Grantor hereby agrees and conveys as follows.

1. **Conveyance.** Grantor hereby grants and warrants to Grantee, a perpetual conservation easement as hereinafter defined (the "Easement") over and across all the Property to preserve and protect the natural, ecological, water, wildlife habitat, open space, scenic, aesthetic, and wetland values present on the Property, to have and to hold unto Grantee, its successors and assigns forever.

2. Property. The Property subject to this Easement consists of approximately 15 acres located at 500 North 1525 West, Farmington, Utah, and more particularly described in Exhibit "A," attached hereto and incorporated herein by reference.

3. Current Use and Condition of Property. The Property presently consists of sensitive, natural, scenic, open space, stream and drainage detention, wetlands, and pastureland reflecting natural vegetation of the area.

4. Purpose. Grantor is the fee simple title owner of the Property and is committed to preserving the conservation values of the Property. The purpose of this Easement to assure that the Property will be retained forever in its natural, scenic, wetland and/or open space condition and to prevent any use of the Property that will significantly impair or interfere with the conservation values of the Property. Any use of the Property which may impair or interfere with the conservation values is prohibited. Grantor agrees to confine use of the Property to activities consistent with the purposes of this Easement and preservation of the conservation values of the Property.

5. Duration. The duration of the Easement shall be perpetual.

6. Permitted and Conditional Uses. Subject to the terms and conditions set forth in this Easement, the following activities and/or uses of the Property are specifically permitted:

- (a) Conservation of open land in its natural state.
- (b) Agricultural and horticultural uses, including raising crops or Class "B" livestock excluding associated buildings or residences and commercial livestock operations involving swine, poultry and mink. Livestock grazing is permitted and shall require proper management of livestock and good range stewardship techniques to be implemented to protect and preserve the conservation values of the Property.
- (c) Pastureland for sheep, cows and horses.
- (d) Regional storm water detention basin for the general benefit of the public.
- (e) Underground utility easements for drainage, public rights-of-way, sewer or water lines, or other public purposes, in locations as approved by the City of Farmington, subject to restoration of the Property to its natural condition within a reasonable time frame not to exceed ninety (90) days, unless otherwise agreed to in writing by the Grantee, which restoration shall be conducted to the satisfaction of the Grantee to protect and preserve the conservation values of the Property.

(f) Non-motorized recreational use of the Property, such as trails, bikeways, pavilions, amphitheaters, playing fields and playgrounds, in designated areas only as delineated on Exhibit "B."

(g) Community open space uses, such as village greens, parks, commons, picnic areas, community gardens, trails, and similar low-impact passive recreational uses.

(h) Parking as needed to accommodate the recreational amenity.

(i) Roads and accommodations for required access and easements.

7. Prohibited Uses. Any activity on or use of the Property which is inconsistent with the purpose of this Easement or detrimental to the conservation values is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited:

(a) Any division, subdivision or de facto subdivision (through long-term leasing or otherwise) of any parcel of the Property; except for subdivision and dedication of the Property as necessary to dedicated approved trails within the Property, or to accommodate the use of the Property as a public park.

(b) Any residential, commercial or industrial activity.

(c) Any development, construction or location of any man-made modification or improvements such as buildings, structures, fences, roads, parking lots, or other improvement on the Property, except as expressly permitted in this Easement.

(d) Any dumping or storing of ashes, trash, garbage or junk on the Property.

(e) Burning of any materials on the Property, except as necessary for fire protection purposes.

(f) The use of motor vehicles, including snowmobiles, all-terrain vehicles, motorcycles and other recreational vehicles, except as may be necessary to maintain the Property and to maintain utility lines running through the Property in accordance with the terms and conditions of such approved use and the maintenance plan for the Property.

(g) Hunting or trapping for any purpose other than predatory or problem animal control on the Property.

(h) Establishment or maintenance of any grazing or livestock feedlots on the Property, which shall be defined for purposes of this Easement as a permanently constructed confined area or facility within which the land is not grazed or cropped

annually, for purposes of engaging in the business of the reception and feeding of livestock for hire.

- (i) Any agricultural use of the Property not expressly permitted herein.
- (j) Advertising of any kind or nature on the Property and any billboards or signs; provided a directory and information sign may be displayed describing the Conservation Easement and prohibited or authorized use of the same.
- (k) All other uses and practices inconsistent with and significantly detrimental to the stated objectives and purpose of the Easement.

8. Rights of the Grantee. Grantor confers the following rights upon Grantee to perpetually enforce the preservation of the conservation values of the Property and to accomplish the purpose of this Easement.

- (a) Grantee has the right to preserve and protect the conservation values of the Property.
- (b) Grantee has the right to enter upon the Property at reasonable times to monitor or to enforce compliance with this Easement and to inspect and enforce the rights herein granted; provided that such entry shall not unreasonably interfere with the Grantor's use and quiet enjoyment of the Property.
- (c) Grantee has the right to enjoin and prevent any activity on or use of the Property that is inconsistent with the terms or purposes of this Easement and to preserve and protect the conservation values of the Property.
- (d) Grantee has the right to require restoration of the areas or features of the Property which are damaged by activity inconsistent with this Easement.
- (e) Grantee has the right to place signs on the Property which identify the Property as being protected by this Easement.
- (f) Grantee has the right to engage in activities that restore or enhance the biological and ecological integrity of the Property, provide recreation amenities, and detain storm water. Possible activities include planting native vegetation and use of controlled fire to reduce the presence of undesirable vegetation.

9. Duties of the Grantor. Grantor retains ownership rights of the underlying fee simple title to the Property which are not expressly restricted by this Easement. In accordance with rights reserved in Grantor by this Easement, Grantor shall be subject to all terms, conditions and restrictions of this Easement and shall have the affirmative duty to refrain from conducting or causing to be conducted any action inconsistent with the purpose and provisions of this Easement. The following duties and responsibilities, among others, shall be performed by Grantor with respect to the Property:

(a) Protect, preserve and enhance the aesthetic, open space, storm water drainage detention, pasturelands, wetlands and/or wildlife habitat values of the Property;

(b) Construct and maintain appropriate fire prevention and control measures including, but not limited to fire break paths along the boundaries of the Property.

10. Enforcement of Easement.

(a) Notice and Demand. If Grantee determines that Grantor or its successors are in violation of this Easement, or that a violation is threatened, the Grantee may provide written notice to the Grantor or its successors of such violation and request corrective action to cure the violation or to restore the Property. In the event Grantee determines that the violation constitutes immediate and irreparable harm, such notice shall not be required.

(b) Failure to Act. If, for a 28-day period after the date of the written notice from Grantee to Grantor, or its successors, the Grantor or its successors continues violating the Easement, or if the Grantor or its successors does not abate the violation and implement corrective measures requested by the Grantee, the Grantee may bring an action in law or in equity to enforce the terms of the Easement. The Grantee is also entitled to enjoin the violation through injunctive relief, seek specific performance, declaratory relief, restitution, reimbursement of expenses or an order compelling restoration of the Property. If the court determines that the Grantor has failed to comply with this Easement, the Grantor agrees to reimburse Grantee for all reasonable costs and attorneys fees incurred by the Grantee compelling such compliance.

(c) Absence of Grantor. If the Grantee determines that the Easement is, or is expected to be, violated, the Grantee shall make good-faith efforts to notify the Grantor. If, through reasonable efforts, the Grantor cannot be notified, and if the Grantee determines that circumstances justify prompt action to mitigate or prevent impairment of the conservation values, then the Grantee may pursue its lawful remedies without prior notice and without waiting for Grantor's opportunity to cure. Grantor agrees to reimburse Grantee for all costs incurred by Grantee in pursuing such remedies.

(d) Actual or Threatened Non-Compliance. Grantor acknowledges that actual or threatened events of non-compliance under this Easement constitute immediate and irreparable harm. The Grantee is entitled to invoke the equitable jurisdiction of the court to enforce this Easement.

(e) Any violation of the Easement shall be subject to termination through injunctive proceedings with the imposition of temporary restraining orders or through any other legal means, it being recognized that monetary damages and/or other non-injunctive relief would not adequately remedy the violation of the covenants and restrictions of the easement. In addition, subject to the provisions set forth herein, the Grantee shall have the right to enforce the restoration of the portions of the Property affected by activities in

violation of the Easement to the condition which existed at the time of the signing of this instrument.

(f) The remedies set forth herein are cumulative. Any, or all, of the remedies may be invoked by the Grantee if there is an actual or threatened violation of this Easement.

(g) A delay in enforcement shall not be construed as a waiver of the Grantee's right to enforce the terms of this Easement.

11. Permitted Construction and Maintenance Activities. This Easement is subject to the rights of Farmington City or any other agency or utility holding appropriate easements to enter upon the Property for the construction, installation, operation and maintenance of subsurface utilities as permitted herein. After exercise of rights retained herein, the permitted entity or utility company in interest, shall take reasonable actions to restore the Property to its natural condition prior to the conduct of any of the foregoing activities.

12. Maintenance. The Property shall be maintained by Grantor, in accordance with the Maintenance Plan set forth as Exhibit "C," attached hereto and incorporated herein by this reference. Grantor shall be solely responsible for the upkeep and maintenance of the Property. Grantor hereby agrees to maintain the conservation values and landscaping within the area covered by the storm drain easement held by the Grantee. Grantee hereby agrees to maintain the storm drain facilities and trail subject to the provisions set forth in the respective easements therefor.

13. Indemnification. Grantor shall hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents and contractors, and the successors and assigns of each of them, collectively referred to as the "Indemnified Parties," from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorneys' fees, arising from or with respect to the Property, unless due to the gross negligence or willful misconduct of Grantee. Grantor shall keep the Property insured with comprehensive general liability insurance against claims for personal injury, death and property damage and shall name Grantee as an additional insured party on all such insurance policies, providing Grantee evidence of such insurance upon request.

15. Transfer of Grantee's Interest. If circumstances arise such that the Grantee is no longer is able to enforce its rights under this instrument it may, subject to the approval of the Grantor, assign enforcement rights to a qualified organization under Section 501(c)(3) and/or 170(h)(3) of the Internal Revenue Code, to be approved by the Grantor, such approval not to be unreasonably withheld, The Grantee shall be entitled to convey in whole or in part all of its rights under this instrument and deliver a copy of this instrument to an organization designated by the Grantee and described in or contemplated by Section 501(c)(3) and/or 170(h)(3) of the Code, or the comparable provision in any subsequent revision of the Code to ensure that the Easement is enforced. Furthermore, the Grantee is hereby expressly prohibited from subsequently transferring the Easement, whether or not for consideration, unless (a) the Grantee, as a condition of the subsequent transfer, requires that the conservation purposes which the Easement is intended to advance continue to be carried out; and (b) the transferee is an organization

qualifying at the time of the transfer as an eligible done under Section 501(c)(3) and/or 170(h)(3) of the Code and regulations promulgated thereunder.

16. Termination of the Easement. This Easement may be extinguished only by an unexpected change in condition which causes it to be impossible to fulfill the Easement's purpose or by exercise of eminent domain in accordance with the provisions set forth herein. The fact that the Grantee may have title to the Property and therefore may become an Owner for purposes of this Easement shall not cause a termination of this Easement by operation of the doctrine of merger or otherwise. The Grantee shall not voluntarily or willingly allow the termination of any of the restrictions of this instrument, and if any or all of the restrictions of the Easement are nevertheless terminated by a judicial or other governmental proceeding, any and all compensation received by the Grantee as a result of the termination shall be used by the Grantee in a manner consistent with the conservation purposes of the Easement.

(a) If subsequent circumstances render the purposes of this Easement impossible to fulfill, then this Easement may be partially or entirely terminated only by judicial proceedings. Grantee will be entitled to compensation in accordance with applicable laws and judicial determination.

(b) If the Property is taken, in whole or in part, by power of eminent domain, then the Grantee will be entitled to compensation in accordance with applicable laws.

17. Transfer of Grantor's Interest. The Grantor, or its successors (hereinafter Owners) shall incorporate the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Property, including, without limitation, a leasehold interest. The failure of the Grantor or Owners to perform any act required by this Paragraph shall not impair the validity of this Easement or limit its enforceability in any way. Upon conveyance of title to the Property, the Grantor or Owners, as applicable, shall be released from their obligations under this Easement.

18. Notices. Any notice, demand, request, consent, approval, or communication shall be in writing and served personally or sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the following:

To Grantee: Farmington RDA
Attn: Managing Director
160 South Main Street
Farmington, Utah 84025-0160

To Grantor: Farmington City
Attn: City Manager
160 South Main Street
Farmington, Utah 84025-0160

or to such other address as the Grantee or Grantor shall from time to time shall designate by written notice.

19. Title Warranty. Grantor warrants that it has good and sufficient title to the Property, free from all encumbrances except those set forth in Exhibit “D,” attached hereto and incorporated herein by this reference, and hereby promises to defend the same against all claims that may be made against it.

20. Subsequent Encumbrances. The grant of any easement or use restriction that might diminish or impair the conservation values of the Property is prohibited.

21. Recordation. The Grantee shall record this instrument in timely fashion in the official records of Davis County, Utah and may re-record it at any time as may be required to preserve its rights in this Easement.

22. Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of Utah.

23. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the Easement to effect the purpose of this Easement and the policy and purpose of *Utah Code Ann. § 57-18-1 et seq.*, as amended, and related provisions. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

24. Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

25. Joint Obligation. Subject to the provisions set forth herein, the obligations imposed by this Easement upon any Owners shall be joint and several.

26. Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the Grantee, the Grantor, subsequent Owners of the Property, and their respective personal representatives, heirs, successors, and assigns, and shall continue as a servitude running in perpetuity with the Property.

27. Entire Agreement. This Easement, together with all exhibits, sets forth the entire agreement of the parties and supersedes all prior discussions and understandings.

28. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

IN WITNESS WHEREOF Grantor has executed this instrument on the day and year first above written.

**GRANTOR:
FARMINGTON CITY**

By: _____
Mayor, H. James Talbot

ATTEST:

Secretary

**GRANTEE:
FARMINGTON REDEVELOPMENT AGENCY**

By: _____
H. James Talbot, Board Chair

ATTEST:

City Recorder

FARMINGTON RDA ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
COUNTY OF DAVIS)

On the ____ day of _____, 2019, personally appeared before me _____, who being by me duly sworn, did say that he is the Board Chair of **FARMINGTON CITY RDA**, a tax increment financing jurisdiction, and that said instrument was signed in behalf of the RDA by authority of its governing body and said Board Chair acknowledged to me that the RDA executed the same.

NOTARY PUBLIC

CITY ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
COUNTY OF DAVIS)

On this ____ day of _____, 2019, personally appeared before me, _____, who being by me duly sworn, did say that (s)he is the _____ of **FARMINGTON CITY**, a municipal corporation, and that the foregoing instrument was signed on behalf of the City by authority of its Mayor and duly acknowledgment to me that the City executed the same.

NOTARY PUBLIC

EXHIBIT "A"

LEGAL DESCRIPTION OF EASEMENT AREA

Exhibit "A" Legal Description of Easement Area-

PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 3 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A REBAR AND CAP MARKED "BASELINE LS 316833" LOCATED AT THE SOUTHWEST CORNER OF PARCEL A OF PARK LANE COMMONS - PHASE 3 SAID POINT BEING SOUTH 89°45'48" WEST 1404.80 FEET ALONG THE SOUTH LINE OF SAID SECTION 14 AND NORTH 00°14'12" WEST 115.75 FEET FROM THE SOUTHEAST QUARTER CORNER OF SAID SECTION 14 THENCE AS FOLLOWS: NORTH 00°55'27" EAST 197.93 FEET ALONG THE WEST LINE OF SAID PARCEL A THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL A THE FOLLOWING NINE (9) COURSES: (1) SOUTH 82°41'40" EAST 19.10 FEET (2) EASTERLY 16.44 FEET ALONG THE ARC OF A 58.50 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 16°06'06", THE CHORD OF WHICH BEARS NORTH 89°15'17" EAST 16.39 FEET; (3) EASTERLY 118.15 FEET ALONG THE ARC OF A 2149.21 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 3°08'59", THE CHORD OF WHICH BEARS NORTH 82°46'44" EAST 118.14 FEET; (4) NORTHEASTERLY 24.08 FEET ALONG THE ARC OF A 20.86 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 66°08'24", THE CHORD OF WHICH BEARS NORTH 51°17'01" EAST 22.77 FEET; (5) NORTH 30°17'30" EAST 27.03 FEET; (6) NORTHEASTERLY 12.11 FEET ALONG THE ARC OF A 17.18 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 40°23'14", THE CHORD OF WHICH BEARS NORTH 50°29'07" EAST 11.86 FEET; (7) NORTH 72°42'05" EAST 89.87 FEET; (8) NORTH 53°20'37" EAST 26.14 FEET; (9) NORTHEASTERLY 39.92 FEET ALONG THE ARC OF A 62.46 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 36°37'21", THE CHORD OF WHICH BEARS NORTH 35°01'57" EAST 39.25 FEET TO A LINE ON THE BOUNDARY OF RECORD OF SURVEY #5238 FILED AT THE DAVIS COUNTY SURVEYORS OFFICE; THENCE ALONG SAID BOUNDARY LINES OR EXTENSIONS OF BOUNDARY LINES THE FOLLOWING FIVE (5) COURSES: (1) NORTH 89°46'42" WEST 298.57 FEET; (2) NORTH 00°00'18" EAST 225.73 FEET; (3) SOUTH 89°40'15" WEST 1267.48 FEET; (4) SOUTH 00°19'58" EAST 278.94 FEET; (5) SOUTH 34°42'03" EAST 322.73 FEET TO A REBAR AND CAP MARKED "H&A ENGR PLS 166386"; THENCE SOUTH 89°42'10" EAST 1055.09 FEET TO THE POINT OF BEGINNING.

A PORTION OF PARCEL NUMBER 08-060-0034

EXHIBIT "B"
USE MAP OF EASEMENT

EXHIBIT "C"
MAINTENANCE PLAN

Exhibit "C"

MAINTENANCE PLAN Burk Park Conservation Easement

SECTION 1 -PURPOSE

The purpose of this Maintenance Plan is to supplement Burke Park Conservation Easement in order to fix maintenance responsibility and provide additional maintenance guidelines, where necessary. The Maintenance Plan is intended to provide guidelines and fix responsibility for the Conservation Land.

SECTION 2 -PROPERTY

The Conservation Land subject to this Maintenance Plan is out lined in Exhibit B of the conservation easement.

SECTION 4 -OWNERSHIP OF CONSERVATION LAND

The respective ownership of the "Maintenance Areas" shall be as follows:

Ownership of the land along with maintenance responsibility is that of the City while the easement is owned by the RDA.

SECTION 5 - MAINTENANCE GUIDELIN'ES AND RESPONSIBILITIES

Park Open Space: Landscaping and irrigation systems shall be installed and maintained by the property owner (the City). Neighborhood Open Space may consist of flowers, trees, grass, shrubs, ground cover or natural vegetation. All Park Open Space shall have automatic irrigation systems installed, where applicable. These spaces shall be maintained, groomed and manicured by the property owner on a regular schedule sufficient to keep them in an attractive and clean condition.

Trails: These areas shall be developed in accordance with the trail master plan and shall be maintained by the property owner in, accordance with Farmington City ordinance.

Parking Areas: These areas will be paved and maintained by the proprty owner - kept attractive, clean, and installed according city standards. All such areas shall be kept in a neat and clean condition, free of debris and trash.

Public Rights of way: The owner of the property shall install drivable surfaces that may be used by the public, complete with side treatments in accordance with the small area master plan installed in accordance with City standards.

Strom Drain Detention: said storm drain detention basin should be built so as to house regional detention for as many neighboring properties as possible for controlling the water run off displacement caused by impermeable surfaces.

SECTION 7 - MODIFICATION

Any changes to this Maintenance Plan must be approved by the City. The City may enter the premises and take corrective action, including extended maintenance.

Exhibit "D" List of Encumbrances:

1. An easement over, across or through the Land for right of ingress and egress and incidental purposes, as granted to Wasatch Gas Co., a Utah corporation by Instrument recorded July 17, 1929 as Entry No. 46167 in Book I of Liens at Page 224 of Official Records.

NOTE: The above easement purports to affect the subject property, but the exact location cannot be determined because of a blanket or incomplete legal description.

2. A right of way as disclosed by Warranty Deed recorded October 15, 2003 as Entry No. 1922757 in Book 3396 at Page 819 of Official Records.
3. Easement Deed by Court Order in settlement of Landowner Action recorded October 09, 2013 as Entry No. 2771018 in Book 5870 at Page 233 of Official Records.
4. Easement Deed by Court Order in settlement of Landowner Action recorded October 28, 2013 as Entry No. 2774056 in Book 5883 at Page 926 of Official Records.
5. Easements and rights of way associated with a railroad running over and across or adjacent to the subject property.
6. Any land use yet to be clearly defined In Exhibit B of this Conservation Easement {including but not limited to: trails, parking lots, storm drain detention, park related structures, and public rights-of-way}.