

**BENEFIT ANALYSIS OF THE PROPOSED SUMMIT-EDEN @ POWDER MOUNTAIN
COMMUNITY DEVELOPMENT PROJECT AREA**
(APPENDIX C of the DRAFT Project Area Plan)

The following information is presented to meet the requirements of Utah Code Title 17C, Chapter 4, Section 103 regarding the proposed Summit-Eden @ Powder Mountain Community Development Project Area (the "Project Area"), a Recreational Development at Powder Mountain in the Ogden Valley portion of unincorporated Weber County.

17C-4-103. Community development project area plan requirements.

(11) . . . an analysis or description of the anticipated public benefit to be derived from the community development, including:

- (a) the beneficial influences upon the tax base of the community; and
- (b) the associated business and economic activity likely to be stimulated; and

(12) . . . other information that the agency determines to be necessary or advisable.

This evaluation is intended to provide a framework within which the Redevelopment Agency's board of directors and staff can make critical decisions. They must determine whether it is good public policy and in the interest of Weber County for the Agency to invest property tax increment, in the public and private infrastructure required by the Project Area.

The information included in this evaluation of the Project Area, is based in part on information provided by Douglas Larsen, Economic Development Director of Weber County and Summit Mountain Holding Group, LLC – The Developer.

This document is prepared in good faith as a best guess estimate of the economic impact of this project. Prevailing economic or other conditions may influence the actual economic impact either favorably or unfavorably. But for these unknown and unpredictable events, the information contained herein is considered an accurate accounting of the reasonable expectations of the project.

The Weber County Redevelopment Agency is interested in securing tax increment investment for proposed facilities to be constructed in the Northeast region of Weber County.

Contact:

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Ogden, UT 84401
Office: 801-399-8414
dslarsen@co.weber.ut.us

Site: SUMMIT-EDEN @ POWDER MOUNTAIN COMMUNITY DEVELOPMENT PROJECT AREA

2012 Real Estate Assessment Data						
SIDWELL #	SIZE(Acre)	TOTAL VALUE2012	Taxable Value 2012	Tax District	2012 TAX RATE	2012 TAX
220010002	927.40	1,276,020	13,437	28	0.015575	\$209
220010004	273.24	392,670	4,099	28	0.015575	\$64
220010011	14.07	211,050	211	28	0.015575	\$3
220060005	877.00	877,000	13,894	28	0.015575	\$216
220060007	80.00	80,000	480	28	0.015575	\$7
220060020	40.00	40,000	40,000	28	0.015575	\$623
230120027	51.80	51,800	1,088	28	0.015575	\$17
230120028	160.00	160,000	3,360	28	0.015575	\$52
230120032	640.00	640,000	8,824	28	0.015575	\$137
230120033	320.00	320,000	4,800	28	0.015575	\$75
230120034	400.00	400,000	8,400	28	0.015575	\$131
230120035	720.00	720,000	9,774	28	0.015575	\$152
230120118	507.00	507,000	10,647	28	0.015575	\$166
230440010	277.35	277,350	4,160	28	0.015575	\$65
230440011	145.70	295,725	2,186	28	0.015575	\$34
220010003	40.00	120,000	600	58	0.013313	\$8
230120051	4.24	4,240	64	58	0.013313	\$1
230440008	55.85	55,850	838	58	0.013313	\$11
220010006	35.80	70,200	70,200	90	0.013378	\$939
220010008	41.06	938,606	473,172	90	0.013378	\$6,330
230120052	91.81	91,810	1,377	90	0.013378	\$18
230120054	82.47	618,786	1,417	90	0.013378	\$19
230120068	50.20	81,004	429	90	0.013378	\$6
230440013	3.34	10,020	50	90	0.013378	\$1
220060018	80.00	80,000	480	227	0.013860	\$7
230120029	135.95	135,950	2,039	227	0.013860	\$28
230120030	143.64	550,920	2,155	227	0.013860	\$30
230120069	80.00	80,000	1,200	227	0.013860	\$17
Totals:	6,277.92	\$9,086,001	\$679,381		0.013763	\$9,350

Size: 6,277.92 acres (approx.)

Address: Approximately 6100 North Powder Ridge Road
Weber County, Utah

Owners: Summit Mountain Holdings, LLC

Current Use: Recreational – Ski Resort

Proposed Use: Four Season Recreation/Resort Development

Current Zoning: FR – 3; Forest Residential
 CVR-1; Commercial Valley Resort Recreation
 FV-3; Forest Valley Zone
 F-40; Forest Zone
 Weber County Jurisdiction
 Ogden Valley General Plan

Current Assessed Value - 2012

- Total Real Estate Taxable Value \$679,381
- Personal Property Assessed Value \$195,681
- Total Base Year Taxable Value: \$875,062

Tax Districts: #28, #58, #90 & #227

All Taxing Entities within The Project Area	Property Tax Assessment	% of Total Property Tax
Tax Districts 28, 58, 90 & 227 - 2012 Tax Rates		
Weber County (combined rate)	0.003966	28.8%
Weber County School District	0.007071	51.3%
Weber Basin Water Conservancy District	0.000215	1.6%
Weber County Mosquito Abatement District	0.000148	1.1%
Powder Mountain Water and Sewer Improvement District	0.000465	3.4%
Weber Fire District	0.001481	10.7%
Weber Area Dispatch 911 & Emergency Services District	0.000316	2.3%
Weber Fire District - Bond (est. 1/1/06)	0.000116	0.8%

2012 Real Estate Property Taxes: \$9,350
2012 Personal Property Taxes: \$2,625

Proposed maximum time period of CDA: 20 years

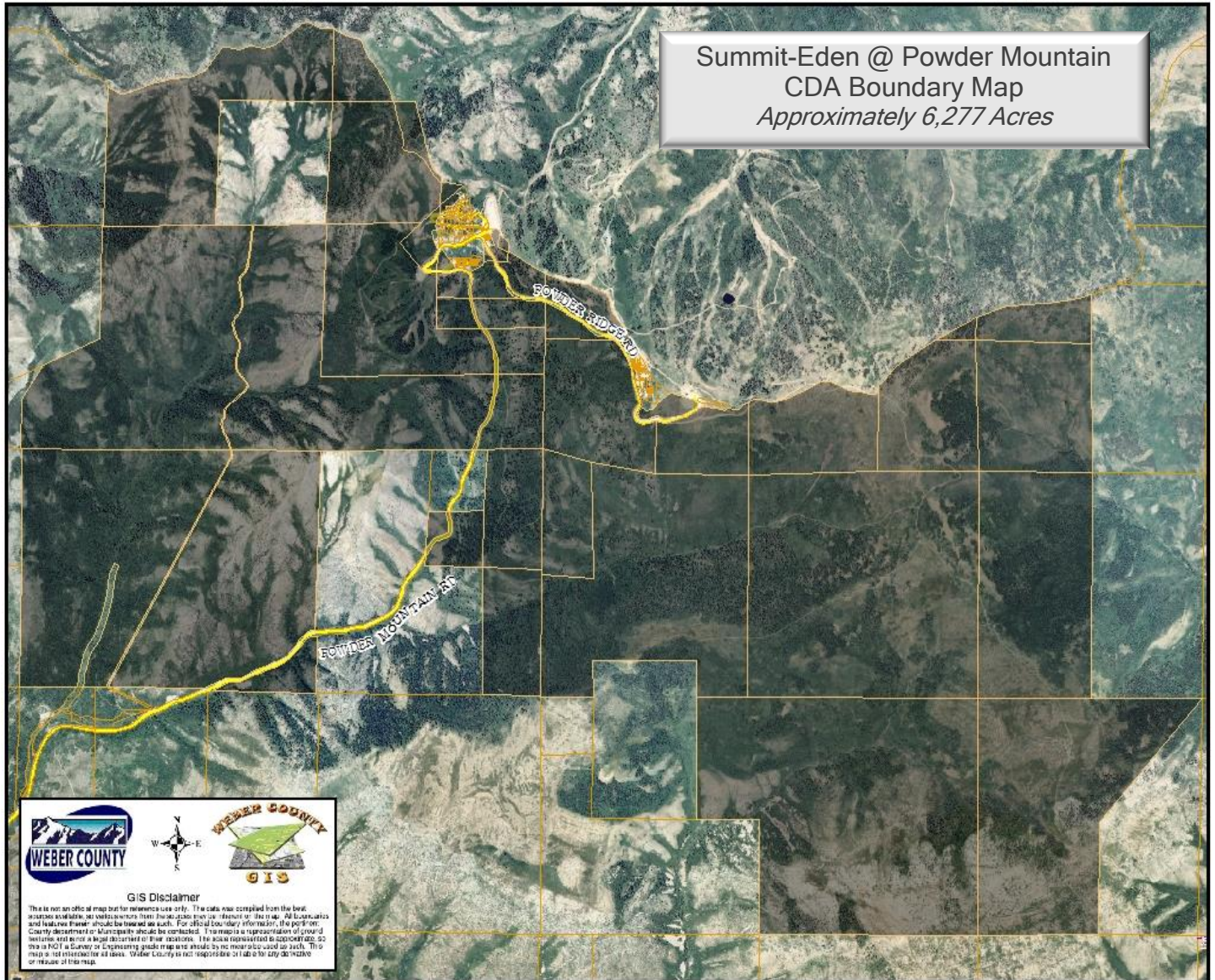
Government Approvals: The Summit-Eden @ Powder Mountain Community Development Project Area is within the unincorporated boundaries of Weber County.

A Master Development Agreement for Powder Mountain has been approved by the Ogden Valley Planning Commission and was approved by the Weber County Commission in November of 2012.

The Summit-Eden @ Powder Mountain Phase I Development was approved by the Ogden Valley Planning Commission and the Weber County Commission in the Spring of 2013.

Proposed Project Area:

Consisting of approximately 6,277 acres of land with limited improvements located in the North-East region of Weber County, an area more commonly known as the Powder Mountain Ski Resort:



Proposed Development (updated 7.14.2014)

For purposes of analysis the project has been divided into the following Phases:

The proposed Project Area development includes approximately 1,000 single and multi-family dwelling units, and 290,000 sq. ft. of commercial space.

Projected (new) Taxable Value	20 Year Total	Phase One	Phase Two	Phase Three	Phase Four
Proposed Resort/Residential Development	848,000,000	216,800,000	554,600,000	840,000,000	848,000,000
Proposed Development Enhancements	51,000,000	24,500,000	42,000,000	48,000,000	51,000,000
Estimated Personal Property Taxable Value	55,294,800	16,245,000	44,730,600	56,272,400	55,294,800
Total Projected (new) Taxable Value	954,294,800	257,545,000	641,330,600	944,272,400	954,294,800

The proposed Project Area development anticipates investment in the following *Infrastructure* by Phase:

Private Infrastructure	20 Year Total	Phase One	Phase Two	Phase Three	Phase Four
Electric Power	6,100,000	2,100,000	4,000,000	-	-
Geothermal	1,750,000	1,750,000	-	-	-
Fiber Optics	7,200,000	3,500,000	3,700,000	-	-
Natural Gas	8,800,000	8,800,000	-	-	-
Public Infrastructure		-	-	-	-
Roads & Bridges	34,900,000	-	7,400,000	12,000,000	15,500,000
Culinary Water	17,800,000	-	7,600,000	8,400,000	1,800,000
Sanitary Sewer	15,800,000	-	4,800,000	6,200,000	4,800,000
Total Private & Public Infrastructure:	\$92,350,000	16,150,000	27,500,000	26,600,000	22,100,000

**BENEFIT ANALYSIS OF THE PROPOSED SUMMIT-EDEN @ POWDER
MOUNTAIN COMMUNITY DEVELOPMENT PROJECT AREA**

The proposed Project Area development anticipates investment in the following *Proposed Enhancements* by Phase:

Proposed Enhancements	20 Year Total	Phase One	Phase Two	Phase Three	Phase Four
Ski Lifts (Personal Property)	40,000,000	5,000,000	10,000,000	20,000,000	5,000,000
Electric Bus - Shuttle System (Personal Property)	12,000,000	4,000,000	8,000,000	-	-
Structured Parking	17,000,000	6,000,000	11,000,000	-	-
Retreat Facilities	10,000,000	10,000,000	-	-	-
Special Event Facilities	9,000,000	5,500,000	3,500,000	-	-
Restaurants & Lodges	15,000,000	3,000,000	3,000,000	6,000,000	3,000,000
Total Proposed Enhancements	\$103,000,000	33,500,000	35,500,000	26,000,000	8,000,000
Proposed Other Internal & External					
Ogden Valley Master Plan	200,000	200,000	-	-	-
Trail Network	6,000,000	4,000,000	2,000,000	-	-
School Impact Mitigation	1,900,000	60,000	300,000	840,000	700,000
Total Proposed Other:	\$8,100,000	4,260,000	2,300,000	840,000	700,000

Source: Greg Mauro, Russ Watts representing Summit Mountain Holding Group, LLC, The Project Area Proposed Multi-Year Budget, Bonneville Research 2013.

The Proposed SUMMIT-EDEN @ POWDER MOUNTAIN COMMUNITY DEVELOPMENT PROJECT AREA

Given its geographic location, obstacles to the development include unusually high costs of onsite improvements including roads, bridges, culinary water, sewer, power, and other infrastructure.

The proposed (post-performance) incentive for the Project Area is approximately \$77.7 million, which, if approved, will be generated using tax increment financing for a maximum period of 20 years. (Updated 7.14.201)

The incentive is structured to return 0-25 percent to the taxing entities, and between 0-75 percent of the new tax increment to the project.

State law establishes Community Development Areas for the purpose of growing the local tax base.

The amount of tax increment pass-through that will flow to the respective taxing entities if the proposed development is built out as planned, is almost 400 times the current annual property tax collections.

The 2012 assessed taxable value of all property in the Project Area: (Updated 7.14.2014)

- \$875,062 - Taxable value
- \$9,350 in annual property taxes assessed on behalf of all entities within the Project Area
- \$2,625 in annual personal property taxes assessed on behalf of all the entities in the Project Area

After construction of the entire project, anticipated to be completed in 2037, the estimated total taxable value of the development will be: (Updated 7.14.2014)

- \$954,294,800 taxable value

BENEFIT ANALYSIS:

The following are the requirements of a benefit analysis as established by Utah Code 17C-4-103 to be included in a community development project area plan:

(11) include an analysis or description of the anticipated public benefit to be derived from the community development, including:

- (a) the beneficial influences upon the tax base of the community; and*
- (b) the associated business and economic activity likely to be stimulated;*
- (12) and other information that the agency determines to be necessary or advisable.*

(a) the beneficial influences upon the tax base of the community;

Incremental New Taxes Resulting from Proposed Development:

The public investment of tax increment is expected to yield the following private investment and the resultant tax increment.

The following are all taxing districts currently in the proposed Project Area.

Tax Districts 28, 58, 90 & 227 - 2012 Tax Rates	
Weber County General Fund	0.002322
Weber County Bond Fund	0.000185
Weber County Library	0.000696
Weber/Morgan Health District	0.000130
Paramedic Fund	0.000234
Assess & Collect State	0.000168
Assess & Collect County	0.000231
Weber County (combined rate)	0.003966
Weber County School District	0.007071
Weber Basin Water Conservancy District	0.000215
Weber County Mosquito Abatement District	0.000148
Powder Mountain Water and Sewer Improvement District	0.000465
Weber Fire District	0.001481
Weber Area Dispatch 911 & Emergency Services District	0.000316
Weber Fire District - Bond (est. 1/1/06)	0.000116
Total Property Tax	0.013778

Source: Proposed Multi-Year Budget, Bonneville Research 2013.

The following are the taxing districts proposed to participate in the Project Area.

Proposed Community Development Area Taxing Entities	2012 Entity Tax Rates
Weber County (combined rate)	0.003966
Weber School District	0.007071
Powder Mountain W&S	0.000465
Total Proposed Project Area Base Rate	0.011502

Source: Proposed Multi-Year Budget, Bonneville Research 2013.

Current Community Development Area property taxes assessed and Base Year Taxable Value.

Current Assessed Property Tax and Base Year Taxable Value	
Current Property Tax (all taxing entities)	\$11,975
(2012 Base Year Taxable Value - County Assessed)	\$875,062
Weber County (combined rate)	\$2,694
Weber School District	\$4,804
Powder Mountain Water & Sewer District	\$316
Current Property Taxes (of entities proposed to participate)	\$7,814

Proposed Pass-Through of Incremental New Taxes Resulting from Proposed Development:
(Updated 7.14.2014)

	20 Year Total	Phase One	Phase Two	Phase Three	Phase Four
Total Projected New Tax (participating Ent)	147,163,643	6,416,097	29,044,695	68,294,515	43,408,336
Weber County and PMWS District					
Tax Increment: Year 1 through 10					
Pass Thru to Entities – 25%	4,140,193	605,342	2,740,291	794,561	-
TIF Available To Agency – 75%	12,420,580	1,816,026	8,220,872	2,383,682	-
Tax Increment: Year 11 through 20					
Pass Thru to Entities – 50%	19,488,620			11,297,695	8,190,925
TIF Available To Agency TIF – 50 %	19,488,620			11,297,695	8,190,925
Total Pass-Through	23,628,813	605,342	2,740,291	12,092,255	8,190,925
Total TIF Available to Agency	31,909,199	1,816,026	8,220,872	13,681,377	8,190,925
Weber School District					
Tax Increment: Year 1 through 20					
Pass Thru to Entity – 50%	45,812,815	1,997,365	9,041,766	21,260,441	13,513,243
TIF Available to Agency – 50%	45,812,815	1,997,365	9,041,766	21,260,441	13,513,243
Total Pass-Thru All Participating Entities	69,441,628	2,602,707	11,782,057	33,352,697	21,704,168
Total TIF Available to Agency	77,722,015	3,813,391	17,262,638	34,941,818	21,704,168

(b) the associated business and economic activity likely to be stimulated; and other information that the agency determines to be necessary or advisable;

This public investment of tax increment is expected to stimulate the following associated business and economic activity:

A description of the number of jobs or employment anticipated to be generated or preserved as a result of the proposed development;

Short Term Construction Employment

It is estimated that the equivalent annual total of 734 construction workers will be on site during the 18 year construction period. The estimated total payroll during the construction period is \$448 million.

The number of construction jobs is calculated based on construction labor costs, which are assumed to be about 40 percent of total construction costs (the remaining 60 percent is spent for materials and overhead). The current average construction wage for the project is estimated to be \$33,919.

It is reasonable to expect that construction workers will spend a typical portion of their wages in Weber County for food, clothing, recreation and transportation from which sales tax revenue would be generated.

A significant portion of construction materials used during the construction of the Project Area facilities will likely be purchased from suppliers in Weber County. Estimated expenditures for materials used during the construction period are estimated to be \$672 million, from which sales tax revenue would also be generated.

Construction Components	Potential Construction Employment Generated by Proposed Development
Estimated construction expenditures	\$1,119,773,920
Construction Period - years	18
Estimated total construction expenditures - Materials	\$671,864,352
Estimated total construction expenditures - Wages	\$447,909,568
Estimated annual construction wage - Weber Co	\$33,919
Estimated monthly construction wage - Weber Co 2013	\$2,827
Estimated hourly construction wage - Weber Co 2013	\$16
Estimated total construction jobs	13,205
Estimated average annual construction jobs	734

Source: Utah Workforce Services, 2012, Calculations Bonneville Research 2013

Direct Employment

It is estimated that the completed project will create direct employment of 1,010, most of which would be anticipated to be full-time regular non-seasonal positions.

Direct Employment Components	Est Sq. Ft per Employee	Employment from Proposed Development
Commercial Hotels/Commercial Space	250	190,000
Retail & Restaurant Sq. Ft	400	100,000
Total estimated direct employment		1,010

Source: Utah Workforce Services, 2012, Calculations Bonneville Research 2013

Direct Purchase of Supplies and Services

It is anticipated that the Project Area residential and office tenants will directly purchase local goods and services related to their operations from local or regional suppliers. These purchases will likely increase employment opportunities in the related businesses of maintenance and repair, packaging supplies, office and printing services, warehousing, transportation and delivery services.

Population Base Components		Anticipated Population from Proposed Development
Estimated Number of Residential Units		1,000
Estimated household size	1.96	
Estimated residential population		1,960
Estimated median household income (Eden)	\$72,545	

Source: ESRI BusServices, 2012, Calculations Bonneville Research 2013

Supply and Service Components	Estimated retail goods expenditure per household	Estimated annual retail goods expenditures
Total Retail Purchases	\$15,675	\$15,675,000
Food at Home	\$3,535	\$3,535,000
Food Away from Home	\$2,652	\$2,652,000
Entertainment/Recreation	\$2,407	\$2,407,000
Apparel & Services	\$1,412	\$1,412,000
Travel	\$1,349	\$1,349,000
HH Furnishings & Equipment:	\$1,335	\$1,335,000
Investments	\$1,099	\$1,099,000
TV/Video/Audio	\$993	\$993,000
Vehicle Maintenance & Repairs:	\$709	\$709,000
Computers & Accessories	\$184	\$184,000
Total Annual:		\$31,350,000

Source: ESRI BusServices, 2013, Calculations Bonneville Research 2013

A reasonable total of approximately \$36.4 million will be spent annually on utilities such as; lunches, commuting, groceries, entertainment as well as water, sewer and electricity.

This employment is directly dependent on the schedule of the Project Area development. If build out is delayed or extended, employment will also be directly delayed and possibly reduced.

Associated business and economic activity likely to be stimulated by the Community Development.

Total economic impact is determined by measuring three components -- the direct, indirect, and induced impacts.

- *Direct "impact"* is spending done by a business in the local economy to operate the business, including inventory, utilities, equipment and pay to employees.
- *Indirect impact* refers to the conventional multiplier that happens as dollars the local business spends at other area businesses re-circulate.
- *Induced impact* refers to the additional consumer spending that happens as employees, business owners and others spend their income in the local economy.

It is anticipated that The Project Area residential and office tenants will indirectly purchase local goods and services from local or regional suppliers. These purchases will likely increase employment opportunities in the related businesses of maintenance and repair, packaging supplies, office and printing services, warehousing, transportation and delivery services.

Indirect and Induced Economic Impacts

This represents a major community development impact on the region and the entire state of Utah.

Associated business and economic activity or the "indirect" and "induced" business impacts of a program, project or facility are often referred to as "multiplier effects," since they can make the overall economic impacts substantially larger than the direct effects alone.

In reality, while indirect and induced impacts do always occur, the net impact on the total level of economic activity in an area may or may not be increased by multiplier effects. That outcome depends on the definition of the study area and the ability of that area to provide additional workers and capital resources, or attract them from elsewhere.

If all that happens is that resources are shifted away from some other use to serve (indirect and induced) needs created by the new project or program or policy, then there are likely to be no net multiplier effects on total impact.

Employment multipliers are rule-of-thumb estimates of the effect specific projects or policies have on local spending and employment. Thus the impact on employment and spending created by the proposed Project Area development may be estimated for:

The direct impact from the jobs provided by the business itself;

The *indirect* impact of the materials and services the businesses and employees purchase locally; and the induced impact or multiplier effect from the flow of wages spent by new employees, who may provide retained jobs in other businesses and in turn the spending of those wages--on and on.

Indirect and Induced Employment Components		Proposed Development Estimated Indirect and Induced Employment
Direct employment to be provided by the proposed development		1,010
Indirect impact on other basic employment	1.56	5,928
Impact multiplier	1.21	
Total permanent employment increase		1,906

Source: Utah Workforce Services, 2010, University of Utah BEBR, Calculations Bonneville Research 2013

(c) be economically sound and feasible;

This public investment of tax increment is expected to be economically sound and feasible:

A description of the experience and financial condition of the developer;

Summit Mountain Holding Group L.L.C, is the developer of The Summit-Eden @ Powder Mountain Community Development Project Area

BUSINESS ADDRESS:

Summit Mountain Holding Group
3632 N. Wolf Creek Drive
Eden, Utah 84310

REGISTERED ADDRESS for LLC:

Charles R. Brown
201 South Main Street #1300
Salt Lake City, Utah 84111

THE DEVELOPER

Summit Mountain Holding Group, LLC The Developer, Summit Mountain Holding Group, LLC, is a Utah limited liability company organized for the purposes of developing the property within the Project Area. Summit Revolution LLC, a Delaware limited liability company is the sole owner of the Developer, and is a partnership between the principals of Summit Series LLC and Revolution Capital, LLC.

The Developer has been able to bring considerable investment into Summit Mountain Holding Group, LLC through the implementation and execution of a Founding Member program. That program has enabled the Developer to secure investment proceeds and commitments in excess of \$38,000,000 to date. The Developer anticipates that the total amount of proceeds from the program will reach \$45,000,000. Those investment proceeds have come from individuals who have a desire to be part of the Summit Eden community, which is being overseen by the same principals that manage the Summit Series, a conference series with similarities to the Aspen Institute, the World Economic Forum and TED. The Founding Member program entitles investors to ownership interest in the Powder Mountain operating resort, and, at Founding Member's election, the ability to allocate a portion of their investment into a home-site credit for use in Phase I or later.

PRINCIPALS:

Summit Mountain Holding Group, LLC employs the principals of Summit Series who have made Eden, Utah the permanent home for the Summit Series business operations. Additionally, the Developer and Summit Series have agreed that Powder Mountain will be the permanent home of two major Summit Series events per year, bringing substantial notoriety to the project. Marketing has been and will continue to be exclusively experiential, inviting existing and prospective members of the Summit Series community to visit the Development for multiple days to discover the Summit Eden community. These experiential marketing visits to the Development are paid events, although at a Developer subsidy that has and will continue to decline over time. The Summit community is over 6,000 people and continues to grow rapidly through referrals managed by seven full time curators on the Summit Series staff. As a consequence, the Developer does not anticipate needing to use traditional advertising, such as print ads in magazines or newspapers. However, a global network of referring brokers is being put in place that will target prospective future buyers to the Summit Eden real estate brokerage, which will coordinate these leads with the curating team.

(d) Conform to the community's general plan;

Current Zoning: FR – 3; Forest Residential
 CVR-1; Commercial Valley Resort Recreation
 FV-3; Forest Valley Zone
 F-40; Forest Zone
 Weber County Jurisdiction
 Ogden Valley General Plan

The proposed public investment of Tax Increment conforms to the Weber County General Plan and the Ogden Valley Master Plan.

(e) promote the public peace, health, safety, and welfare of the community in which the project area is located.

The analysis of the public peace, health, safety, and welfare of the community in which the Project Area is located includes an evaluation of the following:

- The net welfare and benefit to the taxing entities. (Updated 7.14.2014)

Projected (new) Taxable Value	20 Year Total
Proposed Resort/Residential Development	848,000,000
Proposed Development Enhancements	51,000,000
Estimated Personal Property Taxable Value	55,294,800
Total Projected (new) Taxable Value	954,294,800

Source: The Project Area Proposed Multi-Year Budget.

- An estimate of the total amount and length of time that tax increment financing that will be expended in undertaking community development or redevelopment, and length of time for which it will be expended.

The Utah Community Development and Renewal Agencies Act provides that the formation of an Community Development Project Area will allow the taxing entities to provide funding of the Project Area Plan through inter-local agreements with the Weber County Redevelopment Agency to provide all or part of the tax increment from the taxing entities, which they would normally receive as a result of the increased assessed valuation resulting from the proposed project.

Base Year:	2012
A flexible trigger date is proposed: (Updated 7.14.2014)	2015 to 2017 (no later than)
Project Period:	20 Years
Estimated length of time of tax increment financing:	20 Years
Estimated length of time of initial capital investment:	18 years

The Project Area Budget is proposed to run twenty (20) years.

A description of the beneficial influences upon the tax base of the community as a result of the Community Development Project.

The Summit-Eden @ Powder Mountain Community Development Project Area will improve the tax base of all the taxing entities in the Tax Districts 28, 58, 90 & 227.

Weber County Taxing Entities Impacted within The Project Area	Property Tax Assessment	% of Total Property Tax
Tax Districts 28, 58, 90 & 227 - 2012 Tax Rates		
Weber County (combined rate)	0.003966	28.8%
Weber County School District	0.007071	51.3%
Weber Basin Water Conservancy District	0.000215	1.6%
Weber County Mosquito Abatement District	0.000148	1.1%
Powder Mountain Water and Sewer Improvement District	0.000465	3.4%
Weber Fire District	0.001481	10.7%
Weber Area Dispatch 911 & Emergency Services District	0.000316	2.3%
Weber Fire District - Bond (est. 1/1/06)	0.000116	0.8%
Total Property Tax	0.013778	100.0%

Source: Utah State Tax Commission 2013, Calculations Bonneville Research 2013

The Project Area will improve the tax base in Weber County, Weber School District and the Powder Mountain W & S Special Service District (the proposed participating entities).

Proposed Participating Taxing Entities within The Project Area	Property Tax Assessment	% of Total Property Tax
Tax Districts 28, 58, 90 & 227 - 2012 Tax Rates		
Weber County (combined rate)	0.003966	34.48%
Weber County School District	0.007071	61.48%
Powder Mountain Water and Sewer Improvement District	0.000465	4.04%
Total Property Tax	0.011502	100.00%

Source: Utah State Tax Commission 2013, Calculations Bonneville Research 2013

Current Community Development Area taxable value and taxes received.

Current Assessed Property Tax and Base Year Taxable Value (Updated: 7.14.2014)	
Current Property Tax (all taxing entities within proposed Project Area)	\$11,975
(2012 Base Year Taxable Value - County Assessed)	\$875,062
Weber County (combined rate)	\$2,694
Weber School District CDA Rate	\$4,804
Powder Mountain W&S CDA Rate	\$316
Total Current Property Taxes – Proposed Entities	\$7,814

Source: The Project Area Proposed Multi-Year Budget.

Incremental New Taxes Resulting from Proposed Development: (Updated 7.14.2014)

	20 Year Total	Phase One	Phase Two	Phase Three	Phase Four
Projected (new) Taxable Value					
Proposed Resort/Residential Development	848,000,000	216,800,000	554,600,000	840,000,000	848,000,000
Proposed Development Enhancements	51,000,000	24,500,000	42,000,000	48,000,000	51,000,000
Estimated Personal Property Taxable Value	55,294,800	16,245,000	44,730,600	56,272,400	55,294,800
Total Projected (new) Taxable Value	954,294,800	257,545,000	641,330,600	944,272,400	954,294,800
Projected New Property Tax Increment: Cumulative					
Weber County	49,512,568	2,158,668	9,771,961	22,977,393	14,604,546
PMWS District	6,025,445	262,700	1,189,201	2,796,240	1,777,304
Weber School District	91,625,631	3,994,730	18,083,532	42,520,883	27,026,486
Total Projected New Tax (participating):	147,163,643	6,416,097	29,044,695	68,294,515	43,408,336

Source: The Project Area Proposed Multi-Year Budget.

Proposed Investment of Incremental New Taxes Resulting from Proposed Development:
(Updated 7.14.2014)

Proposed Investment and Use of Incremental New Property Tax	Proposed 20 Year Totals	Proposed Project Years 1 – 10 Totals	Proposed Project Years 11 – 20 Totals
Use:			
Private Infrastructure			
Electric Power	\$ 6,100,000	\$ 6,100,000	
Geothermal	1,750,000	1,750,000	
Fiber Optics	7,200,000	7,200,000	
Natural Gas	8,800,000	8,800,000	
Public Infrastructure			
Roads & Bridges	34,900,000	19,400,000	15,500,000
Culinary Water	17,800,000	16,000,000	1,800,000
Sanitary Sewer	15,800,000	11,000,000	4,800,000
Total Private & Public Infrastructure:	92,350,000	70,250,000	22,100,000
Proposed Enhancements			
Ski Lifts	40,000,000	20,000,000	20,000,000
Electric Bus - Shuttle System	12,000,000	12,000,000	
Structured Parking	17,000,000	17,000,000	
Retreat Facilities	10,000,000	10,000,000	
Special Event Facilities	9,000,000	9,000,000	
Restaurants & Lodges	15,000,000	9,000,000	6,000,000
Total Proposed Enhancements	103,000,000	77,000,000	26,000,000
Proposed Other Internal & External			
Ogden Valley Master Plan	200,000	200,000	
Trail Network	6,000,000	6,000,000	
School Impact Mitigation	1,900,000	450,000	1,450,000
Total Proposed Other:	8,100,000	6,650,000	1,450,000
Cash Flow: Annual			
Total Infrastructure & Proposed Dev.	203,450,000	153,900,000	49,550,000
Annual TIF Available	77,722,015	26,081,415	51,640,600
Cash Flow Gap - Cumulative	(\$125,727,985)	(\$127,818,585)	\$2,090,600

Source: The Project Area Proposed Multi-Year Budget.

The proposed development schedule reflects estimates of the value of the improvements and personal property, as they are expected to enter on the tax rolls.

Total capital investment in commercial office and retail properties are expected to decline in taxable value due to the depreciation of the personal property. Depreciation schedules used were those provided by the Utah State Tax Commission.

The formation of a Community Development project area temporarily diverts the tax increment from the taxing agencies that would normally receive property tax revenues to the community development and renewal agency. The tax increment can be taken for the period approved by the Taxing Entities.

(Updated: 7.14.2014)

	20 Year Total	Phase One	Phase Two	Phase Three	Phase Four
Total Projected New Tax (participating Ent)	147,163,643	6,416,097	29,044,695	68,294,515	43,408,336
Weber County and PMWS District					
Tax Increment: Year 1 through 10					
Pass Thru to Entities – 25%	4,140,193	605,342	2,740,291	794,561	-
TIF Available To Agency – 75%	12,420,580	1,816,026	8,220,872	2,383,682	-
Tax Increment: Year 11 through 20					
Pass Thru to Entities – 50%	19,488,620			11,297,695	8,190,925
TIF Available To Agency TIF – 50 %	19,488,620			11,297,695	8,190,925
Total Pass-Through	23,628,813	605,342	2,740,291	12,092,255	8,190,925
Total TIF Available to Agency	31,909,199	1,816,026	8,220,872	13,681,377	8,190,925
Weber School District					
Tax Increment: Year 1 through 20					
Pass Thru to Entity – 50%	45,812,815	1,997,365	9,041,766	21,260,441	13,513,243
TIF Available to Agency – 50%	45,812,815	1,997,365	9,041,766	21,260,441	13,513,243
Total TIF Available to Agency	77,722,015	3,813,391	17,262,638	34,941,818	21,704,168

Source: The Project Area Proposed Multi-Year Budget

Analysis to include amortization schedules showing whether or not bonds, loans, etc., may be repaid from "new" taxes generated within the Community Development area.

- No bonds associated with tax increment, loans, etc. are currently planned.

Analysis of the "Risk" to the Weber County Redevelopment Agency and other taxing entities.

Risk Analysis is a systematic approach for describing and/or calculating risk and generally involves the identification of undesired events, and the causes and consequences of these events. Essentially it involves trying to anticipate what can go wrong, why and what can be done if it does happen.

Risk analysis normally includes such items as risks of:

1. Threats to human health
2. Threats to the environment, both built and natural
3. Threats from human activities
4. Threats from natural events

Risk arises out of uncertainty. It is the exposure to the possibility of such things as economic or financial loss or gain, physical damage, injury or delay, as a consequence of pursuing a particular course of action. The concept of risk has two elements, the likelihood of something happening and the consequence if it happens.

For our purposes in this Benefit Analysis the risk analysis will be more narrowly confined to the financial risks associated with the proposed development and will be analyzed using the following Risk Analysis Matrix.

Risk Analysis Matrix:

Bonneville Research identified the following risks associated with the proposed development and then entered them in the risk analysis matrix to analyze the impact of the risks.

Bonneville Research then attempted to evaluate the likelihood, consequences and level of risk with each event to further assess the relative priority of each event.

Proposed Summit-Eden @ Powder Mountain Community Development Project Area Development - Risk Event	Likelihood rating	Potential economic impact on Weber County RDA	Adequacy of existing risk reduction measures and/or controls	Consequences rating	Level of financial risk to Weber County RDA	Level of financial risk to Taxing Entities
CDA is <i>not</i> established and the project is abandoned.	Moderate	Significant	Good	Significant	Low	None
CDA is established and the project is abandoned.	Moderate	Significant	Good	Significant	Low	None
CDA is established and infrastructure upgrades are only partially made and then the project is abandoned.	Moderate	Significant	Good	Significant	Moderate	None
CDA is established and	Moderate	High	Good	Significant	Moderate	Low

infrastructure upgrades are completed and then the project is abandoned.						
CDA is established and infrastructure upgrades are made and then the facility is closed in less than 10 years.	Moderate	High	Good	Significant	Moderate	Low
CDA is established and infrastructure upgrades are made and the facility operates over 10 years.	Moderate	High	Good	Significant	Low	Low

Source: Bonneville Research 2013

Definition of risks:

For our purposes in this risk analysis Bonneville Research used the following “industry standard” definition of risks:

- Severe risk – must be managed by senior management with a detailed plan;
- High risk – detailed research and management planning required at senior levels;
- Major risk – senior management attention is needed;
- Significant risk – management responsibility must be specified;
- Moderate risk – manage by specific monitoring or response procedures;
- Low risk – manage by routine procedures; and
- Trivial risk – unlikely to need specific application of resources.

Risk Analysis Conclusion

The risk to the Weber County Redevelopment Agency and the other Taxing Entities is minimal. If The Summit Mountain Holding Group L.L.C, invests in the necessary residential, commercial and retail improvements, but then closes, Weber County and the Taxing Entities will receive the amount of tax increment due to improvements in buildings and residences, but potentially losses future potential tax revenues on yet to be developed elements as the project is abandoned or sold for a lower use.

The Weber County Redevelopment Agency anticipates entering into an Agreement for Development of Land (ADL) with Summit Mountain Holding Group, LLC. This ADL will protect the Redevelopment Agency against default and other unforeseen risks. The ADL is also critical to protect the Agency to assure development of all of the public improvements anticipated will take place as anticipated.

If the project proceeds as planned, the Weber County Redevelopment Agency and the other taxing entities will receive an excellent return on their investment due to new revenues and additional economic activity.

CONCLUSION OF BENEFIT ANALYSIS:

The Summit-Eden @ Powder Mountain Community Development Project Area meets the requirements set forth in Utah Code title 17C, Chapter 4, Section 103 regarding the proposed Project Area.

The proposed Project Area facilities in Weber County are being built (and are contingent on) tax increment being provided by the Weber County Redevelopment Agency.

The proposed Project Area development in Weber County will stimulate business and associated economic activity within the community, the region and the State.

The proposed Project Area developer - Summit Mountain Holding Group LLC, knows this market, is experienced and the proposed project is economically sound and feasible.

The proposed Project Area development conforms to the Weber County General Plan and the Ogden Valley Master Plan.

The proposed Project Area development will promote the public health, safety and welfare in Weber County.

The proposed Project Area development will result in substantial economic benefits associated with the Tax Increment Investment by the Weber County Redevelopment Agency in The Summit-Eden @ Powder Mountain Community Development Project Area. (Updated: 7.14.2014)

Summary of Economic Benefits	Potential Value
Projected Incremental (new) Taxable Value	\$ 954,294,800
Projected Incremental Property Tax (CDA ent. 20 year cumltv)	\$ 69,441,628
Estimated Construction Expenditures	\$ 1,119,773,920
Estimated Average Annual Construction Jobs	734
Estimated Direct Employment (Hotels, Retail and Resort Related)	1,010
Estimated Annual Supply-Chain Components	\$ 31,350,000
Estimated Indirect and Induced Employment Increase	1,906

Weber County Redevelopment Agency

Summit-Eden @ Powder Mountain - Community Development Project Area
PROPOSED & REVISED Tax Increment Financing Structure (Updated: 7.14.2014)

Source:	Rate	20 Year Total	Project Years 1 through 10	Project Years 11 through 20
Projected (new) Taxable Value				
Proposed Resort/Residential Development		848,000,000	640,800,000	848,000,000
Proposed Development Enhancements		51,000,000	45,000,000	51,000,000
Estimated Personal Property Taxable Value		55,294,800	55,737,000	55,294,800
Total Projected (new) Taxable Value – Cmltv.		954,294,800	741,537,000	954,294,800
Projected New Property Tax (Increment)				
Weber County	0.003899	50,523,029	15,065,364	35,457,664
CDA Administration:	2.00%	1,010,461	301,307	709,153
Weber County		49,512,568	14,764,057	34,748,511
PMWS District	0.000465	6,025,445	1,796,716	4,228,729
		55,538,013	16,560,773	38,977,240
Weber School District	0.007071	91,625,631	27,321,670	64,303,961
Total Projected New Tax (participating ent.):		147,163,643	43,882,443	103,281,200
PROPOSED TAX INCREMENT STRUCTURE:				
Weber County and PMWS District				
Tax Increment: Year 1 through 10				
Pass Thru to Entities	25%	4,140,193	4,140,193	
TIF Available To Agency	75%	12,420,580	12,420,580	
Tax Increment: Year 11 through 20				
Pass Thru to Entities	50%	19,488,620		19,488,620
Available To Agency for TIF	50%	19,488,620		19,488,620
Total Pass-Through		23,628,813	4,140,193	19,488,620
Total TIF Available to Agency		31,909,199	12,420,580	19,488,620
Weber School District				
Tax Increment: Year 1 through 20				
Pass Thru to Entity	50%	45,812,815	13,660,835	32,151,980
TIF Available to Agency	50%	45,812,815	13,660,835	32,151,980
Total Pass-Thru All Participating Entities		69,441,628	17,801,028	51,640,600
Total TIF Available to Agency		77,722,015	26,081,415	51,640,600

Weber County Redevelopment Agency

Summit-Eden @ Powder Mountain - Community Development Project Area

PROPOSED & REVISED Tax Increment Financing Structure (Updated: 7.14.2014)

Use:	20 Year Total	Project Years 1 through 10	Project Years 11 through 20
Private Infrastructure			
Electric Power	6,100,000	6,100,000	-
Geothermal	1,750,000	1,750,000	-
Fiber Optics	7,200,000	7,200,000	-
Natural Gas	8,800,000	8,800,000	-
Public Infrastructure			
Roads & Bridges	34,900,000	19,400,000	15,500,000
Culinary Water	17,800,000	16,000,000	1,800,000
Sanitary Sewer	15,800,000	11,000,000	4,800,000
Total Private & Public Infrastructure:	\$92,350,000	\$70,250,000	\$22,100,000
Proposed Enhancements			
Ski Lifts (Prsnl Property)	40,000,000	20,000,000	20,000,000
Electric Bus - Shuttle System (Prsnl Property)	12,000,000	12,000,000	-
Structured Parking	17,000,000	17,000,000	-
Retreat Facilities	10,000,000	10,000,000	-
Special Event Facilities	9,000,000	9,000,000	-
Restaurants & Lodges	15,000,000	9,000,000	6,000,000
Total Proposed Enhancements	\$103,000,000	\$77,000,000	\$26,000,000
Proposed Other Internal & External			
Ogden Valley Master Plan	200,000	200,000	-
Trail Network	6,000,000	6,000,000	-
School Impact Mitigation	1,900,000	450,000	1,450,000
Total Proposed Other:	\$8,100,000	\$6,650,000	\$1,450,000
Total Infrastructure & Proposed Devp.	203,450,000	153,900,000	49,550,000
Total TIF Available for Project	77,722,015	26,081,415	51,640,600
Cash Flow Gap (Developer Financed)	(\$125,727,985)	(\$127,818,585)	2,090,600

Bonneville Research makes no judgment relative to the impact of the Community Development support on the internal profitability and competitiveness of the project relative to other similar developments.