April 1, 2014 Draft

GRANITE PEAK
SOLAR COMMUNITY DEVELOPMENT PROJECT
AREA PLAN

Draft Project Area Plan

Adopted _____, 2014

Prepared by the

Beaver County Office of Economic Development

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Section 1. Introduction; Adoption of Project Area Plan

The Beaver County Community Development and Renewal Agency (the "**Agency**") requested that Smith Hartvigsen, PLLC and the Beaver County Office of Economic Development prepare a Community Development Project Area Plan pursuant to the provisions of Chapters 1 and 4 of the Utah Community Development and Renewal Agencies Act, Title 17C of the Utah Code Annotated 1953, as amended (the "**Act**"). The requirements of the Act, including notice and hearing obligations, have been scrupulously observed at all times throughout the establishment of the Project, the Project Area and this Plan. This Community Development Project Area Plan (the "**Project Area Plan**" or the "**Plan**") is for a project (the "**Project**") located entirely within the boundaries of Beaver County. The specific boundaries and proposed development that will occur within these boundaries are all set forth in this Project Area Plan. This Plan shall be titled, "Granite Peak Solar Community Development Project Area Plan" adopted on _____, 2014.

A map of the proposed Community Development Area ("**CDA**") project area is included as **Exhibit A**.

The Beaver County Community Development and Renewal Agency has determined that the proposed project area meets the criteria for creation of a CDA. The area offers the opportunity to encourage development of a solar project that will attract private capital investment, contribute to the tax base, create jobs, and otherwise contribute to the economic vitality and prosperity of Beaver County.

Creation of the CDA will allow Granite Peak Solar, LLC, a subsidiary of First Wind, the opportunity to build its solar portfolio and will expand Utah's renewable energy programs. The energy from this Project will be sold to Rocky Mountain Power via long-term power purchase agreements at no additional cost to ratepayers.

This document is prepared in good faith as a current reasonable estimate of the economic impact of this Project. Fundamental economic and other circumstances may influence the actual impact. With these assumptions, the information contained within this report represents the reasonable expectations of the Project.

The ordering of sections of this Project Area Plan document is consistent with the presentation of requirements and other criteria for CDA development as set forth in Utah Code § 17C-4-103.

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Section 2. Proposed Community Development Project Area Boundaries

The proposed project area is located within Beaver County, Utah and is approximately 40 acres (the "**Project Area**"). A map of the Project Area is attached as **Exhibit A** and incorporated herein as ("**Project Area Map**").

The area proposed to be contained within the CDA is as follows:

Parcel Number: 02-0019-0006

Legal Description: NW1/4SW1/4 S4 T28S R10W SLM 40.00 AC

Section 3. Summary of Existing Land Use, Principal Streets, Population Densities and Building Intensities

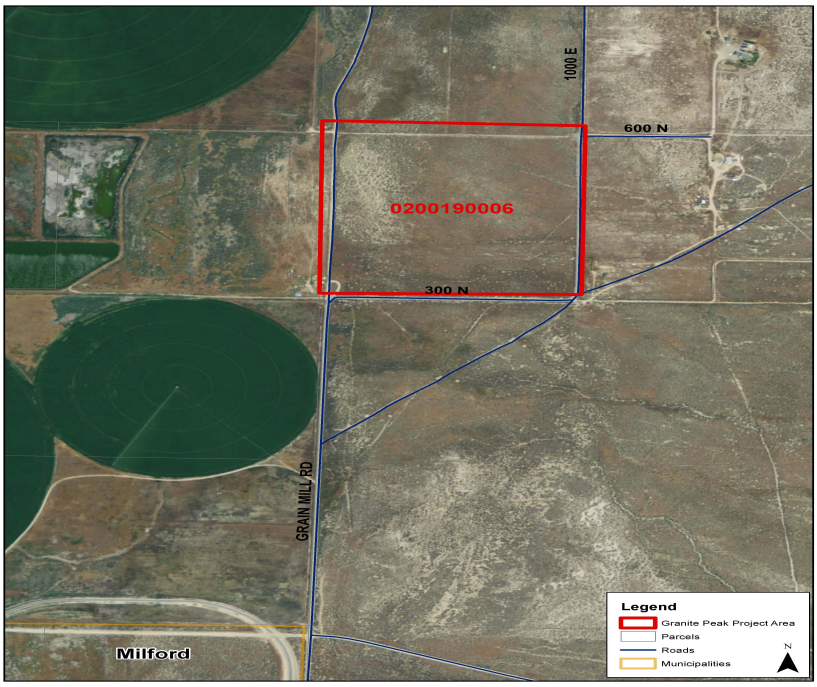
A. Existing Land Use Map

A map of existing zoning in the Project Area is included as **Exhibit B** and is incorporated herein (the "**Zoning Map**"). A map indicating the layout of principal streets serving the area is included as **Exhibit C.**

The land included in the Project Area is zoned MU-20. The principal access to the Project Area is Grain Mill Road, with access off of Highway 21. The Project Area is two miles from Highway

21. The Project Area is also accessible on Grain Mill Road from 6th Ave, connecting to Highway 129. Highway 129 is a two-lane paved road connecting Minersville Town with Milford City and intersecting State Highway 21. The road is maintained by Beaver County.

B. General Description of Surrounding Property



The area in question is zoned MU-20; the surrounding property is used for agriculture with a focus on agriculture product processing facilities and crop production such as wheat, oats, alfalfa, and corn. Solar projects are often co-located in agricultural areas, as the systems have not proven to be detrimental to adjacent farming operations and do not impose any public health, safety, or general welfare issues.

C. Population Density in the Project Area

Currently, no one is residing within the Project Area and this Plan does not contemplate any residential development. Thus, neither the Project nor any future development within the Project Area is expected to change population densities therein.

The closest residential unit is a 0.17 miles northeast of the Project Area. The Project is not detrimental to the residential unit and does not impose any public health, safety, or general welfare issues.

D. Building Intensities in the Project Area

Presently, there are no buildings within the Project Area.

E. Impact of Community Development on Land Use, Populations, and Building Density

No change in zoning is required and the proposed Project is consistent with area usage. Solar photovoltaic (PV) power generation consists of multiple photovoltaic modules or solar panels to convert sunlight into usable electricity. It is not anticipated that the Project will have a significant impact on the surrounding properties, roads, or other infrastructure.

Section 4. Standards That Will Guide Community Development

A. Development Objectives

Development in the Project Area will be subject to appropriate elements of the Beaver County Building Permit Checklist, the Beaver County Conditional Use Permit, and all applicable Beaver County Ordinances. Development/expansion proposals shall be accompanied by site plans, development data, and other appropriate material clearly describing the extent of development/expansion proposed, and any other data that is required by Beaver County's Building and Zoning Department.

The Beaver County Planning Commission may grant a conditional use permit if it finds:

1. The proposed use will not be unduly detrimental or injurious to property or improvements in the vicinity and will not be detrimental to public health, safety, or general welfare.
2. The proposed use will be located and conducted in compliance with the goals and policies of the Beaver County General Plan and the purposes of this title and the land management code.
3. That the property on which the development is proposed is of adequate size and dimensions to permit the conduct of the use in such a manner that will not be materially detrimental to adjoining and surrounding properties.
4. The proposed use does not propose any construction on any critical lands.

B. General County Design Objectives

Development within the Project Area will be held to high-quality design and construction standards and will be subject to (1) appropriate elements of the County's General Plan; (2) applicable County building codes and ordinances; (3) Planning Commission review and recommendation; (4) Agency review to ensure consistency with this Plan; and (5) the County's land use code.

C. Description of How Purposes of the Act will be Attained

Title 17C of the Utah Code contains the following definition of Community Development: "Community development" means development activities within a community, including the encouragement, promotion, or provision of development. (U.C.A § 17C-1-102(16)).

The creation of the Granite Peak Solar Community Development Project Area furthers the attainment of the purposes of Title 17C by addressing the following objectives:

> **Provision of development that enhances economic and quality of life basis.** The proposed community development project will provide numerous economic and community benefits including the generation of 30 construction jobs and approximately 1/3 FTE.
>
> **Stimulation of associated business and economic activity by the development.** This Project will meaningfully enhance Beaver County's property tax base. The direct and indirect impact provided by construction jobs to the existing economy in Beaver County will be significant. Local businesses that will benefit include hotels, restaurants and suppliers and vendors servicing the proposed new facility

The Project will achieve the following:

a. Enhance employment and income opportunities for community residents by offering employment opportunities within the County
b. Increase the diversity of the tax base and increase the resources available for performing governmental services
c. Encourage and support the use of Beaver County's natural resources
d. Support and encourage appropriate public and private development efforts in the community

D. Conformance of the CDA to the Community's General Plan

The Granite Peak Solar CDA is consistent with the Beaver County General Plan (the "**General Plan**") adopted April 1993 and amended February 1999.

The General Plan states that Beaver County's economy is strengthened through encouragement of "the best utilization of Beaver County's private land which only constitutes 6.1 percent of the County's entire land base. It will be important to the elected, as well as appointed officials, to strive at minimizing limitations by not diminishing development interests and quality growth. Their continued leadership will assure growth, and further enhance the communities within the County."

The proposed Project is one of the best utilizations of the particular, privately-owned, parcel of land. The portion of the parcel on which the Project will be constructed is not being used for agriculture or any other purpose and subsequently is not yielding any economic benefits. The Project will create positive economic yields. Furthermore, the creation of the CDA conforms to the General Plan because it minimizes limitations to the development interest of the parcel of land.

The General Plan lists the following as Management Goals and Policies: "To create a regional growth pattern which supports the continuing economic vitality of Beaver County, and builds on natural and cultural amenities…" One of Beaver County's economic strengths is its abundance of natural resources—including renewable energy resources. Beaver County has some of the richest and most versatile renewable energy resources in the State of Utah, and arguably in the nation and the world. Current utility-scale renewable energy production facilities in operation within the County include three geothermal plants, a 300 MW Wind Farm, 2 biogas facilities, and a hydro-power facility. The last renewable energy resource available within the County that is not yet significantly utilized is solar energy. The establishment of the CDA conforms to the County's general plans as it is in line with and enhances the desired "regional growth pattern", increases the County's economic vitality, and builds on the natural resources of the County.

The General Plan also states that "Beaver County will use the resources at its disposal in order to attract new business to the area, with emphasis being placed on those industries identified by current studies as being the most suitable for the region. The County will work with the State and region in order to make tax credits or other financial incentives available to such businesses."

The County has placed an emphasis on the renewable energy industry because it aligns with the resources in the region. The General Plan identifies the need for and utilization of "tax credits or other financial incentives" to attract, retain, and help grow industries within the County in order to strengthen the local economy. The creation of the CDA implements this portion of the General Plan.

Business and Economic Activity Diversification. Beaver County seeks to encourage a balanced mix of economic activity, including but not limited to: agriculture; agri-business, mining; timber and wood products; manufacturing; commercial; retail; cultural; entertainment; service industry; and government services uses which result in a diversified, stable, and environmentally sound local economic base. The Project will support those goals.

Zoning Ordinances. The Project Area is currently zoned MU-20. The MU-20 multiple use district is used to establish areas in mountains, hillsides, canyons, mountain valleys, deserts, and other open and generally underdeveloped lands where human habitation would be limited in

order to protect land and open space resources and to reduce unreasonable requirements for public utility and service expenditures through uneconomic and unwise dispersal and scattering of population; to encourage use of the land, where appropriate, for forestry, grazing, agriculture, mining, wildlife habitat, and recreation; to avoid excessive damage to watersheds, water pollution, soil erosion, danger from brushland and to promote the health, convenience, order, prosperity and general welfare of the inhabitants of Beaver County. Solar projects are allowed within an area zoned MU-20 with a conditional use permit.

Building Code. The Project enhancements will be constructed in accordance with all applicable Beaver County building codes.

Section 5. Specific Project Outline and its Potential for Job Creation

The formation of the CDA Project Area will provide Beaver County with job creation opportunities by creating approximately 30 short term construction jobs and 1/3 FTE. The proposed solar project will occur due to the provision of incentives to the Participant as specified in this Plan and participation agreements with the Participant(s). Ground breaking for the Granite Peak Solar project is expected to take place in 2014 with a projected Commercial Operations Date ("**COD**") of the fourth quarter of 2015.

Section 6. Selection of Participant

The Agency does not own or control any property within the Project Area. The Agency desires the owners of real property in the Granite Peak Solar Community Development Project Area to partner with Granite Peak Solar, LLC, to develop property. The Agency believes that Granite Peak Solar, LLC, is good choice to develop this Project based on the resources and investment capital available to its parent company, First Wind, and the experience of First Wind with other alternative energy projects in Utah and across the country.

First Wind is an independent North American renewable energy company focused on the development, financing, construction, ownership, and operation of utility-scale power projects in the United States. Based in Boston, First Wind has developed and operates 980 megawatts (MW) of generating capacity at 16 wind energy projects in Maine, New York, Vermont, Utah, Washington and Hawaii. First Wind is an expert in the field of renewable energy and has a proven track record in the State of Utah with two large scale projects including 204 MW and 102 MW wind farms.

The Agency anticipates that property owners will take advantage of the opportunity to develop property as outlined in this Plan.

Section 7. Reasons for Selection of Project Area

The Project Area was selected by the Agency due to the immediate opportunity to strengthen the County's economic base through construction of a solar power generation facility. Additionally, the Project Area was selected based on the following factors:

1. The lack of economically profitable uses for the land where the solar facility will be constructed;
2. The recognition that the Project Area needs assistance to attract the investment of private capital;
3. The ability to enable the Project Area to be competitive in the site selection process; and
4. The opportunity to initiate a public/private partnership to improve this area of the county.

Section 8. Description of Physical, Social/Economic Conditions Existing in the Project Area

The Project Area is currently bare land that is unsuitable for agricultural use without supplemental irrigation. The actual solar power generation facilities will be constructed on land in the Project Area that is not irrigated and not used to grow crops. Discussion of social and economic conditions within the Project Area is superfluous as there are no residents or structures within the Project Area.

Section 9. Tax Incentives Offered to Private Entities for Development within the Project Area

The Agency intends to use a portion of the tax increment generated by development within the Project Area to reimburse the Participant for a portion of the resulting property tax paid. The primary purpose of incentives offered by the Agency to the Participant is to make the Project Area more attractive as a site for a solar power generation project and to defray the costs of any improvements that may need to be made to the site. The Agency will negotiate and enter into one or more voluntary interlocal agreements with taxing entities, including Beaver County and the Beaver County School District, that levy property tax on the Project Area to secure receipt of a portion of the property tax increment generated in the Project Area that would otherwise be paid to the taxing entities. The Agency intends to secure 50 percent of the tax increment for use by the Agency.

The Agency predicts the increment from the Project as follows (may be higher or lower depending on actual assessed values as the projections involve certain development assumptions, forecasting techniques, and other factors.):

- Projected 10-year total tax increment is $401,099.
- Projected 10-year increment to the Agency at 50% is $200,549.
- Projected 10-year administrative costs of five percent total tax increment are $10,027.
- Projected 10-year incentives of 45 percent of total tax increment are $190,522.
- Projected increase in revenue to the taxing entities over the 20-year life of the project is $387,006.

Summary of Increment to Taxing Entities	**Years 1-10**	**Years 11-20**	**TOTAL**
Beaver County	$37,648	$35,002	$72,650
Beaver County School District	$135,022	$125,534	$260,556
SSD #2	$7,855	$7,303	$15,158
SSD #3 (Hospital)	$20,024	$18,617	$38,642
SSD #4	$0	$0	$0
TOTAL	$200,549	$186,457	$387,006

The total assessed value of the property within the Project Area is currently $8,000 and will increase with enhancements to the proposed Project Area. The base year for tax increment calculations and the schedule of increment payments to the Agency will be set in the interlocal agreements negotiated with the various taxing entities.

The Agency intends to negotiate voluntary agreements with the taxing entities to provide property tax increment of 50 percent for 10 years to be paid to the Agency for community development Project Area purposes. The source of funds for payments to the Participant will be tax increment revenues generated through investment in real and personal property in the Project Area.

All incentives and payments to the Participant will be performance based and will be offered only according to the terms of a Participation Agreement that adequately protects the Agency and the taxing entities by ensuring performance by the Participant. Subject to the provisions of the Act, the Agency may agree to pay for eligible development costs and other items from such tax revenues for the period of time the Agency and the taxing entities may deem appropriate under the circumstances.

Section 10. Analysis of Anticipated Public Benefits from the Community Development

The Project will benefit the tax base of the community and will encourage other economic development in the community.

A. Beneficial Influences upon the Tax Base of the Community

The beneficial influence on the tax base will happen through an increase of the property tax base of the Project Area. As development occurs within the Project Area, the value of real and personal property within the Project Area will increase and property tax revenue will correspondingly increase.

The capital investment for this Project is estimated at approximately $5,500,000, depreciated straight-line for 20 years, with a 20 percent salvage value.

In order to calculate the net new taxes generated by project development within the CDA, or tax increment, the existing tax base within the Project Area has to be taken into account. According to the Beaver County Assessor's Office, the current total assessed value as of 2013 is $8,000.

B. Associated Business and Economic Activity Likely to be Stimulated

The development, construction, and operation of the proposed solar power generation facility will provide jobs in the area and directly and indirectly promote economic activity. As noted in this Plan, the construction of the Project will involve approximately 30 construction jobs and approximately 1/3 FTE. The additional jobs will bring revenue to the area and will benefit local business including hotels, restaurants, suppliers, and vendors servicing the proposed Project. Additionally, the successful development and operation of the proposed solar power may encourage other such projects, providing further benefit to the community and the area.

Exhibit A
Project Area Map

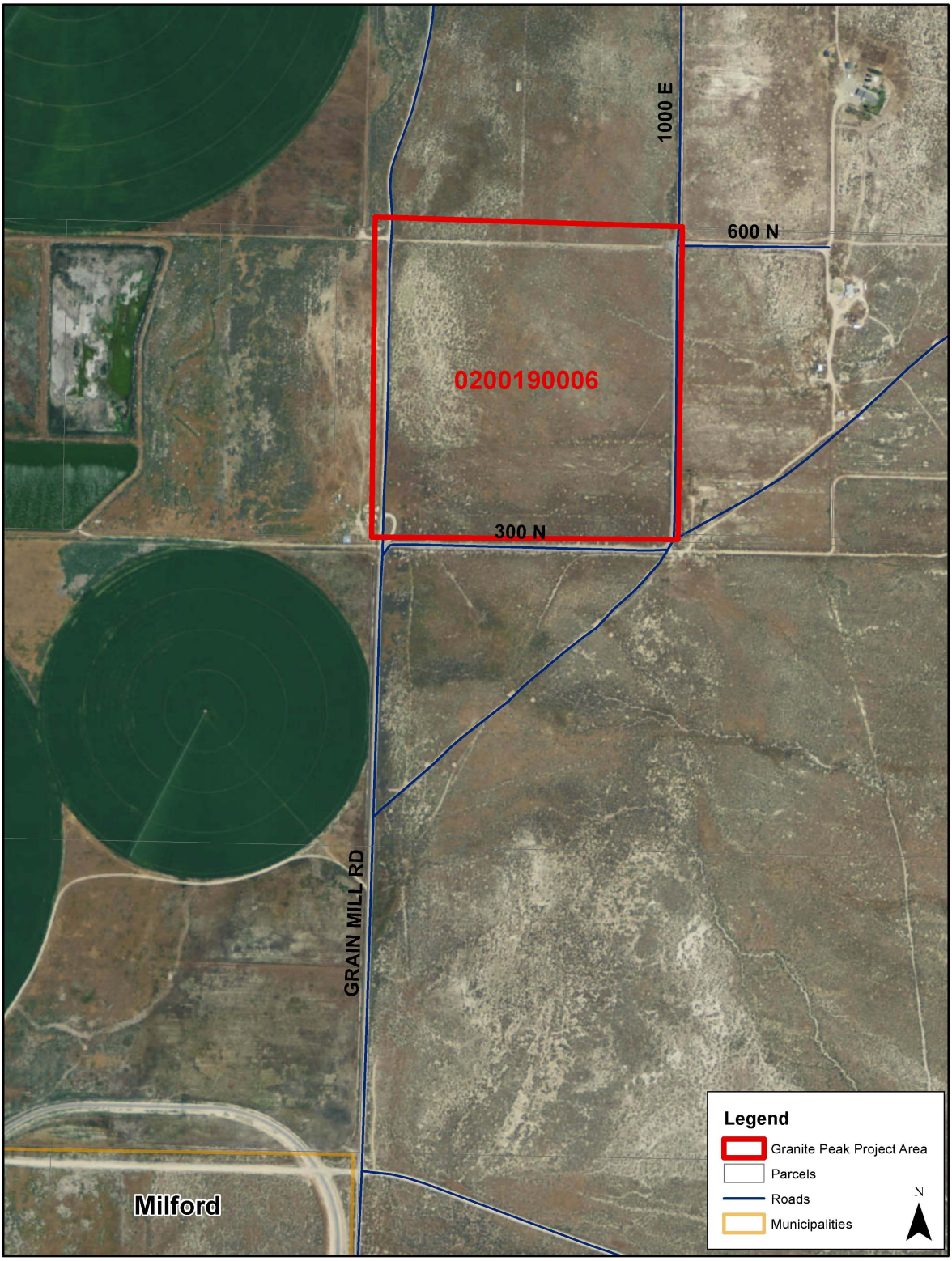


Exhibit B
Zoning Map

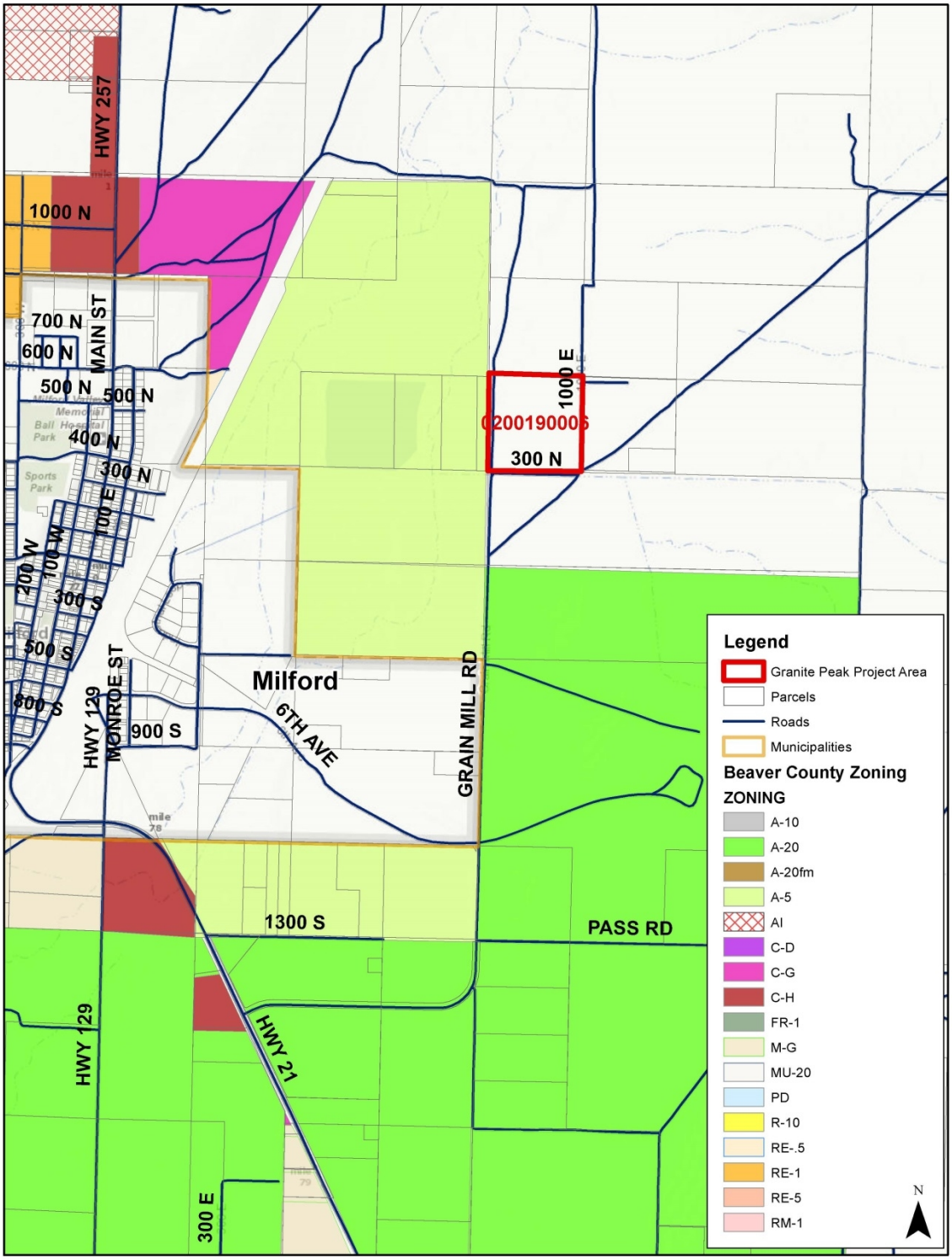
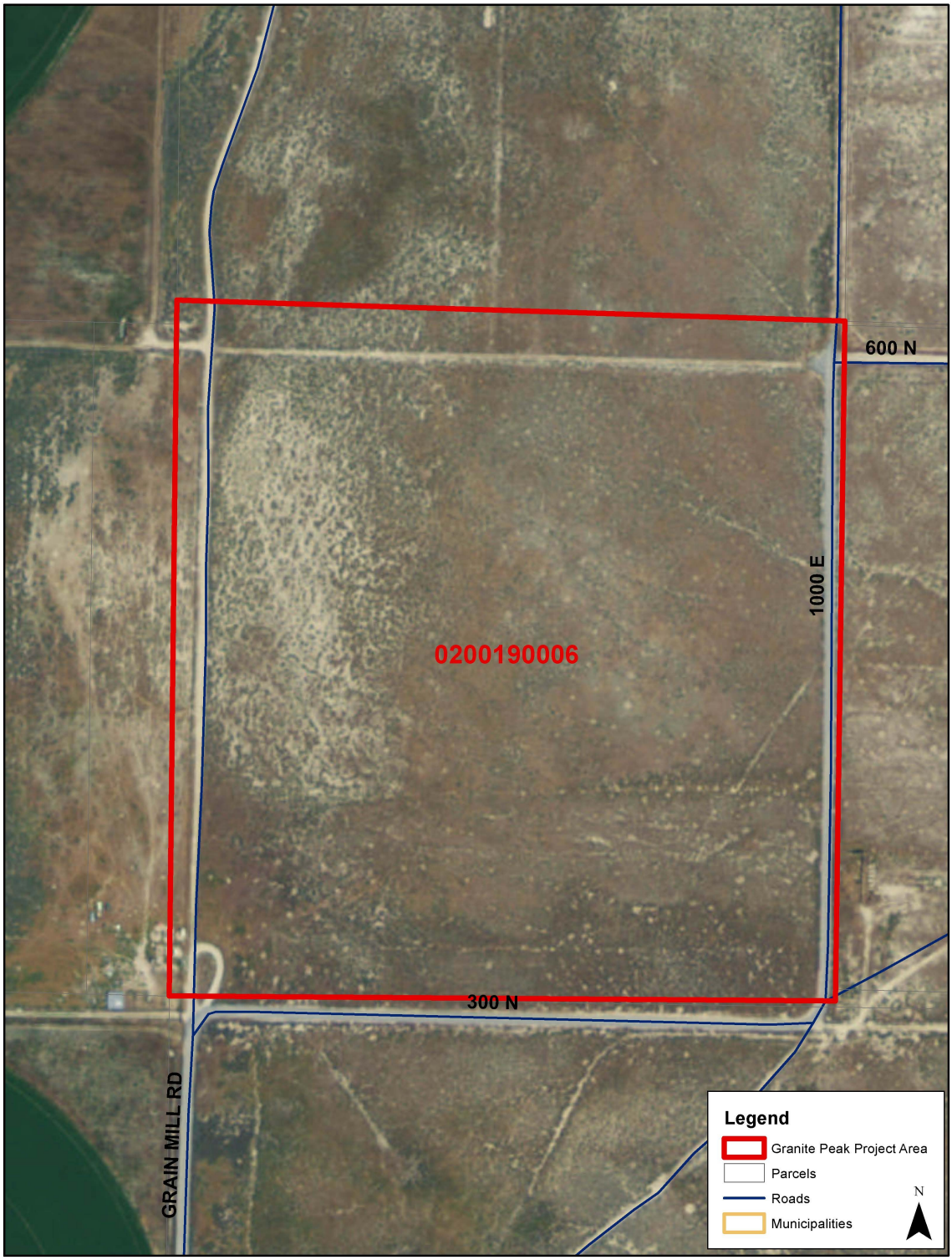



Exhibit C
Principal Streets