



Zions Public Finance, Inc
for
Governor's Office of Economic Opportunity

.

HTRZ Proposal Review
Sandy Cairns

August 2025



Governor's Office of
Economic Opportunity



REVIEW OF SANDY CITY'S CAIRNS STATION HTRZ PROPOSAL

This independent review of the proposed Sandy Cairns HTRZ by Zions Public Finance, Inc. (ZPFI) is prepared in accordance with Utah Code 63N-3-604(3)(b) which requires a gap analysis that includes the following elements:

- (i) A description of the planned development;
- (ii) A market analysis relative to other comparable project developments included in or adjacent to the municipality or public transit county absent the proposed housing and transit reinvestment zone;
- (iii) An evaluation of the proposal to and a determination of the adequacy and efficiency of the proposal;
- (iv) An evaluation of the proposed increment capture needed to cover the enhanced development costs associated with the housing and transit reinvestment zone proposal and enable the proposed development to occur; and
- (v) Based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-603(1).

Description of the Planned Development



Sandy City (“City”) anticipates the following development will occur within the area shown in Figure 1 which is located in the heart of Sandy City’s downtown.

- 1,480 residential units
- 178 units of affordable housing
 - 133 units at 80% AMI
 - 45 units at 60% AMI
- 257,500 sf Class A office space
- 217-room upscale hotel
- 30,000 sf retail space

The project area covers 25+ acres which results in a housing density of roughly 60 units per acre, thereby exceeding the required 50 units per acre on 51 percent of the developable land area.

FIGURE 1 (LEFT): MAP OF DEVELOPMENT AREA

Market Analysis Relative to Other Comparable Project Developments Included in or Adjacent to the Municipality or Public Transit County Absent the Proposed Housing and Transit Reinvestment Zone

Sandy City indicates that it has not had any similar developments in the City post-COVID that weren't incentivized.

Other Similar Developments Include:

- Sandy TOD CDA Mixed-Use Development (2017-2022) – TIF Agreement
- Arcadia Apartments (2020) - LIHTC
- MACU Office Building/Hale Center Theatre (2018) – TIF Agreement

An Evaluation of the Proposal to and a Determination of the Adequacy and Efficiency of the Proposal

This section evaluates whether or not the Proposal has met all of the requirements of Utah Code 63N-3- 604(a) which requires the following elements:

- (i) Explains how the municipality or public transit county will achieve the requirements of Subsection 63N-3-603(2)(a)(i);
- (ii) Defines the specific transportation infrastructure needs, if any, and proposed improvements;
- (iii) Defines the boundaries of:
 - a. The housing and transit reinvestment zone; and
 - b. The sales and use tax boundary corresponding to the housing and transit reinvestment zone boundary, as described in Section 63N-3-610;
- (iv) Includes maps of the proposed housing and transit reinvestment zone to illustrate:
 - a. The proposed boundary and radius from a public transit hub;
 - b. Proposed housing density within the housing and transit reinvestment zone; and
 - c. Existing zoning and proposed zoning changes related to the housing and transit reinvestment zone;
- (v) Identifies any development impediments that prevent the development from being a market-rate investment and proposed strategies for addressing each one;
- (vi) Describes the proposed development plan, including the requirements described in Subsections 63N-3-603(2) and (4);
- (vii) Establishes a base year and collection period to calculate the tax increment within the housing and transit reinvestment zone;
- (viii) Establishes a sales and use tax base year to calculate the sales and use tax increment within the housing and transit reinvestment zone in accordance with Section 63N-3-610;
- (ix) Describes projected maximum revenues generated and the amount of tax increment capture from each taxing entity and proposed expenditures of revenue derived from the housing and transit reinvestment zone;
- (x) Includes an analysis of other applicable or eligible incentives, grants, or sources of

- revenue that can be used to reduce the finance gap;
- (xi) Evaluates possible benefits to active and public transportation availability and impacts on air quality;
- (xii) Proposes a finance schedule to align expected revenue with required financing costs and payments;
- (xiii) Provides a pro-forma for the planned development that
 - a. Satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4); and
 - b. Includes data showing the cost difference between what type of development could feasibly be developed absent the housing and transit reinvestment zone tax increment and the type of development that is proposed to be developed with the housing and transit reinvestment zone tax increment; and
- (xiv) For a housing and transit reinvestment zone at a commuter rail station, light rail station, or bus rapid transit station that is proposed and not in public transit service operation as of the date of submission of the proposal, demonstrates that the proposed station is:
 - a. Included as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range plan; and
 - b. Reasonably anticipated to be constructed in the near future.

The following section briefly summarizes how the Proposal has adequately responded to each of these elements as required by law.

(i) Demonstrates that the proposed housing and transit reinvestment zone will meet the objectives described in Subsection 63N-3-603(1)

- (a) *Higher utilization of public transit*
All 1,480 housing units will be within 1/3 mile of the Frontrunner station and 60 percent will be within ¼ mile via a pedestrian bridge at the south end of the HTRZ thereby facilitating and encouraging the use of public transit.
- (b) *Increasing availability of housing, including affordable housing*
The Proposal includes 12 percent affordable units (178) targeting households making 80 percent or less of AMI. Specifically, 3 percent of units (45) will be affordable at or below 60 percent of AMI and 9 percent (133) will be affordable between 60 and 80 percent of AMI. Overall, the application identifies 1,480 new residential units.
- (c) *Improving efficiencies in parking and transportation, including walkability*
A pedestrian bridge will span I-15 connecting the HTRZ development with the South Jordan Frontrunner station. It also provides connectivity and options for active transportation through a trail system running throughout Sandy City.
- (d) *Overcoming development impediments and market conditions*
The Applicant identifies four impediments to its proposed development plan:
 - Current market rents combined with substantially higher construction costs

- for buildings 5 stories and higher
- Costs for structured parking compared to surface parking
- Development enhancements
- Affordable housing

(e) *Conservation of water resources through efficient land use*

The Applicant cites the Environmental Protection Agency as follows: “High-density housing produces less runoff and less impervious cover than low-density development at all scales.”

(f) *Improving air quality by reducing fuel consumption and motor vehicle trips*

The Applicant estimates that vehicle trips will be reduced by nearly 30 percent.

(g) *Encouraging transformative mixed-use development and investment in transportation and public infrastructure in strategic areas*

The Plan is for transformative mixed-use development including public infrastructure improvements such as a pedestrian bridge to connect this area with the South Jordan Station. There is also increased connectivity and options for active transportation through a trail system running throughout Sandy City.

(h) *Strategic land use planning in major transit investment corridors*

The proposed HTRZ is located near I-15 with a pedestrian bridge access to the South Jordan commuter rail station. along with a pedestrian bridge connecting the project area with South Jordan.

(i) *Increasing access to employment and educational opportunities*

Sandy City is a major employment center and home to large employers in the State. The University of Utah’s Sandy Center is located directly adjacent to the northeast edge of the HTRZ. Grand Canyon University’s Accelerated Nursing Program is located 0.2 miles north of the HTRZ in the South Towne Corporate Center.

(j) *Increasing access to childcare*

The Applicant states that there will be increased access to childcare but does not provide specifics.

(ii) *Explains how the municipality or public transit county will achieve the requirements of Subsection 63N-3-603(2)(a)(i)*

(a) *At least 51 percent of the developable area includes residential uses with an average density of 50 units or greater*

The project area includes 25+ acres and 1,480 housing units which results in housing density of roughly 60 units per acre, thereby exceeding the required 50 units per acre.

(b) *Includes mixed-use development*

The Proposal includes 1,480 residential units, 257,500 sf of commercial space (office and retail) and 217 hotel rooms.

- (c) *A mix of dwelling units to ensure that a reasonable percentage of units has more than one bedroom.*

The Applicant identifies the following distribution of residential units:

- Studio 10%
- One-Bedroom 52%
- Two-Bedroom 35%
- Three-Bedroom 3%

However, for its affordable housing calculations, the Applicant uses a ratio of 30 percent studio units, 50 percent one-bedroom units and 20 percent two-bedroom units.

- (iii) *Defines the specific transportation infrastructure needs, if any, and proposed improvements*

While the Proposal does not identify a specific share of the increment that will go toward transportation infrastructure, it does identify a pedestrian bridge for which funding has already been obtained. The pedestrian bridge will connect the Sandy Cairns HTRZ with the South Jordan Frontrunner station.

- (iv) *Defines the boundaries of:*

- (a) ***The housing and transit reinvestment zone; and***

The Proposal includes a map of the proposed boundaries. The map is included as Figure 1 in this Review.

- (b) ***The sales and use tax boundary corresponding to the housing and transit reinvestment zone boundary, as described in Section 63N-3-610;***

No sales and use tax boundary is included but Sandy City indicates it is in the process of preparing and submitting such map.

- (v) *Includes specified maps*

A boundary map for the project area is included. No sales and use tax map has been included but Sandy City indicates it will be submitting such map.

- (vi) *Identifies any development impediments that prevent the development from being a market-rate investment and proposed strategies for addressing each one*

The Application sets forth the following market impediments and assumes that HTRZ tax increment could help to alleviate these obstacles:

- 1) Anticipated construction costs with higher-density development and parking structures.
- 2) Reduced rents and profit margins from the inclusion of affordable housing

- (vii) *Describes the proposed development plan, including the requirements described in Subsections 63N-3-603(2) and (4)*

The requirements described in 63N-3-603(2) were met and discussed under (ii) above. As for the requirements described in 63N-3-603(4), the Proposal describes a HTRZ comprising 25+ developable acres, not exceeding a ½ mile radius of the South Jordan commuter rail station. The Applicant proposes an 80 percent participation rate for the nine taxing entities across four collection periods of 25 consecutive years per parcel for

a total period of 36 years. However, Utah Code only allows for three trigger periods at an 80 percent participation rate for 25 years per parcel.

(viii) Establishes a base year and collection period to calculate the tax increment within the housing and transit reinvestment zone

The Proposal includes a base year of 2028 with a collection period of 25 years for all parcels with four trigger phases. Utah Code 63N-3-603(4)(a)(iii) limits collection to three trigger periods. ZPFI has made this adjustment in its tax increment projections.

(ix) Establishes a sales and use tax base year to calculate the sales and use tax increment within the housing and transit reinvestment zone in accordance with Section 63N-3-610

The Applicant hasn't included sales and use tax information in this application but has indicated it plans to do so as an amendment.

(x) Describes projected maximum revenues generated and the amount of tax increment capture from each taxing entity and proposed expenditures of revenue derived from the housing and transit reinvestment zone

Exhibit B to the Application shows the amount of anticipated tax increment generated by each taxing entity. Tax increment calculations have also been performed by ZPFI and included in Appendix A of this report. Sandy City projections are for approximately \$83.2 million of tax increment; ZPFI projections are for \$73.6 million.

(xi) Includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap

The only other funding source mentioned in the Application is funding, already obtained, for a pedestrian bridge connecting the Cairns area with the South Jordan station.

(xii) Evaluates possible benefits to active and public transportation availability and impacts on air quality

The Applicant estimates that vehicle trips will be reduced by nearly 30 percent through increased transit use. Reduced vehicle trips will improve air quality.

(xiii) Proposes a finance schedule to align expected revenue with required financing costs and payments

The Application doesn't include a specific financing schedule that aligns revenues and costs, but Exhibit B to the Application shows the amounts available for projects each year, assuming that the Applicant receives the full 80 percent requested each year. Financing costs are included in the Application.

(xiv) Provides a pro-forma for the planned development including the cost differential between surface parked multi-family development and enhanced development that satisfies the requirements described in Subsections 63N-3-603(2), (3) and (4); and includes data showing the cost difference between what type of development could feasibly be developed absent the housing and transit reinvestment zone tax increment and the type of development that is proposed to be developed with the housing and transit reinvestment zone tax increment

Pro formas for multi-family and office market-driven development, as well as enhanced development, are included in the Application and are discussed in detail later in this report.

(xvi) For a housing and transit reinvestment zone at a commuter rail station, light rail station, or bus rapid transit station that is proposed and not in public transit service operation as of the date of submission of the proposal, demonstrates that the proposed station is: (A) included as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range plan; and (B) reasonably anticipated to be constructed in the near future

The South Jordan Station is currently in operation.

An Evaluation of the Proposed Increment Capture Needed to Cover the Enhanced Development Costs Associated with the Housing and Transit Reinvestment Zone Proposal and Enable the Proposed Development to Occur

Enhanced Construction Costs

This section discusses added costs to development in this area from construction costs with higher-density structures and with affordable housing units.

Multifamily Development

Net Operating Income. The Applicant has evaluated the market value of 300 residential units as well as the market value of 300 residential units with enhanced construction costs. This is a sample only of the proposed development but it allows for impacts to then be deduced on a per unit basis. The impacts per unit can then be applied to the total 1,480 units in the development.

The process includes first calculating rents, operating expenses and the resulting net operating income (NOI) which is the same under both scenarios. The major difference is in the construction costs which then impact the developer return (profit on cost).

TABLE 1: MARKET RATE RENTS – 300 UNITS

	Market Units	Market Rent	Annual Rent
Studios	30	\$1,320	\$475,200
1 Bedroom	156	\$1,561	\$2,922,192
2 Bedrooms	105	\$1,842	\$2,320,920
3 bedrooms	9	\$2,140	\$231,120
TOTAL	300		\$5,949,432

TABLE 2: MULTIFAMILY NET OPERATING INCOME

REVENUES AND EXPENSES	Amount	
REVENUES		
Annual Rents	\$5,949,432	
Other Income	\$1,080,000	
Less: Vacancies	(\$351,472)	
EGI	\$6,677,960	
EXPENSES	Per Unit	Total
Property Taxes	\$1,300	(\$390,000)
Insurance	\$400	(\$120,000)
Utilities	\$1,560	(\$468,000)
Payroll	\$1,400	(\$420,000)
Repairs & Maintenance	\$300	(\$90,000)
Contract Services	\$200	(\$60,000)
Marketing	\$200	(\$60,000)
General Administration	\$200	(\$60,000)
Management	3.0%	(\$200,339)
Reserves	\$200	(\$60,000)
TOTAL Operating Expenses		(\$1,928,339)
NOI	\$4,749,622	

Construction Costs. Construction costs for the 300 units of standard construction reach \$79,105,115. In comparison, construction costs for the enhanced construction of 300 units reaches \$99,984,839. The difference is \$20,879,724 or the equivalent of \$69,599 per unit. With a

subsidy of just under \$70,000 per unit, the enhanced project results in the same profit-on-cost ratio as the standard construction project. This results in a total gap of \$103 million for 1,480 units.

TABLE 3: MULTIFAMILY PROFIT ON COST COMPARISON OF STANDARD AND ENHANCED CONSTRUCTION

CAP Rates	Construction Cost - Standard	Construction Cost - Enhanced	Market Value	NOI	Profit on Cost - Standard	Profit on Cost – Enhanced (without subsidy)
4.50%	\$79,105,115	\$99,984,839	\$105,547,146	\$4,749,622	33.4%	5.6%
5.00%	\$79,105,115	\$99,984,839	\$94,992,432	\$4,749,622	20.1%	-5.0%
5.25%	\$79,105,115	\$99,984,839	\$90,468,983	\$4,749,622	14.4%	-9.5%
5.50%	\$79,105,115	\$99,984,839	\$86,356,756	\$4,749,622	9.2%	-13.6%
6.00%	\$79,105,115	\$99,984,839	\$79,160,360	\$4,749,622	0.1%	-20.8%

Office Construction

Net Operating Income. Office rents are based on a sample size of 180,000 sf although 257,500 sf are planned for the HTRZ. The gap analysis results in a gap per sf which is then applied to the entire 257,500 sf. Office rents are based on \$40 per square foot and a 7 percent vacancy rate.

TABLE 4: OFFICE RENTS

	SF	Rent	Vacancy	Annual Rent before Vacancy	Annual Rent After Vacancies
Office Rentable SF	162,000	\$40	7.0%	\$6,480,000	\$6,026,400
Office Total SF	180,000				

TABLE 5: OFFICE NET OPERATING CALCULATION FOR 180,000 SF

	Annual Revenue/Expense	Cost per Unit	Units
Revenues	\$6,026,400		
Operating Expenses	(\$1,260,000)	\$7.00	per sf
Management	(\$241,056)	4.0%	of EGI
Reserves	(\$90,000)	0.50	per sf
TOTAL Operating Expenses	(\$1,591,056)		
NOI	\$4,435,344		

Construction Costs. Total construction costs for 180,000 sf of office space of standard construction are \$62,275,114; the cost for enhanced construction of 180,000 sf is \$77,785,019. The difference is \$15,509,905 or the equivalent of \$86.17 per square foot. With 257,500 sf of office space planned, the total gap is nearly \$22.2 million. Office cap rates are currently above 7 percent which makes office construction difficult even with public assistance for funding the gap between standard construction and enhanced construction.

TABLE 6: OFFICE MARKET PROFIT ON COST RATIOS OF STANDARD AND ENHANCED CONSTRUCTION

CAP Rates	Construction Cost	NOI	Market Value	Profit on Cost - Enhanced	Profit on Cost - Standard
6.50%	\$77,785,019	\$4,435,344	\$68,236,062	-12.3%	9.6%
7.00%	\$77,785,019	\$4,435,344	\$63,362,057	-18.5%	1.7%
7.50%	\$77,785,019	\$4,435,344	\$59,137,920	-24.0%	-5.0%

With 257,500 sf planned for the HTRZ, and a gap of \$86.17 per sf, the total gap is \$22,187,781.

Affordable Housing Units

Developers need to be incentivized to build affordable housing units because a developer receives lower rents for affordable units as compared to market rents and incurs additional costs for administration and bookkeeping with no difference in construction costs. Based on HUD guidelines, a household should not spend more than 30 percent of total household income on housing costs, including utilities, to be considered affordable.

The Applicant proposes 1,480 residential units of which 45 will be affordable to households making 60 percent of Area Median Income (AMI) and 133 will be affordable for households making 80 percent of AMI. Therefore, 3 percent of all housing units will be affordable to 60 percent of AMI and 9 percent will be affordable to those with 80 percent of AMI.

The average rent in Sandy City varies depending on the number of bedrooms in a unit as well as the data source for average rent. Rents used by the Applicant are as follows, with comparisons to data from Cushman & Wakefield and CBRE:

TABLE 7: COMPARISON OF RENTAL RATES

	Applicant	Cushman & Wakefield	CBRE
Studio	\$1,320	\$1,265	\$1,188
1-Bedroom	\$1,561	\$1,514	\$1,348
2-Bedroom	\$1,842	\$1,473-\$1,948	\$1,648
3-Bedroom	\$2,140	\$2,143	\$2,051

Rates used by the Applicant are within the range found in broker reports. Affordable rents for 80 percent and 60 percent of AMI were obtained, by the Applicant, from Salt Lake County and are as follows:

TABLE 8: COMPARISON OF MARKET AND AFFORDABLE RENT RATES FOR 80% AMI AND 60% AMI

	Market Rate	80% AMI	60% AMI
Studio	\$1,320	\$1,318	\$963
1-Bedroom	\$1,561	\$1,549	\$1,137
2-Bedroom	\$1,842	\$1,780	\$1,310
3-Bedroom	\$2,140	\$2,010	\$1,483

Based on conversations with Sandy City, the City anticipates 30 percent studio units, 50 percent one-bedroom units and 20 percent 2-bedroom units for its affordable housing. The analysis provided by Sandy City is for 300 units total with 36 affordable units, but this same ratio applies to the entire development of 1,480 units (133 units at 80% of AMI and 45 units at 60% of AMI). The following calculations are used to determine the gap per one affordable unit, which can then be applied to all 178 affordable units in the HTRZ.

TABLE 9: ALLOCATION OF AFFORDABLE UNITS

	TOTAL Units	Market Units	80% AMI Units	60% Units
Studios	30	26	8	3
1 Bedroom	156	137	14	5
2 Bedrooms	105	92	5	2
3 bedrooms	9	8	0	0
TOTAL	300	264	27	9

The annual rent with affordable units (300 units total of which 36 are affordable) is calculated at \$5,850,787 compared to \$5,949,432 for market rate development of 300 units.

TABLE 10: RENT PROJECTIONS

	Market Rent	80% Rents	60% Rents	Annual Rent
Studios	\$418,176	\$128,110	\$31,201	\$577,487
1 Bedroom	\$2,571,529	\$250,938	\$61,398	\$2,883,865
2 Bedrooms	\$2,042,410	\$115,344	\$28,296	\$2,186,050
3 bedrooms	\$203,386	\$0	\$0	\$203,386
TOTAL	\$5,235,500	\$494,392	\$120,895	\$5,850,787

The net operating income (NOI) with the 300 units and 12 percent affordable units is \$4,658,720. In comparison, the NOI with 300 market rate units is \$4,749,622.

TABLE 11: NET OPERATING INCOME WITH AFFORDABLE HOUSING UNITS

REVENUES AND EXPENSES	Amount	
REVENUES		
Annual Rents	\$5,850,787	
Other Income	\$1,080,000	
Less: Vacancies	(\$346,539)	
EGI	\$6,584,248	
EXPENSES		
	Per Unit	Total
Property Taxes	\$1,300	(\$390,000)
Insurance	\$400	(\$120,000)
Utilities	\$1,560	(\$468,000)
Payroll	\$1,400	(\$420,000)
Repairs & Maintenance	\$300	(\$90,000)
Contract Services	\$200	(\$60,000)
Marketing	\$200	(\$60,000)
General Administration	\$200	(\$60,000)
Management	3.0%	(\$197,527)
Reserves	\$200	(\$60,000)
TOTAL Operating Expenses		(\$1,925,527)
NOI	\$4,658,720	

The following table compares total market value with 300 market rate units v. 300 units of which 12 percent are affordable. At a 5.0 percent cap rate, the loss per unit is \$50,500. With a total of 178 affordable units proposed for the HTRZ, the total loss is nearly \$9 million.

TABLE 12: NET OPERATING INCOME WITH AFFORDABLE HOUSING UNITS

CAP Rates	Construction Cost	NOI	Market Value - Affordable	Market Value - Market	Loss in Market Value	Loss per Affordable Unit
4.00%	\$99,984,839	\$4,658,720	\$116,468,005	\$118,740,540	(\$2,272,535)	(\$63,125.98)
4.50%	\$99,984,839	\$4,658,720	\$103,527,115	\$105,547,146	(\$2,020,031)	(\$56,111.98)
5.00%	\$99,984,839	\$4,658,720	\$93,174,404	\$94,992,432	(\$1,818,028)	(\$50,500.78)
5.25%	\$99,984,839	\$4,658,720	\$88,737,527	\$90,468,983	(\$1,731,455)	(\$48,095.98)
5.50%	\$99,984,839	\$4,658,720	\$84,704,003	\$86,356,756	(\$1,652,753)	(\$45,909.80)
6.00%	\$99,984,839	\$4,658,720	\$77,645,336	\$79,160,360	(\$1,515,023)	(\$42,083.98)

Based on the Market Analysis and Other Findings, an Opinion Relative to the Appropriate Amount of Potential Public Financing Reasonably Determined to be Necessary to Achieve the Objectives Described in Subsection 63N-3-603(1)

Increment Projections

The tax increment projections made by Sandy City reach a total of \$83 million, assuming 80 percent for a period of 25 years per parcel. Projections by ZPFI reach nearly \$75.6 million. The discrepancy is due to the fact that the Applicant uses four trigger periods while Utah Code only allows three trigger periods (Utah Code §63N-3-603(4)(a)(iii)). Therefore, the ZPFI analysis delays the first year of increment until year 2 to reduce the trigger periods to 3.

ZPFI's tax increment projections are included in detail in Appendix A.

TABLE 13: COMPARATIVE TAX INCREMENT PROJECTIONS AT 80%

	Applicant	ZPFI
Total Increment	\$83,165,813	\$75,586,066
Net Present Value (NPV)*	\$44,176,988	\$34,771,321
*Discount rate of 5.0 percent		

Gap Analysis

Overall, the gap analysis provided by Sandy City and ZPFI are similar and are summarized as follows:

TABLE 14: COMPARATIVE TAX INCREMENT PROJECTIONS AT 80%

	Sandy City	ZPFI
Enhanced Construction - Residential	\$103,006,635	\$103,006,638
Enhanced Construction - Commercial	\$22,187,781	\$22,187,781
Affordable Housing	\$18,305,942	\$8,989,139
Total Gap Costs	\$143,500,358	\$134,183,558
Tax Increment Projection	\$83,165,813	\$75,586,066

Based on the analysis in this report, Sandy City would need the entire tax increment of approximately \$75.6 million to partially offset the gap of over \$134 million for the proposed development in the HTRZ area.

APPENDIX A

Years per Parcel	25
NPV	5.0%
Growth Rate	0.0%

Year	TOTAL	NPV	1	2	3	4	5	6	7	8
Year			2028	2029	2030	2031	2032	2033	2034	2035
Metropolitan Water District - Sandy City	\$732,180	\$336,820	\$0	\$17,319	\$17,319	\$17,319	\$17,319	\$17,319	\$21,224	\$21,224
Central Utah Water Conservancy District	\$836,777	\$384,937	\$0	\$19,793	\$19,793	\$19,793	\$19,793	\$19,793	\$24,256	\$24,256
TOTAL	\$22,933,966	\$10,550,149	\$0	\$542,490	\$542,490	\$542,490	\$542,490	\$542,490	\$664,790	\$664,790
Incremental Revenues to Agency										
Salt Lake County	\$10,852,998	\$4,992,627	\$0	\$256,722	\$256,722	\$256,722	\$256,722	\$256,722	\$314,597	\$314,597
Salt Lake County Library	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Canyons School District	\$47,503,830	\$21,852,849	\$0	\$1,123,676	\$1,123,676	\$1,123,676	\$1,123,676	\$1,123,676	\$1,377,001	\$1,377,001
Sandy City	\$9,129,237	\$4,199,658	\$0	\$215,947	\$215,947	\$215,947	\$215,947	\$215,947	\$264,631	\$264,631
South Salt Lake Valley Mosquito Abatement	\$75,310	\$34,644	\$0	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781	\$2,183	\$2,183
South Valley Sewer District	\$1,564,773	\$719,831	\$0	\$37,014	\$37,014	\$37,014	\$37,014	\$37,014	\$45,358	\$45,358
Crescent Cemetery Maintenance District	\$184,091	\$84,686	\$0	\$4,355	\$4,355	\$4,355	\$4,355	\$4,355	\$5,336	\$5,336
Metropolitan Water District - Sandy City	\$2,928,720	\$1,347,278	\$0	\$69,277	\$69,277	\$69,277	\$69,277	\$69,277	\$84,895	\$84,895
Central Utah Water Conservancy District	\$3,347,108	\$1,539,746	\$0	\$79,174	\$79,174	\$79,174	\$79,174	\$79,174	\$97,023	\$97,023
TOTAL	\$75,586,066	\$34,771,321	\$0	\$1,787,946	\$1,787,946	\$1,787,946	\$1,787,946	\$1,787,946	\$2,191,025	\$2,191,025

APPENDIX A

Years per Parcel

NPV

Growth Rate

[illegible]

APPENDIX A

Years per Parcel
NPV
Growth Rate

Year	20	21	22	23	24	25	26	27	28	29
Year	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
Red Sky	\$33,389,855	\$33,389,855	\$33,389,855	\$33,389,855	\$33,389,855	\$33,389,855	\$33,389,855			
Centennial Village Residential	\$109,517,423	\$109,517,423	\$109,517,423	\$109,517,423	\$109,517,423	\$109,517,423	\$109,517,423			
Centennial Village Office	\$36,628,891	\$36,628,891	\$36,628,891	\$36,628,891	\$36,628,891	\$36,628,891	\$36,628,891	\$36,628,891	\$36,628,891	\$36,628,891
Shulsen	\$41,663,540	\$41,663,540	\$41,663,540	\$41,663,540	\$41,663,540	\$41,663,540	\$41,663,540			
The Summit Residential	\$62,847,791	\$62,847,791	\$62,847,791	\$62,847,791	\$62,847,791	\$62,847,791	\$62,847,791			
The Summit Hotel	\$11,229,750	\$11,229,750	\$11,229,750	\$11,229,750	\$11,229,750	\$11,229,750	\$11,229,750	\$11,229,750	\$11,229,750	\$11,229,750
The Summit Condos	\$7,920,000	\$7,920,000	\$7,920,000	\$7,920,000	\$7,920,000	\$7,920,000	\$7,920,000	\$7,920,000	\$7,920,000	\$7,920,000
The Summit Office	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750
Boyer Residential	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500
TOTAL incremental value - Real Property	\$418,388,500	\$418,388,500	\$418,388,500	\$418,388,500	\$418,388,500	\$418,388,500	\$418,388,500	\$170,969,891	\$170,969,891	\$170,969,891

Incremenmtal Revenues - 100%

Salt Lake County	\$542,650	\$542,650	\$542,650	\$542,650	\$542,650	\$542,650	\$542,650	\$221,748	\$221,748	\$221,748
Salt Lake County Library	\$161,498	\$161,498	\$161,498	\$161,498	\$161,498	\$161,498	\$161,498	\$65,994	\$65,994	\$65,994
Canyons School District	\$2,375,192	\$2,375,192	\$2,375,192	\$2,375,192	\$2,375,192	\$2,375,192	\$2,375,192	\$970,596	\$970,596	\$970,596
Sandy City	\$456,462	\$456,462	\$456,462	\$456,462	\$456,462	\$456,462	\$456,462	\$186,528	\$186,528	\$186,528
South Salt Lake Valley Mosquito Abatement	\$3,765	\$3,765	\$3,765	\$3,765	\$3,765	\$3,765	\$3,765	\$1,539	\$1,539	\$1,539
South Valley Sewer District	\$78,239	\$78,239	\$78,239	\$78,239	\$78,239	\$78,239	\$78,239	\$31,971	\$31,971	\$31,971
Crescent Cemetery Maintenance District	\$9,205	\$9,205	\$9,205	\$9,205	\$9,205	\$9,205	\$9,205	\$3,761	\$3,761	\$3,761
Metropolitan Water District - Sandy City	\$146,436	\$146,436	\$146,436	\$146,436	\$146,436	\$146,436	\$146,436	\$59,839	\$59,839	\$59,839
Central Utah Water Conservancy District	\$167,355	\$167,355	\$167,355	\$167,355	\$167,355	\$167,355	\$167,355	\$68,388	\$68,388	\$68,388
TOTAL	\$3,940,801	\$3,940,801	\$3,940,801	\$3,940,801	\$3,940,801	\$3,940,801	\$3,940,801	\$1,610,365	\$1,610,365	\$1,610,365

Contribution Percent

Salt Lake County	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Salt Lake County Library										
Canyons School District	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Sandy City	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
South Salt Lake Valley Mosquito Abatement	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
South Valley Sewer District	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Crescent Cemetery Maintenance District	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Metropolitan Water District - Sandy City	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Central Utah Water Conservancy District	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%

Incremental Revenues to Taxing Entities

Salt Lake County	\$108,530	\$108,530	\$108,530	\$108,530	\$108,530	\$108,530	\$108,530	\$44,350	\$44,350	\$44,350
Salt Lake County Library	\$161,498	\$161,498	\$161,498	\$161,498	\$161,498	\$161,498	\$161,498	\$65,994	\$65,994	\$65,994
Canyons School District	\$475,038	\$475,038	\$475,038	\$475,038	\$475,038	\$475,038	\$475,038	\$194,119	\$194,119	\$194,119
Sandy City	\$91,292	\$91,292	\$91,292	\$91,292	\$91,292	\$91,292	\$91,292	\$37,306	\$37,306	\$37,306
South Salt Lake Valley Mosquito Abatement	\$753	\$753	\$753	\$753	\$753	\$753	\$753	\$308	\$308	\$308
South Valley Sewer District	\$15,648	\$15,648	\$15,648	\$15,648	\$15,648	\$15,648	\$15,648	\$6,394	\$6,394	\$6,394
Crescent Cemetery Maintenance District	\$1,841	\$1,841	\$1,841	\$1,841	\$1,841	\$1,841	\$1,841	\$752	\$752	\$752

APPENDIX A

Years per Parcel
NPV
Growth Rate

Year	20	21	22	23	24	25	26	27	28	29
Year	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
Metropolitan Water District - Sandy City	\$29,287	\$29,287	\$29,287	\$29,287	\$29,287	\$29,287	\$29,287	\$11,968	\$11,968	\$11,968
Central Utah Water Conservancy District	\$33,471	\$33,471	\$33,471	\$33,471	\$33,471	\$33,471	\$33,471	\$13,678	\$13,678	\$13,678
TOTAL	\$917,359	\$917,359	\$917,359	\$917,359	\$917,359	\$917,359	\$917,359	\$374,869	\$374,869	\$374,869
Incremental Revenues to Agency										
Salt Lake County	\$434,120	\$434,120	\$434,120	\$434,120	\$434,120	\$434,120	\$434,120	\$177,398	\$177,398	\$177,398
Salt Lake County Library	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Canyons School District	\$1,900,153	\$1,900,153	\$1,900,153	\$1,900,153	\$1,900,153	\$1,900,153	\$1,900,153	\$776,477	\$776,477	\$776,477
Sandy City	\$365,169	\$365,169	\$365,169	\$365,169	\$365,169	\$365,169	\$365,169	\$149,223	\$149,223	\$149,223
South Salt Lake Valley Mosquito Abatement	\$3,012	\$3,012	\$3,012	\$3,012	\$3,012	\$3,012	\$3,012	\$1,231	\$1,231	\$1,231
South Valley Sewer District	\$62,591	\$62,591	\$62,591	\$62,591	\$62,591	\$62,591	\$62,591	\$25,577	\$25,577	\$25,577
Crescent Cemetery Maintenance District	\$7,364	\$7,364	\$7,364	\$7,364	\$7,364	\$7,364	\$7,364	\$3,009	\$3,009	\$3,009
Metropolitan Water District - Sandy City	\$117,149	\$117,149	\$117,149	\$117,149	\$117,149	\$117,149	\$117,149	\$47,872	\$47,872	\$47,872
Central Utah Water Conservancy District	\$133,884	\$133,884	\$133,884	\$133,884	\$133,884	\$133,884	\$133,884	\$54,710	\$54,710	\$54,710
TOTAL	\$3,023,443	\$3,023,443	\$3,023,443	\$3,023,443	\$3,023,443	\$3,023,443	\$3,023,443	\$1,235,497	\$1,235,497	\$1,235,497

APPENDIX A

Years per Parcel

NPV

Growth Rate

Year	30	31	32	33	34	35	36	37
Year	2057	2058	2059	2060	2061	2062	2063	2064
Red Sky								
Centennial Village Residential								
Centennial Village Office	\$36,628,891	\$36,628,891						
Shulsen								
The Summit Residential								
The Summit Hotel	\$11,229,750	\$11,229,750						
The Summit Condos	\$7,920,000	\$7,920,000						
The Summit Office	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750	\$65,003,750
Boyer Residential	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500	\$50,187,500
TOTAL incremental value - Real Property	\$170,969,891	\$170,969,891	\$115,191,250	\$115,191,250	\$115,191,250	\$115,191,250	\$115,191,250	\$115,191,250

Incremenmtal Revenues - 100%

Salt Lake County	\$221,748	\$221,748	\$149,403	\$149,403	\$149,403	\$149,403	\$149,403	\$149,403
Salt Lake County Library	\$65,994	\$65,994	\$44,464	\$44,464	\$44,464	\$44,464	\$44,464	\$44,464
Canyons School District	\$970,596	\$970,596	\$653,941	\$653,941	\$653,941	\$653,941	\$653,941	\$653,941
Sandy City	\$186,528	\$186,528	\$125,674	\$125,674	\$125,674	\$125,674	\$125,674	\$125,674
South Salt Lake Valley Mosquito Abatement	\$1,539	\$1,539	\$1,037	\$1,037	\$1,037	\$1,037	\$1,037	\$1,037
South Valley Sewer District	\$31,971	\$31,971	\$21,541	\$21,541	\$21,541	\$21,541	\$21,541	\$21,541
Crescent Cemetery Maintenance District	\$3,761	\$3,761	\$2,534	\$2,534	\$2,534	\$2,534	\$2,534	\$2,534
Metropolitan Water District - Sandy City	\$59,839	\$59,839	\$40,317	\$40,317	\$40,317	\$40,317	\$40,317	\$40,317
Central Utah Water Conservancy District	\$68,388	\$68,388	\$46,077	\$46,077	\$46,077	\$46,077	\$46,077	\$46,077
TOTAL	\$1,610,365	\$1,610,365	\$1,084,986	\$1,084,986	\$1,084,986	\$1,084,986	\$1,084,986	\$1,084,986

Contribution Percent

Salt Lake County	80%	80%	80%	80%	80%	80%	80%	80%
Salt Lake County Library								
Canyons School District	80%	80%	80%	80%	80%	80%	80%	80%
Sandy City	80%	80%	80%	80%	80%	80%	80%	80%
South Salt Lake Valley Mosquito Abatement	80%	80%	80%	80%	80%	80%	80%	80%
South Valley Sewer District	80%	80%	80%	80%	80%	80%	80%	80%
Crescent Cemetery Maintenance District	80%	80%	80%	80%	80%	80%	80%	80%
Metropolitan Water District - Sandy City	80%	80%	80%	80%	80%	80%	80%	80%
Central Utah Water Conservancy District	80%	80%	80%	80%	80%	80%	80%	80%

Incremental Revenues to Taxing Entities

Salt Lake County	\$44,350	\$44,350	\$29,881	\$29,881	\$29,881	\$29,881	\$29,881	\$29,881
Salt Lake County Library	\$65,994	\$65,994	\$44,464	\$44,464	\$44,464	\$44,464	\$44,464	\$44,464
Canyons School District	\$194,119	\$194,119	\$130,788	\$130,788	\$130,788	\$130,788	\$130,788	\$130,788
Sandy City	\$37,306	\$37,306	\$25,135	\$25,135	\$25,135	\$25,135	\$25,135	\$25,135
South Salt Lake Valley Mosquito Abatement	\$308	\$308	\$207	\$207	\$207	\$207	\$207	\$207
South Valley Sewer District	\$6,394	\$6,394	\$4,308	\$4,308	\$4,308	\$4,308	\$4,308	\$4,308
Crescent Cemetery Maintenance District	\$752	\$752	\$507	\$507	\$507	\$507	\$507	\$507

APPENDIX A

Years per Parcel

NPV

Growth Rate

Year	30	31	32	33	34	35	36	37
Year	2057	2058	2059	2060	2061	2062	2063	2064
Metropolitan Water District - Sandy City	\$11,968	\$11,968	\$8,063	\$8,063	\$8,063	\$8,063	\$8,063	\$8,063
Central Utah Water Conservancy District	\$13,678	\$13,678	\$9,215	\$9,215	\$9,215	\$9,215	\$9,215	\$9,215
TOTAL	\$374,869	\$374,869	\$252,568	\$252,568	\$252,568	\$252,568	\$252,568	\$252,568
Incremental Revenues to Agency								
Salt Lake County	\$177,398	\$177,398	\$119,522	\$119,522	\$119,522	\$119,522	\$119,522	\$119,522
Salt Lake County Library	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Canyons School District	\$776,477	\$776,477	\$523,153	\$523,153	\$523,153	\$523,153	\$523,153	\$523,153
Sandy City	\$149,223	\$149,223	\$100,539	\$100,539	\$100,539	\$100,539	\$100,539	\$100,539
South Salt Lake Valley Mosquito Abatement	\$1,231	\$1,231	\$829	\$829	\$829	\$829	\$829	\$829
South Valley Sewer District	\$25,577	\$25,577	\$17,233	\$17,233	\$17,233	\$17,233	\$17,233	\$17,233
Crescent Cemetery Maintenance District	\$3,009	\$3,009	\$2,027	\$2,027	\$2,027	\$2,027	\$2,027	\$2,027
Metropolitan Water District - Sandy City	\$47,872	\$47,872	\$32,254	\$32,254	\$32,254	\$32,254	\$32,254	\$32,254
Central Utah Water Conservancy District	\$54,710	\$54,710	\$36,861	\$36,861	\$36,861	\$36,861	\$36,861	\$36,861
TOTAL	\$1,235,497	\$1,235,497	\$832,418	\$832,418	\$832,418	\$832,418	\$832,418	\$832,418