MEMORANDUM

TO: IVINS CITY

FROM: LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

DATE: APRIL 9, 2021

RE: SUMMARY OF NET BENEFITS OF PLAN A COMPARED WITH PLAN B OF THE BLACK DESERT RESORT PROJECT (IVINS, UTAH)

At its meeting on April 1, 2021, the Ivins City Council requested a comparison of **Plan A** and **Plan B** under the updated plan of finance presented at that meeting. Below is a comparison of the significant financial and public amenity advantage that Ivins City (the "City') is anticipated to realize based on the revised plan of finance and its Community Reinvestment Area ("CRA") tax increment participation to accomplish **Plan A** in comparison to non-participation under **Plan B**.

Updated Plan of Finance (presented to Ivins City Council on 04.01.21)

Plan A

	2029	2039	2049	2059	2069	30-Year Total	50-Year Total
Revenue	3,091,000	3,752,000	4,622,000	5,763,000	7,243,000	92,392,000	210,103,000
Expense	2,150,000	2,038,400	2,410,000	2,940,000	3,590,000	54,184,000	113,864,000
Net Benefit	941,000	1,713,600	2,212,000	2,823,000	3,653,000	**38,208,000**	**96,239,000**
Cumulative Net Benefit	**5,646,000**	**18,176,800**	**38,208,000**	**63,579,000**	**96,239,000**		

Plan B

	2029	2039	2049	2059	2069	30-Year Total	50-Year Total
Revenue	2,111,000	2,571,000	3,192,000	3,972,000	4,972,000	64,090,000	145,240,000
Expense	1,280,000	1,550,000	1,900,000	2,310,000	2,810,000	38,280,000	85,260,000
Net Benefit	831,000	1,021,000	1,292,000	1,662,000	2,162,000	**25,810,000**	**59,980,000**
Cumulative Net Benefit	**4,926,000**	**14,266,000**	**25,810,000**	**40,640,000**	**59,980,000**		

Difference

	2029	2039	2049	2059	2069	30-Year Total	50-Year Total
Cumulative Net Benefit	720,000	3,910,800	12,398,000	22,939,000	36,259,000	**12,398,000**	**36,259,000**

It should be noted that the Expense portion of these analyses captures all the City's projected expenses associated with the Black Desert Resort project, including both the 75% share of tax increment during the collection period of the Community Reinvestment Area ("CRA"), as well as the projected annual costs of providing municipal services for this addition to the community, such as general government services, law enforcement, streets & sanitation, and parks & recreation. Under the updated Plan of Finance, Ivins City would contribute a total of $5,760,000 in property tax increment from the CRA over a 10-year collection period. This is a substantial reduction to the requested participation from the City, which had been projected at $10,176,000 over a 20-year collection period under the original Plan of Finance. The City's Reinvestment Agency would also have $3,573,440 returned to them for affordable housing under the updated plan.

As a review, **Plan A** would include additional amenities to drive tourism and community enjoyment of Black Desert, including the culinary village and pedestrian only desert boardwalk, expanded retail options, additional tourist nightly rentals generating transient room tax, and undergrounded parking as well as a trail network, nature center, and more.

In comparison **Plan B** would require surface parking and eliminate the culinary village and pedestrian only desert boardwalk, expanded retail options, additional tourist nightly rentals generating transient room tax, and nature center.

Both public assistance tools ("Public Infrastructure District" and "Tax Increment Financing" or "CRA") are designed to place the burden upon the Black Desert Resort development and not Ivins City and its residents. The Public Infrastructure District (PID) is a separate political subdivision of the state that, consistent with the policy already adopted by the City, has authority to levy an additional tax on the new development. This additional assessment will only be paid by owners of property within the Black Desert Resort development and will not be paid by any other resident of Ivins. The CRA is not allowed to assess additional taxes but rather is a mechanism to collect the new property tax revenues generated within Black Desert because of the development there and direct a portion of these new revenues, to the Public Infrastructure District for the purpose of financing infrastructure required to implement the Plan A vision for the project. As such, neither the tax increment committed by the CRA, nor the assessment by the PID is permitted to have any impact on the City's other taxpayers.