

**HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Heber City Council Meeting**

February 4, 2025

**4:00 p.m. Work Meeting
6:00 p.m. Regular Meeting**

TIME AND ORDER OF ITEMS ARE APPROXIMATE AND MAY BE CHANGED AS TIME PERMITS

I. WORK MEETING - 4:00 P.M.

1. Termination of Agreement Between Heber City and WWET (Wasatch Water Efficiency Team) Inc. - Secondary Water Management (Ross Hansen) - *30 min*
2. Review of Recommended Parking Strategies for Downtown Heber (Tony Kohler, Community Development Director, Roger Brooks) - *60 min*
3. City Council Strategic Planning Priorities 2026 (Matt Brower, City Manager) - *20 min*

II. BREAK - 10 MIN

III. REGULAR MEETING - 6:00 P.M.

1. Call to Order
2. Pledge of Allegiance (Scott Phillips, Council Member)
3. Prayer/Thought by Invitation (Heidi Franco, Mayor)

IV. AWARDS, RECOGNITION, and PROCLAMATIONS:

V. CONFLICT OF INTEREST DISCLOSURE:

VI. CONSENT AGENDA:

1. Approval of December 17, 2024, City Council Meeting Minutes (Trina Cooke, City Recorder)
2. Resolution 2025-02 Adopting a Tax Compliance Procedure (Sara Nagel, Finance Manager)
3. Termination of Agreement Between Heber City and WWET (Wasatch Water Efficiency Team) Inc. - Secondary Water Management (Ross Hansen)
4. City Council Strategic Planning Priorities 2026 (Matt Brower, City Manager)

VII. PUBLIC COMMENTS: (3 min per person/20 min max)

VIII. GENERAL BUSINESS ITEMS:

1. Public Safety Update (Parker Sever, Chief of Police) - *10 min*
2. Engineering Projects Update (Russ Funk, City Engineer) - *10 min*

IX. ACTION ITEMS: (Council can discuss; table; continue; or approve items)

1. Public Hearing for Ordinance 2025-01 Wellberg - Kruger Annexation (Jamie Baron, Planning Manager) - *20 min*
2. Pro-Forma and Term Sheet for Operations and Programming of the Amphitheater (Matt Brower, City Manager, Phil Jordan) - *30 min*
3. Approve Transfer of General Fund Revenues to the Heber City Community Reinvestment Agency Fund in the Amount of \$876,000.00 to Support the Agreement For Sale and Purchase of Real Property with Heber Light and Power (Matt Brower, City Manager) - *30 min*

X. RECESS AS THE HEBER CITY COUNCIL AND CONVENE AS THE CRA BOARD: Amended Agenda

1. Agreement for Sale and Purchase of Real Property and Lease Agreement Between Heber Light and Power (HL&P) and Heber City Community Reinvestment Agency (CRA) for the Purchase and Lease Back of the HL&P Administration Building Located at 31 South and 100 West (Matt Brower, City Manager) - *10 min*
2. Lease Between Heber City and HL&P (Matt Brower, City Manager)

XI. ADJOURN AS THE CRA BOARD AND RECONVENE AS THE HEBER CITY COUNCIL:

XII. COMMUNICATION:

XIII. CLOSED MEETING:

1. As Needed (Council)

XIV. ADJOURNMENT:

Ordinance 2006-05 allows Heber City Council Members to participate in meetings via telecommunications media. In accordance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Trina Cooke at the Heber City Offices 435.657.7886 at least eight hours prior to the meeting.

Posted on January 30, 2025, in the Heber City Municipal Building located at 75 North Main, the Heber City Website at www.heberut.gov, and on the Utah Public Notice Website at <http://pmn.utah.gov>. Notice provided to the Wasatch Wave.



Heber City Council Staff Report

MEETING DATE: 2/4/2025
SUBJECT: Termination of Agreement Between Heber City and WWET (Wasatch Water Efficiency Team) Inc. - Secondary Water Management
RESPONSIBLE: Ross Hansen
DEPARTMENT: Engineering
STRATEGIC RELEVANCE: Necessary Administrative Action

SUMMARY

The policy question is:

1. Should city staff terminate the agreement between WWET Inc, and Heber City?

RECOMMENDATION

Authorize staff to carry out the termination of the 2005 agreement in accordance with the terms of the agreement.

BACKGROUND

Heber City Entered into an Agreement with WWET, Inc on May 31, 2005

- Heber City Agreed to:
 - Convey to WWET, Inc. all water shares in irrigation companies (e.g., Timpanogos or Wasatch Irr. Companies) used for outdoor irrigation currently owned or will be owned in the future.
- WWET Inc. Agreed to:
 - Exchange shares in water companies (e.g., Timpanogos or Wasatch Irr. Companies) for shares in WWET Inc.
 - Distribute Irrigation water to Heber City residents.
 - Operate, maintain, and replace irrigation water infrastructure.

DISCUSSION

Heber City staff maintains and operates the irrigation water infrastructure within the City limits. The current agreement with WWET Inc. is outdated and unnecessary.

Staff should do the necessary work to terminate the 2005 agreement in accordance with the terms of the agreement.

FISCAL IMPACT

This will result in cost savings by eliminating unnecessary administrative costs associated with exchanging irrigation company water shares with WWET Inc shares and any assessments being charged by WWET Inc. on its shares.

CONCLUSION

Engineering staff recommends Heber City terminate the 2005 agreement in accordance with the terms of the agreement.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve the item** as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve the item** as amended, as follows.

Alternative 3 - Continue

I move to **continue the item** to another meeting on , with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny the item** with the following findings.

ACCOUNTABILITY

Department: Engineering
Staff member: Ross Hansen, Engineer

EXHIBITS

1. Agreement between Heber and WWET Inc Dated 050531

 75 N Main Street
Heber City, UT 84032

 Phone: 435-657-0757
Fax: 435-657-2543

 heberut.gov

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Heber City, UT 84032

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 heberut.gov

HEBER CITY SECONDARY IRRIGATION SYSTEM OPERATING AGREEMENT

THIS OPERATING AGREEMENT ("Agreement"), is made and entered into as of this 31 day of MAY, 2005, by and between HEBER CITY, a Utah municipal corporation (the "City"), and WASATCH WATER EFFICIENCY TEAM, INC., a Utah non-profit corporation ("WWET"). (The City and WWET are sometimes referred to herein individually as a "Party" and collectively as the "Parties.")

RECITALS

A. WWET has been incorporated for the purpose, among other things, of providing an irrigation water supply for the beneficial use of its shareholders, and is specifically empowered by its articles of incorporation to construct, own, manage, operate, maintain, repair and replace irrigation water transmission and distribution pipelines, reservoirs, pumps, valves, headgates and other water diversion, distribution and storage equipment and facilities, and all associated water rights and water stock, including those belonging to WWET and its shareholders, and those belonging to other persons, corporations and entities, public or private, on a contract basis.

B. WWET currently owns and operates a secondary irrigation water diversion and distribution system and related equipment and facilities serving land within Heber Valley, Wasatch County, Utah (the "WWET System").

C. The City currently owns shares of irrigation company stock and operates certain secondary irrigation water diversion and distribution systems and related equipment and facilities within the boundaries of the City (the "City System"), which it has acquired and developed and/or received by dedication from subdivision developers within the City.

D. The city council of the City and the board of directors of WWET hereby find and determine that there are benefits in utilizing the resources and expertise of WWET in connection with the management and operation of the City System, including greater access to federal and other funds and grants, enhanced water right protections through managed beneficial use of water, and overall economies of scale financially and in terms of water supply.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Exchange of Irrigation Water Stock. The City shall convey to WWET that portion of the irrigation water stock maintained by the City for outdoor irrigation, which it now owns or may own in mutual irrigation companies operating in Heber Valley (collectively, the "Irrigation Companies"), in exchange for a conveyance by WWET to the City of equivalent shares of WWET stock. For purposes of this Agreement, equivalency is defined as equivalence in the

actual water supply to which the City is entitled under the Irrigation Company irrigation shares conveyed and the WWET irrigation shares received in exchange, as determined by WWET and the respective Irrigation Companies from time-to-time. Prior to March 31 of each year, the City and WWET shall review and adjust, as necessary, the stock equivalency ratio based upon the number of WWET shares required to be owned by the City to facilitate the delivery of irrigation water to all areas required to be served by WWET within the City's service area during the next irrigation season.

(a) WWET shall distribute secondary irrigation water to the City and the City shall be entitled to receive secondary irrigation water service as an owner of WWET stock, pursuant to the standard rules and regulations established from time-to-time by WWET, in the same manner as any other holder of WWET stock.

(b) The Parties hereby acknowledge and agree that the exchange of shares to be accomplished pursuant to this Section 1 satisfies the "equal value" exchange requirement set forth in Article XI, Section 6 of the Utah Constitution.

2. Management, Operation and Maintenance of City System. The City hereby appoints WWET to act in all respects as its operator and agent for the purpose of managing, operating, maintaining, repairing and replacing the City Irrigation System. Services to be provided by WWET shall include the following:

(a) General Administrative Services. WWET shall provide general administrative services in connection with the City System, including:

- (1) providing personnel sufficient to effectively operate, maintain, repair and replace the City System;
- (2) providing overhead and administrative policies and procedures governing staff personnel;
- (3) determining staff compensation, benefits and status;
- (4) providing necessary vehicles and equipment;
- (5) providing necessary office equipment and supplies;
- (6) providing resources necessary in dealing with legal matters pertaining to City System administration and O&M;
- (7) recommending to the City work deemed necessary by WWET to effectively operate, maintain, repair and replace the City System;
- (8) administering City System water contracts;
- (9) providing surveillance and monitoring of City System facilities;

(10) reviewing and preparing necessary water right change applications, reviewing applications for internal changes in place of use of water within the City System, and making recommendations with respect thereto to the City;

(11) meeting with City planners and engineers regarding new development;

(12) reviewing preliminary and final plans, specifications and other criteria established by the City for new connections to the City System, and issuing a “will-serve” letter to the City which must be received by the City from WWET as a condition to the City granting final approval for any new development which is to be connected to the City System;

(13) inspecting and approving the construction, installation and physical connection of any new development to City System as a condition to irrigation water service to said development by WWET;

(14) inspecting construction work within the City streets, rights-of-way and easements in connection with improvements, extensions and repairs to the City System;

(15) scheduling, metering, monitoring, regulating and recording water diversion, delivery and use; and

(16) making a regular accounting of water diversions and deliveries.

(b) Management of Rights-of-way and Easements. WWET shall manage all City rights-of-way and easements associated with the diversion and delivery of secondary irrigation water within the City System, including:

(1) protecting against unauthorized easement encroachments and enforcing City easement rights and interests with the concurrence of the City;

(2) as necessary, arranging for and/or coordinating with the City for Blue Stake services;

(3) meeting with City planners, engineers utility companies and developers in determining right-of-way and easement requirements in connection with new developments proposed to be connected to the City System, and

(4) negotiating property owner easements and easement agreements in behalf of the City.

Nothing herein shall be construed as limiting or otherwise impairing any right, title or interest which the City may have in connection with its easements and rights-of-way for any City System.

(c) Management, Operation and Maintenance; Delivery of Water. WWET shall manage, operate, maintain, repair and replace City System comprised of all systems and facilities associated with the diversion, delivery and use of secondary irrigation water within the City, including open head ditches and east-west laterals and turnouts within the City (the "Main Ditches"), and the pressurized irrigation system, and it shall deliver irrigation water to the secondary irrigation customers of the City through said systems and facilities, subject to the following:

(1) Main Ditches. Specifically, with respect to that portion of the City System consisting of the Main Ditches:

(A) WWET shall provide the initial annual cleaning of all Main Ditches within the City. Those customers taking delivery of water out of the Main Ditches shall thereafter be responsible to clean and maintain the Main Ditches, as well as all north-south laterals off of the Main Ditches so that they remain free of any obstruction that will restrict the flow of water through the same.

(B) All culverts, pipelines and other devices used in allowing water in the Main Ditches to pass under roadways, driveways or other coverings of a ditch lateral shall at all times be cleaned, operated, maintained, repaired and replaced by the owner of the parcel fronting said culvert, pipeline or other devices, and those customers taking delivery of water out of any such ditch section shall thereafter be responsible to clean and maintain the culverts, pipelines and other devices so that they remain free of any obstruction that will restrict the flow of water through the same.

(C) WWET shall prepare water delivery tickets for all customers taking delivery of irrigation water through open ditch laterals within the City System. The tickets will be delivered by WWET to the City, and the City will continue to issue the tickets. WWET will deliver water to the head of each ditch lateral as ticketed. Each individual customer taking delivery of water out of such ditch lateral shall be responsible for the transportation of the water to said customer's place of use, including operation, maintenance, repair and replacement of the ditch or other facility used by said customer in transporting the water to his place of use.

(D) The Parties hereby acknowledge and agree that over time the open ditch system will be converted to and become a part of the pressurized irrigation system. WWET's obligations under this Section 2(c)(1) shall remain in force and effect only as long as the Main Ditches are being utilized as part of the City System for the delivery of irrigation water to City secondary irrigation customers.

(2) Pressurized Irrigation System. Specifically, with respect to that portion of the City System consisting of pressurized irrigation systems and facilities:

(A) The City shall provide to WWET all location and other maps, operation policies and procedures, maintenance and service records, and any and all other documentation and information in the possession of the City as shall be necessary and available

to enable WWET to manage, operate, maintain, repair and replace the City System in conformance with its obligations hereunder.

(B) WWET shall perform the initial start-up of all pressurized irrigation systems within the City by closing drain valves, closing delivery turnouts, charging and flushing the distribution system, checking the system for leaks, and locating and repairing other problems within the pressurized irrigation system.

(C) Prior to the beginning of each irrigation season, the City shall provide to WWET an updated list of all customers entitled to the delivery of secondary irrigation water through the City's pressurized irrigation system and the quantity of water which each is entitled to receive through the system. The list shall be updated by the City throughout the course of each irrigation season as new subdivisions are developed and new customers come on line. WWET shall deliver secondary irrigation water through the pressurized irrigation system to the customers identified on the list, as updated.

(D) At the end of the irrigation season, WWET shall perform the necessary procedures for shutting down the pressurized system, including, without limitation, the opening of drain valves and air release valves.

(3) New Connections. The City shall require that each developer requesting service to a new development be obligated to comply with all of the following as a condition precedent to obtaining water service from WWET through the City System:

(A) The developer shall have or otherwise obtain, at its sole expense, shares of stock in one or more of the Irrigation Companies representing the right to a quantity of water sufficient to satisfy the irrigation water requirements of developer=s intended development as determined by the City in consultation with WWET. The developer shall transfer the Irrigation Companies' shares to the City, and the City shall exchange the Irrigation Companies' shares for WWET shares as provided in Section 1 hereof.

(B) Subject to the provisions of subsection (C) immediately below, the developer shall construct, at its sole expense, all water pipelines and other facilities as shall be required to enable the developer's intended development to receive secondary irrigation water service through the City System. These lines and facilities shall be constructed in accordance with plans and specifications approved in conformance with the provisions of Section 2(a)(12) herein.

(C) WWET, in consultation with the City, may determine that it is necessary or advisable to have a developer construct excess capacity into an extended main line for the developer's intended development in order to facilitate service to other areas of anticipated growth in the immediate area. In that case, the City agrees that it shall require such a developer, at its sole cost and expense, to construct the determined excess capacity into the extended line, in accordance with City plans and specifications; provided, however, that the City, through the provisions of a line extension and cost participation agreement, shall provide for

proportionate reimbursement to the Developer for the costs of engineering, construction and expansion of this excess line capacity.

(D) Where possible, provision shall be made for the construction of all extension and distribution lines within public streets and easements. However, where the extensions must cross private property, the developer shall obtain, at developer=s sole expense, all required and necessary easements for all distribution and main line extensions, and appurtenant facilities, and title or lease to any required storage, well or other water supply sites, along with the perpetual rights of ingress and egress for operation, maintenance, repair and replacement of the same and convey the same, without cost, to the City.

(E) Subject to the provisions of Section 2(a)(12) herein, upon approval of all of the facilities referenced in subsection (B) above, the developer shall convey all of the developer=s right, title and interest in and to said facilities to the City, free and clear of all liens and encumbrances; whereupon said facilities shall become a part of the City System and be subject to the provisions of this Agreement..

(d) Irrigation Master Plan. WWET will cooperate with the City in the development of a City secondary water master plan to identify needed capital improvements to the City System and other related secondary irrigation water matters associated with new growth.

(e) Other Services. WWET shall provide such other administrative, management, operation, maintenance and repair services in connection with the City System as may reasonably be requested by the City and agreed to in writing by WWET.

(f) Commencement of Service. WWET shall commence to provide the services enumerated herein on the effective date hereof.

3. Ownership of Assets. Notwithstanding the services to be provided by WWET pursuant to the provisions of this Agreement, title to all assets associated with the City System, at all times, shall be and remain vested in the City.

4. Authority of WWET=s Board of Directors. The services to be provided by WWET under Section 2 above, including all services provided by WWET not specifically enumerated which may hereafter be requested of WWET by the City pursuant to Section 2(e) herein, shall be subject, in all respects, to the ultimate approving authority of WWET=s board of directors, and shall be performed subject to and in conformance with all lawfully adopted policies, procedures, rules and regulations of WWET as the same currently exist or as they may be amended and promulgated from time-to-time.

(a) Scheduling of Delivery. The scheduling and delivery of secondary irrigation water to the City=s customers on the City System shall be coordinated so as to minimize, to the extent possible, the impacts resulting from shortages in water supply and otherwise. In times of water shortage due to drought or any other natural or man made condition or occurrence, WWET shall have full authority to declare a water emergency, and to ration or otherwise regulate the diversion, distribution and use of water. The City shall cooperate with WWET in connection

with actions taken by WWET in dealing with emergency situations, and WWET shall cooperate with the City in connection with any actions taken by the City in enforcing diversion, distribution and/or use regulations and restrictions duly imposed by the City and/or WWET in the event of an emergency or otherwise .

(b) Lease of WWET Shares. WWET shall cooperate with the City in assuring that the irrigation water supply represented by the City's shares of WWET stock is to put to beneficial use to the extent possible. WWET agrees to help facilitate the lease of any WWET shares deemed to be in excess of the actual water delivery requirements within the City System in any given year, subject to the provisions of WWET's bylaws and standard rules and regulations including, without limitation, the requirement that all leases of WWET shares shall first be approved by WWET's board of directors.

5. Compliance with Applicable Laws, Regulations and Permit Requirements.

WWET shall comply with all applicable local, state and federal laws, ordinances, statutes, regulations and permit requirements which now or may hereafter govern WWET's, operation, maintenance, repair and replacement of the City System, the WWET System and WWET's water rights and sources of water supply, and shall adopt resolutions imposing such additional rules and regulations as shall be necessary to fully implement and comply with the same.

6. Budgets, Assessments.

(a) Annual Budget. In addition to the general WWET budget, WWET shall annually prepare as a portion of its general budget or as a separate budget, a budget applicable solely to WWET's administration of the City System hereunder, including, without limitation, a specification of the estimate of all anticipated revenues and all appropriations for expenditures associated with the management, operation, maintenance, repair and replacement of City System and capital projects proposed for the budget year in connection with the City System (the "City System Budget"). The City System Budget shall be prepared by WWET and be adopted by the City in connection with and at the same time as the annual budget for the City is prepared and approved. The City System Budget shall be delivered by WWET to the City on or before March 31 of each year. The City agrees that it will review the City System Budget in good faith, and act upon it in a timely manner so as not to hinder or delay WWET in adopting and implementing its own general budget. The City System Budget shall be approved by the City prior to its final adoption and implementation by WWET. Except pursuant to its status as a shareholder, the City shall have no review or approval authority over the portion of the WWET general budget which does not include the City System Budget.

(b) Payment of Stock Assessments.

(1) WWET Assessments. The City shall timely pay when due all regular and special assessments duly levied by WWET against the shares of WWET stock owned by the City in conformance with the articles, bylaws and rules and regulations of WWET. In determining the amount of the regular annual assessment to be levied, the WWET board of directors shall take into account all anticipated costs and expenses estimated to be incurred during the year against which the assessment is levied including, without limitation, the City's

pro-rata share of those administrative, operation, maintenance, repair, replacement and capital projects costs and expenses shared in common with all other WWET shareholders based upon common benefit, including, without limitation, assessments of the Irrigation Companies, insurance, etc., and those costs and expenses which are solely attributable to the administration, operation, maintenance, repair, replacement and capital projects costs and expenses associated with the City System.

(2) Irrigation Companies Assessments. WWET shall timely pay all regular and special assessments duly levied by the Irrigation Companies against the shares of the Irrigation Companies' stock owned by WWET in conformance with the articles, bylaws and rules and regulations of the Irrigation Companies.

(c) WWET shall maintain accurate records of all costs and expenses incurred by it in providing services under this Agreement. These records shall be available for the City to inspect at any reasonable time during normal business hours.

7. Insurance. WWET shall maintain not less than \$1,000,000 of general liability insurance against property damage, product and other liability. WWET shall provide the City with a certificate of insurance which manifests WWET's compliance with this provision. The City shall be identified as a co-insured on WWET's general liability policy.

8. Duration, Termination.

(a) The respective obligations of WWET and the City as enumerated in this Agreement shall be and remain in full force and effect until the Agreement is terminated as provided in subparagraph (b) immediately below.

(b) Either Party may terminate the Agreement upon written notice delivered to the other Party not later than December 31, and the Agreement shall terminate effective on the next succeeding March 31. Upon termination of the Agreement, WWET shall re-convey to the City all Irrigation Company shares transferred by the City to WWET during the term of the Agreement, and the City shall re-convey to WWET all WWET shares conveyed by WWET to the City during the term of the Agreement.

9. Agency Relationship. The intent of the Parties by this Agreement is to retain WWET as the City's operator and agent solely for the purpose of providing the services enumerated herein. Nothing in this Agreement shall be construed to give WWET any right of or power of control over the City, nor shall it be construed to obligate WWET to assume any obligations or liabilities of the City, except as provided in this Agreement.

10. Indemnification.

(a) WWET shall indemnify and hold the City, and its officers, agents, employees, consultants and contractors, harmless from and against any and all liability, losses, damages, claims, demands, suits, and proceedings, of whatsoever kind or nature, as well as any and all costs and expenses incurred in connection therewith, including court costs and reasonable

attorney=s fees, resulting from any injury to persons or damage to property, whether real or personal, which arise out of or are otherwise attributable to the negligence or misconduct of WWET, or its officers, agents, employees, consultants and contractors, in connection with the services to be provided by WWET hereunder. Notwithstanding the foregoing, WWET shall not indemnify, defend or hold the City, and its agents, employees and officers, harmless from and against any liability, losses, damages, claims, demands, suits, and proceedings, of whatsoever kind or nature, which arise out of or are otherwise attributable to the negligence or misconduct of the City, or its officers, agents, employees, consultants and contractors other than WWET, subject to applicable provisions of the Utah Governmental Immunity Act.

(b) The City shall indemnify and hold WWET, and its officers, agents, employees, consultants and contractors, harmless from and against any and all liability, losses, damages, claims, demands, suits, and proceedings, of whatsoever kind or nature, as well as any and all costs and expenses incurred in connection therewith, including court costs and reasonable attorney=s fees, resulting from any injury to persons or damage to property, whether real or personal, which arise out of or are otherwise attributable to the negligence or misconduct of the City, or its officers, agents, employees, consultants and contractors, in connection with the services to be provided by WWET hereunder. Notwithstanding the foregoing, the City shall not indemnify, defend or hold WWET, and its agents, employees and officers, harmless from and against any liability, losses, damages, claims, demands, suits, and proceedings, of whatsoever kind or nature, which arise out of or are otherwise attributable to the negligence or misconduct of WWET, or its officers, agents, employees, consultants and contractors other than the City.

11. Policies, Procedures, Rules and Regulations. WWET shall adopt such policies and procedures for the management and the conduct of its affairs, and promulgate such rules and regulations as it shall deem necessary and proper in accomplishing the purposes of this Agreement.

12. City Responsibilities. This Agreement shall not relieve the City of any obligation or responsibility imposed upon it by law; however, the actual and timely performance of any such obligation or responsibility by WWET hereunder may be offered in satisfaction thereof.

13. Miscellaneous Provisions.

(a) Assignment. No Party shall assign its interest in this Agreement without the written consent of the other Party.

(b) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

(c) Business Relationship. This Agreement does not acknowledge the existence of or establish a partnership, joint venture, or any other form of business relationship between the Parties other than as expressly set forth herein, and this Agreement is limited solely to the purposes and interests expressed herein.

(d) Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of this Agreement.

(e) Entire Agreement. This Agreement constitutes the entire understanding and agreement by and between the Parties hereto, and supersedes all prior agreements, representations or understandings by and among them, whether written or oral, pertaining to the subject matter hereof.

(f) Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

(g) Further Action. The Parties hereby agree to execute and deliver such additional documents and to take such further action as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

(h) Warranty of Authority. The individuals executing this Agreement on behalf of the Parties hereby warrant that they have the requisite authority to execute this Agreement on behalf of the respective Parties and that the respective Parties have agreed to be and are bound hereby.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the day and year first above written.

HEBER CITY, UTAH

By: 

Mayor

ATTEST:



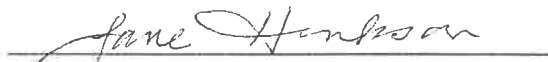
City Recorder

WASATCH WATER EFFICIENCY TEAM, INC.

By: 

President

ATTEST:



Secretary



Heber City Council Staff Report

MEETING DATE: 2/4/2025
SUBJECT: Review of Recommended Parking Strategies for Downtown Heber
RESPONSIBLE: Tony Kohler, Roger Brooks
DEPARTMENT: Planning
STRATEGIC RELEVANCE: Community Development

SUMMARY

Council reviewed potential parking strategies for the downtown at the recent annual budget retreat. Council requested the item return for further discussion.

RECOMMENDATION

Staff recommends Council discuss the potential parking strategies and provide feedback on solidifying a plan for parking in the downtown.

BACKGROUND

Roger Brooks has put together several potential parking strategies, discussed in the attachments and summarized in the Power Point Presentation. Mr. Brooks will be present at the meeting to facilitate a discussion on this topic.

DISCUSSION

N/A

FISCAL IMPACT

N/A

CONCLUSION

N/A

ALTERNATIVES

N/A

POTENTIAL MOTIONS

N/A

ACCOUNTABILITY

Department: Planning
Staff member: Tony Kohler, Community Development Director

EXHIBITS

1. Parking Recommendations
2. HeberCityDowntown&Parking
3. Roger Brooks Parking Strategies and Recommendations



Roger Brooks Report on Downtown Parking

Heber City Council Annual Retreat



January 18, 2025



Summary of Recommendations

1. Create parking district
2. Create 1200 parking spaces
3. Acquire properties
4. Construct parking structure
5. Establish parking fees
6. Establish parking fee in lieu
7. Establish transit stops
8. Utilize event parking
9. Build 2 future parking structures
10. Angled on-street parking
11. Fire Station Site Reimagined
12. Shared Parking Agreements



Create Parking District

- 100 N to 400 S (150 W to 150 E)
- 3 hour on-street parking limit
- Separate parking rules & fees



Create Parking Structure

- 3 Parking Decks, Retail on Main
- 300+/- Stalls
- 2025 Planning
- 2026 Construction
- \$35k/stall x 490 = \$17 million



Establish Parking Fees

- \$1 per hour, up to \$5 day max
- \$0.5 million net annual revenue



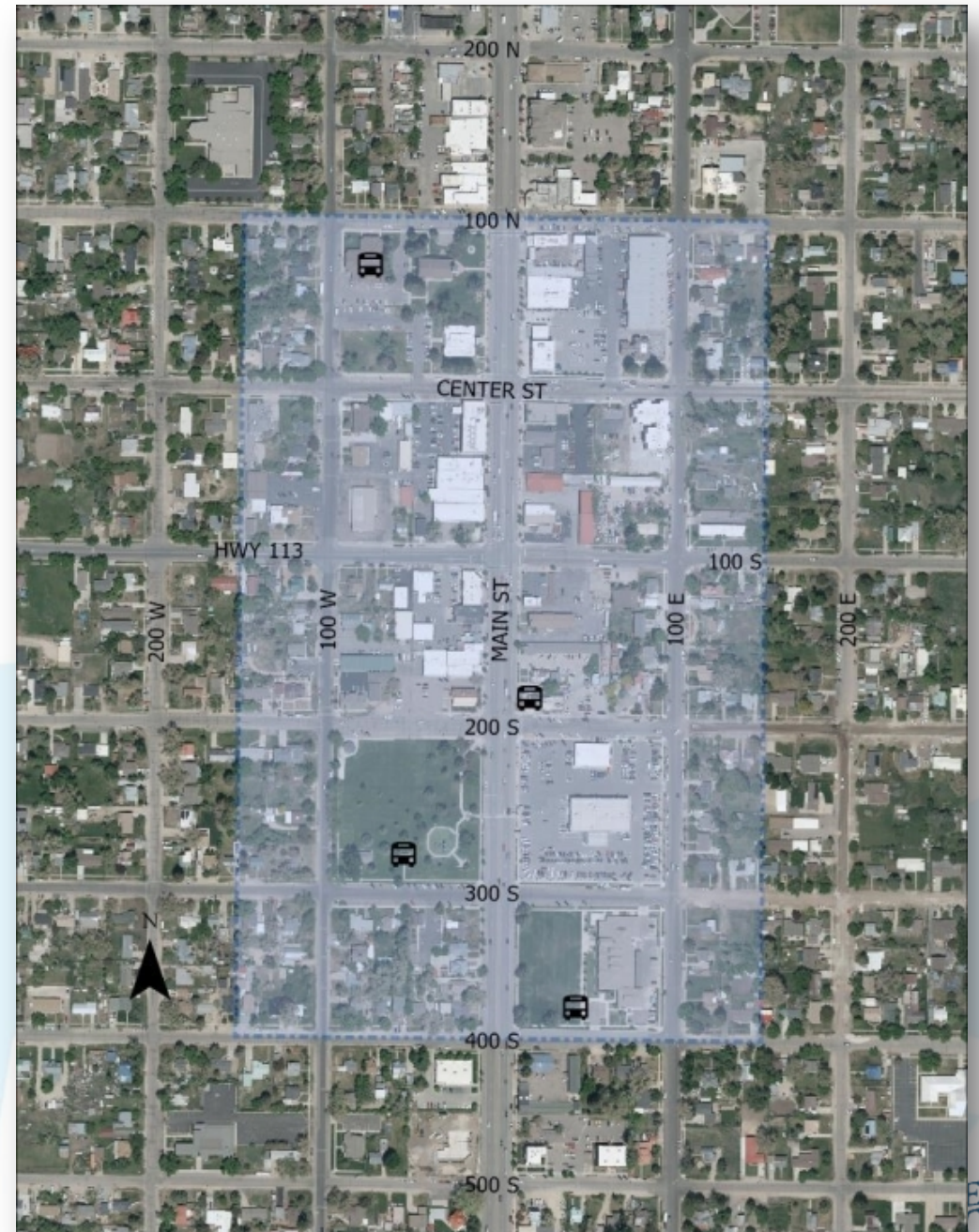
Establish a Parking Fee In Lieu

- Retail/office fee in lieu: \$4,000
 - ½ cost for developed space
- Residential fee in lieu
 - Studio/hotel: \$4,000
 - 1 bed: \$6,000
 - 2 bed: \$8,000
 - 3 bed: \$12,000



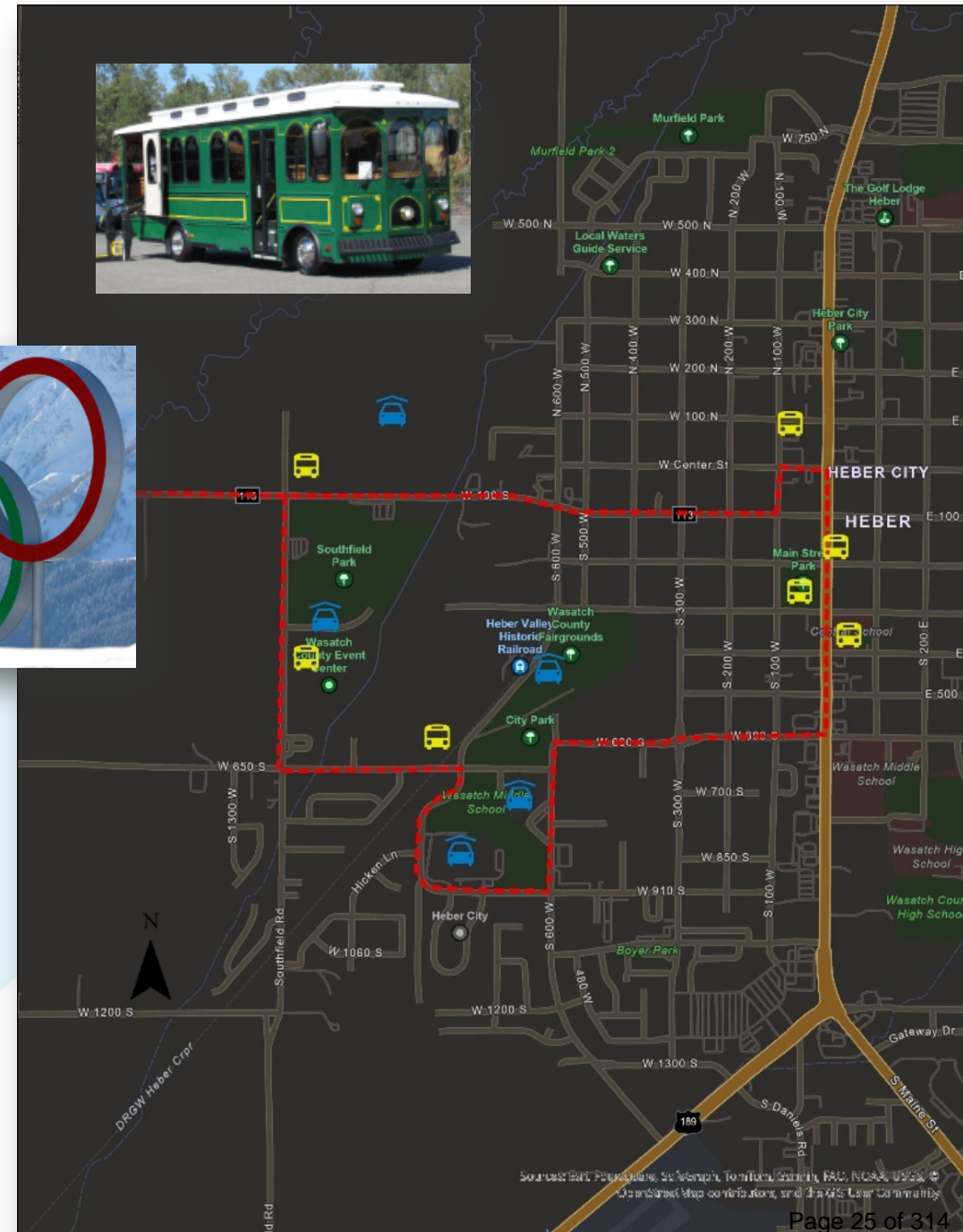
Establish Transit Stops

1. Trailhead Plaza
2. TVT/City Offices
3. Public Safety Building
4. Dairy Keen



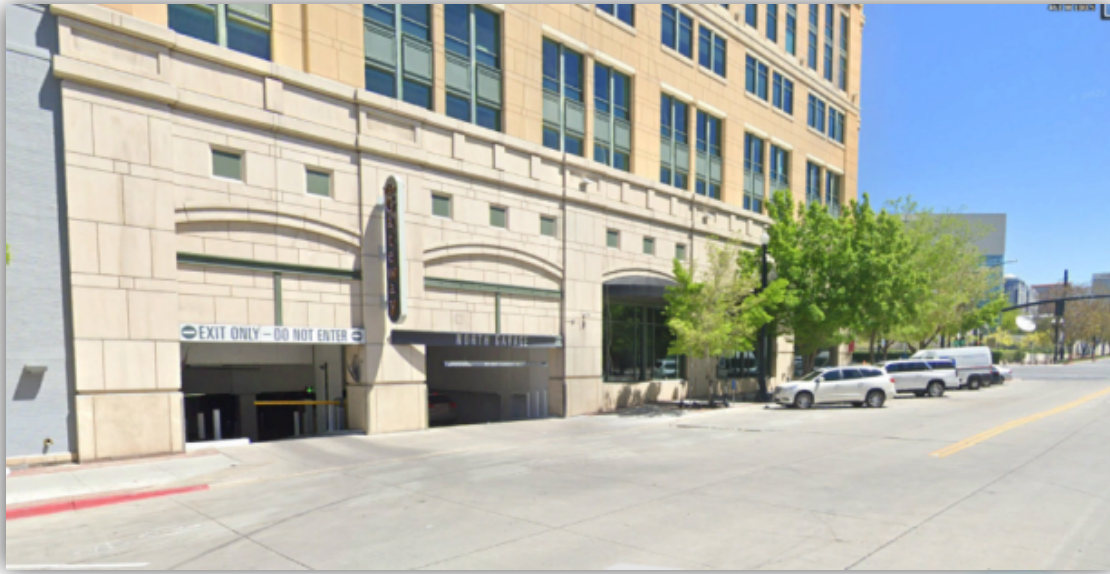
Utilize Event Parking

- Off-site parking
 - High School
 - Middle School
 - Elementary School
 - Event Center
 - Ball fields
- Transit Options
 - High Valley Transit; or
 - Rubber tire trolleys



Angled Parking: The Low-Hanging Fruit

Structured Parking



Angled On-Street Parking



Item	Structured Parking	Angled On-Street Parking
Unit Cost	\$30,000 - \$40,000	\$0 - \$3,000
Facility Cost	\$5 million - \$10 million	\$0 - \$1 million
Land Purchase	Yes	No
Phasing	No	Yes
Aesthetics	Street wall retail	Landscaping, signage

Structured Parking Feasibility

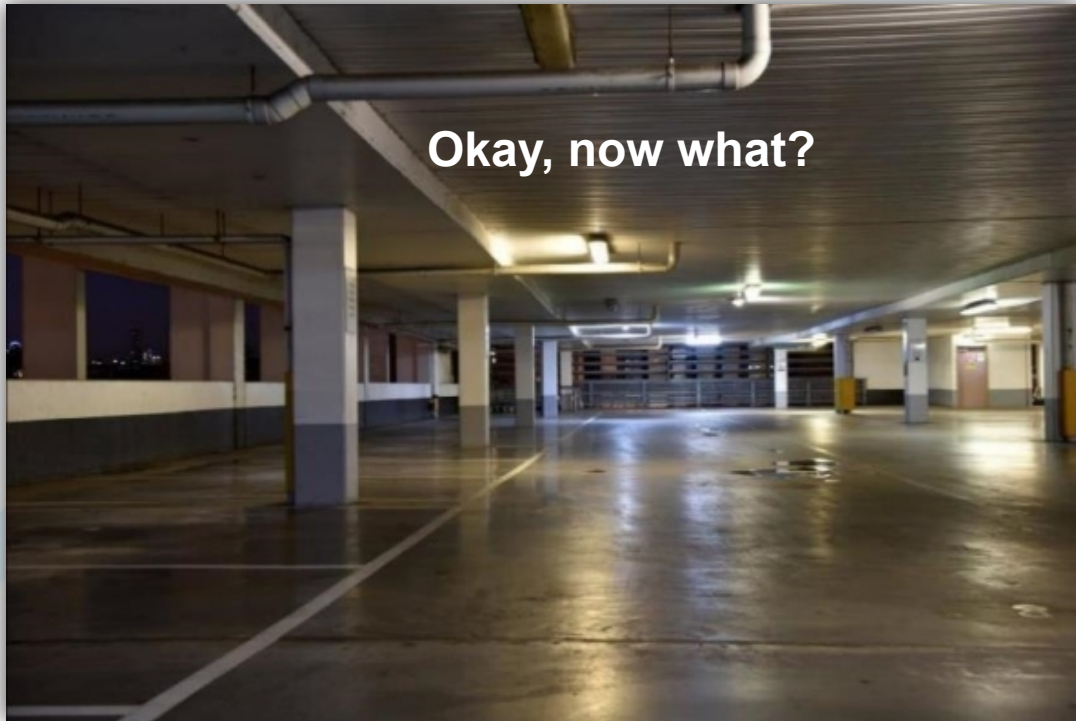
Land Value

\$12/sf



Structure Cost

\$100+/sf



Okay, now what?

Reasons to go downtown not yet in place

- Events
- Facilities
- Retail
- Parking is not an Anchor Tenant

Financing Mechanisms not yet in place

- CRA MOUs
- TIF
- Plenty of cheaper parking options

Not ready for Structured Parking

- Instead, focus on:
 - On-street parking
 - Joint-Use Agreements
 - City Parking Lots

Angled Parking Plan



Fire Station & Power Buildings

Reimagined Fire Station

- 7,000 sf
- 10x10x10 Incubator Space
- Parks/Events Department

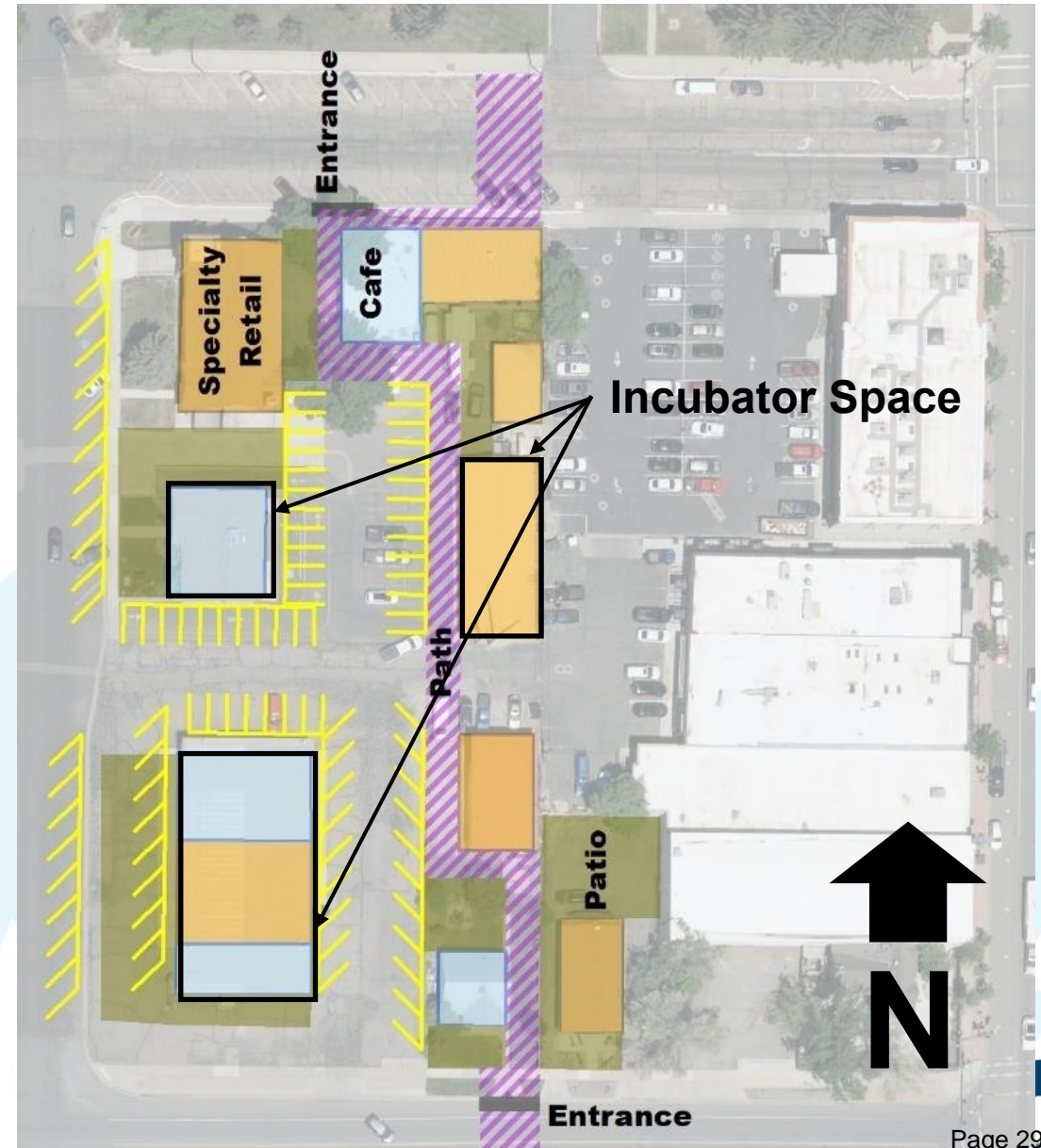
Reimagined HPL Building 1

- 2,000 sf
- City Office Space

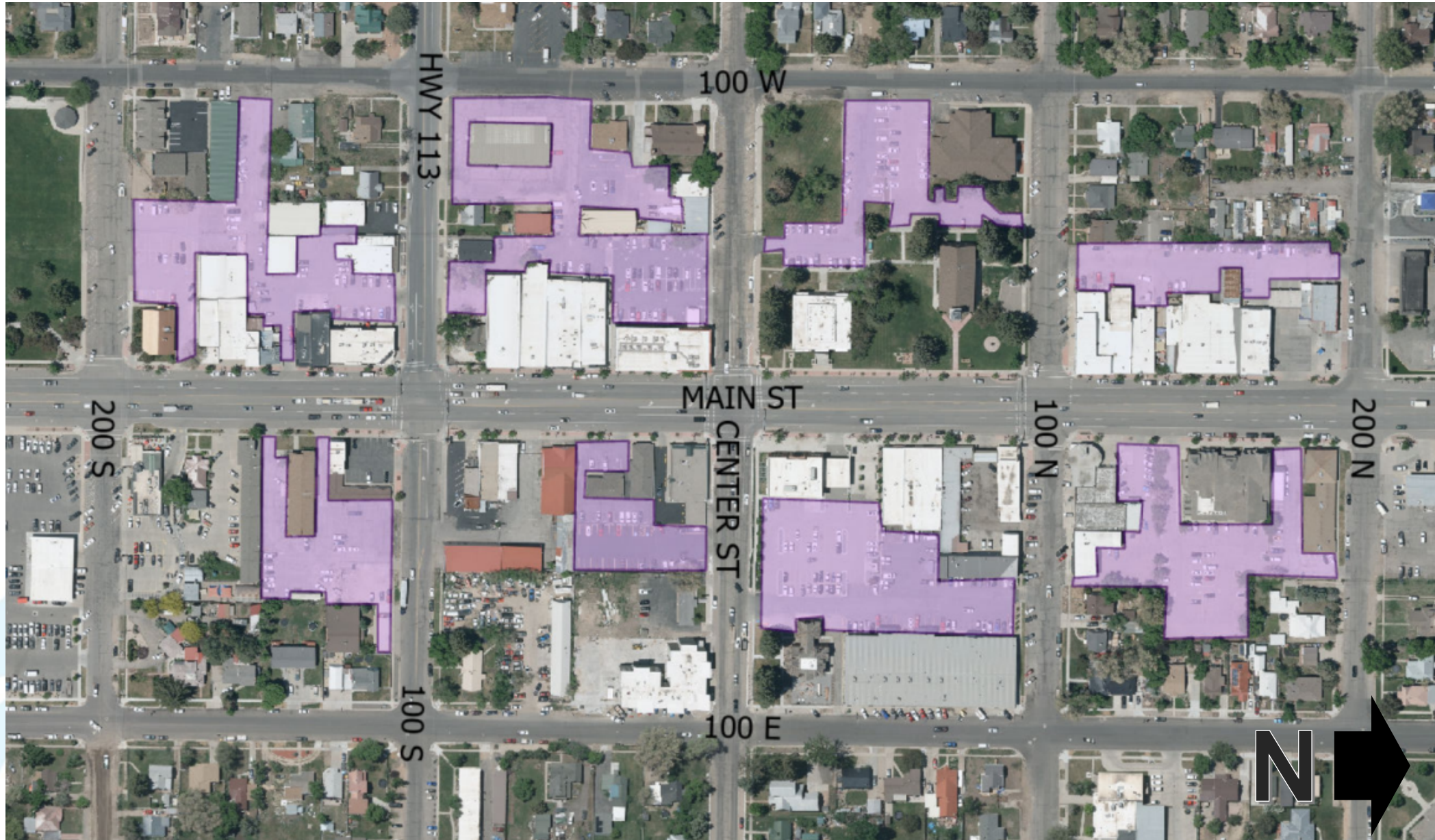
Reimagined HPL Building 2

- 3,000 sf
- 10x10x10 Incubator Space

New public parking



Shared Parking Agreements



Recommendations

Next Steps

1. Shared Parking Agreements*
2. Acquire properties*
3. Angled on-street parking*
4. Establish parking fee in lieu
5. Create parking district
6. Event Coordination with Transit
7. Reimagine Fire Station Site

*underway

Future Steps

1. Create 1200 parking stalls*
2. Establish parking fees
3. Construct parking structures



Parking Solutions & Downtown Business Mix

Fall/Winter 2024



Heber City, Utah
Envision Central Heber 2050
Implementation
Planning



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The 20 Ingredients of an Outstanding Downtown

INTRODUCTION

The future of cities is changing dramatically as the U.S population is increasingly mobile, and for several reasons:

1. For the first time in American history, jobs are going where the talent is, or where the talent wants to be. This means that community development, or quality of life, is leading economic development.

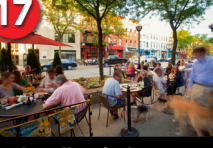
2. In recent research where thousands of Millennials (those in their 30s and 40s and the largest generation in U.S. history) were asked about their priorities when it comes to putting down roots.

Surprisingly, nine of the top ten priorities were quality of life. In fact, having a secure job was number nine on their list.

The Millennials, and now Generation Z following them, are looking for the perfect place to live and raise a family. Not surprisingly, their top five priorities include good schools, clean air and water, a sense of place (downtown), recreation, and health care and affordability.

Out of their ten highest priorities, Heber City easily has eight of the ten, which is difficult for ANY city of achieve. The two challenging ingredients are affordability and a sense of place: a true downtown.

While affordability is a tough topic to tackle, creating a true "downtown" is achievable. Completed and adopted by Heber City in late 2023 was the Envision Central Heber 2050 plan, designed specifically to address the creation of a real sense of place - a true, pedestrian-friendly downtown.

<p>1</p>  <p>Razor sharp focus Food, art, entertainment, antiques, wine, nightlife...</p>	<p>2</p>  <p>The Action Plan Your to-do list from A to Z. It takes a whole community to win.</p>	<p>3</p>  <p>Critical mass 10 eateries, 10 retail shops, 10 open after 6, in three blocks.</p>	<p>4</p>  <p>Anchor tenants Shops, restaurants, activities people will travel for.</p>
<p>5</p>  <p>Consistent hours Businesses open common days and hours.</p>	<p>6</p>  <p>Living, staying downtown Condos, loft apartments, hotels, and inns.</p>	<p>7</p>  <p>Pioneers with vision And patient money, who take the chance and make the investment.</p>	<p>8</p>  <p>Just one block Concentrate on creating one awesome block. Your demonstration project.</p>
<p>9</p>  <p>Four hour parking Better yet, all-day parking within two blocks.</p>	<p>10</p>  <p>Public restrooms Relieved shoppers and visitors spend more. Open after 5:00!</p>	<p>11</p>  <p>A Programmed Plaza 250 days of activity a year. Retailers will follow - in droves.</p>	<p>12</p>  <p>Community gateways First impressions are critical. Add directions to downtown.</p>
<p>13</p>  <p>Wayfinding system Vehicular & pedestrian wayfinding, pole banners, visitor info kiosks.</p>	<p>14</p>  <p>Downtown gateways Create a sense of place and sense of arrival. You're here!</p>	<p>15</p>  <p>An Intimate setting Just one traffic lane each direction and crosswalks every half block.</p>	<p>16</p>  <p>Blade signs Retail signs perpendicular to traffic. Consistent height and width.</p>
<p>17</p>  <p>Sidewalk cafe dining Beautification, umbrellas, lighting = incredible ambiance.</p>	<p>18</p>  <p>Curb appeal 70% of first-time sales come from curb appeal. Beautification pays!</p>	<p>19</p>  <p>Constant activity Activities and entertainment. Bring downtown to life!</p>	<p>20</p>  <p>Give downtown a name A name makes it a destination, not a geographic designation.</p>



INTRODUCTION

This research and plan is meant to be among the first implementation steps to creating a desirable and economically feasible downtown.

The first two projects implemented in the 2050 Plan include the fountain at City Hall, and the Main Stage at the City's upcoming Trailhead Plaza.

The third project is the development of Trailhead Plaza - Heber's Community Living Room, which will finally create a hub and a true sense of place for the City and its citizens.

Following that is the creation of a pedestrian-friendly, intimate, downtown shopping, dining and entertainment district, with an orchestrated business mix. For the time being we are referring to this district as the "C Street Trail."

Tied to that is solving parking demands tied to making downtown a better gathering place for local residents and their visitors.

Both of these issues are addressed in this Plan. In essence, these five projects (City Hall Fountain, Main Stage, Trailhead Plaza, C Street Trail, and parking) make up the first five years to implementing the 2050 plan.

Nearly all of the major initiatives after that revolve around private-sector investment into "Central Heber" - your "new" downtown.

In the following pages you'll see the initial plans of how the C Street Trail may evolve and why it's important. We will detail the perfect business mix, making downtown Heber City one of Utah's best downtowns - in a city that currently doesn't have a true downtown core.

Downtowns are now about people, not cars and traffic. It was a painful exercise to have to tell city officials that Heber will never have a successful, vibrant downtown core area along Main Street.

Why? Because it impossible to encourage outdoor dining, walking and gathering areas where you can have a normal conversation, when you have tanker trucks roaring by every twenty seconds, almost twenty-four hours a day and tens of thousands of other vehicles coming through downtown from dawn to dusk.

Successful downtowns are places you go to, not through. In fact, the most successful downtowns have either no vehicles (except emergency and delivery vehicles) or have one lane each direction, with average speeds of less than 20 miles an hour.

We've often wondered how many people traveling through central Heber even know that in just a block or two you have several restaurants, a fly fishing shop, a bike shop, theater, home accents and furnishings, and other great shops.

And if they know they are there, how often do they decide it's not worth the hassle to visit them.

Over a seven year period, the Destination Development Association (DDA) conducted one of the largest research projects, ever, on what makes a great downtown. The DDA researched 2,000 downtowns and downtown districts across the U.S. and Canada, found 400 of the most successful, and from those, found the twenty most common ingredients that lead to their success. See the poster developed from that research on the opposite page.

The good news: With the implementation of this plan, Heber City will end up with 18 of these 20 ingredients.

This plan provides the focus, the action plan, the critical mass (clustering of like businesses), anchor tenants, consistent hours (with the help of property owners), and the creation of lodging and living units downtown.

To make this work will take "pioneers with vision" and patient money, but it only takes one block to make this a success.

Parking and public restrooms are addressed in this plan, the programmed plaza is on the way.

Community and downtown gateways, along with wayfinding will be one of the follow-up projects to this plan.

Creating a pedestrian-only district will provide an intimate setting, merchants will have excellent signage, sidewalk dining, great curb appeal, and programming of Trailhead Plaza AND downtown will keep it active and vibrant.

Welcome to downtown Heber City and to the up and coming C Street Trail - your shopping, dining and entertainment district that will be the envy of communities across the country, let alone Utah.

This is part of the road map to making this a reality. You are very lucky to have a forward-thinking city council and staff that are looking to the future and finding ways to make Heber City an even better place to live, work, invest in, and visit.



DOWNTOWN BUSINESS MIX

BUSINESS MIX RESEARCH



Over the past twenty years, a major transformation has been taking place in downtowns across the country.

Downtowns are now where locals go after work and on weekends. In fact, according to the National Retail Federation, nearly seventy percent of bricks-and-mortar shopping now takes place after 6:00 pm.

With the advent of Amazon, and the fact that more than fifty percent of all American households pay to be Amazon Prime members, downtown shops have shifted to Etsy-style shops: small, locally grown specialty shops offering goods that are typically impulse buys or offering goods and services you can't easily find on Amazon or in big box stores.

Nearly two-thirds of the basic, utilitarian, suburban malls across the country have now closed. The successful malls that still remain and do well tend to concentrate on higher-end retail goods and are more experiential: going there is an experience, not just a collection of stores under a single roof.

Even outlet malls are struggling in the face of so many online discount retailers.



Because downtowns often include dozens separate property owners, each with their own ambitions and priorities, they've slow to catch on to what works and what doesn't. Because of this came the advent of Lifestyle Retail Centers.

A perfect example would be Station Park in nearly Farmington, Utah.

A visit to Station Park and you'll find narrow streets with parking behind the retail core, extensive and beautiful landscaping along the street-fronts and in common areas.

They also have "anchor tenants." These are the businesses customers will go out of their way, making a special trip for. The Apple Store in Station Park is an example of an anchor tenant. Sometimes it can be a signature restaurant, or another major draw to the development.

At Station Park, and other lifestyle retail centers, find wide sidewalks making it pedestrian-friendly, a small ice rink in the winter and large fountains during the summer months, with outdoor seating areas, music, food vendors, restaurants with outdoor dining areas, shade trees every thirty feet or so - the ingredients required to create a sense of place. This is the art of Placemaking.

The word "Lifestyle" is key to making the visit experiential. And it's a key to any downtown development project.

While these faux downtowns provide inspiration for "real" downtowns, they are filled primarily with chain eateries and retail shops. And because they are manufactured, they little in the way of authenticity.



THE PERFECT BUSINESS MIX

Heber City has its own challenges. The city, over the years, became a hodge-podge mix of businesses that want Highway 40 exposure. Both north and south of the downtown core area, the city has dozens of big box retailers, fast food joints, chain restaurants, auto and related dealerships, and strip malls.

Downtowns, on the other hand, are about people, not cars. Successful downtowns are pedestrian-friendly, if not pedestrian-only, and offer a beautiful intimate setting.

There is zero chance of creating this in Heber City where Main Street is a major highway.

In our research, we asked two primary questions:

1. Where could a downtown be developed?
2. What would be included there?

These are the same questions asked during the Envision Central Heber 2050 planning process. The answer was clear and make total sense: use the 50 West alleyway half a block behind Main Street, currently dubbed C Street Trail. This way retailers have the benefit of both Main Street exposure, and access via a pedestrian-oriented district that can be programmed with activities and entertainment, making it experiential.

This plan answers the second question, "what would be included there?"

Over several years, the Destination Development Association (DDA) studied more than 400 successful downtowns, of every size, detailing the retail mix in each - by population size.

Within a three-mile radius of Main Street and 100 South, the current population is approximately 16,000. If you go out seven miles, the population is nearly 21,000 - Heber's primary service area.

In one of Utah's fastest growing areas, that number may be closer to a 45,000 service-area population in short order.

Based on a population of 25,000, here are the local businesses that would be a perfect fit along the C Street Trail:

- Timber Knives
- E-Power Bike and Boards
- Local Grind
- Lee Music
- Midway Bakery
- Chick's Cafe
- Heartland Bread Company
- The Pretzel Connection
- Johnny Adophson Photography
- Innovative Custom Jewelry
- Roonies Ice Cream
- Ritual Chocolates and Coffee Shop
- Five Penny Floral
- Wigglish Toy Store
- Fish Heads Fly Shop
- Trek Bikes Heber City
- Avon Theater
- Corner Treats
- Mountain Wellness Bar
- Taquaria Los Hermanos Mexican Restaurant
- Wonderwall Gallery and Framing

All of these business already exist in Heber City and would increase their sales by moving to, or remaining along, the C Street Trail.

Other shops that would be ideal - and should be recruited to the C Street Trail include:

- Outfitter (hiking, climbing, outdoor gear)
- Butcher shop
- Home Accents, candles, hand-crafted items
- Clothing shops
- Quilting, Stamping, other hobby shops
- Shoes
- Cupcake shop, additional bakery
- Wine shop
- Kitchen Store
- Olive oil and specialty seasonings
- Additional galleries
- Micro-brewery (with food)
- Confectionery
- Frozen yogurt
- Tea gallery
- Ethnic sit-down restaurants
- Market fresh foods

In the three-block C Street Trail, there should be:

- At least fifteen sit-down dining restaurants (including those already in place)
- At least six casual and take-out food services such as coffee shops, delis, confectioneries, cupcakes, gourmet foods, Panini shop, etc.
- At least forty specialty shops

There will be an immediate fear that bringing in "competition," such as more restaurants will kill restaurants already in place. This is simply not true and has been proven to be a wrong assumption hundreds of times. If C Street Trail was home to 30 sit-down restaurants, each one a different ethnicity or specialty, people would drive from Salt

THE PERFECT BUSINESS MIX

Lake City just to have dinner in Heber City.

The more you have of something, the more all will do even better. This is why you see auto malls. Why would Toyota want to be right next to Subaru, Ford and Nissan dealerships? Because they do seven-times the business when clustered together. The same with antique malls, food courts, furniture “districts,” etc.

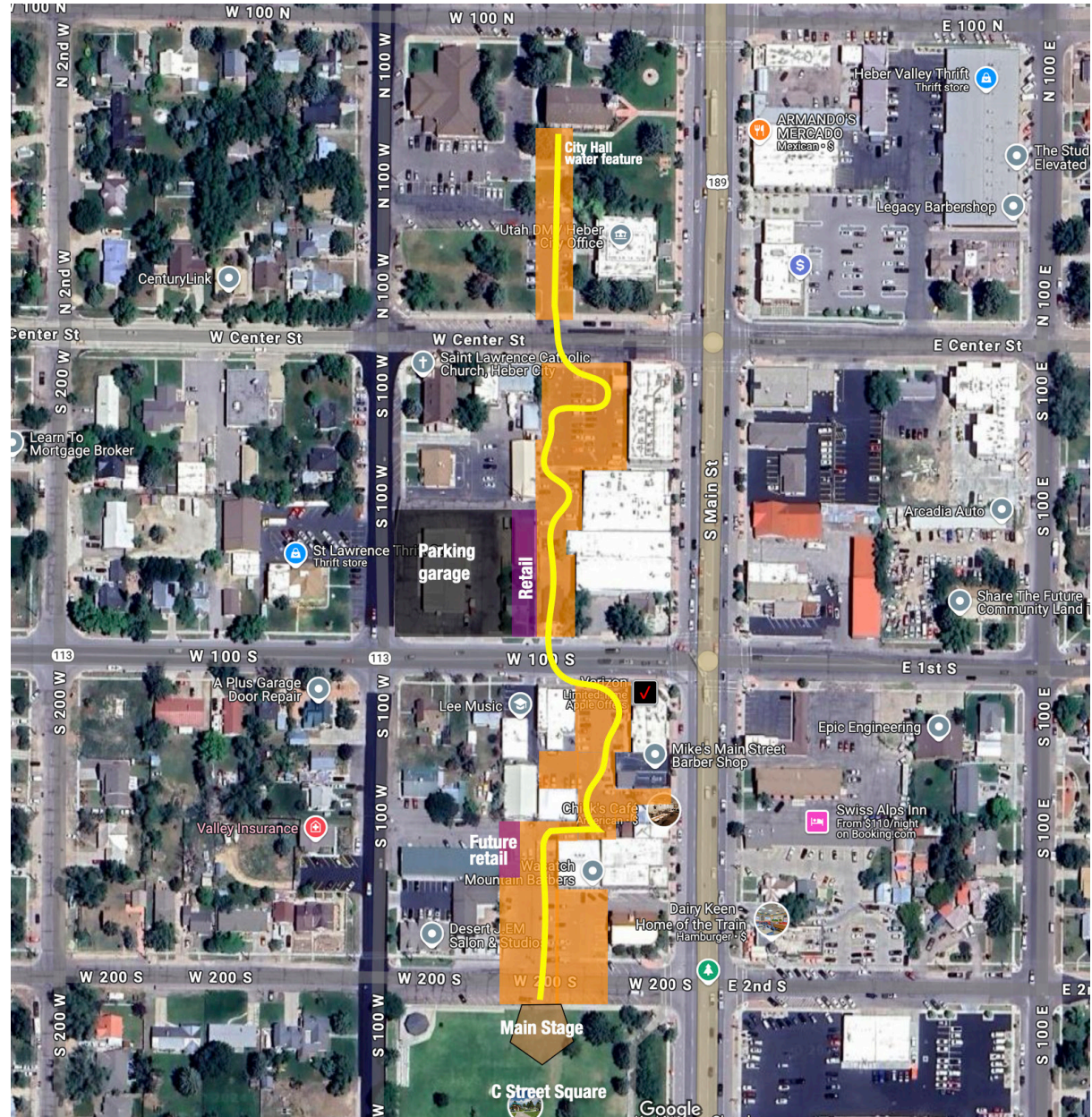
A novel idea promoting restaurants is to put a 14’ flagpole in front of the establishment, showcase a flag of the country they specialize in. A Thai, Mexican, Brazilian, Japanese, American, German, and Swiss flags. This would make C Street Trail an outstanding international cuisine district.

All in all, C Street Trail, when fully developed, should contain approximately eighty specialty shops and dining establishments.

Many of these may be as small as 200 to 400 square feet up to about 2,500 square feet, with full-service restaurants in the 5,000 square foot range.

Every district, like C Street Trail, needs to have at least one “anchor tenant,” a business that, by itself, makes downtown worth a special trip. There are several businesses in Heber that already Anchor Tenants to the city: Dairy Keen, The Hub, and Back 40 Ranch House Grill quickly come to mind. There may be others as well. Having several of these along the C Street Trail will be very important for its long-term success.

Upper floor businesses are perfect for mixed-use professional service businesses and residential units.



C STREET TRAIL

Downtown hotels command higher average daily rates than do highway hotels and having limited service lodging along the C Street Trail would be a boon to the city and to C Street retailers and restaurants.

C STREET TRAIL

The C Street Trail - Heber City's pedestrian-only retail shopping, dining and entertainment district - is just in the very beginning of the planning process.

As the Envision Central Heber 2050 plan was being developed, the rendering (below right) showed how this district would look and feel.

It shows street trees, vendor booths, outdoor dining areas, a food truck, fire pit, retail awnings, soft overhead lighting, down-facing street lights - all in a very pedestrian-friendly setting.

Many saw the buildings as a future removal of all existing buildings in order to create new buildings along the lines of what is shown in the rendering. That couldn't be further from the truth unless private property owners want to embark on a project like what is shown.

The overhead view (opposite) is more in line with how the C Street Trail would be developed.

As you can see, only one building has been removed, and perhaps could be relocated. And that's the E-bike shop along 100 South. This is a business that is perfect in the C Street Trail so there's no intention of removing them, but perhaps over time, they could be accommodated in one of the shops along the trail.

The area colored in orange would become the "pedestrian mall." The yellow line or "trail" simply shows how pedestrians could access all of the shops and eateries in this three-block district.

The C Street district would be anchored at the north end by City Hall and the Timpanogos Valley Theatre and the Main Stage at Trailhead Plaza.

On the corner of W 100 S, plans call for the development of a 450+ public parking garage, with ground floor retail facing C Street Trail.

This alleyway is largely privately-owned with some public access along the route. The private properties are currently used for parking and, in total, include about 185 parking spaces.

The goal is to have local businesses and property owners convert this space to beautification, patio dining, water features, and event space. In exchange, staff and customers would use the parking garage, which gives them covered parking and only a one-block walk to any of the businesses along the Trail.

The Trail would be open each morning for delivery access (typically before 10:00 AM) and for emergency vehicle access. Bollards would be placed at each cross street, and these can either be manually or electronically lowered and raised as needed.

Property owners would be encouraged to develop the "backs" of their buildings facing C Street so they have front door access on both Main and C Street. This is exactly what they did in Caldwell,



C STREET TRAIL

Idaho so that downtown businesses could front their Main Street and Indian Creek Plaza.

In order to encourage property owners and local businesses to make these changes, the city, working with CAMS (Community Alliance for Main Street) to program C Street with a varieties of activities in a beautifully landscaped setting - basically extending Trailhead Plaza activities throughout downtown.

While this is very early in the actual planning process for C Street Trail's development, the goal is

to work with private-sector property owners and investors, as well as local businesses to make this a win-win for them.

The city would create a great public-access atmosphere while the private-sector would develop the retail, restaurants, facades, and on-site amenities and activities.

The ultimate goal is to create a central gathering place that is lined with small shops, cafes, and restaurants away from the noise of tanker trucks and heavy traffic in a safe, inviting and appealing

setting, like you see in the photo, below.

This is coming to downtowns across North America, and how it's been for centuries throughout Western Europe.

A plus for the C Street Trail is rather than having a straight row of shops, the Trail will actually meander around some shops making it far more interesting with something new to discover around each corner or around each collection of shops.

There are some businesses already in this area that would not be part of the "highest and best use" of these properties.

All of these businesses are wanted, and needed, in Heber City, but over time they might decide to locate in upper-floor spaces or in other areas more suitable to their business.

Sometimes this includes "rearranging the business mix" so that destination retail is placed along C Street Trail, and neighborhood retail (banks, pharmacies, shoe repair, etc.) are in another well-defined area of Heber City.

This has worked well in cities like Park City; Jackson, Wyoming (Jackson Hole); and Sisters, Oregon.

Roger Brooks was working in Jackson, Wyoming as they focused on becoming one of the largest arts towns in the U.S., with a focus on Native American and Western art, including western furnishings and home accents.

One of the existing businesses in the core downtown area happened to be an insurance agency and they owned the building. He, and other similar businesses, had no intention of moving and



none were forced to do so.

Over time, downtown became home to more than eighty-five galleries and western living shops, and the insurance agency realized they could lease their property to a “destination retail” shop, which commands a higher rent, and then move to another part of town (just a couple of blocks away) where other like “local” businesses were located.

As C Street is developed, the business mix will organically shift to meet the needs of the customers that are in front of their buildings.

ZONING

It is recommended that the C Street District have a zoning overlay that does not allow for chains and franchises along the C Street Trail.

This keeps the Trail organic to Heber City with local shops and eateries.

Remember that the Trailhead Plaza is a business incubator with the goal of helping grow businesses on the plaza in small kiosks and retail spaces, and then move into inline permanent locations along the C Street Trail or in other areas of downtown Heber City.

This district should also have strict design standards, blade signs in a uniform height and size, no backlit signage (a neon open sign would be allowed in shop windows), and other ordinances specific to the district.

Awnings should be encouraged and other elements and guidelines encouraged. This can be done by creating a “C Street Trail Guidelines and



Options” book with photographic examples that include seasonal decor, window displays, exterior facade treatments, extension of window displays to exterior spaces, sidewalk cafe seating, benches, pots and planters, etc.





PARKING

PUBLIC PARKING

LONG TERM SOLUTIONS

The old model of so many parking spaces per square foot of office or retail no longer applies in high-density shopping, dining and entertainment districts - core downtown areas. In fact, that model has, for the most part, been out of date for more than twenty years.

And with downtowns finally focusing on people instead of cars and parking, great solutions are now in play.

Typically, the city will build parking structures (often they are privately developed in large urban cities) and new development projects pay an in lieu fee to help offset the cost of providing public parking.

This way development can concentrate on the highest return on investment, which includes retail, office, lodging, food services, and entertainment venues instead of taking up valuable space for parking lots.

The Envision Central Heber 2050 plans call for high-density development with a focus on a mix of uses in a beautiful, pedestrian-friendly environment.

In reviewing the 2050 plan, the types and quantities of businesses that will, over the next twenty-five years, be developed in downtown Heber, and then including public parking already in place (primarily street-front parking), there will be a need for an additional 1,200 parking spaces.

This is in addition to the approximately 380 city-owned street-side parking spaces along Main

Street, on each side street one-block east and west from 100 N to 400 S. This does not include any public parking along the E 100 and W 100 blocks throughout the district.

This would serve the core high-density district, which would have its own “parking district” and set of rules that differ from traditional surface parking lots both north and south of the core business district. The Central Heber Parking District (see map, opposite) would encompass the blocks from 100 North to 400 South along Main Street and, from west to east would include 150 West to 150 East.

Should properties along 100 W and 100 E be zoned for commercial use, in the future, then those properties would fall under the Central Heber Parking District.

The district includes ten square blocks, and over time, this Parking Plan includes the development of three 400+ space parking structures, two on the West side of Main, and one on the East side of Main.

Each of these would include ground floor retail where they face Main Street or the C Street Plaza and would have decorative screening so that they aesthetically pleasing.

Location ideas have been discussed, but no determinations have been made, at this point. The first, and primary structure, will be located on publicly owned land (see yellow square, opposite), but the other two sites may be developed on privately-held properties.

SHORT TERM SOLUTION

The goal is to create the first parking structure in 2026, with 2025 set aside for property acquisition, architecture and engineering, fundraising, permitting, site clearing and prep, etc.

Because this structure will open onto the future C Street Trail, retail frontage will be placed on the street level of the parking garage. This could extend up two stories, as they did (opposite far right) in downtown Boulder Colorado.

If you look at the large photo on Page 14, you'll see retail on the ground floor, office space on the second floor, and if you look closely, you can see the parking structure behind these frontage uses.

The recommended parking structures would include three parking decks, plus ground floor parking behind the retail shops, providing four levels of parking, including the roof level.

Each of the parking garages would likely be a public-private partnership with the private-sector ownership and development of the retail and upper floor uses (if any). Some of the spaces within the garage would be condominium parking stalls for the use of those tenants and property owners.

This should still allow for more than 300 public-use parking spaces in the structure.

Once C Street Trail has been developed, the businesses along the trail would use the parking structure (185 spaces when every space is full), still leaving well over 100 spaces for customers.

The other two parking structures will need spaces in each to accommodate retail as part of the struc-

PUBLIC PARKING



ture, but wouldn't need to offset the loss of parking in the C Street Trail district.

PARKING FEES

To help offset the cost to develop these structures, there would be a charge to use the parking garage. The trick is to make the parking "worth the cost." If you ever attend an NFL game or other major sporting event, or a major event you'll find parking fees range from \$10 to \$30 and attendees are often willing to pay that for the convenience. A good chunk of attendees will take public transit, Uber, Lyft or micro-transit to attend these.

A good model for Heber City would be a fee along the lines of \$1 per hour, up to a maximum of \$5 per day, with no time limits in each 24-hour period.

To have covered parking during the hot summer months and icy winter months (except for the roof level) makes this a valuable, and worthwhile expense.

By charging no more than \$5 also incentivizes customers to stay longer. After all, after the first five hours, it's free. This also is a benefit to workers who might uses a parking space for nine hours each day (including lunch period).

If a 450 spaces garage averaged seventy-percent occupancy, and accommodated two turns (a person for five hours, and a second person in the same spot

for an additional five hours), the garage would generate \$3,150 per day or \$1,134,000 a year in parking fees. This is conservative at both seventy-percent and only ten hours of use each day, so revenues would likely be higher than this.

While most parking structures are now automated, there will typically be at least one of two people assigned to work in each garage for security, maintenance, and customer assistance. Other costs include insurance and capital costs.

But that should still provide about \$500,000 per year to offset the cost of development.

Depending on the arrangement with retail development at each structure, additional revenues would be realized to help offset the cost of development. Particularly the full cost of developing the spaces they would "own."

The photos, left, show three examples of parking with first, floor retail and decorative facades.

CITY-OWNED STREET-FRONT PARKING

The city (and county) currently is home to 380 on-street parking spaces along Main from 100 North to 400 South, and one block east and west from Main. This does not include parking along E 100 and W 100 blocks.

Initially, we recommend that no parking fees be charged for use of these spaces, but that an three-hour time limit be strictly enforced to encourage parking beyond three hours in the garages where not time limits are imposed.

PUBLIC PARKING



DEVELOPMENT FEES

For each new development within the Central Heber Parking District, for every 350 square feet of retail or office space, the developer would pay an in lieu fee of \$4,000 to help offset the cost of a parking structure.

Current city ordinances call for three parking spaces per 1,000 square feet. This is in keeping with that ratio.

The average cost of develop a single surface parking space, not including land acquisition, is approximately \$8,000. So this fee should not be an impediment, at all, and is actually great incentive to develop high-quality retail, office, restaurant, or living/lodging spaces within the district.

The average cost of developing a multi-level parking garage is typically \$30,000 to \$35,000 per space, with attractive screening.

No business within this zone would be required to provide parking.

With reagrds to upper level lodging or residential the in lieu fee would be as follows:

Hotel rooms	\$4,000 per room	(1 space)
Studio living	\$4,000 per unit	(1 space)
One bedroom	\$6,000	(1.5 spaces)
Two bedroom	\$8,000	(2 spaces)
Three bedroom	\$12,000	(3 spaces)

These figures also accommodate guest and staff parking.

HIGH VALLEY TRANSIT

Wasatch County recently passed a levy that allows for expanded High Valley Transit services throughout the county.

The Trailhead Center will be a transit stop, and we recommend that four other easy-to-identify stops, with covered shelters be located at or near:

- 1) The Timpanogos Valley Theatre (serving it as well as the city and county offices)
- 2) At the current Heber Valley Tourism offices (500 N and Main)
- 3) At or near the police department building
- 4) At or near Dairy Keen or the Swiss Alps Inn.

The photo, opposite top left, shows one of the “Trolley Stops” used in Gatlinburg, Tennessee. The photo below that shows the trolley stop in Springdale, Utah.

Schedules, QR codes, and other information should be posted at each location, along with contact information for Micro-Transit services.



PUBLIC PARKING



EVENT PARKING & SHUTTLES

For large-scale events (about thirty each year), off-site parking would be accommodated with shuttles running every 20-minutes between the parking and event location (typically Trailhead Plaza).

The goal is to provide event parking on the west side of town near the fairgrounds, ballfields, rodeo grounds, and future high school. We took the liberty of showing the parking next to the county ball-fields, if it were paved with a transit stop to see how many spaces it can accommodate (see lower right concept). There are 480 spaces here. The goal is to not have competing events at the

same time. For major sporting events, it would be beneficial to provide shuttles between the sporting facilities (and the scenic railroad across the street) to Trailhead Plaza and downtown.

Then during Trailhead Plaza events, the shuttles would offer rides from parking on the West side to downtown.

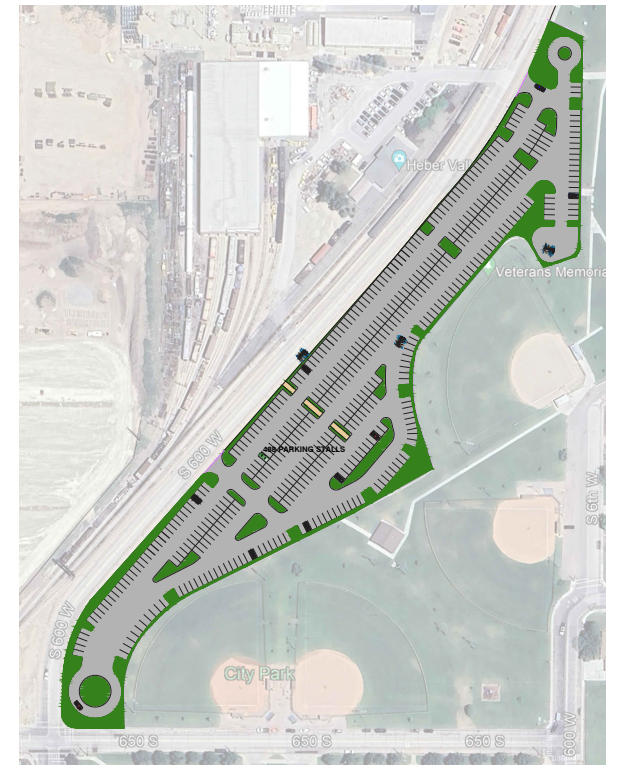
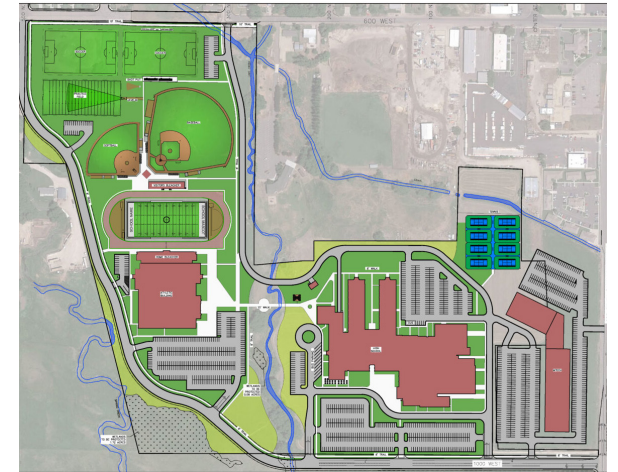
There will be more than a thousand parking spaces in the Depot and Old Town Heber area once the high school is built.

During weekends, and during the summer months, perhaps an arrangement can be made with the school district to also utilize its parking areas larger downtown events.

And the same could be done with the fair and rodeo grounds - and other parking areas in this part of town.

Over time, and by the time the Winter Olympics take place (2034), Heber City may decide to purchase two or three rubber-tire trolleys (top right photo) and provide its own shuttle service, every 15-minutes between the west side of town and downtown.

Studies have shown that event guests will typically wait up to 15 minutes to catch a shuttle. Otherwise they will simply drive.





Contact Information

Destination Development Association
5919 Hwy. 291 Suite 1-187
Nine Mile Falls, WA 99026
(206) 241-4770

Email: Becky@DestinationDevelopment.org
www.DestinationDevelopment.org

 **Destination Development
Association**

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1) The plan we created is a 25 year plan based on the Envision Central Heber 2050 Plan. The parking is what you'd need IF the Central Heber Plan was fully implemented.

2) Downtowns are now about where we go after work and on weekends. Even the plaza's primary hours would be from 4:00 pm to 9:00 pm

3) Downtowns are now about small Etsy-style shops (500 to 1,200 square feet). The butcher, the baker, the candlestick maker. Things we don't buy on Amazon or at Smith's or Walmart. That's the future of C Street.

4) Development of the plaza: It will be home to about 300 residents at any one time. With three people per vehicle you would need about 100 parking spaces to accommodate all but large events.

5) Create a "Parking district" from 100 N to 400 S along Main - one block east, one block west. As new development comes in, they would pay an In Leu fee of \$4,000 for every required parking spot. This money would be set aside for future development of a parking structure that would be built perhaps five to seven years down the road - as C Street is developed.

6) No other areas of Heber City would undergo changes in parking requirements. Just this pedestrian-oriented and focused area of downtown.

6) What about between now and then?

7) The City already has 335 public parking spaces in this district. Few people know about them:

- 161 spaces: Around the City Hall/Timpanogos Valley Theatre/County building
- 50 spaces: Around the park - NOT counting ANY along 100W
- 41 spaces: Center Street (West side), S100W - NONE on S 100 since that's a state highway
- 50 spaces: Around the police station

This is more than 300 spaces of which only 50 are across the street (police station) from the plaza and C Street.

SOLUTIONS FOR THE NEXT FIVE YEARS AND WHILE C STREET IS BEING DEVELOPED

1) The city needs wayfinding signage to public parking areas ("FREE After 5:00 public parking")

2) The city should secure easements to use business, city hall, county courthouse, and church parking when not in use by the business or days not in use by churches.

- Example: A bank may put up signs that say "Evening Parking here, courtesy of Zion Bank" - a community service
- In exchange, city street sweepers (or contractors) would sweep their parking lots at no charge to them perhaps every other week
- This, alone, could add another 100 parking spaces downtown

3) Striping along W 100 from the Timpanogos Valley Theatre to the plaza.

- Angle in parking on the east side of W 100 would provide 26 parking stalls WITH bulbouts at each end of each block - this is 26 spaces per block
- No parking across the street (I don't think it's wide enough for angle-in on one side, and parallel on the other - but I could be wrong)
- This would net an additional 117 parking spaces (4.5 blocks)

4) For larger events, put up temporary signage directing people to park off-site near the depot, future high school, etc. Then work with High Valley Transit to run shuttles every 20-minutes between the two locations.

These four things would provide more than **500 parking spaces** in just a four block area of downtown!

All of this could probably be done for about \$70,000.

This includes striping along W 100 for several blocks, developing wayfinding signage (working with UDOT on that), moving the crosswalk from in front of Karl Malone's dealership to Main and 200 S (UDOT). And this is if the city paid for the highway-related projects. It doesn't include the cost of bulb-outs along W 100, but those can be done down the road or as grants become available. Tied to those I'd develop sidewalks along the street between City Hall and the plaza. If UDOT move the crosswalk at their expense, the cost would probably only be about \$40,000. And even that doesn't have to be done on day one.

If you started with wayfinding, that could be done for less than \$20,000. Signage would along Main, both directions.

FYI: We studied 100 programmed plazas in the U.S. and Canada, and 70 of them were built on existing parking lots and NONE of them made up the parking. Yet 100% of them have been hugely successful. In this case, you are only losing about 5 spaces - for the stage. That's it! People will learn to use Micro-Transit, or they will see that it's an easy walk from City Hall or other easily identifiable parking areas.

I would encourage you, and the council, to read the book "Paved Paradise: How Parking Explains the World" by Henry Grabar. He calls all parking "storage spaces." "Where can I store my car for the next four hours while I go to work or spend time on the plaza." The days of building modern cities around vehicles is coming to a close. Downtowns are about people, not cars. This book is a hoot to read. As it says on the cover "Consistently entertaining and often downright funny. - The New Yorker."

Let me know if this works for you!

Roger Brooks

Helping craft amazing destinations

www.DestinationDevelopment.org

[YouTube.com/@DestinationDevelopment](https://www.YouTube.com/@DestinationDevelopment)



5919 Highway 291 Suite 1#187

Nine Mile Falls, WA 99026

(206) 241-4770

Heber City Council
FY '25/'26 Policy & Budget Priorities
Established 1/18/25; Adopted TBD;

Policy/Budget Priorities					
Priorities	Description/Strategy	Operationalizing Strategy	Target	Responsible	Status
Leadership Role in 2034 Olympic Games Planning	Assume leadership role in planning and leveraging 2034 Olympic Games for the benefit of the community and to advance Council's priorities and economic opportunities for Heber City	Initial opportunities include 1) locating Soldier Hollow parking closer to downtown; 2) host a "live site" at Heber City Park during the Games; 3) advance Heber Valley Corridor design and construction; and 4) transform Hwy 40 through downtown into a walkable, pedestrian friendly atmosphere. Create Council committee to represent Heber and lead initiative.	Ongoing Q1	MB/CC	Ongoing
Execution of Envision Central Heber Initiative	Begin taking assertive and strategic actions to realize Envision Central Heber vision	<p><u>Main Street District (MSD)</u></p> <p>City Square</p> <ol style="list-style-type: none"> 1. Evaluate public input prior to adopting Roger Brooks Plaza Design, Programming and Management Plan 2. Adopt, after final review, the Plaza Design, Programming and Management Plan 3. Complete Phase 1 of park improvements (Main Stage and 200 S.) 4. Commence subsequent phasing as resources permit. <p>Parking</p> <ol style="list-style-type: none"> 1. Finalize policy and begin executing strategy for increasing parking opportunities in downtown area 2. Utilize Roger Brooks recommendations to draft policy supporting increasing parking strategies. 3. Leverage shared parking agreements in downtown area to increase parking opportunities. <p>C-Street</p> <ol style="list-style-type: none"> 1. Implement formalizing initial path for C Street between 200 S. and Center Street. 2. Adopt policy to require redevelopment to recognize "final" C-street pedestrian avenue. <p>Zoning/Land Use</p> <ol style="list-style-type: none"> 1. Complete overlay zone and supportive changes for Central Heber Overlay Zone (CHOZ) <p>Infrastructure</p> <ol style="list-style-type: none"> 1. Complete design for 100 W. -- priority blocks are located between 100 N and 300 S. 2. Develop strategy to bury power lines 	<p>City Square</p> <ol style="list-style-type: none"> 1.Q1 '25 2.Q2 '25 3.Q2 '25 4.Ongoing <p>Parking</p> <ol style="list-style-type: none"> 1.Q2 '25 2.Q2 '25 3.Q2 '25 <p>C-Street</p> <ol style="list-style-type: none"> 1.Q2 '25 2.Q2 '25 <p>Zoning</p> <ol style="list-style-type: none"> 1.Q2 '25 <p>Infrastructure</p> <ol style="list-style-type: none"> 1.Q1 '26 2.Q2 '25 3.Q4 '25 	<p>City Square MB/CC/RB/TK</p> <p>Parking MB/CC/TK</p> <p>C-Street TK</p> <p>Zoning TK/CC</p> <p>Infra. RF/CC/MB</p>	<p>City Square</p> <p>Infrastructure</p> <p>3.Awarded \$120k grant for planning process. Currently entering into grant agreement.</p>

Policy/Budget Priorities					
Priorities	Description/Strategy	Operationalizing Strategy	Target	Responsible	Status
		<p>3. Mainstreet Enhancements: develop concept plan for Main Street enhancements. Transitioning to shovel ready plans to present to UDOT/Legislature for funding.</p> <p>Funding</p> <ol style="list-style-type: none"> Evaluate changes to CRA boundary area. Evaluate and seek grant opportunities. <p>Property Acquisition</p> <ol style="list-style-type: none"> Acquire strategic properties, through purchase, to advance Central Heber Vision. Priority property purchases include County fire station property; HL&P administration building property; and County administration building property. <p>Branding & Promotion</p> <ol style="list-style-type: none"> Finalize branding for C-Street and park. Develop and implement promotion plan for downtown <p>Park Programming</p> <ol style="list-style-type: none"> Execute MOU with CAMS for park programming <p><u>Arts & Recreation District (ARD)</u></p> <ol style="list-style-type: none"> Continue focused discussion with stakeholders to realize vision for area. Initial plan presented on 1/20/24. <p><u>Central District</u></p> <ol style="list-style-type: none"> Complete zoning changes in Central District. Consider Roger Brooks recommendations for place making, including use design and chain stores. 	<p>Funding</p> <ol style="list-style-type: none"> Q1 '25 Ongoing <p>Property Acquisition</p> <ol style="list-style-type: none"> HLP Q1'25 County 2025 <p>Branding</p> <ol style="list-style-type: none"> Q2. '25 Ongoing <p>Programming</p> <ol style="list-style-type: none"> Q2'25 <p>Art & Rec. District</p> <ol style="list-style-type: none"> Ongoing <p>Central District</p> <ol style="list-style-type: none"> TK/CC TK/CC 	<p>Funding</p> <p>SN/MB/CC MS/NO</p> <p>Property</p> <p>MB/CC</p> <p>Branding</p> <p>RB/CC</p> <p>Programming</p> <p>MB</p> <p>Art & Rec.</p> <p>MB/CC</p> <p>Central</p> <p>TK/CC</p>	
Airport Compliance	Remain compliant with FAA grant assurances and settlement agreements	<ol style="list-style-type: none"> Complete environmental assessment Settlement compliance 	<ol style="list-style-type: none"> Q1'26 Ongoing 	TB/MB TB/MB/CC	
Heber Valley Arts Center	Continue support for Arts Center	<ol style="list-style-type: none"> Execute on Ground Lease and Parking Agreement Continue strong relationship with stakeholders—WCAC & Jordanelle Ridge 	<ol style="list-style-type: none"> Ongoing Ongoing 	CC/MB/JC	<ol style="list-style-type: none"> Ground Lease & Parking Agreement adopted in Jan. '24. Ongoing
Infrastructure & Building Investments	Complete existing infrastructure projects: -Central Heber Water & Sewer Line Replacement Project -Pressurized Irrigation Project (PI) -Cemetery Columbarium and Adm Building	<ol style="list-style-type: none"> Adopt annual supporting rate increases. Work to keep projects on time, on budget and on scope. 	<ol style="list-style-type: none"> Q4 '25 Ongoing 	RF/MB/CC/ CD/MR	
Year of the Parks Continued	Begin construction on Phase 1 of Muirfield Park Expansion and finish Coyote Springs Park	<ol style="list-style-type: none"> Complete construction of Coyote Spring Park. Complete plans and environmental review for Muirfield Park expansion Bid Muirfield Park Identify and seek grants to offset funding of parks. 	<ol style="list-style-type: none"> Q2 '25—targeting Memorable weekend. Q3'25 January '26 Ongoing 	MR/MB/CC/ NO	

Policy/Budget Priorities					
Priorities	Description/Strategy	Operationalizing Strategy	Target	Responsible	Status
Transportation Focus	Consider ways to effectively address current and future transportation challenges and opportunities	1.Complete transportation study 2.Evaluation of recommendations	1.Q2'25 2.Q2'25	RF/CC	
Gateway/Park/Way Finding Signs	Finalize plans for gateway/park/way finding signs	1.Finalize designs for gateway/park/way findings signs. 2.Implement designs	1.Q3'25 2.Q4'25	TK/MB/MR/ RB/CC	
Affordable Housing Plan	Move the needle on developing and realizing affordable housing in Heber community.	1-Affordability Ideas A) Negotiate greater affordability with existing affordable housing obligations (80% AMI to 120% to 60% AMI) B) Explore City owned land opportunities, swapping land, use of County and/or District property for AH C) All projects to have permanent deed restrictions D) Evaluate utilization of different housing types E) Evaluate government funding opportunities F) "City Purchase Land" (Governor's Initiative) G) Look to create partnerships with AH organizations 2-Location A) Negotiate more viable locations with existing obligations B) Explore opportunities for affordable housing projects in CRA and central neighborhoods of Heber 3-Ordinance A) Amend City's AH ordinance to eliminate required payment of fee-in-lieu to WCAHA and increase fee-in-lieu	1-Ongoing 2-Ongoing 3-Q2'25	TK/MB/JC/CC	

Heber City Council
2025 Strategic Retreat Action Register
Established January 18, 2025

Execution Strategy					
Action Item	Description	CC	Target	Responsible	Status
TAP Tax Promotion	Robustly promote TAP Tax and projects funded via the tax	All	Ongoing	RB/MB	
Traffic Enforcement	Enhance traffic enforcement tactacs--300 E, 300 W, 500 E.	Barney	Q1	PS	
Council Chambers A/V	Resolve A/V issues in council chambers. Hide cords to facilitate more professional look	All	Q1	MS/AB	
Land Dedication	Evaluate how city might donate land to domestic violence center	Franco	2025	MB	
Legal Communications	Review internal process for legal review of city contracts and communications with Council	Cheatwood	Q1'25	JC	
N. Village Preservation Fee	1.Present to City Council alternatives for N. Village Preservation Fee 2.Adopt proclamation supporting efforts to keep N. Field as open space	All	Q2 '25 Q1'25	TK JC	
Water Losses	1.Find cause(s) Of water loss. 2.Reduce water loses to acceptable standards	Franco	1.Q4'25 2.Ongoing	RF/MK	
Historic Presentation	Establish Heber's Historic Preservation District	All	Q3'25	MB/TK	
Dark Sky PR Campaign	Kick off comprehensive dark sky PR campaign	Barney	Q2'25	RB	
Business Processes	Evaluate internal business processes for purpose of improving customer service	Cheatwood	Q2'25	MB	
Inflationary Tax Increase	Consider annual inflationary tax increase	Cheatwood	Annual	SN	
E-Bike Policy	Policy adoption and PR campaign	Barney	Q2'25	PS	
Recycling	Improve Heber City organization's recycling ethic	Barney	Q2 '24	MS/RB	
Small Business Support	1.Coordinate with Dallin Kocher for an Economic Development Report 2.Work with Dallin Kocher to develop specific training opportunities for small businesses	Cheatwood	1.Q1'25 2.Ongoing	MB	
SMART Program	Adopt SMART program for incentivizing staff to innovate	Cheatwood	Q1'25	MB/CA	
Staffing	1.Evaluate staffing requests in FY '26 budget 2.Develop metrics to assist in justification of staffing increases 2.Identify means to fund staffing requests—including tax increase of service level adjustments	Franco Barney	1.Q2'25 2.Q2'25 3.Q2'25	LEAD	

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Policy/Budget Priorities					
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Airport Compliance	Remain compliant with FAA grant assurances and settlement agreements	1.Complete environmental assessment 2.Settlement compliance	1.Q1'26 2.Ongoing	TB/MB TB/MB/CC	
Heber Valley Arts Center	Continue support for Arts Center	1-Execute on Ground Lease and Parking Agreement 2-Continue strong relationship with stakeholders—WCAC & Jordanelle Ridge	1-Ongoing 2-Ongoing	CC/MB/JC	1-Ground Lease & Parking Agreement adopted in Jan. '24. 2. Ongoing
Infrastructure & Building Investments	Complete existing infrastructure projects: -Central Heber Water & Sewer Line Replacement Project -Pressurized Irrigation Project (PI) -Cemetery Columbarium and Adm Building	1-Adopt annual supporting rate increases. 2-Work to keep projects on time, on budget and on scope.	1.Q4 '25 2.Ongoing	RF/MB/CC/CD/MR	
Year of the Parks Continued	Begin construction on Phase 1 of Muirfield Park Expansion and finish Coyote Springs Park	1-Complete construction of Coyote Spring Park. 2-Complete plans and environmental review for Muirfield Park expansion 3-Bid Muirfield Park	1-Q2 '25—targeting Memorial weekend. 2-Q3'25 3-January '26	MR/MB/CC/NO	

Heber City Council
2025 Strategic Retreat Action Register
Established January 18, 2025

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Legal Communications	Review internal process for legal review of city contracts and communications with Council	Cheatwood	Q1'25	JC	
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Water Losses	1.Find cause(s) Of water loss. 2.Reduce water loses to acceptable standards	Franco	1.Q4'25 2.Ongoing	RF/MK	
Historic Presentation	Establish Heber's Historic Preservation District	All	Q3'25	MB/TK	
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Recycling	Improve Heber City organization's recycling ethic	Barney	Q2 '24	MS/RB	
Small Business Support	1.Coordinate with Dallin Kocher for an Economic Development Report 2.Work with Dallin Kocher to develop specific training opportunities for small businesses	Cheatwood	1.Q1'25 2.Ongoing	MB	
SMART Program	Adopt SMART program for incentivizing staff to innovate	Cheatwood	Q1'25	MB/CA	
Staffing	1. Include funding for 2 Uniformed Officers in PD 2. Evaluate staffing requests in FY '26 budget 3. Develop metrics to assist in justification of staffing increases 4.Identify means to fund staffing requests, including tax increase of service level adjustments	Franco Barney	1.Q2'25 2.Q2'25 3.Q2'25 4.Q2'25	LEAD	

HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Heber City Council Meeting
AMENDED AGENDA
December 17, 2024

DRAFT Minutes

4:00 p.m. Work Meeting
6:00 p.m. Regular Meeting

I. WORK MEETING - 4:00 P.M.

Mayor Heidi Franco called the meeting to order at 4:00 p.m. and welcomed everyone present.

City Council Present: Mayor Heidi Franco
Council Member Yvonne Barney - arrived 4:03 p.m.
Council Member Aaron Cheatwood - arrived 4:03 p.m.
Council Member Mike Johnston
Council Member Sid Ostergaard
Council Member Scott Phillips

Staff Present: City Manager Matt Brower
Assistant City Manager Mark Smedley
Planning Manager Jamie Baron
City Engineer Russ Funk
Deputy Chief of Police Branden Russell
City Attorney Jeremy Cook
Finance Manager Sara Jane Nagel
Parks and Cemetery Director Mark Rounds
City Recorder Trina Cooke

Staff Participating Remotely: Public Works Director Matthew Kennard, IT Specialist Anthon Beales, Human Resources Manager Cherie Ashe, Engineering Administrative Assistant Desiree Muheim, Planner Jacob Roberts, Engineer Kyle Turnbow, Deputy City Recorder Robin Bond, Finance Director Sara Jane Nagel, and Wendy Anderson.

Also Present: Deborah VanLeeuwen, Bill Coleman, Giny Tuite, David Remington, Wells Barker, Creighton Lowe, Marria Rust, Ray Rust, Clint Barker, Joseph A Provetto, Neil Goldman, Dave Parry, Todd Anderson, Andrew Dorobek, Jason Glidden, Maxx Cohen, Launa Murdock Nielson, Marian Crosby, Ken Crosby, Kathie Coleman, Tori Broughton, Donna Keynish, Del Barney, Russell Skousen, Shawn Harrison, Randy Christ, Rick Wooton, Adrienne Aubinder, Dave Anderson, Naomi Kisen, Andrea Clayton, Chris McGowan, Bryanna Layer, Mark Blossil, Ryan Lawson, Renea Nilsson, Tom Wardle, Allison Salisbury, Doug Murdock, Mark Austin, Beth Tryon, Nathan Morris, Greg Wittstock Liz Lange, Holly Bodily, Sarah Severson, Trevor Thinnes, Max Norr, Jonathan and Tami Harrison, and others who did not sign in or whose handwriting was illegible.

Also Attending Remotely: (names are shown as signed-in online) Christen Thompson, Heber

Landowner, Jeremy Call, Jon, Kristi Carter, Mark, Mitch, Sherry, Mesia Swan, TMT, AHS, Ashley, B, Becky, Bobbi Jo Wilkerson, Brad Ehlert, Brad Winegar, Brian, C Lewis, Cameron, Cami Bingham, Catherine, CB, CC, Clara Hatcher, Cw, Cygrymus, D, Eric Hales, Fiala, George Lang, Grace Doerfler, Ileana A, J, Jacob Christensen, Jake, Jami Hewlett, JB, Jen, JH, Josh Barnes, Kandy Winegar, Katie Wilking, Kelli, L.L., Lake Creek, Larie, Lauri, Leah Hallows, Lindsay, Lisa Salisbury, Lynn Baum, Marc, Mark, Max C, Meh, Michael Demkowicz, Miller Wright, Mitch, Nick Lopez, Phil's cellphone, RK, Ronda, Ruth Jarvis, SandyPotts, Shellie Barrus, SRH, Stefanie, and Todd Anderson.

The meeting was moved forward to Work Meeting item two.

1. Request from Jordanelle Ridge to Modify Upper Village Transportation Master Plan (Russ Funk, City Engineer) - *30 min*

City Engineer Russ Funk explained that the agenda item was not ready for Council approval that evening but he was seeking Council direction. Jordanelle Ridge wished to make one of the roads private within a private development and Mr. Funk wished to obtain Council opinion regarding the request.

Jordanelle Ridge representative Mike Bradshaw described the development's effort to accommodate emergency services in the proposed development area. He further explained the requested changes to accommodate the proposed plan including describing the road grades. He outlined the existing and intended trails in the area as well as the proposed development design plan and golf course. There would also be land dedicated for a new fire station, a police station, and a snow plow base.

Council Member Phillips thanked Mr. Bradshaw for the Jordanelle Ridge trail system that was more expansive than the Wasatch State Park's trail system on the other side of the Valley. He was concerned about the fire danger in the area but supported a private road. Council discussed a private road versus a City-owned road, accessibility for fire trucks and emergency services, as well as connectivity to Little Pole Road.

Public Works Director Matthew Kennard felt that the private roads needed to be built to City standards in order to eliminate concern if the City were to maintain the roads. Council majority supported Staff continue working with Jordanelle Ridge and forward a recommendation to Council for a private versus public road.

2. Vacant properties surrounding Timpanogos Middle School and Old Mill Elementary School (Ginny Tuite, Bill Coleman) - *30 min*

City Planner Jamie Baron shared an image of a map reflecting the area to be discussed. He reminded Council of the City's MOU (Memorandum of Understanding) with Wasatch County regarding the City's expansion area map. The MOU agreement stated that the City would not annex east of Mill Road which was where the property was located.

Petitioner Phil Coleman described the proposal for the land at 1200 South and Mill Road. He felt it would be appropriate if the location was used to install high density affordable housing based on the public service facilities in the area including schools, a library, and shopping facilities.

Council Member Phillips shared that he had contacted County Council Members and discovered the County was not interested in changing the boundary outlined in the MOU. He proposed the petitioners negotiate with the County for the proposed development. Petitioner Giny Tuite explained that they had approached the County and the County had sent them to the City to hold the discussion. Discussion continued. Consensus of Council majority was to not modify the annexation policy plan boundary to consider the request of the petitioners to annex the property into City limits.

The meeting returned to Work Meeting agenda item one.

3. Ordinance 2024-24 North Village Development Annexation (aka Resort-Crossings/Harvest Village) Annexation located at the intersection of Highway 40 and Highway 32 (Tony Kohler, Community Development Director, Jeremy Cook, City Attorney) - 50 min

Mayor Franco asked what changes had been made to the development agreements since being uploaded to the meeting materials the previous Thursday. City Attorney Jeremy Cook shared there had been multiple discussions and/or meetings since the agenda materials had been posted. He stated he had tried to draft the two development agreements as consistently as possible. Mr. Cook walked Council through the additional changes proposed in the Harvest Village Development Agreement as found in the red-lined document attached to the meeting materials. He described the negotiation process as the City Staff and developers worked through the agreement.

Harvest Village representative Justin Keyes explained the flexibility needed in the agreement was because the working development plan was still in the conceptual stage. Staff wished to see language in the development agreement to indicate the development would continue to comply with City standards if the standards were updated.

Mayor Franco asked that all meetings be held publicly between the Council Members and development representatives.

II. BREAK - 10 MIN

III. REGULAR MEETING - 6:00 P.M.

1. Call to Order

Mayor Franco called the Regular Meeting to order at 6:15 p.m. and welcomed everyone present.

2. Pledge of Allegiance (Yvonne Barney, Council Member)

Council Member Yvonne Barney led the recitation of the Pledge of Allegiance.

3. Prayer/Thought by Invitation (Mike Johnston, Council Member)

Council Member Mike Johnston sang the Wexford Carol, an ancient Irish Christmas Carol.

IV. AWARDS, RECOGNITION, and PROCLAMATIONS:

1. Nomination of Steve Simpson and Russ Coleman for the Mayor's Award

Mayor Franco read the nomination of Steve Simpson and Russ Coleman for the Mayor's Award, as included in the meeting materials, and presented them each with a challenge coin.

V. CONFLICT OF INTEREST DISCLOSURE:

There were no conflicts disclosed.

VI. CONSENT AGENDA:

Mayor Franco moved Action agenda item three to be included in the Consent Agenda, with the permission of the City Engineer Russ Funk.

Motion: Council Member Cheatwood moved to approve the Consent Agenda as presented, including item three from the Action Items agenda. **Second:** Council Member Phillips made the second. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston.

Voting No: None. The **Motion Passed Unanimously, 5-0.**

Note: the December 3rd Meeting Minutes were not included in the approval.

1. Approval of November 19, 2024, City Council Meeting Minutes and the December 3, 2024, City Council Meeting Minutes (Trina Cooke, City Recorder)
2. Contract Award for Construction of the Heber City 2024 Hospital Well Backup Generator Project (Russ Funk, City Engineer)

VII. PUBLIC COMMENTS: (3 min per person/20 min max)

Dave Anderson, Moulton Lane resident, had previously objected to the annexation and wished to inform Council that he now supported the annexation. He stated he was putting his trust in the Council. He understood development was coming and hoped it was done responsibly.

Bryanna Layer asked why the City wanted the annexation and who it served. She read a prepared statement from her phone. She felt the annexation only benefited the outside developers and hoped the Council would not give them concessions. She asked the City make it harder for the developers, not easy. She felt the view coming into the Valley from Highway 40 was one of the most beautiful and did not want it to be ruined.

Randy Christ lived on Highway 40 and was bothered by the lighting from a medical building across the street from his home the lighted signs left on all night. He could see the lights from Midway. Mr. Christ asked for help from the Council and recalled the City's Dark-Sky ordinance. He proposed timers or dimming the lights after hours. Planning Manager Jamie Baron explained the lighting had met the existing code at the time of permitting and offered to contact the business owner to ask them to accommodate the neighbor. Mr. Christ was also concerned about the left-hand turns from the business parking lot onto Highway 40. He felt someone could be killed. He had seen many accidents on Highway 40 and State Road 189. He wanted to see a barrier on SR189 rather than Highway 40. He was in favor of the two proposed bypass routes through the north fields.

Tom Wardle, from Midway, wished to address the proposed annexation on the southwest corner of Highway 40 and River Road. He was concerned about the precedent the proposed annexation was setting.

Council Member Barney had received many emails from residents expressing their many concerns with the North Village Crossings annexation. They were concerned about added traffic and the large size of the proposed developments and had expressed hope that the Council would help protect the area.

Mayor Franco stated there would be another public comment period at the end of the Crossings Annexation agenda item. She explained the Rules of Order regarding the Public Comment period. She read a statement submitted by the North Fields Irrigation Board Chairman Mark Wilson with regard to the Sessions Spring, and the McDonald Ditch being owned publicly and would not belong to the property owner. North Fields Irrigation wished to be included in the discussions and approval process. Matt Brower agreed to reach out to the irrigation board to meet with them.

Mr. Murdock asked why the City kept annexing piecemeal. He had never seen taxes go down or flatten because of an annexation. He said developers wanted density for money and profit. He did not feel the City had to allow annexation. The entrance to the Valley affected the entire valley. He feared it would be the same as what happened with Walmart. He did not feel the Valley needed to be improved. There would not be low-income housing. He was opposed to the proposed annexation

Lindy Reioux, Heber City resident, adamantly opposed the annexation. She did not feel the proposed annexation would enhance the lives of the residents of the Valley. She asked the room how many were opposed. The majority of the room raised their hands.

Council Member Aaron Cheatwood noted the Public Hearing the City had previously held offered an unlimited amount of time for comments. He expressed appreciation for the community that wished to speak. He noted that the City did not seek annexations but were approached by the developers and the City Council was obligated to meet with them.

VIII. GENERAL BUSINESS ITEMS:

1. Utah Department of Transportation (UDOT) Update (Craig Hancock) - 20 min

UDOT (Utah Department of Transportation) Project Manager Craig Hancock addressed the highway barrier UDOT planned to install on Highway 40. The decision was based upon the number of serious or fatal accidents. He recognized the barrier would impede access to private properties and informed that there would be a public meeting to discuss further with those affected. UDOT was also planning to install a barrier on Highway 189 in the future. Mayor Franco clarified for the record the traffic signal on Coyote Canyon Parkway would be installed.

Mr. Hancock provided the update for the progress of the Heber Valley Corridor including completed activities and ongoing activities as detailed in the associated meeting materials. He reviewed the process and timeline.

Andrea Clayton, UDOT Environmental Representative described the process further to establish alternative routes and determine environmental impacts for the potential bypass routes.

Mr. Hancock reviewed alternative refinements for projected traffic pressure in 2050 and shared four alternative bypass routes. He provided the percentages of vehicle types that compiled the traffic through the valley as discovered in the Environmental Impact Statement (EIS) study. Ms. Clayton explained that the numbers provided reflected that once per minute a semi or tanker truck passed the tracking camera set up on Main Street. Council discussion regarding Main Street traffic, the large industrial truck traffic, and projected future traffic increases with population growth.

IX. ACTION ITEMS: (Council can discuss; table; continue; or approve items)

1. Public Hearing and Possible Council Action on Resolution 2024-21 to Amend the FY 2025 Budget for City-wide Capital Improvement Projects (Sara Nagel, Finance Manager) -

City Attorney Jeremy Cook clarified that, pursuant to State Code, public comments during a public hearing must remain focused on the hearing's specific topic. The current Public Hearing was to allow for public comment regarding the proposed budget amendment for City-wide Capital Improvement Projects. He recognized the number of people present that wished to comment on the Harvest Village and Crossings annexation and reminded everyone there would be a public comment period permitted after that specific agenda item. He proposed extending that public comment period to twenty minutes from ten and cutting the individual comment time to one minute from three per person in order to allow everyone who wished to speak the opportunity to do so.

Motion: Council Member Phillips moved to hear the public comments pertinent to the action item two regarding the Resort Crossings and Harvest Village Annexation at the beginning of the Action Item for 20 minutes, one minute per person. **Second:** Council Member Cheatwood made the second. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston. **Voting No:** None. **The Motion Passed Unanimously, 5-0.**

City Engineer Russ Funk presented the details for the requested budget amendment for the necessary city-wide capital improvement projects. He clarified that everything in the proposed budget amendment was either rolling forward from the previous year's approved budget or had previously been presented to Council and was returning for approval via the budget amendment per Council's request. He described the difficulty estimating project's timelines to coincide with the fiscal year calendar rather than an annual calendar year. He listed the projects and their dollar amounts requested in the budget amendment as included in the attached meeting materials.

Mayor Franco opened the Public Hearing at 7:48 p.m. With no one from the public coming forward to comment, the Hearing was closed at 7:48 p.m.

Motion: Council Member Cheatwood made the motion to approve Resolution 2024-21 to amend the Fiscal Year 2025 Budget for City-wide Capital Improvement Projects as outlined. **Second:** Council Member Phillips made the second. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston. **Voting No:** None. **The Motion Passed Unanimously, 5-0.**

2. Ordinance 2024-24 North Village Development Annexation (aka Resort-Crossings/Harvest

Village) Annexation located at the intersection of Highway 40 and Highway 32 (Tony Kohler, Community Development Director, Jeremy Cook, City Attorney) - 60 min

Mayor Franco opened the public comment period advising it would remain open for 20 minutes.

Council Member Yvonne Barney read a text message she had received from a member of the community, Brianna Layer, indicating confusion regarding the proposed annexation process and asking for more transparency for the public.

Mark Blossil stated he totally opposed the annexation. He did not think the proposed annexation fit the vibe for the valley. He questioned the need for an additional gas station as proposed in the Crossings design concept, noting there were five gas stations down the road. He was concerned with a bypass bringing additional development and running amok bringing additional restaurants and gas stations. He asked Council to reconsider the ramifications of the bypass and to try to control the growth.

Nathan Morisson protested the motion limiting public comment to one minute and felt it was a travesty considering the number of people present that wished to be heard. He said he would be circulating a questionnaire to the Council and posting the results to Instagram. He expressed concern with the Council taking action regarding the North Fields that he felt went against what the people of the Valley wanted. His questionnaire was intended to hold the Council responsible for what they did and would ask the Council Members who they had held meetings with as far as developers in the proposed projects, and who on the Council had economic interest. Addressing affordable housing: he felt it was only affordable for the first purchaser. He expressed appreciation for the Council Members' willingness to serve.

Liz Lane recalled the UDOT traffic study projecting a 30% growth increase in density. She felt UDOT had implied another study would be required as they could not plan fast enough for the potential increase in traffic. She questioned the City approving high density including hotels that would add to a problem that was yet to be solved. She felt it was irresponsible for the City to approve an annexation on Highway 40 at that time and she did not believe that if the City did not annex the area, the development would take place in the County, giving the County the tax revenue instead of the City. She felt the developers wished to annex into the City because the City had fewer restrictions than the County. She asked the Council to vote no to the annexation to allow time for the City to get control over its building, infrastructure, roads, and traffic.

Giny Tuite owned property in the north fields and supported annexation. She knew the development rights had already been given and felt good planning and control was essential. She did not support the proposed gas station. She suggested thinking about the order the roads and development were installed for the future. She owned open space and wished to see open space preserved but appreciated good planning.

Christen Thompson, Heber Valley resident, opposed the annexation in the proposed form. He noted the potential that the population would double or possibly triple in the next twenty years. He referred to the City's Master Plan that indicated the desire to preserve the majority of land as open space with public access but the current North Village Overlay Zone (NVOZ) did not match the Master Plan. He urged Council to not approve the proposed annexation until the zoning was updated to match the Master Plan. He thought the City should build up and densify downtown and use impact fees from those buildings to preserve surrounding open space. He wanted the City to work to stop the sprawl and the paving over of the Valley.

Mark Austin, resident of Heber Valley, proposed the Council vote no for the annexation and suggested a moratorium on all development until the City could resolve some of the fundamental infrastructure issues it had. He referred to the UDOT study indicating that 92% of all traffic at rush hour was local. Through traffic was 25%. He did not feel the proposed bypass would resolve the traffic problem. He wanted to see the City put its energy, time, and money towards resolving that problem. Secondly, he said the sewage treatment plant did not have the capacity to continue to serve the existing community and felt it was unsustainable. He felt a moratorium on development was needed until the numerous infrastructure issues could be resolved. Once resolved, he felt the Valley could proceed with environmentally and socially sustainable, practically planned development.

Mesia Swan's (nee Baum) family had been in the Valley for generations. They had owned the property located at the northeast corner of the intersection proposed to be annexed since before Utah was a State. She supported the annexation and explained the necessity of responsible planning. She had been a real estate agent for 20 years and felt that if the City did not annex, it risked the area being turned into a Kimball Junction, Park City, or another eyesore. She felt the developer's plan was incredibly conservative based on what the County's vested rights permitted for density and previous development proposals. She questioned whether Heber City wanted to draw all the resort traffic into town for the gas stations and felt it would be better to have a dedicated resort gas station outside of town. She supported the annexation and felt that if the City did not annex, it would lose the ability to negotiate a responsible plan.

Julie Button expressed her opposition to the annexation and felt there were too many problems as it was. She felt the issues with traffic, sewer, and water needed to be resolved before adding any more homes or density. She felt traffic within Heber as well as the bypass needed to be resolved before adding more density.

Maxx Cohen shared that the developer had agreed to abide by the North Village Overlay Zone code along his property line and had agreed to a greenspace buffer and building height restrictions. He hoped the City Council continued to enforce the zoning codes to continue to benefit the existing and future residents.

Holly Bodily opposed the annexation. She stated that every unit cost the existing residents. She felt it was a huge drain on the residents that was made up for with increased taxes. She did not understand continued decisions to increase density. She said open spaces saved the City money and the development affected all residents by increasing property tax. She did not feel the proposed annexation captured the welcome to the Valley that should be projected. She added that there were many people unable to attend the meeting that evening due to the holiday season and asked the Council not to vote that night.

Tara Morris relayed that, with the exception of Council Member Barney, the Council's days in office could be numbered if their focus remained on tax revenue, and whatever else they seemed to be gaining from pleasing developers, then they had lost the sense of what it meant to be a representative and voice for their community. The word was spreading and people were becoming aware. She noted how many members of the community were present and said more would be coming. She said the Council Members would be replaced if they continued to ignore the voices of the Heber Valley. She had spoken with the Homestead and the Zermott resorts and both had informed her that they were rarely filled to capacity. Ms. Morris felt the City should focus on helping the existing resorts succeed before adding more hotels.

Ms. Morris said she had not changed her opinion since the previous meeting concerning the water and condensed housing and felt the plan catered to developers and realtors who hoped to benefit from other annexations in the Heber Valley, Mayflower, Deer Valley, and second home-owners. She told the Council they were being put on notice and that their actions were being watched more closely. She asked Council if they wanted to be remembered for ruining the character of the Valley. She urged the Council to table the annexation to a later date as she felt there were dozens of residents that had been unable to attend due to the holidays.

Council Member Johnston wished to respond to some of the statements made by the public. He noted that all affordable housing within Heber City was deed-restricted in perpetuity and the City maintained first rights for resale buy-back. He explained the 2019 UDOT traffic models from MAG (Mountainland Association of Governments) had not anticipated the growth that was previously approved zoning in the County. He clarified the definition of sprawl was low-density single-family housing that was spread out and created automobile dependency. Sprawl created higher housing costs. Higher density was much more cost-effective. Council Member Johnston shared the history from 1999 when Wasatch County approved the zoning density in the North Village. In 2019, the City and the County had signed an MOU (Memorandum of Understanding) that all urban development in the North Village would be managed by Heber City and the County would continue to manage rural properties.

Council Member Johnston reviewed the existing permitted development uses in the current County zoning noting that single-family units and agriculture were not among the permitted uses. He further explained the Council's willingness to consider annexations into the City was in order to help guide development responsibly to the best benefit for the people in the Valley. Mayor Franco noted the City Code allowed half the number of ERU's (Equivalent Residential Units) the developers were asking to have approved. Council Member Cheatwood explained the importance of holding discussions with the developers. He added that the Council had willingly allowed the public to speak and offer their comments to the Council and asked the public to respect the work that the Council applied to the consideration of all the decisions they made. Council Member Barney thanked the public for coming and sharing their opinions with the Council. She recognized that the Council did not always agree but she asked the community to listen to the discussions and to stay informed.

City Attorney Jeremy Cook explained the first step was to approve the annexation, then work through the negotiations of the two MDAs (Master Development Agreements). He said it was common practice to approve the annexation contingently, dependent on future approval of the MDAs. Council discussion continued regarding ongoing negotiations and details of the concept design plans within the two Development Agreements including building heights, ERUs, affordable housing, setbacks, and existing residential protections.

City Engineer Russ Funk reiterated the importance of preserving the land for the UDOT bypass plans.

Motion: Council Member Phillips moved to extend the meeting to 11:00 p.m., including the Closed session. **Second:** Council Member Cheatwood made the second. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, and Johnston. **Voting No:** Council Member Barney. The **Motion Passed 4-1.**

Council discussion resumed regarding density, the need for affordable housing, employee housing, a fee-in-lieu for affordable housing, and preservation fees collected for the North Fields preservation.

Crossings representatives shared renderings of development concepts from different angles and viewpoints. They reviewed the updates and changes that had been integrated into the development agreement based upon requests from Council. The Crossings intended to move stormwater across Highway 40 to the Harvest Village property, include a gas station at the intersection, and place hotel parking underground.

Motion: Council Member Phillips moved to extend the meeting ten more minutes.

Motion: Council Member Johnston moved to extend the discussion to 11:00 p.m. **Previous Motion withdrawn and Second made:** Council Member Phillips withdrew his previous motion and seconded Council Member Johnston's motion. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, and Johnston. **Voting No:** Council Member Barney. **The Motion Passed 4-1.**

Council Member Johnston noted the Council had been working on the development agreements for over a year.

Motion: Council Member Johnston made the motion to approve Ordinance 2024-24 to accept the North Village Crossings Annexation contingent on property owners and a City-signed Development Agreement, based on the Council's extensive comments and input to the two groups that night, and based on final discussions in January 2025, further if needed, to come to a final agreement for a tight Development Agreement. **Second:** Council Member Ostergaard made the second.

Discussion: City Attorney Jeremy Cook clarified the Ordinance contained language stating that the Ordinance would be effective immediately upon Council approval. He asked if Council Member Johnston intended that the approval of the Ordinance would be contingent upon the approval and execution of the Development Agreements for the Resort Crossings and Harvest Village projects.

Amended Motion: Council Member Johnston amended his motion to clarify that the Ordinance would be contingent upon the approval and execution of the Development Agreements for the Resort Crossings and Harvest Village projects. Council Member Ostergaard's second stood. **Voting Yes:** Council Members Phillips, Ostergaard, and Johnston. **Voting No:** Council Members Barney and Cheatwood. **The Motion Passed 3-2.**

3. Central Heber Replacements Project – Phase 1C - Construction Change Orders 1 & 2 (Russ Funk, City Engineer) - 10 min

Action agenda item three was approved with the Consent Agenda.

4. Jordanelle Ridge Upper Village Transportation Master Plan (Scott Phillips, Council Member) - 15 min

There was no further discussion held for this subject other than the Work Meeting discussion.

X. COMMUNICATION:

City Manager Matt Brower recalled that when the Council had approved the rates and fees study for the Heber Valley Airport, Airport Advisory Board (AAB) Chair Jason Talley had shared with the Council that he felt the AAB should review the Airport's Minimum Standards annually. Mr. Brower shared that per the settlement agreement between the Airport and OK3, the Minimum Standards could only be changed in the five or six ways listed in the agreement until section three was removed sometime in the future. He said he would meet with the City Attorney Jeremy Cook, Airport Counsel Steve Osit, and Jason Talley to explain.

XI. CLOSED MEETING:

Motion: Council Member Ostergaard moved to enter a Closed Meeting for the purpose of discussing the purchase, exchange, or lease of real property. **Second:** Council Member Phillips made the second. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston. **Voting No:** None. The **Motion Passed Unanimously, 5-0.** The meeting entered a Closed session at 11:02 p.m.

City Council Present:

Mayor Heidi Franco
Council Member Yvonne Barney
Council Member Aaron Cheatwood
Council Member Mike Johnston
Council Member Sid Ostergaard
Council Member Scott Phillips

Staff Present:

City Manager Matt Brower
City Attorney Jeremy Cook
City Recorder Trina Cooke

1. Discuss the Purchase, Exchange, or Lease of Real Property (Matt Brower, City Manager)

Motion: Council Member Cheatwood moved to end the Closed Meeting and adjourn. **Second:** Council Member Ostergaard made the second. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston. **Voting No:** None. The **Motion Passed Unanimously, 5-0.** The Council exited the Closed Meeting at 11:44 p.m.

XII. ADJOURNMENT:

Motion: Council Member Cheatwood moved to end the Closed Meeting and adjourn. **Second:** Council Member Ostergaard made the second. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston. **Voting No:** None. The **Motion Passed Unanimously, 5-0.** The meeting adjourned at 11:45 p.m.

Trina Cooke, City Recorder



Heber City Council Staff Report

MEETING DATE:	2/4/2025
SUBJECT:	Resolution 2025-02 Adopting a Tax Compliance Procedure
RESPONSIBLE:	Sara Nagel
DEPARTMENT:	Administrative
STRATEGIC RELEVANCE:	Necessary Administrative Action

SUMMARY

The City Council is being asked to adopt the proposed Tax Compliance Procedure, which establishes guidelines for managing tax-exempt bonds issued by Heber City. The Procedure outlines steps to ensure compliance with federal tax regulations, including recordkeeping, monitoring, and reporting requirements. Adoption of this Procedure demonstrates the City's commitment to sound financial management and regulatory compliance.

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution No. 2025-02, approving the Tax Compliance Procedure and designating the City Manager as the Bond Compliance Officer.

BACKGROUND

Heber City regularly issues tax-exempt bonds to finance public facilities and infrastructure projects. Federal tax laws, including the Internal Revenue Code of 1986 and associated U.S. Treasury regulations, impose strict requirements on the use, investment, and recordkeeping of bond proceeds to maintain their tax-exempt status.

In recent years, the Internal Revenue Service (IRS) has emphasized the importance of written procedures for compliance with these requirements. Adopting a Tax Compliance Procedure will help Heber City:

- Ensure compliance with applicable federal tax laws.
- Mitigate the risk of noncompliance, which could jeopardize the tax-exempt status of bonds.

- Provide clear guidance to staff on responsibilities, recordkeeping, and reporting.

The proposed Procedure includes key provisions such as:

- Designation of a Bond Compliance Officer.
- Creation and maintenance of a Tax-Exempt Bond File for each bond issued.
- Annual compliance checklists to monitor adherence to regulations.
- Procedures for correcting any compliance deficiencies.

The Procedure applies to all current and future tax-exempt bonds and aligns with IRS recommendations for written compliance procedures.

DISCUSSION

FISCAL IMPACT

CONCLUSION

Adoption of the Tax Compliance Procedure will strengthen Heber City's financial management practices and ensure compliance with federal regulations governing tax-exempt bonds. By taking this proactive step, the City will reduce risks, enhance transparency, and uphold its responsibility to manage public funds effectively.

Staff recommends the City Council approve Resolution No. 2025-02 and adopt the Tax Compliance Procedure.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve the item** as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the **item** as amended, as follows.

Alternative 3 - Continue

I move to **continue** the **item** to another meeting on , with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the **item** with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: Sara Nagel, Finance Manager

EXHIBITS

1. Tax Compliance Procedure
2. Resolution 2025-02 Adopting a Tax Compliance Procedure

HEBER CITY, UTAH
TAX COMPLIANCE PROCEDURE
Dated as of February 4, 2025

TAX COMPLIANCE PROCEDURE

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TAX COMPLIANCE PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“Annual Compliance Checklist” means a questionnaire and/or checklist described in **Section 6.1** hereof that is completed each year for the Tax-Exempt Bonds.

“Bond Compliance Officer” means the Issuer’s [City Manager] or, if the position of City Manager is vacant, the person filling the responsibilities of the City Manager for the Issuer.

“Bonds” means Tax-Exempt Bonds.

“Bond Counsel” means a law firm selected by the Issuer to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Issuer on matters referenced in this Compliance Procedure.

“Bond Restricted Funds” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“Bond Transcript” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Compliance Procedure” means this Tax Compliance Procedure.

“Cost” or **“Costs”** means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project Facility or costs of issuing Tax-Exempt Bonds for a Project Facility.

“Final Written Allocation” means the Final Written Allocation of Tax-Exempt Bond proceeds prepared pursuant to **Section 5.4** of this Compliance Procedure.

“Financed Assets” means that part of a Project Facility treated as financed with Tax-Exempt Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Issuer and the Tax Compliance Agreement for the Tax-Exempt Bonds.

“Governing Body” means the City Council of the Issuer.

“**Intent Resolution**” means a resolution of the Issuer stating (1) the intent of the Issuer to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing and (3) the intent of the Issuer to reimburse Costs of the Project Facility paid by the Issuer from proceeds of the Tax-Exempt Bonds.

“**IRS**” means the Internal Revenue Service.

“**Issuer**” means the Heber City, Utah, Utah.

“**Placed In Service**” means that date (as determined by the Bond Compliance Officer) when the Project Facility is substantially complete and in operation at substantially its design level.

“**Project Facility**” means one or more facilities or capital projects, including land, building, equipment, or other property, financed in whole or in part with proceeds of an issue of Tax-Exempt Bonds and other sources of funds, if any, pursuant to the same plan of finance.

“**Rebate Analyst**” means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

“**Regulations**” means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

“**Rule**” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

“**Tax Compliance Agreement**” means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Issuer setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

“**Tax-Exempt Bonds**” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer or another political subdivision or government instrumentality, the proceeds of which are to be loaned or otherwise made available to the Issuer, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of February 4, 2025, is included on **Exhibit A**.

“**Tax-Exempt Bond File**” means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution.
- (b) Bond Transcript.
- (c) Final Written Allocation and/or all available accounting records related to the Project Facility showing expenditures allocated to the proceeds of the Tax-Exempt Bonds and expenditures (if any) allocated to other sources of funds.

(d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.

(e) Forms 8038-T together with proof of filing and payment of rebate.

(f) Investment agreement bid documents (unless included in the Bond Transcript) including:

(1) bid solicitation, bid responses, certificate of broker;

(2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and

(3) copies of the investment agreement and any amendments.

(g) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.

(h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript.

(i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript.

(j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP).

(k) Any available questionnaires or correspondence substantiating the use of the Project Facility in accordance with the terms of the Tax Compliance Agreement for the Tax-Exempt Bonds.

(l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) Issuer's Use of Tax-Exempt Bonds. The Issuer uses Tax-Exempt Bonds to fund Costs of a Project Facility. The Issuer understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Project Facility financed

by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) IRS Recommends Separate Written Procedures. The Issuer recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) Issuer Commitment. The Issuer is committed to full compliance with the federal tax law requirements applicable to its outstanding and future financings. This Compliance Procedure is adopted by the Governing Body to improve and promote tax and securities law compliance and documentation.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Bonds currently outstanding and all Bonds issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any other specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Issuer in the Tax Compliance Agreement, will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Issuer.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project Facility to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside consultants to the extent necessary to carry out the purposes of this Compliance Procedure.

Section 3.2. Training.

(a) Training Programs. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding Tax-Exempt Bonds that are relevant to the Issuer.

(b) Change in Bond Compliance Officer. Any time an individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the Issuer will ensure the incoming individual acting as Bond Compliance Officer is trained on how to implement the policies and procedures included in this Compliance Procedure to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures. This Article IV applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on **Exhibit A**.

Section 4.2. Tax-Exempt Bond File. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on **Exhibit A**.

Section 4.3. Annual Compliance Checklists. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Exempt Bonds and will follow the procedures specified in Article VI to complete the Annual Compliance Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Exempt Bond File.

Section 4.4. Correcting Prior Deficiencies in Compliance. In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will consult with Bond Counsel and, as necessary, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES

Section 5.1. Application. This Article V applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Tax-Exempt Bonds.

(a) Intent Resolution. The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure.

(c) Tax Compliance Agreement. For each issuance of Tax-Exempt Bonds, a Tax Compliance Agreement will be signed by the Bond Compliance Officer. The Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, require a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Exempt Bonds. The Bond Compliance Officer will confer with Bond Counsel and the Issuer's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project Facility. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Tax-Exempt Bonds (the "Financed Assets") and the portions, if any, expected to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

Section 5.3. Accounting and Recordkeeping

(a) Accounting for New Money Projects. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record

expenditures for Costs of the Project Facility. Where appropriate, the Bond Compliance Officer may use accounts established as part of the Issuer's financial records for this purpose. In recording Costs for the Project Facility, the Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds.

(c) Tax-Exempt Bond File. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File.

Section 5.4. Final Allocation of Tax-Exempt Bond Proceeds.

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer is responsible for making a written allocation of proceeds of Tax-Exempt Bonds to expenditures and identifying the Financed Assets. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Exempt Bond proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facility has been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Bond Compliance Officer will work with Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money of the Issuer to the Costs of the Project Facility. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project Facility to the proceeds of the Tax-Exempt Bonds in accordance with the Issuer's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project Facility, (2) the percentage of the cost of the Project Facility financed with proceeds of the Tax-Exempt Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project Facility's Placed in Service date, (4) the estimated economic useful life of the Project Facility, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual Compliance Checklist to specific areas of the Project Facility that the Final Written Allocation or the Tax Compliance Agreement treats as having been financed by Tax-Exempt Bonds).

(c) Finalize Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Annual Compliance

Checklist contained in the relevant Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Annual Compliance Checklist.

(d) Review of Final Written Allocation and Annual Compliance Checklist. Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel to the Issuer or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 6.1. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 4.4** hereof to remediate the non-compliance.

Section 6.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ADOPTED BY
HEBER CITY, UTAH, UTAH

February 4, 2025

EXHIBIT A

LIST OF TAX-EXEMPT BONDS COVERED BY THIS COMPLIANCE PROCEDURE

Tax-Exempt Bonds:

2014 Sales Tax Revenue Bond

2018 Sales Tax Revenue Bond

2022 Pressurized Irrigation Revenue Bond

2022 Sewer Revenue Bond

2022 Water Revenue Bond

2023 Excise Tax Revenue Bond

2023 Pressurized Irrigation Revenue Bond

2023 Sewer Revenue Bond

2024 Pressurized Irrigation Revenue Bond

2024B Pressurized Irrigation Revenue Bond

2024 Sewer Revenue Bond

2024 Water Revenue Bond

**HEBER CITY, UTAH
RESOLUTION NO. 2025-02**

A RESOLUTION OF THE HEBER CITY COUNCIL ADOPTING A TAX COMPLIANCE PROCEDURE FOR THE ISSUANCE AND MANAGEMENT OF TAX-EXEMPT BONDS.

WHEREAS, Heber City, Utah (the “City”), has utilized and anticipates continued use of tax-exempt bonds to finance public projects and facilities for the benefit of the community; and

WHEREAS, the City recognizes that the issuance and management of tax-exempt bonds must comply with federal tax laws as set forth in the Internal Revenue Code of 1986, as amended (the “Code”), and related U.S. Treasury Department regulations to preserve the tax-exempt status of such bonds; and

WHEREAS, the Internal Revenue Service (“IRS”) recommends that issuers of tax-exempt bonds adopt written procedures to ensure compliance with the applicable federal tax requirements throughout the life of the bonds; and

WHEREAS, the City is committed to implementing best practices in financial management and ensuring full compliance with all legal obligations related to its outstanding and future tax-exempt bonds; and

WHEREAS, the City Council has reviewed the proposed Tax Compliance Procedure (the “Procedure”) to govern the issuance and ongoing management of tax-exempt bonds, which outlines responsibilities for the Bond Compliance Officer, recordkeeping requirements, training expectations, and procedures for monitoring compliance; and

WHEREAS, the Procedure has been prepared to promote transparency, accountability, and adherence to the Code, U.S. Treasury regulations, and IRS guidance;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Heber City, Utah, as follows:

SECTION 1. ADOPTION OF TAX COMPLIANCE PROCEDURE

The City Council hereby adopts the Tax Compliance Procedure, as presented, to ensure compliance with applicable federal tax requirements for all current and future tax-exempt bonds issued by the City.

SECTION 2. DESIGNATION OF BOND COMPLIANCE OFFICER

The City Manager, or any individual performing the duties of the City Manager, is hereby designated as the Bond Compliance Officer, responsible for implementing and overseeing the Procedure as outlined therein. The Bond Compliance Officer shall:

1. Maintain appropriate records for all tax-exempt bonds issued by the City;
2. Complete annual compliance checklists to monitor adherence to the Procedure;
3. Ensure that any successor in this role receives proper training to ensure continuity of compliance; and
4. Consult with Bond Counsel and other experts, as needed, to address any compliance issues or deficiencies.

SECTION 3. AUTHORIZATION TO AMEND THE PROCEDURE

The City Council reserves the right to amend the Tax Compliance Procedure as necessary to address changes in

law, regulation, or the City's operational needs. Any such amendments shall be documented and retained as part of the City's permanent records.

SECTION 4. EFFECTIVE DATE

This Resolution and the attached Tax Compliance Procedure shall take effect immediately upon its adoption by the City Council.

SECTION 5. PUBLICATION AND RECORDS

A copy of this Resolution and the adopted Tax Compliance Procedure shall be included in the City's permanent records and made available to all relevant City employees and officials.

ADOPTED AND PASSED by the City Council of Heber City, Utah, on this _____ day of _____, 2025, by the following vote:

	AYE	NAY
Council Member Yvonne Barney	_____	_____
Council Member Aaron Cheatwood	_____	_____
Council Member Mike Johnston	_____	_____
Council Member Sid Ostergaard	_____	_____
Council Member Scott Phillips	_____	_____

APPROVED:

Mayor Heidi Franco

ATTEST:

_____ Date: _____

RECORDER



Heber City Council Staff Report

MEETING DATE: 2/4/2025

SUBJECT: Termination of Agreement Between Heber City and WWET (Wasatch Water Efficiency Team) Inc. - Secondary Water Management

RESPONSIBLE: Ross Hansen

DEPARTMENT: Engineering

STRATEGIC RELEVANCE: Necessary Administrative Action

SUMMARY

The policy question is:

1. Should city staff terminate the agreement between WWET Inc, and Heber City?

Brief Explanation:

Wasatch Water Efficiency Team, Inc (WWET Inc) was originally formed in 2003 and was changed to a nonprofit corporation in November 2006. The creation of the company came about because Heber City staff and elected officials were reluctant to have the City take on the responsibility of operations and maintenance of the secondary irrigation water system. The idea was that Heber City would enter into an agreement with WWET Inc to provide operation and maintenance of the irrigation water system. It's important to note that no irrigation infrastructure was ever conveyed to WWET Inc. The concept of WWET Inc maintaining and operating the irrigation system never functioned autonomously because Heber City staff was necessarily involved in all aspects of the system. Since inception, thinking gradually shifted and Heber City staff now performs all operation and maintenance of the irrigation system within Heber City's boundary.

RECOMMENDATION

Authorize staff to carry out the termination of the 2005 agreement in accordance with the terms of the agreement.

BACKGROUND

Heber City Entered into an Agreement with WWET, Inc on May 31, 2005

- Heber City Agreed to:
 - Convey to WWET, Inc. all water shares in irrigation companies (e.g., Timpanogos or Wasatch Irr.

Companies) used for outdoor irrigation currently owned or will be owned in the future.

•WWET Inc. Agreed to:

•Exchange shares in water companies (e.g., Timpanogos or Wasatch Irr. Companies) for shares in WWET Inc.

•Distribute Irrigation water to Heber City residents.

•Operate, maintain, and replace irrigation water infrastructure.

DISCUSSION

Heber City staff maintains and operates the irrigation water infrastructure within the City limits.

The current agreement with WWET Inc. is outdated and unnecessary.

Staff should do the necessary work to terminate the 2005 agreement in accordance with the terms of the agreement.

FISCAL IMPACT

This will result in cost savings by eliminating unnecessary administrative costs associated with exchanging irrigation company water shares with WWET Inc shares and any assessments being charged by WWET Inc. on its shares.

CONCLUSION

Engineering staff recommends Heber City terminate the 2005 agreement in accordance with the terms of the agreement.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve the item** as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve the item** as amended, as follows.

Alternative 3 - Continue

I move to **continue the item** to another meeting on , with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Engineering
Staff member: Ross Hansen, Engineer

EXHIBITS

1. Agreement between Heber and WWET Inc Dated 050531

HEBER CITY SECONDARY IRRIGATION SYSTEM OPERATING AGREEMENT

THIS OPERATING AGREEMENT ("Agreement"), is made and entered into as of this 31 day of MAY, 2005, by and between HEBER CITY, a Utah municipal corporation (the "City"), and WASATCH WATER EFFICIENCY TEAM, INC., a Utah non-profit corporation ("WWET"). (The City and WWET are sometimes referred to herein individually as a "Party" and collectively as the "Parties.")

RECITALS

A. WWET has been incorporated for the purpose, among other things, of providing an irrigation water supply for the beneficial use of its shareholders, and is specifically empowered by its articles of incorporation to construct, own, manage, operate, maintain, repair and replace irrigation water transmission and distribution pipelines, reservoirs, pumps, valves, headgates and other water diversion, distribution and storage equipment and facilities, and all associated water rights and water stock, including those belonging to WWET and its shareholders, and those belonging to other persons, corporations and entities, public or private, on a contract basis.

B. WWET currently owns and operates a secondary irrigation water diversion and distribution system and related equipment and facilities serving land within Heber Valley, Wasatch County, Utah (the "WWET System").

C. The City currently owns shares of irrigation company stock and operates certain secondary irrigation water diversion and distribution systems and related equipment and facilities within the boundaries of the City (the "City System"), which it has acquired and developed and/or received by dedication from subdivision developers within the City.

D. The city council of the City and the board of directors of WWET hereby find and determine that there are benefits in utilizing the resources and expertise of WWET in connection with the management and operation of the City System, including greater access to federal and other funds and grants, enhanced water right protections through managed beneficial use of water, and overall economies of scale financially and in terms of water supply.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Exchange of Irrigation Water Stock. The City shall convey to WWET that portion of the irrigation water stock maintained by the City for outdoor irrigation, which it now owns or may own in mutual irrigation companies operating in Heber Valley (collectively, the "Irrigation Companies"), in exchange for a conveyance by WWET to the City of equivalent shares of WWET stock. For purposes of this Agreement, equivalency is defined as equivalence in the

actual water supply to which the City is entitled under the Irrigation Company irrigation shares conveyed and the WWET irrigation shares received in exchange, as determined by WWET and the respective Irrigation Companies from time-to-time. Prior to March 31 of each year, the City and WWET shall review and adjust, as necessary, the stock equivalency ratio based upon the number of WWET shares required to be owned by the City to facilitate the delivery of irrigation water to all areas required to be served by WWET within the City's service area during the next irrigation season.

(a) WWET shall distribute secondary irrigation water to the City and the City shall be entitled to receive secondary irrigation water service as an owner of WWET stock, pursuant to the standard rules and regulations established from time-to-time by WWET, in the same manner as any other holder of WWET stock.

(b) The Parties hereby acknowledge and agree that the exchange of shares to be accomplished pursuant to this Section 1 satisfies the "equal value" exchange requirement set forth in Article XI, Section 6 of the Utah Constitution.

2. Management, Operation and Maintenance of City System. The City hereby appoints WWET to act in all respects as its operator and agent for the purpose of managing, operating, maintaining, repairing and replacing the City Irrigation System. Services to be provided by WWET shall include the following:

(a) General Administrative Services. WWET shall provide general administrative services in connection with the City System, including:

- (1) providing personnel sufficient to effectively operate, maintain, repair and replace the City System;
- (2) providing overhead and administrative policies and procedures governing staff personnel;
- (3) determining staff compensation, benefits and status;
- (4) providing necessary vehicles and equipment;
- (5) providing necessary office equipment and supplies;
- (6) providing resources necessary in dealing with legal matters pertaining to City System administration and O&M;
- (7) recommending to the City work deemed necessary by WWET to effectively operate, maintain, repair and replace the City System;
- (8) administering City System water contracts;
- (9) providing surveillance and monitoring of City System facilities;

(10) reviewing and preparing necessary water right change applications, reviewing applications for internal changes in place of use of water within the City System, and making recommendations with respect thereto to the City;

(11) meeting with City planners and engineers regarding new development;

(12) reviewing preliminary and final plans, specifications and other criteria established by the City for new connections to the City System, and issuing a “will-serve” letter to the City which must be received by the City from WWET as a condition to the City granting final approval for any new development which is to be connected to the City System;

(13) inspecting and approving the construction, installation and physical connection of any new development to City System as a condition to irrigation water service to said development by WWET;

(14) inspecting construction work within the City streets, rights-of-way and easements in connection with improvements, extensions and repairs to the City System;

(15) scheduling, metering, monitoring, regulating and recording water diversion, delivery and use; and

(16) making a regular accounting of water diversions and deliveries.

(b) Management of Rights-of-way and Easements. WWET shall manage all City rights-of-way and easements associated with the diversion and delivery of secondary irrigation water within the City System, including:

(1) protecting against unauthorized easement encroachments and enforcing City easement rights and interests with the concurrence of the City;

(2) as necessary, arranging for and/or coordinating with the City for Blue Stake services;

(3) meeting with City planners, engineers utility companies and developers in determining right-of-way and easement requirements in connection with new developments proposed to be connected to the City System, and

(4) negotiating property owner easements and easement agreements in behalf of the City.

Nothing herein shall be construed as limiting or otherwise impairing any right, title or interest which the City may have in connection with its easements and rights-of-way for any City System.

(c) Management, Operation and Maintenance; Delivery of Water. WWET shall manage, operate, maintain, repair and replace City System comprised of all systems and facilities associated with the diversion, delivery and use of secondary irrigation water within the City, including open head ditches and east-west laterals and turnouts within the City (the “Main Ditches”), and the pressurized irrigation system, and it shall deliver irrigation water to the secondary irrigation customers of the City through said systems and facilities, subject to the following:

(1) Main Ditches. Specifically, with respect to that portion of the City System consisting of the Main Ditches:

(A) WWET shall provide the initial annual cleaning of all Main Ditches within the City. Those customers taking delivery of water out of the Main Ditches shall thereafter be responsible to clean and maintain the Main Ditches, as well as all north-south laterals off of the Main Ditches so that they remain free of any obstruction that will restrict the flow of water through the same.

(B) All culverts, pipelines and other devices used in allowing water in the Main Ditches to pass under roadways, driveways or other coverings of a ditch lateral shall at all times be cleaned, operated, maintained, repaired and replaced by the owner of the parcel fronting said culvert, pipeline or other devices, and those customers taking delivery of water out of any such ditch section shall thereafter be responsible to clean and maintain the culverts, pipelines and other devices so that they remain free of any obstruction that will restrict the flow of water through the same.

(C) WWET shall prepare water delivery tickets for all customers taking delivery of irrigation water through open ditch laterals within the City System. The tickets will be delivered by WWET to the City, and the City will continue to issue the tickets. WWET will deliver water to the head of each ditch lateral as ticketed. Each individual customer taking delivery of water out of such ditch lateral shall be responsible for the transportation of the water to said customer’s place of use, including operation, maintenance, repair and replacement of the ditch or other facility used by said customer in transporting the water to his place of use.

(D) The Parties hereby acknowledge and agree that over time the open ditch system will be converted to and become a part of the pressurized irrigation system. WWET’s obligations under this Section 2(c)(1) shall remain in force and effect only as long as the Main Ditches are being utilized as part of the City System for the delivery of irrigation water to City secondary irrigation customers.

(2) Pressurized Irrigation System. Specifically, with respect to that portion of the City System consisting of pressurized irrigation systems and facilities:

(A) The City shall provide to WWET all location and other maps, operation policies and procedures, maintenance and service records, and any and all other documentation and information in the possession of the City as shall be necessary and available

to enable WWET to manage, operate, maintain, repair and replace the City System in conformance with its obligations hereunder.

(B) WWET shall perform the initial start-up of all pressurized irrigation systems within the City by closing drain valves, closing delivery turnouts, charging and flushing the distribution system, checking the system for leaks, and locating and repairing other problems within the pressurized irrigation system.

(C) Prior to the beginning of each irrigation season, the City shall provide to WWET an updated list of all customers entitled to the delivery of secondary irrigation water through the City's pressurized irrigation system and the quantity of water which each is entitled to receive through the system. The list shall be updated by the City throughout the course of each irrigation season as new subdivisions are developed and new customers come on line. WWET shall deliver secondary irrigation water through the pressurized irrigation system to the customers identified on the list, as updated.

(D) At the end of the irrigation season, WWET shall perform the necessary procedures for shutting down the pressurized system, including, without limitation, the opening of drain valves and air release valves.

(3) New Connections. The City shall require that each developer requesting service to a new development be obligated to comply with all of the following as a condition precedent to obtaining water service from WWET through the City System:

(A) The developer shall have or otherwise obtain, at its sole expense, shares of stock in one or more of the Irrigation Companies representing the right to a quantity of water sufficient to satisfy the irrigation water requirements of developer=s intended development as determined by the City in consultation with WWET. The developer shall transfer the Irrigation Companies' shares to the City, and the City shall exchange the Irrigation Companies' shares for WWET shares as provided in Section 1 hereof.

(B) Subject to the provisions of subsection (C) immediately below, the developer shall construct, at its sole expense, all water pipelines and other facilities as shall be required to enable the developer's intended development to receive secondary irrigation water service through the City System. These lines and facilities shall be constructed in accordance with plans and specifications approved in conformance with the provisions of Section 2(a)(12) herein.

(C) WWET, in consultation with the City, may determine that it is necessary or advisable to have a developer construct excess capacity into an extended main line for the developer's intended development in order to facilitate service to other areas of anticipated growth in the immediate area. In that case, the City agrees that it shall require such a developer, at its sole cost and expense, to construct the determined excess capacity into the extended line, in accordance with City plans and specifications; provided, however, that the City, through the provisions of a line extension and cost participation agreement, shall provide for

proportionate reimbursement to the Developer for the costs of engineering, construction and expansion of this excess line capacity.

(D) Where possible, provision shall be made for the construction of all extension and distribution lines within public streets and easements. However, where the extensions must cross private property, the developer shall obtain, at developer=s sole expense, all required and necessary easements for all distribution and main line extensions, and appurtenant facilities, and title or lease to any required storage, well or other water supply sites, along with the perpetual rights of ingress and egress for operation, maintenance, repair and replacement of the same and convey the same, without cost, to the City.

(E) Subject to the provisions of Section 2(a)(12) herein, upon approval of all of the facilities referenced in subsection (B) above, the developer shall convey all of the developer=s right, title and interest in and to said facilities to the City, free and clear of all liens and encumbrances; whereupon said facilities shall become a part of the City System and be subject to the provisions of this Agreement..

(d) Irrigation Master Plan. WWET will cooperate with the City in the development of a City secondary water master plan to identify needed capital improvements to the City System and other related secondary irrigation water matters associated with new growth.

(e) Other Services. WWET shall provide such other administrative, management, operation, maintenance and repair services in connection with the City System as may reasonably be requested by the City and agreed to in writing by WWET.

(f) Commencement of Service. WWET shall commence to provide the services enumerated herein on the effective date hereof.

3. Ownership of Assets. Notwithstanding the services to be provided by WWET pursuant to the provisions of this Agreement, title to all assets associated with the City System, at all times, shall be and remain vested in the City.

4. Authority of WWET=s Board of Directors. The services to be provided by WWET under Section 2 above, including all services provided by WWET not specifically enumerated which may hereafter be requested of WWET by the City pursuant to Section 2(e) herein, shall be subject, in all respects, to the ultimate approving authority of WWET=s board of directors, and shall be performed subject to and in conformance with all lawfully adopted policies, procedures, rules and regulations of WWET as the same currently exist or as they may be amended and promulgated from time-to-time.

(a) Scheduling of Delivery. The scheduling and delivery of secondary irrigation water to the City=s customers on the City System shall be coordinated so as to minimize, to the extent possible, the impacts resulting from shortages in water supply and otherwise. In times of water shortage due to drought or any other natural or man made condition or occurrence, WWET shall have full authority to declare a water emergency, and to ration or otherwise regulate the diversion, distribution and use of water. The City shall cooperate with WWET in connection

with actions taken by WWET in dealing with emergency situations, and WWET shall cooperate with the City in connection with any actions taken by the City in enforcing diversion, distribution and/or use regulations and restrictions duly imposed by the City and/or WWET in the event of an emergency or otherwise .

(b) Lease of WWET Shares. WWET shall cooperate with the City in assuring that the irrigation water supply represented by the City's shares of WWET stock is to put to beneficial use to the extent possible. WWET agrees to help facilitate the lease of any WWET shares deemed to be in excess of the actual water delivery requirements within the City System in any given year, subject to the provisions of WWET's bylaws and standard rules and regulations including, without limitation, the requirement that all leases of WWET shares shall first be approved by WWET's board of directors.

5. Compliance with Applicable Laws, Regulations and Permit Requirements.

WWET shall comply with all applicable local, state and federal laws, ordinances, statutes, regulations and permit requirements which now or may hereafter govern WWET's, operation, maintenance, repair and replacement of the City System, the WWET System and WWET's water rights and sources of water supply, and shall adopt resolutions imposing such additional rules and regulations as shall be necessary to fully implement and comply with the same.

6. Budgets, Assessments.

(a) Annual Budget. In addition to the general WWET budget, WWET shall annually prepare as a portion of its general budget or as a separate budget, a budget applicable solely to WWET's administration of the City System hereunder, including, without limitation, a specification of the estimate of all anticipated revenues and all appropriations for expenditures associated with the management, operation, maintenance, repair and replacement of City System and capital projects proposed for the budget year in connection with the City System (the "City System Budget"). The City System Budget shall be prepared by WWET and be adopted by the City in connection with and at the same time as the annual budget for the City is prepared and approved. The City System Budget shall be delivered by WWET to the City on or before March 31 of each year. The City agrees that it will review the City System Budget in good faith, and act upon it in a timely manner so as not to hinder or delay WWET in adopting and implementing its own general budget. The City System Budget shall be approved by the City prior to its final adoption and implementation by WWET. Except pursuant to its status as a shareholder, the City shall have no review or approval authority over the portion of the WWET general budget which does not include the City System Budget.

(b) Payment of Stock Assessments.

(1) WWET Assessments. The City shall timely pay when due all regular and special assessments duly levied by WWET against the shares of WWET stock owned by the City in conformance with the articles, bylaws and rules and regulations of WWET. In determining the amount of the regular annual assessment to be levied, the WWET board of directors shall take into account all anticipated costs and expenses estimated to be incurred during the year against which the assessment is levied including, without limitation, the City's

pro-rata share of those administrative, operation, maintenance, repair, replacement and capital projects costs and expenses shared in common with all other WWET shareholders based upon common benefit, including, without limitation, assessments of the Irrigation Companies, insurance, etc., and those costs and expenses which are solely attributable to the administration, operation, maintenance, repair, replacement and capital projects costs and expenses associated with the City System.

(2) Irrigation Companies Assessments. WWET shall timely pay all regular and special assessments duly levied by the Irrigation Companies against the shares of the Irrigation Companies' stock owned by WWET in conformance with the articles, bylaws and rules and regulations of the Irrigation Companies.

(c) WWET shall maintain accurate records of all costs and expenses incurred by it in providing services under this Agreement. These records shall be available for the City to inspect at any reasonable time during normal business hours.

7. Insurance. WWET shall maintain not less than \$1,000,000 of general liability insurance against property damage, product and other liability. WWET shall provide the City with a certificate of insurance which manifests WWET's compliance with this provision. The City shall be identified as a co-insured on WWET's general liability policy.

8. Duration, Termination.

(a) The respective obligations of WWET and the City as enumerated in this Agreement shall be and remain in full force and effect until the Agreement is terminated as provided in subparagraph (b) immediately below.

(b) Either Party may terminate the Agreement upon written notice delivered to the other Party not later than December 31, and the Agreement shall terminate effective on the next succeeding March 31. Upon termination of the Agreement, WWET shall re-convey to the City all Irrigation Company shares transferred by the City to WWET during the term of the Agreement, and the City shall re-convey to WWET all WWET shares conveyed by WWET to the City during the term of the Agreement.

9. Agency Relationship. The intent of the Parties by this Agreement is to retain WWET as the City's operator and agent solely for the purpose of providing the services enumerated herein. Nothing in this Agreement shall be construed to give WWET any right of or power of control over the City, nor shall it be construed to obligate WWET to assume any obligations or liabilities of the City, except as provided in this Agreement.

10. Indemnification.

(a) WWET shall indemnify and hold the City, and its officers, agents, employees, consultants and contractors, harmless from and against any and all liability, losses, damages, claims, demands, suits, and proceedings, of whatsoever kind or nature, as well as any and all costs and expenses incurred in connection therewith, including court costs and reasonable

attorney=s fees, resulting from any injury to persons or damage to property, whether real or personal, which arise out of or are otherwise attributable to the negligence or misconduct of WWET, or its officers, agents, employees, consultants and contractors, in connection with the services to be provided by WWET hereunder. Notwithstanding the foregoing, WWET shall not indemnify, defend or hold the City, and its agents, employees and officers, harmless from and against any liability, losses, damages, claims, demands, suits, and proceedings, of whatsoever kind or nature, which arise out of or are otherwise attributable to the negligence or misconduct of the City, or its officers, agents, employees, consultants and contractors other than WWET, subject to applicable provisions of the Utah Governmental Immunity Act.

(b) The City shall indemnify and hold WWET, and its officers, agents, employees, consultants and contractors, harmless from and against any and all liability, losses, damages, claims, demands, suits, and proceedings, of whatsoever kind or nature, as well as any and all costs and expenses incurred in connection therewith, including court costs and reasonable attorney=s fees, resulting from any injury to persons or damage to property, whether real or personal, which arise out of or are otherwise attributable to the negligence or misconduct of the City, or its officers, agents, employees, consultants and contractors, in connection with the services to be provided by WWET hereunder. Notwithstanding the foregoing, the City shall not indemnify, defend or hold WWET, and its agents, employees and officers, harmless from and against any liability, losses, damages, claims, demands, suits, and proceedings, of whatsoever kind or nature, which arise out of or are otherwise attributable to the negligence or misconduct of WWET, or its officers, agents, employees, consultants and contractors other than the City.

11. Policies, Procedures, Rules and Regulations. WWET shall adopt such policies and procedures for the management and the conduct of its affairs, and promulgate such rules and regulations as it shall deem necessary and proper in accomplishing the purposes of this Agreement.

12. City Responsibilities. This Agreement shall not relieve the City of any obligation or responsibility imposed upon it by law; however, the actual and timely performance of any such obligation or responsibility by WWET hereunder may be offered in satisfaction thereof.

13. Miscellaneous Provisions.

(a) Assignment. No Party shall assign its interest in this Agreement without the written consent of the other Party.

(b) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

(c) Business Relationship. This Agreement does not acknowledge the existence of or establish a partnership, joint venture, or any other form of business relationship between the Parties other than as expressly set forth herein, and this Agreement is limited solely to the purposes and interests expressed herein.

(d) Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of this Agreement.

(e) Entire Agreement. This Agreement constitutes the entire understanding and agreement by and between the Parties hereto, and supersedes all prior agreements, representations or understandings by and among them, whether written or oral, pertaining to the subject matter hereof.

(f) Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

(g) Further Action. The Parties hereby agree to execute and deliver such additional documents and to take such further action as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

(h) Warranty of Authority. The individuals executing this Agreement on behalf of the Parties hereby warrant that they have the requisite authority to execute this Agreement on behalf of the respective Parties and that the respective Parties have agreed to be and are bound hereby.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the day and year first above written.

HEBER CITY, UTAH

By: 
Mayor

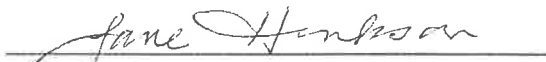
ATTEST:


City Recorder

WASATCH WATER EFFICIENCY TEAM, INC.

By: 
President

ATTEST:


Secretary

Heber City Council
FY '25/'26 Policy & Budget Priorities
Established 1/18/25; Adopted TBD;

Policy/Budget Priorities					
Priorities	Description/Strategy	Operationalizing Strategy	Target	Responsible	Status
Leadership Role in 2034 Olympic Games Planning	Assume leadership role in planning and leveraging 2034 Olympic Games for the benefit of the community and to advance Council's priorities and economic opportunities for Heber City	Initial opportunities include 1) locating Soldier Hollow parking closer to downtown; 2) host a "live site" at Heber City Park during the Games; 3) advance Heber Valley Corridor design and construction; and 4) transform Hwy 40 through downtown into a walkable, pedestrian friendly atmosphere. Create Council committee to represent Heber and lead initiative.	Ongoing Q1	MB/CC	Ongoing
Execution of Envision Central Heber Initiative	Begin taking assertive and strategic actions to realize Envision Central Heber vision	<p><u>Main Street District (MSD)</u></p> <p>City Square</p> <ol style="list-style-type: none"> 1. Evaluate public input prior to adopting Roger Brooks Plaza Design, Programming and Management Plan 2. Adopt, after final review, the Plaza Design, Programming and Management Plan 3. Complete Phase 1 of park improvements (Main Stage and 200 S.) 4. Commence subsequent phasing as resources permit. <p>Parking</p> <ol style="list-style-type: none"> 1. Finalize policy and begin executing strategy for increasing parking opportunities in downtown area 2. Utilize Roger Brooks recommendations to draft policy supporting increasing parking strategies. 3. Leverage shared parking agreements in downtown area to increase parking opportunities. <p>C-Street</p> <ol style="list-style-type: none"> 1. Implement formalizing initial path for C Street between 200 S. and Center Street. 2. Adopt policy to require redevelopment to recognize "final" C-street pedestrian avenue. <p>Zoning/Land Use</p> <ol style="list-style-type: none"> 1. Complete overlay zone and supportive changes for Central Heber Overlay Zone (CHOZ) <p>Infrastructure</p> <ol style="list-style-type: none"> 1. Complete design for 100 W. -- priority blocks are located between 100 N and 300 S. 2. Develop strategy to bury power lines 	<p>City Square</p> <ol style="list-style-type: none"> 1.Q1 '25 2.Q2 '25 3.Q2 '25 4.Ongoing <p>Parking</p> <ol style="list-style-type: none"> 1.Q2 '25 2.Q2 '25 3.Q2 '25 <p>C-Street</p> <ol style="list-style-type: none"> 1.Q2 '25 2.Q2 '25 <p>Zoning</p> <ol style="list-style-type: none"> 1.Q2 '25 <p>Infrastructure</p> <ol style="list-style-type: none"> 1.Q1 '26 2.Q2 '25 3.Q4 '25 	<p>City Square</p> <p>MB/CC/RB/TK</p> <p>Parking</p> <p>MB/CC/TK</p> <p>C-Street</p> <p>TK</p> <p>Zoning</p> <p>TK/CC</p> <p>Infra.</p> <p>RF/CC/MB</p>	<p>City Square</p> <p>Infrastructure</p> <p>3.Awarded \$120k grant for planning process. Currently entering into grant agreement.</p>

Policy/Budget Priorities					
Priorities	Description/Strategy	Operationalizing Strategy	Target	Responsible	Status
		<p>3. Mainstreet Enhancements: develop concept plan for Main Street enhancements. Transitioning to shovel ready plans to present to UDOT/Legislature for funding.</p> <p>Funding</p> <ol style="list-style-type: none"> Evaluate changes to CRA boundary area. Evaluate and seek grant opportunities. <p>Property Acquisition</p> <ol style="list-style-type: none"> Acquire strategic properties, through purchase, to advance Central Heber Vision. Priority property purchases include County fire station property; HL&P administration building property; and County administration building property. <p>Branding & Promotion</p> <ol style="list-style-type: none"> Finalize branding for C-Street and park. Develop and implement promotion plan for downtown <p>Park Programming</p> <ol style="list-style-type: none"> Execute MOU with CAMS for park programming <p><u>Arts & Recreation District (ARD)</u></p> <ol style="list-style-type: none"> Continue focused discussion with stakeholders to realize vision for area. Initial plan presented on 1/20/24. <p><u>Central District</u></p> <ol style="list-style-type: none"> Complete zoning changes in Central District. Consider Roger Brooks recommendations for place making, including use design and chain stores. 	<p>Funding</p> <ol style="list-style-type: none"> Q1 '25 Ongoing <p>Property Acquisition</p> <ol style="list-style-type: none"> HLP Q1'25 County 2025 <p>Branding</p> <ol style="list-style-type: none"> Q2. '25 Ongoing <p>Programming</p> <ol style="list-style-type: none"> Q2'25 <p>Art & Rec. District</p> <ol style="list-style-type: none"> Ongoing <p>Central District</p> <ol style="list-style-type: none"> TK/CC TK/CC 	<p>Funding</p> <p>SN/MB/CC MS/NO</p> <p>Property</p> <p>MB/CC</p> <p>Branding</p> <p>RB/CC</p> <p>Programming</p> <p>MB</p> <p>Art & Rec.</p> <p>MB/CC</p> <p>Central</p> <p>TK/CC</p>	
Airport Compliance	Remain compliant with FAA grant assurances and settlement agreements	<ol style="list-style-type: none"> Complete environmental assessment Settlement compliance 	<ol style="list-style-type: none"> Q1'26 Ongoing 	TB/MB TB/MB/CC	
Heber Valley Arts Center	Continue support for Arts Center	<ol style="list-style-type: none"> Execute on Ground Lease and Parking Agreement Continue strong relationship with stakeholders—WCAC & Jordanelle Ridge 	<ol style="list-style-type: none"> Ongoing Ongoing 	CC/MB/JC	<ol style="list-style-type: none"> Ground Lease & Parking Agreement adopted in Jan. '24. Ongoing
Infrastructure & Building Investments	Complete existing infrastructure projects: -Central Heber Water & Sewer Line Replacement Project -Pressurized Irrigation Project (PI) -Cemetery Columbarium and Adm Building	<ol style="list-style-type: none"> Adopt annual supporting rate increases. Work to keep projects on time, on budget and on scope. 	<ol style="list-style-type: none"> Q4 '25 Ongoing 	RF/MB/CC/ CD/MR	
Year of the Parks Continued	Begin construction on Phase 1 of Muirfield Park Expansion and finish Coyote Springs Park	<ol style="list-style-type: none"> Complete construction of Coyote Spring Park. Complete plans and environmental review for Muirfield Park expansion Bid Muirfield Park Identify and seek grants to offset funding of parks. 	<ol style="list-style-type: none"> Q2 '25—targeting Memorable weekend. Q3'25 January '26 Ongoing 	MR/MB/CC/ NO	

Policy/Budget Priorities					
Priorities	Description/Strategy	Operationalizing Strategy	Target	Responsible	Status
Transportation Focus	Consider ways to effectively address current and future transportation challenges and opportunities	1.Complete transportation study 2.Evaluation of recommendations	1.Q2'25 2.Q2'25	RF/CC	
Gateway/Park/Way Finding Signs	Finalize plans for gateway/park/way finding signs	1.Finalize designs for gateway/park/way findings signs. 2.Implement designs	1.Q3'25 2.Q4'25	TK/MB/MR/ RB/CC	
Affordable Housing Plan	Move the needle on developing and realizing affordable housing in Heber community.	1-Affordability Ideas A) Negotiate greater affordability with existing affordable housing obligations (80% AMI to 120% to 60% AMI) B) Explore City owned land opportunities, swapping land, use of County and/or District property for AH C) All projects to have permanent deed restrictions D) Evaluate utilization of different housing types E) Evaluate government funding opportunities F) "City Purchase Land" (Governor's Initiative) G) Look to create partnerships with AH organizations 2-Location A) Negotiate more viable locations with existing obligations B) Explore opportunities for affordable housing projects in CRA and central neighborhoods of Heber 3-Ordinance A) Amend City's AH ordinance to eliminate required payment of fee-in-lieu to WCAHA and increase fee-in-lieu	1-Ongoing 2-Ongoing 3-Q2'25	TK/MB/JC/CC	

Heber City Council
2025 Strategic Retreat Action Register
Established January 18, 2025

Execution Strategy					
Action Item	Description	CC	Target	Responsible	Status
TAP Tax Promotion	Robustly promote TAP Tax and projects funded via the tax	All	Ongoing	RB/MB	
Traffic Enforcement	Enhance traffic enforcement tactacs--300 E, 300 W, 500 E.	Barney	Q1	PS	
Council Chambers A/V	Resolve A/V issues in council chambers. Hide cords to facilitate more professional look	All	Q1	MS/AB	
Land Dedication	Evaluate how city might donate land to domestic violence center	Franco	2025	MB	
Legal Communications	Review internal process for legal review of city contracts and communications with Council	Cheatwood	Q1'25	JC	
N. Village Preservation Fee	1.Present to City Council alternatives for N. Village Preservation Fee 2.Adopt proclamation supporting efforts to keep N. Field as open space	All	Q2 '25 Q1'25	TK JC	
Water Losses	1.Find cause(s) Of water loss. 2.Reduce water loses to acceptable standards	Franco	1.Q4'25 2.Ongoing	RF/MK	
Historic Presentation	Establish Heber's Historic Preservation District	All	Q3'25	MB/TK	
Dark Sky PR Campaign	Kick off comprehensive dark sky PR campaign	Barney	Q2'25	RB	
Business Processes	Evaluate internal business processes for purpose of improving customer service	Cheatwood	Q2'25	MB	
Inflationary Tax Increase	Consider annual inflationary tax increase	Cheatwood	Annual	SN	
E-Bike Policy	Policy adoption and PR campaign	Barney	Q2'25	PS	
Recycling	Improve Heber City organization's recycling ethic	Barney	Q2 '24	MS/RB	
Small Business Support	1.Coordinate with Dallin Kocher for an Economic Development Report 2.Work with Dallin Kocher to develop specific training opportunities for small businesses	Cheatwood	1.Q1'25 2.Ongoing	MB	
SMART Program	Adopt SMART program for incentivizing staff to innovate	Cheatwood	Q1'25	MB/CA	
Staffing	1.Evaluate staffing requests in FY '26 budget 2.Develop metrics to assist in justification of staffing increases 2.Identify means to fund staffing requests—including tax increase of service level adjustments	Franco Barney	1.Q2'25 2.Q2'25 3.Q2'25	LEAD	



Heber City Council Staff Report

MEETING DATE: 2/4/2025
SUBJECT: Public Safety Update
RESPONSIBLE: Parker Sever
DEPARTMENT: Police Department
STRATEGIC RELEVANCE:

SUMMARY

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

CONCLUSION

ALTERNATIVES

1. Approve as proposed
 2. Approve as amended
-

- 3. Continue
 - 4. Deny
-

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the **item** as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the **item** as amended, as follows.

Alternative 3 - Continue

I move to **continue** the **item** to another meeting on , with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the **item** with the following findings.

ACCOUNTABILITY

Department: Police Department
Staff member:

EXHIBITS

None



Heber City Council Staff Report

MEETING DATE: 2/4/2025
SUBJECT: Engineering Projects Update
RESPONSIBLE: Russ Funk
DEPARTMENT: Engineering
STRATEGIC RELEVANCE:

SUMMARY

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

CONCLUSION

ALTERNATIVES

1. Approve as proposed
 2. Approve as amended
-

- 3. Continue
 - 4. Deny
-

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the **item** as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the **item** as amended, as follows.

Alternative 3 - Continue

I move to **continue** the **item** to another meeting on , with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the **item** with the following findings.

ACCOUNTABILITY

Department: Engineering
Staff member:

EXHIBITS

None



Heber City Council Staff Report

MEETING DATE: 2/4/2025
SUBJECT: Public Hearing for Ordinance 2025-01 Wellberg - Kruger Annexation
RESPONSIBLE: Jamie Baron
DEPARTMENT: Planning
STRATEGIC RELEVANCE: Community and Economic Development

SUMMARY

Paul Kruger is seeking annexation of 302.72 acres of land directly east and adjacent to Red Ledges, for the purpose of developing 2 large lots and dedicating a 30 acre trail parcel to Red Ledges.

Policy Questions

1. Should the City Annex the Wellberg-Kruger property?

RECOMMENDATION

Staff is recommending the City Council approve Ordinance 2025-01 as presented, with the findings and conditions outlined in the conclusion of the staff report.

BACKGROUND

The Wellberg property is currently zoned P-160 Preservation in Wasatch County, which requires 160 acres per lot. A portion of this property was pulled into the City with the Jordanelle Ridge Annexation. The previous owner of the property petitioned the City for annexation. The property was not within the Annexation Policy Boundary. The initial plan contained approximately 300 units. The City Council was not supportive of the density in the original plan. The property was then sold to Paul Kruger who is seeking only 2 lots, but is just shy of the required acreage to subdivide in the County. The Council amended the Annexation Policy Plan to include the Wellberg-Kruger Annexation earlier this year.

DISCUSSION

General Plan

The Envision Heber General Plan outlines this area as Mountain Preservation (MP), with the follow

attributes:

Mountain Preservation (MP)	Recreational uses using the preserved natural areas	1 unit per 20 acres transferred to mountain residential areas	Steep slopes over 30%, stream corridors, wetlands, providing separation between communities. Clustered housing with density transfers to other areas.
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Staff Finding: Consistent. The proposed density is 1 unit per 151.36 acres, with only 2 home sites and a 30 acre trail dedication.

Zoning

The current zoning in the County is P-160, requiring 160 acres per unit. The proposed is 1 50 acre lot, a 30 acre trail parcel, and a 221 acre lot. The Mountain Community Zone (MCZ) is the most consistent zoning with the Mountain Preservation (MP) General Plan designation. The MCZ permits up to 1 unit per acre for developments with sewer services and 1 unit per 5 acres with septic systems. The Annexation Agreement will limit the densities to the 2 proposed lot.

Red Ledges Trail

There is a back country trail on the east side of Red Ledges that is required by their MDA. The trail is steep and not able to meet the typical standards for trail slope. Red Ledges has been working with Mr. Kruger and the previous owners to obtain an easement to allow for a trail that would be within the standards and easier for users. Mr. Kruger has committed to dedicate 30 acres to allow for the trail if the property is Annexed into the City.

Process

The Planning Commission forwarded a positive recommendation to the City Council on December 10, 2024. The City Council is required to hold a public hearing and may make a final decision at the same meeting as the public hearing.

FISCAL IMPACT

N/A

CONCLUSION

Paul Kruger is seeking annexation of 302.72 acres of land directly east and adjacent to Red Ledges, for the purpose of developing 2 large lots and dedicating a 30 acre trail parcel to Red Ledges. Staff is recommending the Council approve Ordinance 2025-01 with the following findings and conditions:

Findings

1. The Annexation is within the Annexation Policy Boundary.
2. The Annexation meets the requirements of Utah State Code.
3. The Annexation is consistent with the General Plan.

Conditions

4. Planning Commission forwarded a positive recommendation on December 10, 2024.
5. City Council held a public hearing on February 4, 2025.
 1. Zoning to be Mountain Community Zone.
 2. Trail property to be dedicated to Red Ledges HOA with Plat.
 3. Property is entitled to only 2 lots.
 4. Access to property shall be through Red Ledges.
 5. Any required utility services shall be obtained through Red Ledges and Twin Creeks Special Service Districts, or may be on well and septic according to the applicable standards of the Health Department.
 6. Applicant(s) and any successors shall comply with all City policies, processes, ordinances, standards, and specifications.
 7. All Master Planned infrastructure elements on or adjoining the property shall be designed and installed by the applicant.
 8. All City Engineer Requirements shall be met prior to any final development plans being approved.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Approval - Staff Recommended Option

I move to **approve Ordinance 2025-01** as presented, with the findings and conditions as presented in the conclusion of the staff report.

ACCOUNTABILITY

Department: Planning
Staff member: Jamie Baron, Planning Manager

EXHIBITS

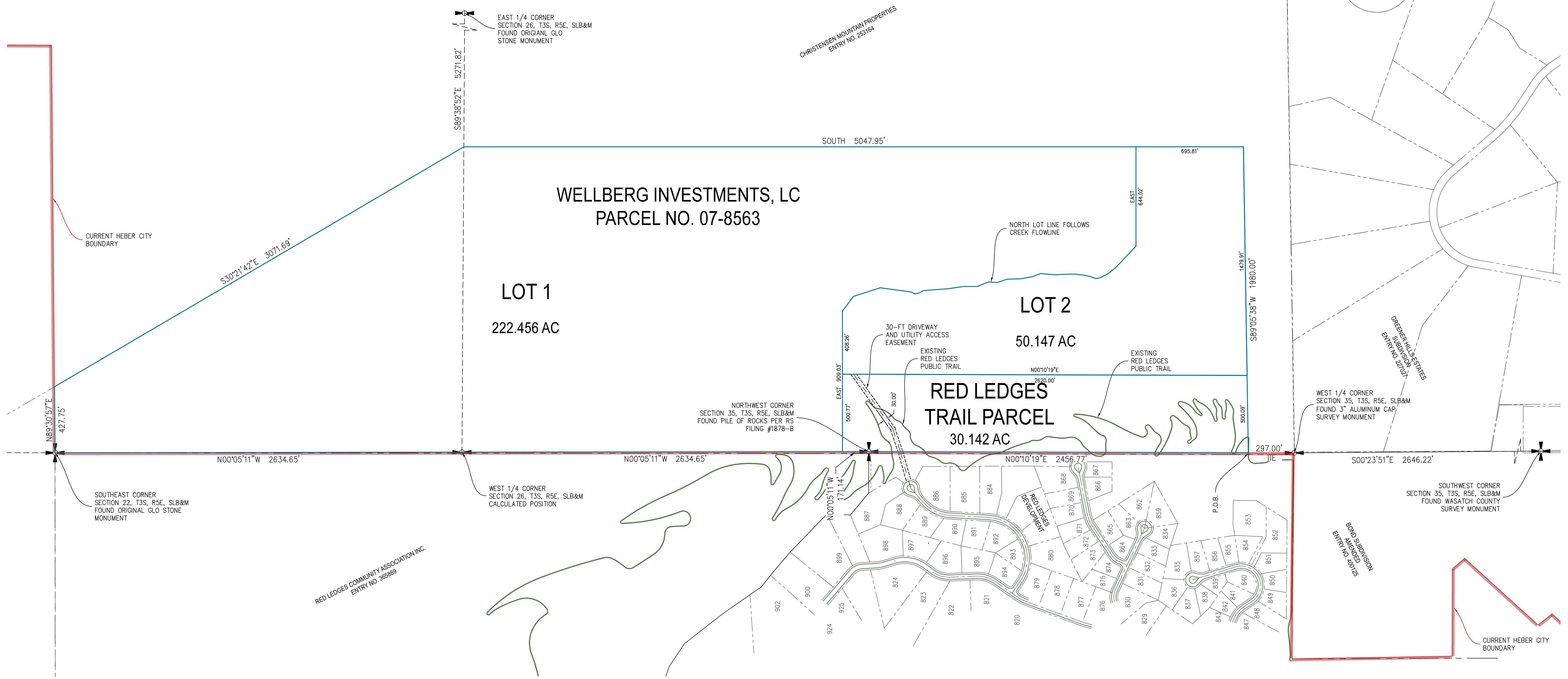
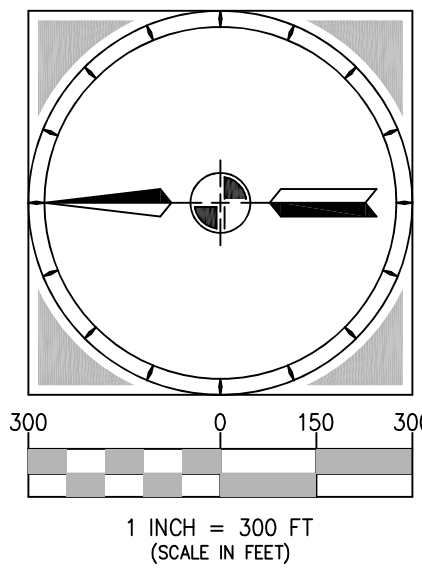
1. Annexation Parcel
2. Wellberg Annexation Plat
3. Kruger Subdivision Plat
4. Ord 2025-01 Wellberg Annexation

5. Wellberg Kruger Development Agreement - 4915-8610-5620 - 1

 75 N Main Street
Heber City, UT 84032

 Phone: 435-657-0757
Fax: 435-657-2543

 heberut.gov



PROJECT 2400529	PREPARED FOR RHK HOLDINGS / PAUL KRUGER
SHEET 1 OF 1	PROJECT KRUGER SUBDIVISION & ANNEXATION

ANNEXATION CONCEPT EXHIBIT

LOCATED IN THE NORTHWEST 1/4 AND
SOUTHWEST 1/4 OF SECTION 26, AND THE
NORTHWEST 1/4 OF SECTION 35, TOWNSHIP
03 SOUTH, RANGE 05 EAST, SLB&M
WASATCH COUNTY, UTAH

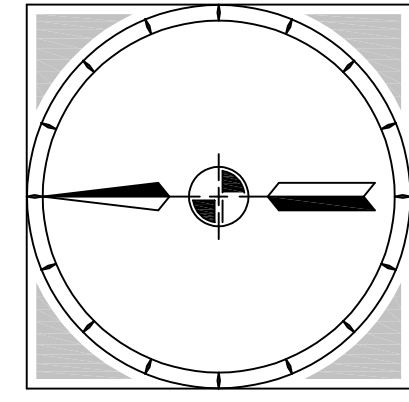
DRAWN BY: SMT
REVIEWED BY: MPJ
SCALE: 1" = 300'
ISSUE DATE: 02/15/2024

ATWELL
866.850.4200 www.atwell-group.com
55 WEST CENTER • P.O. BOX 176
HEBER CITY, UTAH 84032
P: 435-854-9229 • F: 435-854-9231

IT IS A VIOLATION OF LAW FOR ANY PERSON, UNLESS ACTING UNDER THE DIRECTION OF THE PROFESSIONAL LAND SURVEYOR TO ALTER ANY ITEM ON THIS DOCUMENT IN ANY WAY. ANY LICENSEE WHO ALTERS THIS DOCUMENT IS SUBJECT TO LAW ENFORCEMENT ACTION AND THE LICENSEE WILL BE FOLLOWED BY THEIR SIGNATURE AND SPECIFIC DESCRIPTION OF THE ALTERATIONS.

KRUGER MOUNTAIN SUBDIVISION

LOCATED IN THE NORTHWEST 1/4 AND SOUTHWEST 1/4 OF SECTION 26, AND THE NORTHWEST 1/4 OF SECTION 35, TOWNSHIP 03 SOUTH, RANGE 05 EAST, SLB&M



LINE	BEARING	DISTANCE
L1	S3°26'40"E	119.10'
L2	S17°29'33"E	182.77'
L3	S07°43'19"W	202.40'
L4	S27°21'00"W	27.75'
L5	S16°18'50"E	36.31'
L6	S33°41'24"E	21.45'
L7	S04°11'33"E	162.76'
L8	S08°33'20"E	97.11'
L9	SOUTH	90.93'
L10	S21°41'21"E	80.48'
L11	S04°28'02"W	54.56'
L12	S18°13'02"E	70.68'
L13	S01°41'05"E	86.72'
L14	S09°53'38"E	74.19'
L15	S20°33'22"E	58.09'
L16	S04°23'55"W	99.73'
L17	S04°23'55"E	44.32'
L18	S00°39'04"E	74.79'
L19	S05°47'34"W	58.94'
L20	S11°32'05"W	42.50'
L21	S19°33'07"W	42.48'
L22	S12°12'02"E	32.17'
L23	S27°45'31"E	64.74'
L24	S39°20'26"E	67.03'
L25	N46°42'35"W	161.12'
L26	N45°00'00"W	24.21'

RE INVESTMENT HOLDINGS LLC
PARCEL NO. 21-5056

RHK HOLDINGS LLC
PARCEL NO. 21-6067

RED LEDGES COMMUNITY ASSOCIATION INC.
PARCEL NO. 20-9889

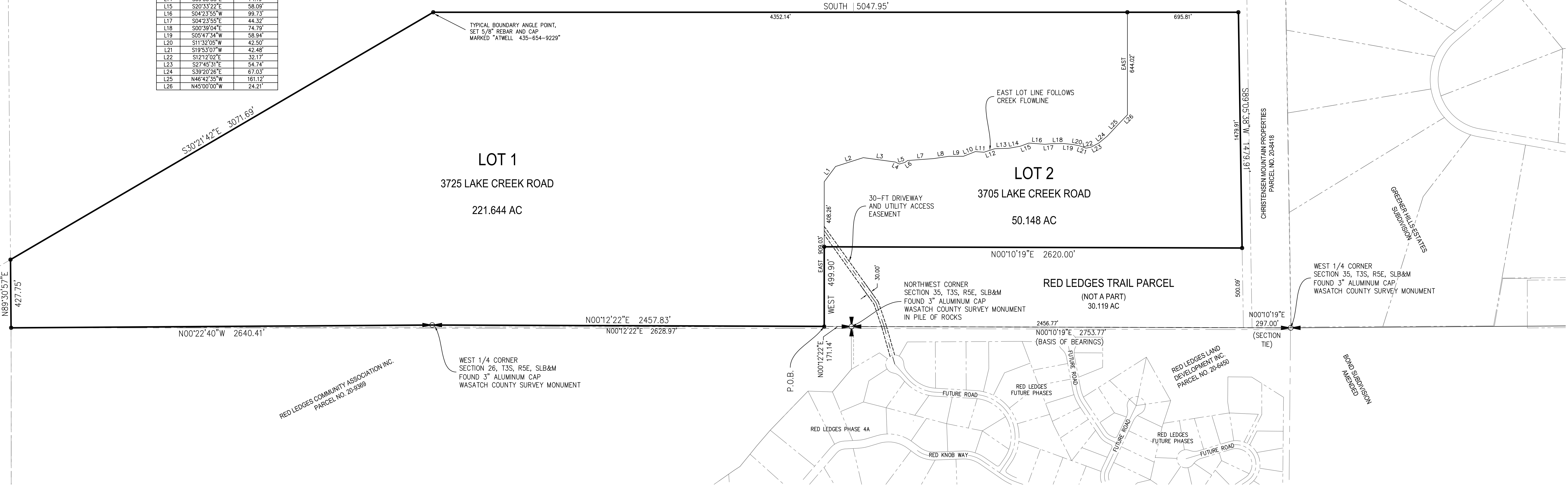
CHRISTENSEN MOUNTAIN PROPERTIES
PARCEL NO. 07-8613

CHRISTENSEN MOUNTAIN PROPERTIES
PARCEL NO. 08-1021

CHRISTENSEN MOUNTAIN PROPERTIES
PARCEL NO. 20-4418

GREENER HILLS ESTATES
SUBDIVISION

BOUND SUBDIVISION
AMENDED



SUBDIVISION BOUNDARY DESCRIPTION

BEGINNING AT A POINT THAT LIES N00°12'22"E 171.14 FEET ALONG THE SECTION LINE FROM THE WEST ONE-QUARTER CORNER OF SECTION 35, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION BEING N00°10'19"E BETWEEN FOUND MONUMENTS REPRESENTING THE SOUTHWEST CORNER AND WEST ONE-QUARTER CORNER OF SECTION 35, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN);

THENCE N00°12'22"E 2,457.83 FEET; THENCE N00°22'40"W 2,640.41 FEET; THENCE N89°30'57"E 427.75 FEET; THENCE S30°21'42"E 3,071.69 FEET; THENCE SOUTH 5,047.95 FEET; THENCE S89°05'38"W 1,479.91 FEET; THENCE N00°10'19"E 2,620.00 FEET; THENCE WEST 499.90 FEET TO THE POINT OF BEGINNING.

PARCEL CONTAINS 271.79 ACRES.

BASIS OF BEARINGS

BASIS OF BEARINGS BEING N00°10'19"E BETWEEN FOUND MONUMENTS REPRESENTING THE WEST ONE-QUARTER CORNER AND THE NORTHWEST CORNER OF SECTION 35, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN.

OWNER'S DEDICATION AND CONSENT TO RECORD

THE OWNER OF THE TRACT OF LAND SHOWN AND DESCRIBED ON THIS SUBDIVISION PLAN HAS CAUSED THE SAME TO BE SUBDIVIDED INTO TWO LOTS, TO BE HEREAFTER KNOWN AS KRUGER MOUNTAIN SUBDIVISION, AND DOES HEREBY GRANT THE PUBLIC UTILITY EASEMENTS TO PUBLIC UTILITY COMPANIES AS NEEDED.

RHK HOLDINGS, LLC
BY PAUL KRUGER
ITS: MANAGING MEMBER

ACKNOWLEDGEMENT

STATE OF _____)
COUNTY OF _____) S.S.

ON THIS _____ DAY OF _____, 20____, PERSONALLY APPEARED BEFORE ME PAUL KRUGER, WHO ACKNOWLEDGED TO ME THAT HE SIGNED THE OWNER'S DEDICATION AND CONSENT TO RECORD FREELY AND VOLUNTARILY FOR AND IN BEHALF OF SAID CORPORATION FOR THE PURPOSES MENTIONED AND THAT SAID CORPORATION EXECUTED THE SAME.

NOTARY PUBLIC

SURVEYOR'S CERTIFICATE

IN ACCORDANCE WITH SECTION 10-9-603 OF THE UTAH CODE, I, BRIAN BALLS, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR HOLDING LICENSE NUMBER 334532-2201 IN ACCORDANCE WITH TITLE 58, CHAPTER 22, OF THE PROFESSIONAL ENGINEERS AND PROFESSIONAL LAND SURVEYORS LICENSING ACT.

I FURTHER CERTIFY THAT I HAVE COMPLETED A SURVEY OF THE PROPERTY DESCRIBED ON THE PLAN IN ACCORDANCE WITH SECTION 17-23-17 OF THE UTAH CODE, AND HAVE VERIFIED ALL MEASUREMENTS, AND HAVE PLACED MONUMENTS AS REPRESENTED ON THE PLAN.

BRIAN BALLS
PROFESSIONAL LAND SURVEYOR

DATE _____

SURVEYOR'S SEAL

HEBER CITY ENGINEER APPROVAL

CITY ENGINEER _____ DATE _____

LAND USE AUTHORITY

APPROVED THIS _____ DAY OF _____, 20____, BY THE PLANNING COMMISSION OF HEBER CITY.

CITY PLANNING COMMISSION CHAIRMAN _____

WASATCH COUNTY SURVEYOR

APPROVED AS TO FORM THIS _____ DAY OF _____, 20____.

ROS # _____

COUNTY SURVEYOR _____

PROJECT
2400529

SHEET
1 OF 1

PREPARED FOR
RHK HOLDINGS, LLC / PAUL KRUGER

PROJECT
KRUGER MOUNTAIN SUBDIVISION

LOCATED IN THE NORTHWEST 1/4 AND SOUTHWEST 1/4 OF SECTION 26, AND THE NORTHWEST 1/4 OF SECTION 35, TOWNSHIP 03 SOUTH, RANGE 05 EAST, SLB&M

WASATCH COUNTY, UTAH

DRAWN BY:
SMT

REVIEWED BY:
MPJ/BMB

ISSUE DATE
08/29/2024



COPYRIGHT © 2024
ATWELL, LLC

DRAWING ALLEGATION

IT IS A VIOLATION OF LAW FOR ANY PERSON, UNLESS ACTING UNDER THE DIRECTION OF THE PROFESSIONAL LAND SURVEYOR TO ALTER ANY ITEM ON THIS DOCUMENT IN ANY WAY. ANY ALTERATION TO THIS DOCUMENT IS PROHIBITED BY LAW. TO OBTAIN YOUR SEAL AND THE SIGNATURE YOU OBLIGED BY FOLLOWING BY THEIR SIGNATURE AND SPECIFIC DESCRIPTION OF THE ALTERATIONS.

WASATCH COUNTY RECORDER

ENTRY #: _____ DATE: _____ TIME: _____

FEE: _____ BOOK: _____ PAGE: _____

FOR: _____ BY: _____

ORDINANCE NO. 2025-01

AN ORDINANCE ANNEXING PROPERTY KNOWN AS THE WELLBERG ANNEXATION LOCATED AT APPROXIMATELY 3600 E 1800 N, HEBER CITY, WASATCH COUNTY, STATE OF UTAH.

WHEREAS, The Wellberg Annexation is within the Heber City Annexation Policy Plan.

WHEREAS, The Wellberg Annexation furthers the Envision Heber 2050 General Plan, adopted by Heber City.

WHEREAS, the Wellberg Annexation facilitates the completion of a public trail required to be built by the adjoining Red Ledges Development.

BE IT ORDAINED by the City Council of Heber City, Utah, that the property known as the Wellberg Annexation, as described in Exhibit A, attached hereto and incorporated herein, is hereby annexed into the City of Heber City and zoned as the Mountain Community Zone. The agreement outlined in Exhibit B is hereby adopted as part of this ordinance.

This Ordinance shall take effect immediately upon passage.

PASSED, APPROVED and ORDERED TO BE PUBLISHED BY THE HEBER CITY COUNCIL this _____ day of _____ 2025.

	AYE	NAY	ABSENT	ABSTAIN
Yvonne Barney	_____	_____	_____	_____
Aaron Cheatwood	_____	_____	_____	_____
Michael Johnston	_____	_____	_____	_____
Sid Ostergaard	_____	_____	_____	_____
D. Scott Phillips	_____	_____	_____	_____

APPROVED:

Mayor Heidi Franco

ATTEST:

RECORDER Date: _____

Exhibit A

Exhibit B

When recorded return to:

Heber City Corporation
Attn: City Recorder
75 North Main Street
Heber City, UT 84032

Parcel No. 00-0007-8563

**DEVELOPMENT AGREEMENT
(Wellberg/Kruger Subdivision)**

THIS DEVELOPMENT AGREEMENT entered into this _____ day of _____, 2025, by and between **Heber City**, a Utah municipality (“City”), and **RHK Holdings, LLC**, a Utah limited liability company (collectively “Developer” or “Owner”). Developer and City are, from time to time, hereinafter referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the Developer is the owner of an approximately 305 acres of real property located at east of the Red Ledges subdivision (the “Property”). A legal description of the Property is attached hereto as Exhibit A; and

WHEREAS, the Developer desires to develop the Property into two single family residential lots; and

WHEREAS, the City, acting pursuant to its authority under Utah Code Ann. §10-9a-101, *et. seq.*, in compliance with the Heber City Land Use Code, and in furtherance of its land use policies, goals, objectives, ordinances and regulations, has made certain determinations with respect to the Property, and therefore has elected to approve and enter into this Agreement in order to advance the policies, goals and objectives of the City, and to promote the health, safety and general welfare of the public.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties agree as follows:

1. **Zoning.** The property shall be used and developed consistent with the requirements of the Mountain Community Zone (MCZ), except as set forth in this Agreement.
2. **Density.** Developer shall be entitled to develop no more than two single family residential lots on the Property, consisting of one lot of approximately 50 acres and one lot of

approximately 221 acres (together the “Lots”), provided that the exact size of each lot shall be determined by the Developer.

3. **Trail Land.** In accordance with the Development Agreement for the Red Ledges subdivision, Red Ledges is required to complete a public access back country trail that will be located on approximately 30 acres of the Property that abuts the Red Ledges subdivision. Accordingly, prior to approval of any building permit for the Lots, Developer shall convey to Red Ledges either fee title to, or a permanent easement and right-of-way over, the approximately 30 acres necessary for Red Ledges to construct the trail.
4. **Roads and Access.** Developer acknowledges that the Lots will be accessed through private roads within the Red Ledges subdivision, and Developer is solely responsible for to obtain permission to access through Red Ledges. All roads within the Property shall be privately constructed and maintained roads that service only the Lots. Except for emergency vehicle access, in no event shall Developer or the owners of the Lots grant access to third-parties to utilize the private roads within the Property for the purpose of accessing adjacent properties without the written consent of Heber City.
5. **Utilities.** Developer shall be responsible for the cost of installing all utilities for the Property. Water and sewer service for the Property shall be provided through the Twin Creeks Special Service District, or through a private well and/or septic tanks in compliance with all applicable state and local regulations.
6. **Vested Rights.** The Parties intend that this Agreement grants to Developer all rights to develop the Project in fulfillment of this Agreement, the City's current laws (the “Vested Laws”), and the zoning of the Property. The Parties specifically intend that this Agreement grant to Developer the "vested rights" identified herein as that term is construed in Utah's common law and pursuant to Utah Code Ann. § 10-9a-509 (2024).
7. **Exceptions to Vested Rights.** The vested rights are subject to the following exceptions:
 - a. **Agreed to Regulations.** City's future laws or other regulations to which the Developer agrees in writing;
 - b. **State and Federal Compliance.** City's future laws or other regulations that are enacted or required to comply with State or Federal laws or regulations;
 - c. **Development Review Processes.** Amendments or changes to the City's application processes, review criteria, required application materials or submittal checklists that are generally applicable, and do not materially impact (i) the ability of Developer to develop the Project in accordance with this Agreement or (ii) the overall cost of development;
 - d. **Safety Codes.** Any City's future laws that are updates or amendments to building, fire, plumbing, mechanical, electrical, dangerous buildings, drainage, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic

Control Devices or similar standards that are enacted to meet legitimate concerns related to public health, safety or welfare;

- e. **Engineering Standards.** Amendments or changes to the City's Engineering Standard Drawings and Specifications provided that the amendments or changes (i) do not materially impact the ability of Developer to develop the Project in accordance with this Agreement, (ii) do not materially impact the overall cost of development, and (iii) are not enacted as a means to reduce or limit the ability of Developer to develop the Lots in accordance with this Agreement.
 - f. **Taxes.** Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, or similarly situated persons and entities;
 - g. **Fees.** Changes to the amounts of fees for the processing of Development Applications that are generally applicable to all development within the City (or a portion of the City as specified in the lawfully adopted fee schedule) and which are adopted pursuant to State law;
 - h. **Impact Fees.** Impact Fees or modifications thereto which are lawfully adopted, and imposed by the City pursuant to Utah Code Ann. Section 11-36a-101 (2024) et seq.;
 - i. **Planning and Zoning Modifications.** Changes by City to its planning principles and design standards such as architectural or design requirements, setbacks or similar items so long as they don't materially impact the ability of Developer to develop the Lots in accordance with this Agreement; and
 - j. **Compelling, Countervailing Interest.** Laws, rules or regulations that the City's land use authority finds, on the record, are necessary to avoid jeopardizing a compelling, countervailing public interest pursuant to Utah Code Ann. § 10-9a-509(1)(a)(ii)(A) (2024).
8. **Default.** Any failure by any party to perform any term or provision of this Agreement, which failure continues uncured for a period of ten (10) calendar days following the receipt of written notice of such failure from the other party shall constitute a "Default" under this Agreement.
- 8.1 **Notice.** Any notice of default ("Default Notice") shall: (1) specify the claimed event of Default; (2) identify with particularity the provisions of any applicable law, rule, regulation or provision of this Agreement that is claimed to be in Default; (3) identify why the claimed Default is claimed to be material; and (4) specify the manner in which said failure may be satisfactorily cured.
- 8.2 **Cure.** Following receipt of a Default Notice, the defaulting Party shall have thirty (30) days in which to cure such claimed Default (the "Cure Period"). If more than 30 days is required for such cure, the defaulting Party shall have such additional time as is

reasonably necessary under the circumstances in which to cure such Default so long as the defaulting Party commences such cure within the Cure Period and pursues such cure with reasonable diligence. City may, in City's sole discretion, withhold permits or approvals during any Cure Period.

8.3. **Developer's Exclusive Remedy.** Developer's sole and exclusive remedy under this Agreement shall be specific performance of the rights granted in this Agreement and City's obligations under this Agreement. **IN NO EVENT SHALL CITY BE LIABLE TO DEVELOPER, ITS SUCCESSORS OR ASSIGNS, OR ANY DEVELOPER, PROPERTY OWNER OR OTHER PARTIES UNDER THIS AGREEMENT, FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, COSTS OF DELAY, OR LIABILITIES TO THIRD PARTIES.**

8.4 **City's Remedies Upon Default.** In addition to all other remedies available at law or in equity, City shall have the right to withhold all further reviews, approvals, licenses, building permits and other permits for development of the Property in the case of a Default by Developer, until the Default has been cured. City shall further have the right to draw on any security posted or provided in connection with the Property and relating to remedying of the particular Default.

8.5 **Emergency Defaults.** Anything in this Agreement notwithstanding, if the Council finds on the record in a public meeting that a Default by Property Owners materially impairs a compelling, countervailing public interest and that any delays in imposing a remedy to such a Default would also impair a compelling, countervailing public interest, the City may impose the remedies of Section 14.4 without any further requirements or obligations to the Property Owners. The City shall give Notice to Property Owners in accordance with the City's Vested Laws of any public meeting at which an emergency Default is to be considered and Property Owners shall be allowed to attend such meeting and address the Council regarding the claimed emergency Default..

9. **Fees.** Developer shall be required to pay all permit fees, building permit fees, inspection fees, impact fees or other fees imposed by the City as set forth in the City Code and the City's consolidated fee schedule.
10. **Entire Agreement.** This Agreement, including its Exhibits, contains the entire agreement between the parties, and no statement, promise or inducement made by either party hereto, or agent of either party hereto which is not contained in this written Agreement shall be valid or binding. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City and of the Developer.
11. **Time is of the essence.** In case any party shall fail to perform the obligations on its part at the time fixed for the performance of such obligations by the terms of this Agreement, the other party or parties may pursue any and all remedies available in equity, at law, and/or pursuant to the terms of this Agreement.

12. **Term of Agreement.** The term of this Agreement shall commence on the Effective Date and continue for a period of ten (10) years. Unless otherwise agreed between the City and the Developer, the Developer's vested interests and rights contained in this Agreement expire at the end of the Term, or upon termination of this Agreement. Upon termination of this Agreement, the obligations of the Parties to each other hereunder shall terminate, but none of the dedications, easements, deed restrictions, licenses, building permits, or certificates of occupancy granted prior to the expiration of the term or termination of this Agreement shall be rescinded or limited in any manner.
13. **No Third-Party Beneficiary Rights.** This Agreement is not intended to and shall not be construed to give any Third Party any interest or rights (including, without limitation, any third-party beneficiary rights) with respect to or in connection with any agreement or provision contained herein or contemplated hereby.
14. **Recording.** This Agreement shall be recorded with the Wasatch County Recorder as soon as reasonably practicable and no later than thirty (30) days after a binding vote of the City Council approving the Agreement. The City Recorder shall cause to be recorded, at the Developer's expense, a fully executed copy of this Agreement in the Official Records of the County of Wasatch no later than the date on which the first plat for the Project is recorded.
15. **Notices.** Any notice or communication required hereunder between the City and the Developer must be in writing and may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (1) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United State mail. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Any Party may at any time, by giving ten (10) days written notice to the other Party, designate any other address to which notices or communications shall be given. Such notices or communications shall be given to the Parties at their addresses as set forth below:

The City:

Heber City Manager
75 N Main Street
Heber City, UT 84032

Developer

16. **Insurance and Indemnification.** Developer shall defend and hold the City and its officers, employees and consultants harmless for any and all claims, liability and damages arising out of the negligent actions or inactions of such Developer, its agents or employees

pursuant to this Agreement, unless caused by the City's gross negligence or willful misconduct.

17. **Bodily Injury and Property Damage Insurance.** Developer agrees to and shall indemnify and hold the City and its elected and appointed boards, officers, agents, employees, and consultants harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) rising from or as a result of the death of any person or any accident, injury, loss or damage to any person or property directly caused by any acts done or omissions of Developer or its agents, servants, employees or contractors in connection with this Agreement, except for willful misconduct or negligent acts or omissions of the City or its elected or appointed boards, officers, agents, employees or consultants.
18. **Binding Effect.** If Developer conveys any portion of the Property or buildings to one or more owners or sub-developers, the property so conveyed shall have the same rights, privileges, and shall be subject to the same limitations and rights of the City, applicable to such properties under this Agreement prior to such conveyance, without any required approval, review, or consent by the City, except as otherwise provided herein.
19. **No Waiver.** Failure of any Party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such Party to exercise at some future date any such right or any other right it may have.
20. **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid for any reason, the Parties consider and intend that this Agreement shall be deemed amended to the extent necessary to make it consistent with such decision and the balance of this Agreement shall remain in full force and affect.
21. **Other Necessary Acts.** Each Party shall execute and deliver to the other Party any further instruments and documents as may be reasonably necessary to carry out the objectives and intent of this Agreement and to provide and secure to the other Party the full and complete enjoyment of its rights and privileges hereunder.
22. **Covenants Running with the Land and Manner of Enforcement.** The provisions of this Agreement shall constitute real covenants, contract and property rights and equitable servitudes, which shall run with all of the land subject to this Agreement. The burdens and benefits of this Agreement shall bind and inure to the benefit of each of the Parties, and to their respective successors, heirs, assigns and transferees. Notwithstanding anything in this Agreement to the contrary, the owners of the individual lot in the Project shall have no right to bring any action under this Agreement as a third-party beneficiary. The City may look to the Developer, its successors and/or assigns, or the lot owners for performance of the provisions of this Agreement relative to the portions of the Projects owned or controlled by such party. The City may, but is not required to, perform any obligation of the Developer that the Developer fails adequately to perform. Any cost incurred by the City to perform or secure performance of the provisions of this Agreement shall constitute a valid lien on the Project, including prorated portions to the individual lots or units in the Project.

23. **Amendment.** Unless otherwise stated in this Agreement, the Parties may amend this Agreement from time to time, in whole or in part, by mutual written consent. No amendment or modification to this Agreement shall require the consent or approval of any person or entity having any interest in the specific lot, or other portion of the Project. Each person or entity (other than the City and the Developer) that holds any beneficial, equitable, or other interests or encumbrances in all or any portion of the Property at any time hereby automatically, and without the need for any further documentation or consent, subjects and subordinates such interests and encumbrances to this Agreement and all amendments thereof that otherwise comply with this Section 32. Each such person or entity agrees to provide written evidence of that subjection and subordination within fifteen (15) days following a written request for the same from, and in a form reasonably satisfactory to, the City and/or the Developer.

24. **Waiver of Rights Under Utah Code Section 10-9a-532.** The Parties have been represented by an attorney throughout this process. Developer acknowledges that this Agreement does not restrict any of Developer's rights under clearly established state law or that Developer has been advised in writing of any such rights being restricted. As an essential term of this Agreement, Developer hereby waives any claim that any term of this Agreement is void, illegal, invalid, or unenforceable as the result of any failure on the City's part to disclose in writing any rights being restricted by this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year this agreement was first above written.

DATED this _____ day of _____, 2025.

HEBER CITY:

By: _____
Heidi Franco, Mayor

ATTEST:

Heber City Recorder

DATED this _____ day of _____, 2025.

RHK Holdings, LLC

By: _____

Print Name: _____

Title: _____

STATE OF UTAH)
 : ss.
COUNTY OF WASATCH)

On this _____ day of _____, 2025, personally appeared before me
_____, who duly acknowledged to me that (s)he had
authority to and did executed the foregoing document on behalf of RHK Holdings, LLC.

NOTARY PUBLIC

Exhibit A

Legal Description

BEGINNING AT THE NW CORNER OF SEC 26 T3S R5E SLM: N87-11-54E 423; S30-11-25E 3108.07; S0-0-0E 5023.49; S90-0-0W 1980.02; N0-2-26W 7689.31 TO THE BEGINNING.
AREA: 305.52 ACRES +/-



Heber City Council Staff Report

MEETING DATE: 2/4/2025

SUBJECT: Pro-Forma and Term Sheet for Operations and Programming of the Amphitheater

RESPONSIBLE: Matt Brower, Phil Jordan

DEPARTMENT: Administrative

STRATEGIC RELEVANCE: City Council FY '26 Priority--Future Community Activation via Entertainment/Arts Meeting #1 of 2– INFO ONLY

SUMMARY

Sunset Ridge Amphitheater Future Operations / Fundraising / Design 2025

This agenda item is the first of two presentations (second one following on February 18, 2025) addressing the City’s role and responsibilities as the Amphitheater Owner, the feasible Concept of Operations, 10-year venue operations pro-forma, the Art Center’s proposal for fundraising and how the city may proceed to secure its operations and event programming that will drive the facility designs and construction.

RECOMMENDATION

Discussion only.

BACKGROUND

Following the 2023/24 Ground Lease and Parking Agreement for the Wasatch Arts Council / Heber City Corporation for the new Heber Valley Arts Center Project, the Arts Center is to present their proposal for the operations / programming of the new Heber City Sunset Ridge Amphitheater.

DISCUSSION

FISCAL IMPACT

N/A for this first presentation

CONCLUSION

As the Jordanelle Ridge Development project is proceeding with their design and construction of the new JRD Arts District and this Sunset Ridge Amphitheater, it is time to discuss the potential design, opportunities for fundraising additional construction budget and the future operations / programming

ALTERNATIVES

N/A for this first presentation

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the **item** as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the **item** as amended, as follows.

Alternative 3 - Continue

I move to **continue** the **item** to another meeting on , with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the **item** with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: Matt Brower, City Manager
Phil Jordan

EXHIBITS

1. SUNSET RIDGE AMP Operations Concept Pro-forma
2. PP Heber Valley Arts Center

HEBER VALLEY ARTS CENTER

Agenda for Tuesday, February 3, 2025

Heber City Mayor Heidi Franco
Heber City Council Members
Heber City Manager Matt Brower and Staff

“Sunset Ridge Amphitheater” at Jordanelle Ridge Development (JRD)
Venue Concept of Operations | 10-year Pro-forma

Today - Information Only

- I. Introduction
 - a. Role of Heber City as Amphitheater / Arts District *Venue Owner*
 - b. Role of Jordanelle Ridge / Raintree as *Developer / Builder*
 - c. Role of Heber Valley Arts Center as *Consultant*

- II. Live Entertainment Venue Operations Concepts
 - a. Basic Design
 - b. Enhanced Designs

- III. 10-year Pro-forma Guidelines and Assumptions
 - a. Comparative Venues – rates, activities, outcomes
 - b. Options for Booking Policies
 - c. Stressing the Model

Next Meeting

- I. Pro-forma Detail Review – Basic v. Enhanced - **Information Only**
 - a. Projected Activities / Revenues / Expenses
 - b. Projected Operating Results

- II. JRD Public Infrastructure District (PID) Funding Options - **Action**

- III. JRD Project Development 2025 - **Action**
 - a. Design Architect RFP - contract → General Contractor Bid
 - b. Heber Valley Arts Center consulting services – contract for fundraising and project management



HEBER VALLEY ARTS CENTER



Heber City's *Sunset Amphitheater* Jordanelle Ridge



HEART OF THE WASATCH BACK
HEBER CITY
EST. 1889

methodstudio

Introduction

Heber City Corporation as Amphitheater / Arts District *Venue Owner*

- Participate / support Design and Construction
- Recruit/ select / contract Venue Operator
- Support on-going City Events & Venue Operations Funding
- Review / fund future *Enhancements*
- Plan / reserve long-term capital maintenance

HEBER VALLEY
ARTS CENTER

HEART OF THE WASATCH BACK
HEBER
CITY
1899



Introduction

Jordanelle Ridge / Raintree as *Developer / Builder*

- Recruit / select / contract Amphitheater Project Consultant
- Recruit / select / contract Amphitheater Design Architect / Team
- Bid / select / contract General Contractor / Construction Project Manager
- Complete Arts District / Amphitheater construction

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ARTS CENTER

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CITY



Introduction

Heber Valley Arts Center as *Project Consultant*

- Drive / manage Amphitheater Fundraising Campaign Consultant(s)
- Support Design / Construction
- Manage / propose Operations Planning / Readiness via Bid Process

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ARTS CENTER



Objectives

- Identify and understand key venue ownership & operations structures
- Understand internal and external forces that impact venue management
- Introduce how to *'Follow the \$\$\$'*
- Identify elements of successful venue management
- Consider the current Amphitheater Design Options





Venue Organization & Management

		<u>Owner</u>	
		Public	Private
<u>Operator</u>	Public	✓	✗
	Private	✓	✓

Private Vendor Management

Advantages

- Incentives for efficiency or performance
- Network of relationships to leverage event bookings
- Internal network of facility knowledge / experience
- More independence in negotiations
- Greater staffing resources
- More objective criteria for accountability
- More efficient procurement process
- Design support and pre-opening services
- Less financial risk for owner

Disadvantages

- Potential loss of direct control by owner
- Profit motive versus community benefit motive
- Less access for affordable public use
- Facility management fees
- Management personnel turnover
- Corporate resources spread among several facilities
- Owner responsible for long-term capital

Public Venue Management

Advantages

- Owner Control
- Financial Support (backstop)
- Coordinating / Sharing of staff / Support Functions
- Bulk Price Purchasing
- No Management Fees / Profit Share
- Public Programming for Local Residents can be given Priority

Disadvantages

- Lack of Outside / Private Sector Financial Support (partners)
- Civic Service Constraints (bureaucracy)
- Contract Approval Requirements
- Changing Political Policies or “optics”
- Lack of Incentive Compensation
- Possible Lack of Expertise and Access in Arts Industry

Environmental Influences

- Governmental (policies/funding)
- New Legislation (labor, tax, health, safety, etc.)
- Economic growth and policy
- Social Issues
- Political Issues
- Management Structure (private, public, JV, etc.)



Venue Management Core Functions

- Safety & Security □ Human Risk & Asset Control
- Event Management / Contracting □ Coaching Event Producers
- Ticketing □ Controlling Occupancy & Seat Inventory
- Finance □ Holding Revenues & Fronting Expenses
- Patron Experiences
- Technical Functionality □ Equipment & Personnel
- F&B □ In-house or Contracted?
- Sponsor & Donor Fulfillment

Who Is A Tenant?

- Community User Groups
- Resident Performing Arts Groups
- Traveling Entertainment Events / Regional Promoters
- Conventions, Tradeshows, Exhibitions
- Convention & Visitor Bureaus
- Retail Lessee's



Box Office & Ticketing

Ticketing Systems

- Roll or Hard Tickets
- Local Database
- Cloud/Hosted Database



Ticketing Strategies

- *Full Service*

- ✓ 100% Control, except event on-venue services

- *Self-ticketed / White Label*

- ✓ Venue operated systems, call center – internet @ in-house developed
- ✓ White label is system back-end sold by Full-Service provider

- *Hybrid*

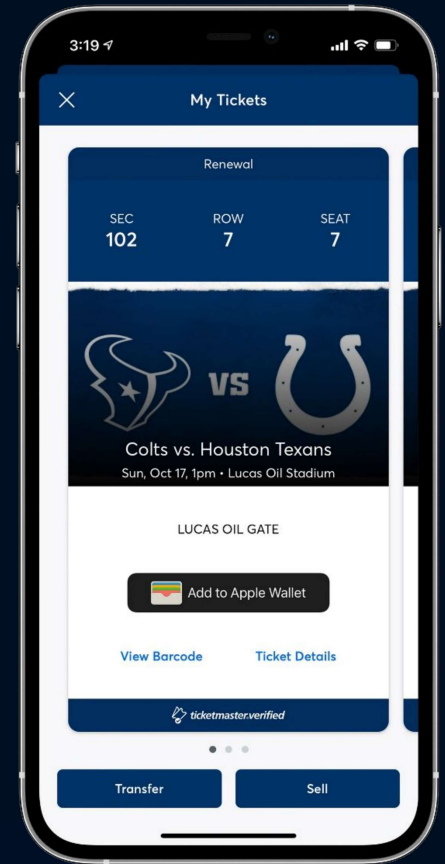
- ✓ Combination of both, with Full Service receiving allocated tickets

Ticketing Strategies

- Ancillary Ticketing Revenue:
 - ✓ Facility (maintenance) Fee
 - ✓ Patron Ticketing Fee (commission)
 - ✓ Presenter Ticketing Fee (commission)
 - ✓ Other Fees – *Arts For All*
- Marketing Activity & Revenues

Types of Tickets

- Paper
- Mobile
- RFID/NFC



This is your ticket. Present this entire page at the event.

ticketmaster

ISSUED TO: **varinia arevalo** SECTION: **445** ROW: **7** SEAT: **103**
 ORDER NUMBER: **1-20717 VAN**

BCCL002	445 N 103 TIDAL	SEC1002
C 56314	LEVEL: 4*ANY GATE 132.70	13123
12.95		709.17
443	JAY-Z AND BEYONCE	445
FR. 137A	ORF. 11	70119.110
N 103	BC PLACE	8
137420X		X 110.00
000218	THE OCT 02/18 8PM 7:30PM	103

4410 6153 1449 6665

RBCxMUSIC
MUSIC MAKES YOU
Tickets to the Biggest Concerts
Only for RBC Customers
RBCxMusic.com

TICKET DEALS
PROMOTIONS, SPECIAL OFFERS & MORE
TICKETMASTER.CA/TICKETDEALS

ticketmaster

Important Instructions:

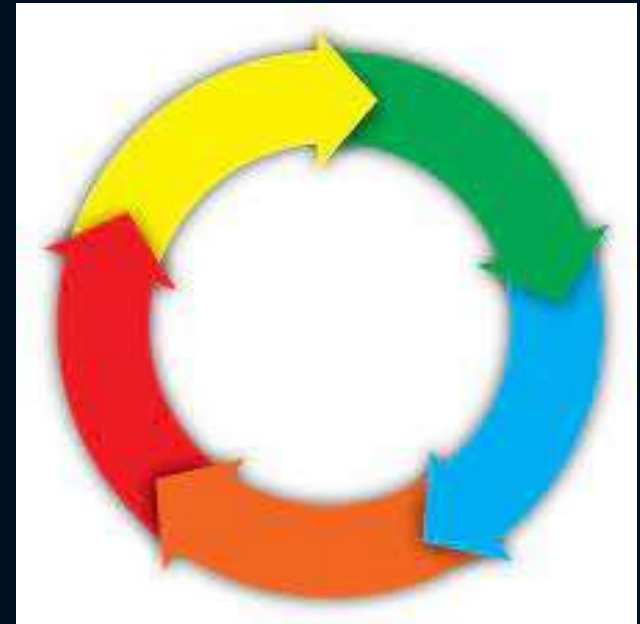
- The barcode only allows one entry per ticket.
- Unauthorized duplication or reuse of this ticket may prevent your admission to the event.

BCCL002 SECTION: 445 ROW: 7 SEAT: 103
 4410 6153 1449 6665

Thank you for choosing Ticketmaster.

Lifecycle of a Ticketed Event

- Event Build
 - ✓ Maps, Pricing, Fee Structures, Holds, Kills
- Pre-sale / On Sale
- Reporting through Sales Period
- Re-Scale / Relocation Planning
- Day of Event



Secondary Market and ~~Scalping~~





Crowd Management

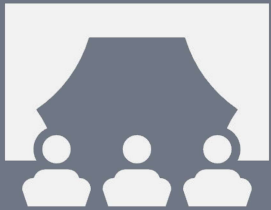
'Crowd management'

the practice of
safely controlling guests
as they arrive, enter, move around
and leave the venue

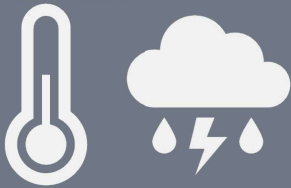
...can never
attain
complete
control

Challenges for our venues

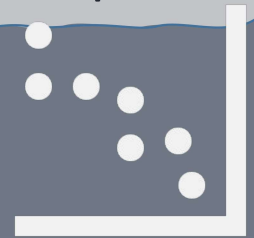
achieving 'doors'



weather



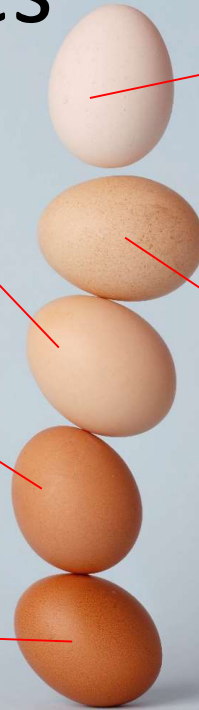
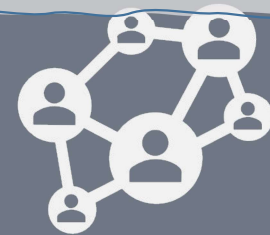
managing large groups in defined spaces



infrastructure & amenity design



workforce




Planning + intelligence



- **Research**
 - Past similar events
 - Other venues
- **Clarify policies & procedures** (e.g., evictions)
- **Know Local, State and Federal legislation**
- **Understand the event and venue**
- **Communicate with all stakeholders**

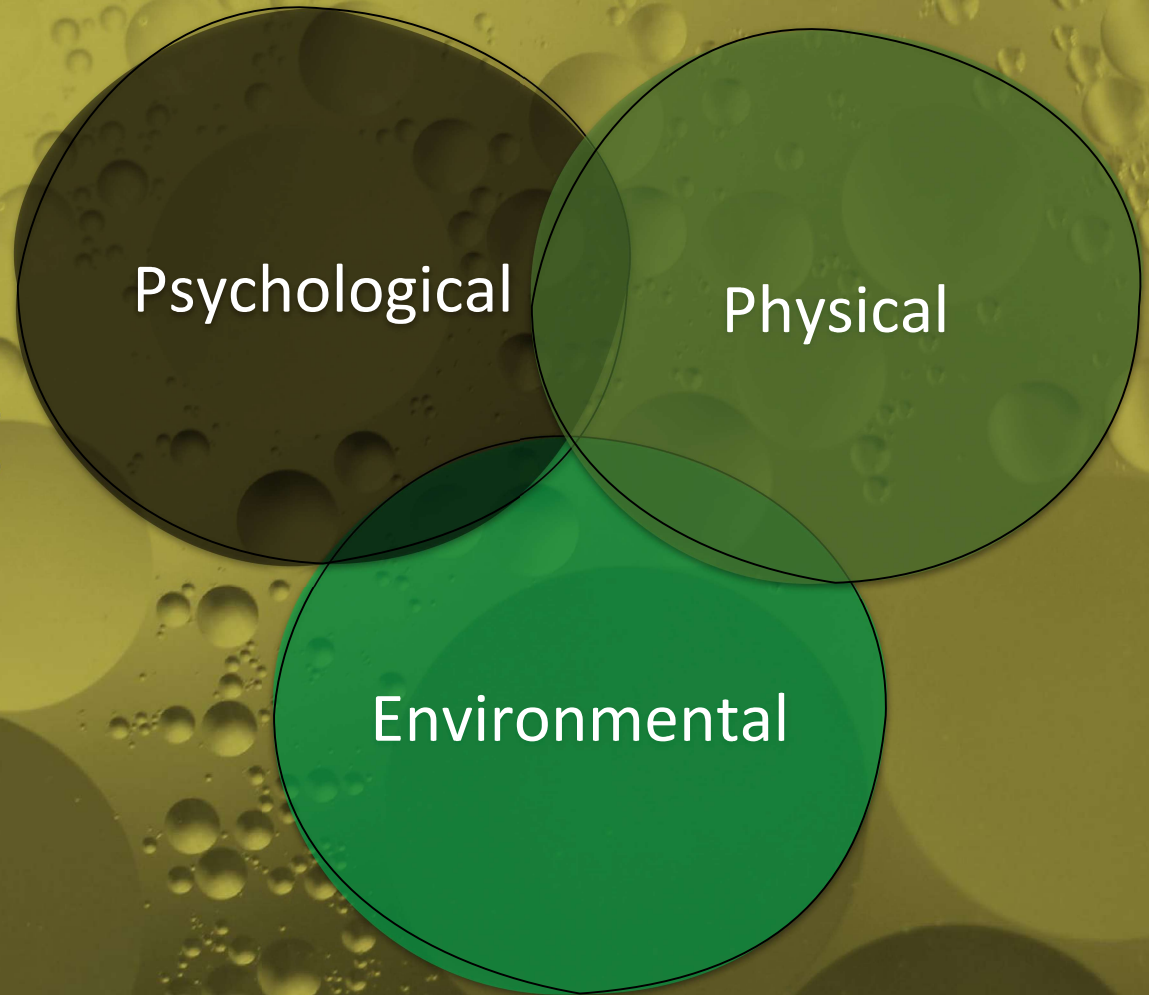
Planning + intelligence (cont'd)

- 
- Know your crowd
 - Know your 'performer'
 - Arrange capacity audits



Other ...

Elements of crowd management



Factors impacting crowd

behavior

Traffic jams/transport modes
and long queues

- Lack of familiarity with venue
- Nature/type of event
- **Facility design/characteristics**
- Duration of event
- Time of year/weather

- Alcohol management
- Lack of communication
or signage
- Services quality, price & ease
 - food & beverage
 - merchandise



Finance Management

'Follow the \$\$\$'

10-year Pro-forma Guidelines & Assumptions

- Comparative Venues – rates, activities, outcomes
- Popular (Concerts) Entertainment
- Options for Booking Policies / Tenant Organizations
- Stressing the 10-year Model

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Stressing the 10-year Model

	Aug - Sept		Activity
Year 1	2028 / 29	Inaugural	10% Up
Year 2	2029 / 30	Active	30% Up
Base Year Year 3	2030 / 31	Normal	0% Flat
Year 4	2031 / 32	Off Year	-30% Down
Year 5	2032 / 33	Normal	0% Flat
Year 6	2033 / 34	Active	30% Up
Year 7	2034 / 35	Off Year	-30% Down
Year 8	2035 / 36	Normal	0% Flat
Year 9	2036 / 37	Active	30% Up
Year 10	2037 / 38	Off Year	-30% Down

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Revenues

Earned Revenues

Popular (at-risk)
Heber Valley Arts Amateur Nights
(at-risk)
Rental Income
Box Seat Program "*Public Fire Pit
Seats*"
Parking
Food & Beverage
Single Ticket Handling Fee
Subscription Ticket Handling Fee
Arts for All Fee
Facility Fee
Other Operating Revenue / Opening
Event(s)

Support & Funding

Government Support
Individual Gifts
Membership
Major Gifts
Foundation Support
Corporate Support (Philanthropy)
Tax Revenue
In-Kind Gifts
Special Events (net)
Miscellaneous Income

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Expenses

OPERATING EXPENSES

Administration
 Marketing
 Sales & Box Office
 Guest Services - Theater Operations
 Technical Production Operations
 Security & Building Operations
 Overhead Expenses
 Other Expenses / Opening Event(s)
 Arts for All Fee
 Expense Contingency

ADMINISTRATION

General Manager
 Accounting Clerk
 Network & Data Management Specialist

GUEST SERVICES

House Manager
 Asst House Manager
 Sponsor & Membership Services Manager
 Ticketing Manager
 Assistant Ticketing Manager
 Box Office Shift Supervisor (3/4)
 Box Office FT (part time)

SALES & EVENTS MANAGEMENT

Sales & Marketing Director
 Event Manager
 Event Manager
 Marketing Manager
 Digital Media Coordinator
 Event Coordinator

VENUE OPERATIONS

Security Coordinator
 Production Manager
 Technical Director (audio / video)
 Technical Director (lighting / rigging)
 Technical Directors Temporary Staff x2 (retainer)
 Facilities Maintenance Supervisor
 Facilities Operations Worker
 Facilities Operations Worker
 Facility Manager
 Operations Supervisor (Cntr)

Heber City's *Sunset Amphitheater* Jordanelle Ridge



*SUNSET
RIDGE*

AMPHITHEATRE



CONCESSIONS
& RESTROOMS
1

LAWN
SEATING

SPONSOR
BOXES

TICKET
BOOTH

FIXED
SEATING

SPONSOR
BOXES

ENTRY PLAZA

STAGE

CONCESSIONS
& RESTROOMS
2

PARKING LOT

LOADING ZONE

Design impacts Operations Outcomes

Basic Design

- *'Civic - Community'* Amphitheater Facilities @ Open Area Seating
- Annual temporary Operations Equipment needed for stage / patrons
- Minimal Potential On-site Earned Revenues / Parking Experience

Enhancements Design

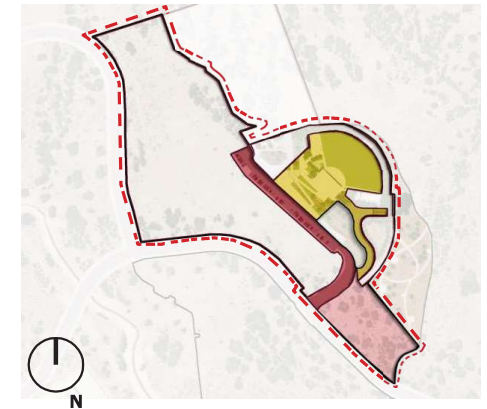
- *'Regional Professional'* Amphitheater Facilities @ Varied Seating Options
- Annual Operations Equipment on-site for patrons

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Sunset Ridge Amphitheater : Base (Package 1)



- BASE AMPHITHEATER**
 - Grass Seating With Concrete Walkways
 - Loading Dock Access And Area
 - Stage Building with Basic Lower Level Basic Entry Plaza
 - Simplified Site

- SITE UTILITIES / ROADS / PARKING**
 - Simplified Site
 - Access Drive And Parking To The Edge Of Base Entrance
 - Gravel Paving At Trailhead Area
 - Essential Sidewalks
 - Native Seed Blend At Perimeter Areas

Sunset Ridge Amphitheater @ Base *(Package 1)*

Base Amphitheater

- Grass Seating with concrete walkways
- Loading Dock Access And Area
- Stage Building with basic lower level basic entry plaza
- Simplified Site

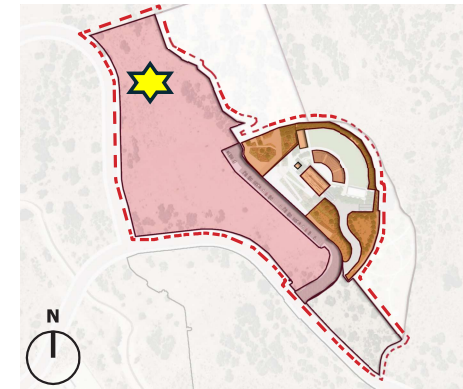
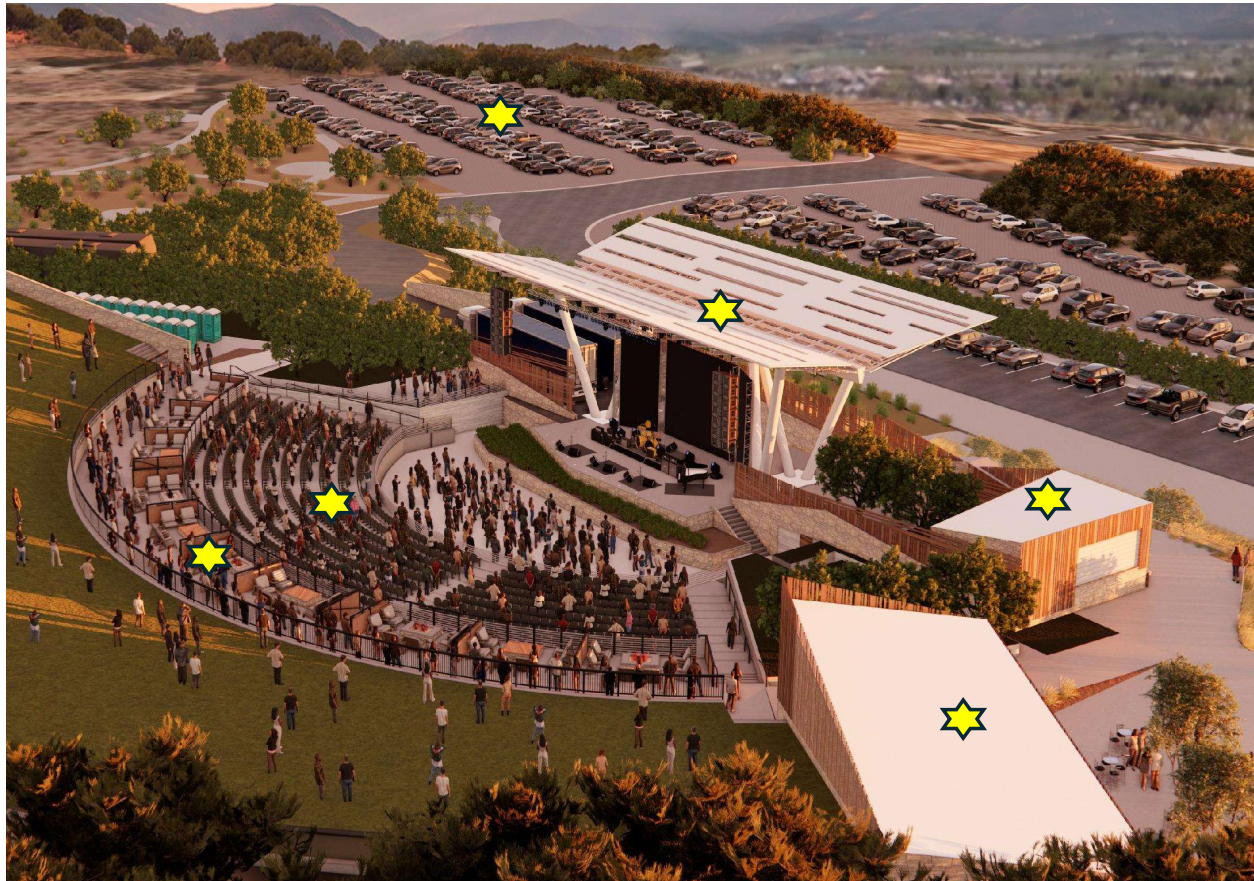
Site Utilities / Roads / Parking

- Simplified Site
- Access Drive and Parking to the edge of base entrance
- Gravel Paving at Trailhead Area
- Essential Sidewalks
- Native Seed Blend at perimeter areas

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Sunset Ridge Amphitheater : Enhancements (Package 2)



- AMPHITHEATER ENHANCEMENTS**
 - Complete Stage Building - Add Elevator
 - Install Canopy
 - Additional Concrete At Amphitheater
 - Fixed Audience Seating
 - First Restroom Building
 - Ticketing Office
- SITE UTILITIES / ROADS / PARKING**
 - Expanded Gravel Parking North Of Drive

Sunset Ridge Amphitheater' @ Enhancements (Package 2)

Enhancements

- Complete Stage Building / Add Elevator
- Permanent Stage Canopy
- Fixed Audience Seating
- Firepits Seating - sponsor / donor opportunities
- Restroom / Concessions Building #1
- Expanded Gravel Parking North Of Drive
- Ticketing Office Building

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Next Meeting... information only

Pro-forma Detail Review – Basic v. Enhanced

- Projected Activities / Revenues / Expenses
- Projected Operating Results

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Next Meeting... action

JRD Public Infrastructure District (PID) Funding Options

- Villages 1 – 3 – 4 -5 Investments re-allocate to Village 2

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Next Meeting... action

JRD Project Development 2025

- Design Architect RFP - contract □ General Contractor Bid
- Heber Valley Arts Center consulting services – contract for fundraising and project management

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Next Meeting – To Be
Confirmed

Tuesday, February 18,
2025
Thank you!

HeberValleyArtsCenter.co
m



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Heber City Council Staff Report

MEETING DATE: 2/4/2025

SUBJECT: Approve Transfer of General Fund Revenues to the Heber City Community Reinvestment Agency Fund in the Amount of \$876,000.00 to Support the Agreement For Sale and Purchase of Real Property with Heber Light and Power

RESPONSIBLE: Matt Brower

DEPARTMENT: Administrative

STRATEGIC RELEVANCE: Council Priority and Envision Central Heber

SUMMARY

Heber City has negotiated an Agreement for Sale and Purchase of Real Property with Heber Light and Power for the acquisition of property located at 31 South and 100 West in down town Heber. The counterparties to the agreement are Heber Light and Power (HL&P) and the Heber City Community Reinvestment Agency (Agency). This agenda item is to approve the transfer of General Fund revenues to the Heber City Community Reinvestment Fund in the amount of \$876,000 to complete the real property transaction with HL&P.

RECOMMENDATION

Approve the transfer of \$876,000.00 from the General Fund to the Heber City Community Reinvestment Agency Fund.

BACKGROUND

The Heber City Community Reinvestment Agency and Heber Light and Power (HL&P) have negotiated a Sale and Purchase of Real Property Agreement and a Lease Agreement for the administration building currently owned by HL&P located at 31 South and 100 West.

HL&P is constructing a new administration building located on the corner of 600 West and 300 South with an expected completion sometime in late 2025. Their business plan is to move their operations from their property located at 31 South and 100 West to to their new building when completed.

The Heber City Council has identified the purchase of the HL&P property as a key priority for achieving several of the Envision Central Heber initiatives included in the adopted plan The

Envision Central Heber Plan was adopted in 2023 after undertaking a significant public input process. One of the key initiatives in the plan is to provide more parking to support existing business, city event programming, and reinvestment in the downtown.

In 2024 HL&P initiated an appraisal of the their parcel by Inqoba, an independent third party appraisal company. The appraisal established the current value for the HL&P parcel at \$875,000.00.

This agenda item is to approve the transfer of \$876,000.00 from the General Fund to the Heber City Community Reinvestment Agency Fund to cover the cost of the real property transaction with HL&P.

DISCUSSION

Staff is proposing the Heber City Community Reinvestment Agency as the buyer of the real property. State law grants Reinvestment/Redevelopment Agencies more flexibility when dealing with the redevelopment of property. Currently the Heber City Community Reinvestment Agency does not have the cash or means to complete the transaction. Therefore, staff is recommending the City's General Fund transfer the cost of the transaction (\$876,000.00) to the Heber City Community Reinvestment Agency Fund. The majority of the funding for the transaction, or \$700,000.00, stems from the proceeds received from a recent sale of property owned by the City. The remainder of the funding would be covered by unrestricted General Fund reserves--additional details pertaining to the transaction funding can be found in the fiscal impact section of this staff report.

Due to the fact this transaction was not budgeted in the current fiscal year in either fund, a future budget amendment for both funds will be required. Likely date for the subsequent budget amendment is March '25.

FISCAL IMPACT

The Sale and Purchase of Real Property Agreement establishes the amount of the transaction at \$876,000.00. Staff is proposing the following revenue mix for covering the cost of the transaction:

- 1) \$700,000.00 from GF restricted reserves. This sum was ascertained recently from the City's sale of 1.5 acres located in the commercial park located near Heber Valley Airport.
- 2) \$176,000.00 from GF unrestricted reserves.

Should Council approve this Agreement, a budget amendment would be required for the General Revenue Fund and Heber City Community Reinvestment Agency Fund, as this transaction was not included in the FY '25 budget. This amendment would be expected in March '25.

CONCLUSION

In order for the Heber City Community Reinvestment Fund to complete the real property transaction with HL&P, a transfer of cash from the General Fund will be necessary.

ALTERNATIVES

1. Approve as proposed
 2. Approve as amended
 3. Continue
 4. Deny
-

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue

I move to **continue** the item to another meeting on , with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member:

EXHIBITS

1. DRAFT Real Estate Purchase Agreement - Admin Building 20250115 v2 - 4906-6950-3504 - 1

AGREEMENT FOR SALE AND PURCHASE OF REAL PROPERTY

This Agreement for Sale and Purchase of Real Estate (the “**Agreement**”) is entered into as of the _____ day of _____, 2025 (the “**Effective Date**”), by and between **HEBER LIGHT & POWER COMPANY**, a Utah interlocal entity (“**Seller**”) and **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a political subdivision of the State of Utah, and its successors or assigns (“**Buyer**”).

RECITALS

A. Seller owns approximately 0.41 acres of real property, County APN 00-0004-9119, located in Wasatch County, State of Utah, as more fully described on Exhibit A attached hereto (the “**Real Property**”).

B. Buyer desires to purchase the Real Property, together with all together with (i) all easements, rights of way, benefits, privileges, rights, and appurtenances running with, related to, or pertaining thereto, (ii) all improvements of any kind located on, and all of Seller’s right, title and interest in any land lying in any street, road or avenue in front of or adjoining, such Real Property, (iii) any and all entitlements, approvals, consents, goodwill, zoning rights, use rights, and other intangible assets and/or rights of any kind whatsoever related or appurtenant to such Real Property (collectively, the “**Property**”).

TERMS AND CONDITIONS

In consideration of the amounts to be paid and the mutual promises contained herein, Buyer and Seller agree as follows:

ARTICLE I AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE

1.1 Purchase and Sale. In accordance with the terms and conditions set forth in this Agreement, and subject to the conditions precedent set forth in Section 1.4 below (or in any other provision of this Agreement), Seller agrees to convey to Buyer, and Buyer agrees to purchase and take from Seller, fee simple title in and to the Property.

1.2 Purchase Price. The purchase price for the Property (the “**Purchase Price**”) is EIGHT HUNDRED SEVENTY SIX THOUSAND DOLLARS (\$876,000.00).

1.3 Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller, as adjusted for prorations on the Closing Date, in cash, by cashier’s check, or other immediately available funds.

1.4 Conditions Precedent to Purchase. The purchase of the Property by Buyer, and Buyer’s obligations to close and consummate the purchase and sale transaction described herein, is expressly contingent on, conditioned on, and subject to the satisfaction, at Buyer’s sole discretion, of all of the conditions listed below. In the event any one of the following items or issues has not been satisfied by the Closing Date (defined below), Buyer shall have the option (at

Buyer's sole discretion) of terminating this Agreement or may defer Closing for up to sixty (60) additional days.

(a) Buyer's receipt before the Closing occurs of the Title Policy (defined below), or of the Title Company's irrevocable promise and commitment to issue the Title Policy in accordance with paragraph 2.1.

(b) Buyer and Seller have negotiated a lease agreement whereby Seller is allowed to continue to occupy the property after closing, in substantially the form attached hereto as **Exhibit C** (the "**Lease Agreement**").

(c) The full and complete satisfaction of all other terms, conditions and obligations of Seller under this Agreement.

ARTICLE II TITLE INSURANCE

2.1 Commitment of Title Insurance.

(a) Commitment. Buyer is in possession of, or will obtain, a commitment for extended owner's title insurance covering the Property (the "**Commitment**"), issued by the Title Company. The commitment shall be updated by the Title Company to a date on or after the date of this Agreement.

(b) Objections to Title. Buyer shall have fourteen (14) days following full execution of this Agreement and receipt of the updated Commitment to provide any written objections to any matter or issue set forth or disclosed in the Commitment, which objections may include matters and issues shown on any survey of the Property (collectively, the "**Title/Survey Objections**"). If Buyer does not timely deliver written notice of its Title/Survey Objections to Seller, Buyer shall be deemed to have approved of all matters set forth in the Commitment and on any survey. If Title/Survey Objections are timely made, Seller shall determine, at its sole discretion, as to each Title/Survey Objection, whether Seller is willing or able to eliminate (or obtain affirmative coverage in the Title Policy) over each of the Title/Survey Objections. At least five (5) business days prior to the end of the Due Diligence Period (defined below), Seller shall notify Buyer in writing as to those Title/Survey Objections that Seller will cause to be cured, eliminated, or insured over at Closing. Notwithstanding the foregoing, Seller shall be obligated to eliminate any deeds of trust, mortgages, judgment liens, mechanics' liens, materialmen's liens and other liens (the "**Liens**") recorded against the Property to the extent caused by, or arising as a result of, any actions or inactions by, on behalf of, or under the direction of, Seller. If (a) Seller's written notice indicates that Seller is unable or unwilling to eliminate or provide affirmative coverage over any Title/Survey Objections (other than the Liens), upon terms acceptable to Buyer at Buyer's sole discretion, or (b) Seller does not timely deliver the written notice as required hereunder, then in either event Buyer may (i) waive the Title/Survey Objections that Seller was unwilling or unable to cure and otherwise purchase

the Property subject to the other terms and conditions of this Agreement, or (ii) terminate this Agreement by either giving written notice to Seller at any time before the Closing occurs, whereupon neither Buyer nor Seller shall have any further right, liability, duty or obligation under this Agreement, except for agreements or covenants that specifically survive termination. Matters to which Buyer does not object shall be deemed to be “**Permitted Exceptions**” and shall not be considered objections to any matter contained in the Commitment.

- (c) Delivery of Title Insurance. Except as otherwise stated in Section 2.1(b), Seller shall obtain and deliver to Buyer within ten (10) days after the Closing Date an ALTA Extended Owner’s Policy of title insurance in the amount of the Purchase Price (in a form satisfactory to Buyer), which title policy shall (i) be effective as of the Closing Date, (ii) contain no exceptions other than the Permitted Exceptions, and (iii) include any and all endorsements requested by Buyer (collectively, the “**Title Policy**”). Buyer shall pay for the cost of the above stated Title Policy.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller makes the following representations and warranties to Buyer, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall extend beyond and survive the Closing Date and delivery of the deed for the Property from Seller to Buyer:

(a) Seller has and on the Closing Date will have good and marketable fee simple title to the Property, free and clear of all encumbrances, liens, claims, or reservations, except as specifically approved by Buyer under this Agreement.

(b) Seller has the right, power and authority to execute, deliver, and perform this Agreement and the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate (or other) actions on the part of Seller. Upon execution and delivery this Agreement, this Agreement shall constitute valid and binding obligations of Seller enforceable against Seller in accordance with its terms.

(c) Seller is unaware of and has not received notice any judgment, suit, claim, action, arbitration, legal, administrative, eminent domain action, or other proceeding or governmental investigation, pending or threatened, with respect to the Property and no activities or events have occurred on or in connection with the Property that could give rise to any such claims or proceedings.

(d) Seller has not received any notices, demands, or deficiency statements from any mortgagee of the Property or from any state, municipal, or county government or agency or any insurer relating to the Property and which have not been cured or remedied except property valuation and tax notices issued by the county which are not yet due and payable.

(e) Except as otherwise expressly disclosed in the Commitment, the Property is not subject to any proposed special assessment or to any existing special assessment lien arising as a result of any works or improvements completed, installed, or contemplated at or before the Closing Date.

(f) No contracts, leases, licenses, commitments, or undertakings of which Seller is a party exist relating to the Property.

(g) Seller has paid and shall pay all liens, charges, taxes, and assessments for the Property arising prior to the Closing Date.

(h) No person, broker or entity, whether or not affiliated with either party is entitled to a commission, finder's fee, or other compensation arising from this Agreement, as regarding Seller.

(i) During the period from the Effective Date until the Closing Date, Seller shall maintain the Property and all improvements and personal property thereon (or related thereto) in a good and clean condition, and to the extent in Seller's control, shall preserve in all respects all value in the Property.

(j) Neither Seller nor any of its affiliates has made any assignment for the benefit of creditors, filed any petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned or applied to any tribunal for any receiver, conservator or trustee of it or any of its property or assets, or commenced any action or proceeding under any reorganization arrangement, readjustment of debt, conservation, dissolution or liquidation law or statute of any jurisdiction; no such action or proceeding has been commenced or threatened against Seller by any creditor, claimant, governmental authority or any other person or entity. Seller is not currently contemplating making any such assignment for the benefit of creditors, or filing any bankruptcy petition as more fully described above.

3.2 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall survive the Closing and delivery of the deed for the Property from Seller to Buyer.

(a) Buyer has the right, power and authority to execute, deliver, and perform this Agreement.

(b) No person, broker or entity, whether or not affiliated with Buyer, is entitled to a commission, finder's fee, or other compensation arising from this Agreement as regarding Buyer. Buyer shall indemnify, defend, and hold Seller harmless from and against any and all claims, loss, or damage relating to or arising out of any claim for compensation by any broker, person, or entity claiming by or through Buyer.

ARTICLE IV

SELLER'S USE OF THE PROPERTY

From and after Seller's execution of this Agreement, Seller shall not, without the prior written consent of Buyer, grant or convey any easement, lease, license, permit, encumbrance, or any other legal or beneficial interest in or to the Property or engage in any negotiations with any party other than Buyer regarding the purchase or sale of the Property. Seller shall not enter into any service contract or other agreement related to the Property that would be binding on Buyer after the Closing. Except as otherwise provided for herein, Seller agrees to pay, as and when the same are due, all payments on any encumbrances presently affecting the Property and any and all taxes, assessments, and levies with respect to the Property through the Closing Date.

ARTICLE V MISCELLANEOUS

5.1 No Due Diligence. Buyer's purchase of the Property is **not** conditioned on due diligence by Buyer.

5.2 No Financing Condition. Closing is **not** conditioned on Buyer successfully obtaining financing

5.3 Personal Property; Exclusions. Any personal property remaining on the Property at the later of (i) Closing or (ii) the termination of the Lease Agreement shall be property of Buyer. The backup generator and transfer switch are excluded from the sale and may be removed by Seller at any time prior.

5.4 As-Is Condition. Buyer is purchasing the Property in as-is condition and Seller makes no warranties of any kind as to the condition of the Property or the suitability of the Property for any use contemplated by Buyer.

5.5 No Water. No water shares or water rights are included in this transaction.

5.6 Property Information. Seller hereby agrees to deliver or cause to be delivered at Seller's sole expense, within fourteen (14) days after the Effective Date, all of the following to Buyer (collectively, the "**Property Information**"), to the extent such Property Information is in Seller's possession or reasonable control, or in the possession or reasonable control of any of Seller's agents or contractors:

- (a) All surveys of the Property;
- (b) All environmental reports, studies, and site assessments relating to the Property;
- (c) All traffic, engineering, soil, geotechnical, and hazardous substance reports, tests and inspection results and other similar tests, investigations or studies relating to the Property;
- (d) All documents of any kind related to the construction, purchase, sale, and or transfer of the Property;
- (g) All documents, agreements, contracts, written notices, memorandums of understanding, letters of intent, permits, or other information of any kind related to any and

all utilities for the Property, and, if applicable, for each and every Lot within the Property (including the availability thereof);

(j) Any and all leases of any kind related to, encumbering, or affecting the Property (whether or not shown or disclosed on the Title Commitment); and

To Seller's knowledge, there are no false, untrue, or misleading statements or information in any of the Property Information. In addition, until Closing, to the extent Seller received any new or additional information related to any of the foregoing, Seller will promptly provide such information to Buyer.

ARTICLE VI CLOSING

6.1 Time and Place of Closing. The purchase and sale transaction contemplated by this Agreement shall be consummated through a closing conference (the "Closing"), which shall be held at the Title Company not more than thirty (30) days after Buyer has given notice to Seller that all of the conditions precedent set forth in Section 1.4 have been satisfied to Buyer's satisfaction in Buyer's sole discretion (the "Closing Date"), but in no event later than **April 30, 2025** or at such earlier time and place as the parties may mutually agree in writing.

6.2 Actions at Closing. At the Closing, the following events shall occur and each being declared to have occurred simultaneously with the other:

(a) All documents to be recorded and funds to be delivered hereunder shall be delivered to the Title Company in escrow, to hold, deliver, record and disburse in accordance with supplemental escrow instructions, the form and content of which shall be agreed to by the parties prior to Closing.

(b) At the Closing or sooner as otherwise stated in the escrow instructions, the following shall occur:

(i) Seller shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) A Special Warranty Deed, in the form attached hereto as **Exhibit B**, conveying the Property to Buyer subject only to the Permitted Exceptions, which deed shall be duly executed and acknowledged by Seller and in proper form in all respects for recording in Wasatch County, Utah;

(2) All documentation, including without limitation an owner's affidavit, that the Title Company deems necessary or desirable in order to allow the Title Company to provide Buyer with the Title Policy;

(3) An affidavit fully executed and properly acknowledged by Seller, as required by Internal Revenue Code Section 1445(b)(2), in a form reasonably acceptable to the Title Company and to Buyer;

(4) All other documents required to be executed by Seller pursuant to the terms of this Agreement; and

(5) Any and all proration amounts as more fully set forth in this Agreement.

(ii) Buyer shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) The Purchase Price to be paid as provided in Section 1.3 hereof; and

(2) All other documents required to be executed by Buyer pursuant to the terms of this Agreement.

(c) Buyer and Seller shall each deliver to the other, two executed copies of the Buyer's and Seller's settlement statement setting forth all prorations, credits provided in this Agreement, disbursements of the Purchase Price, and expenses of the Closing.

(d) Except as otherwise specifically set forth herein, Buyer and Seller shall share equally any Closing or escrow charges of the Title Company.

6.3 Seller's Remedies. In the event this transaction fails to close due to Buyer's fault or inability to close after the expiration of the Due Diligence Period, Seller, as Seller's sole and exclusive remedy, shall have the right to retain the Earnest Money Deposit, if any, as liquidated damages for Buyer's failure to close. The parties hereby agree that such amount is reasonable compensation to Seller for Buyer's failure to close, since the precise damage to Seller due to such failure of Buyer would be very difficult or impossible to determine.

6.4 Buyer's Remedies. In the event this transaction fails to close due to Seller's fault, Buyer shall be entitled to have the Earnest Money Deposit, if any, returned and shall be entitled to any and all other remedies available at law or in equity, including (without limitation) specific performance.

ARTICLE VII PRORATIONS

7.1 Prorations Between Seller and Buyer. The following prorations shall be made between Seller and Buyer as of the Closing Date:

(a) Closing costs shall be apportioned between the parties in accordance with the normal and customary practice of commercial real estate transactions in Wasatch County, Utah.

**ARTICLE VIII
RELEASE, ASSUMPTION, AND INDEMNITY**

Seller shall release, indemnify, save, hold harmless, and defend Buyer against any and all claims, suits, losses, liabilities, costs, expenses, or damages made against or incurred by Buyer relating to the condition (environmental or otherwise) of the Property prior to the Closing Date or any activity in connection with the Property that occurred prior to the Closing Date.

**ARTICLE IX
LOSS OF THE PROPERTY PRIOR TO CLOSING**

9.1 Risk of Loss. The risk of loss with respect to the Property shall be borne by Seller until the Closing occurs.

9.2 Condemnation. If any portion of the Property becomes the subject of a condemnation proceeding(s), Seller shall promptly notify Buyer in writing of such proceedings, and Buyer shall have the option to (i) terminate this Agreement with written notice to Seller, or (ii) elect not to terminate this Agreement, in which event this Agreement shall remain in full force and effect. If Buyer does not make any election within fifteen (15) days after receipt of Seller's written notification of such condemnation proceedings(s), then Buyer shall be deemed to have elected to not terminate this Agreement. If Buyer does not terminate the Agreement (or is deemed not to have terminated this Agreement), then at Closing (a) Seller shall pay to Buyer all condemnation awards or proceeds from any such proceedings or actions in lieu thereof received by Seller to the date of Closing, (b) Seller shall assign to Buyer all of Seller's rights to defend such proceedings or actions in lieu thereof, and all of Seller's rights to receive any additional condemnation awards or proceeds, and (c) Buyer shall take the Property subject to any such condemnation proceeding(s). As used herein, the phrase "becomes the subject of a condemnation proceeding(s)" shall mean any notice or knowledge by Seller of any formal or informal condemnation by any governmental authority against any portion of the Property.

9.3 Casualty. If the Property shall be damaged by any casualty of any kind prior to Closing, Seller shall promptly notify Buyer in writing of such damage, and Buyer shall have the option to (i) terminate this Agreement with written notice to Seller, in which event the Earnest Money Deposit, if any, shall be immediately returned to Buyer, or (ii) elect not to terminate this Agreement, in which event this Agreement shall remain in full force and effect. If Buyer does not make any election within fifteen (15) days after receipt of Seller's written notification of such damage, then Buyer shall be deemed to have elected to not terminate this Agreement. If Buyer does not terminate the Agreement (or is deemed not to have terminated this Agreement), then at Closing (a) Seller shall pay to Buyer all insurance awards or proceeds from any such damage or received by Seller to the date of Closing, (b) Seller shall assign to Buyer all of Seller's rights to any additional awards or proceeds, and (c) Buyer shall take the Property subject to any such damage.

ARTICLE X
(reserved)

ARTICLE XI
GENERAL PROVISIONS

11.1 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, which written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto.

11.2 Amendments. This Agreement may be amended or modified only by mutual written agreement of the parties hereto.

11.3 Survival. All warranties, representations, covenants, and agreements contained in this Agreement (including without limitation the release and indemnity described in Article VIII above) shall survive the execution and delivery of this Agreement and all documents delivered in connection with this Agreement and shall survive the Closing of the transactions contemplated by this Agreement and all performances in accordance with this Agreement.

11.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators, and assigns; provided, however, that notwithstanding the foregoing, Seller's interest under this Agreement may be assigned, encumbered, or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise. Buyer may assign this Agreement to Heber City or another governmental entity associated with Heber City, but not otherwise.

11.5 Notices. Any notice, demand, or document which any party is required or any party desires to give or deliver to or make upon any other party shall be in writing, and may be personally delivered or given or made by recognized overnight courier service or by United States registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To Seller: Heber Light & Power Company
 31 South 100 West
 Heber City, UT 84032
 Attn: Bart Miller

To Buyer: Heber City
 75 N. Main Street
 Heber City, UT 84032
 Attn: Matt Brower

Any party may designate a different address for itself by notice similarly given. Unless provided herein, any such notice, demand or document so given shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given.

11.6 Time of Essence. Time is of the essence in the performance of each and every term, condition, and covenant of this Agreement.

11.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.8 Headings. Any and all headings herein contained are for purposes of identification only and shall not be considered in construing this Agreement.

11.9 Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorney fees and costs. As used herein in the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of suit.

11.10 Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or any warranty or representation under this Agreement by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not of the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provision of this Agreement.

11.11 Exhibits. Any and all exhibits attached or to be attached hereto are hereby incorporated and made a part of this Agreement by reference.

11.12 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

11.13 No Recording. This Agreement shall not be recorded in the real property records.

11.14 Further Instruments. Each party hereto shall from time to time execute and deliver such further documents or instruments as the other party, its counsel, or the Title Company may reasonably request to effectuate the intent of this Agreement, including without limitation documents necessary for compliance with the laws, ordinances, rules, and regulations of any applicable governmental authorities.

11.15 Confidentiality. The Purchase Price and terms of this Agreement are intended by both parties to be confidential during the operative period of this Agreement. Therefore, except as

directed by a court, administrative authority or required by subpoena or by law, neither party shall disclose the Purchase Price or terms of this Agreement or any other non-public information related hereto; provided, however, Buyer may disclose any and all information related to this Agreement or the Property to any and all consultants, attorneys, employees, contractors, agents, representatives, lenders, and others to the extent necessary to evaluate, inspect, or review the Property and the purchase and sale transaction as described herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

[remainder of page intentionally left blank; signature page follows]

“Seller”

HEBER LIGHT & POWER COMPANY

By: _____

Jason Norlen, General Manager

Date Signed:

“Buyer”

HEBER CITY COMMUNITY REINVESTMENT
AGENCY

By: _____

Name:

Title:

Date Signed:

EXHIBIT A

PROPERTY DESCRIPTION

Parcel # 00-0004-9119

BEG SW COR LOT 3, BLK 79, HEBER SURVEY; N00°48'E 83 FT; S88°58'E 100 FT;
N00°48'E 16.5 FT; S88°58'E 45 FT; S00°48'W 16.5FT; S88°58'E 54.32 FT; S00°48'W 87 FT;
N88°58'W 110 FT; N00°48'E 4 FT; N88°58'W 89.32 FT TO BEG.

EXHIBIT B

FORM OF DEED

Grantee mailing address:

Heber City Community Reinvestment Agency
75 N. Main Street
Heber City, UT 84032
Attn: City Manager

SPECIAL WARRANTY DEED

FOR AND IN CONSIDERATION of the sum of TEN and 00/100 Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, **HEBER LIGHT & POWER COMPANY**, a Utah interlocal entity and political subdivision of the State of Utah (“**Grantor**”), has bargained and sold, and by these presents does transfer and convey to **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a Utah community reinvestment agency and political subdivision of the State of Utah (“**Grantee**”), certain land in Wasatch County, State of Utah, being more particularly described on Exhibit A attached to this Special Warranty Deed and incorporated herein by this reference.

This Special Warranty Deed is subject to all easements, rights of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing property taxes and assessments.

Grantor further covenants and binds itself to warrant and forever defend the title to the property to the said Grantee, Grantee’s successors and assigns, against the lawful claims of all persons whomsoever claiming by, through or under Grantor, but not otherwise.

[signature page follows]

WITNESS, the hand of said Grantor this ___ day of _____, 2025.

HEBER LIGHT & POWER COMPANY

By: _____
Jason Norlen, General Manager

State of Utah)
 §
County of Wasatch)

On this _____ day of _____, 2025, before me, _____ a notary public, personally appeared Jason Norlen, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he executed the same.

Witness my hand and official seal.

(notary signature)

(seal)

Exhibit A to Special Warranty Deed
(Legal Description)

INSERT LEGAL DESCRIPTION

Also known as Wasatch County Tax Parcel # 00-0004-9119

EXHIBIT C

FORM OF LEASE AGREEMENT



Heber City Council Staff Report

MEETING DATE:	2/4/2025
SUBJECT:	Agreement for Sale and Purchase of Real Property and Lease Agreement Between Heber Light and Power (HL&P) and Heber City Community Reinvestment Agency (CRA) for the Purchase and Lease Back of the HL&P Administration Building Located at 31 South and 100 West
RESPONSIBLE:	Matt Brower
DEPARTMENT:	Administrative
STRATEGIC RELEVANCE:	Envision Central Heber

SUMMARY

This agenda item is to consider the approval of two agreements between Heber Light and Power (HL&P) and the Heber City Community Reinvestment Agency (Agency). Both agreements concern real property currently owned by HL&P located at 31 South and 100 West and currently used as the administration building by HL&P. The first agreement is a Sale and Purchase Agreement that consummates the Agency's purchase of HL&P's administration building; whereas, the second agreement is a lease agreement establishing the Agency as the lessor of the referenced real property and HL&P as the lessee.

RECOMMENDATION

Staff recommends the Agency Board approve the Sale and Purchase Agreement and Lease Agreement with HL&P.

BACKGROUND

The Heber City Community Reinvestment Agency (Agency) and Heber Light and Power (HL&P) have negotiated a Sale and Purchase of Real Property Agreement and a Lease Agreement for the administration building currently owned by HL&P and located at 31 South and 100 West.

HL&P is constructing a new administration building located on the corner of 600 West and 300 South with an expected completion sometime in late 2025. Their business plan is to move their operations from their property located at 31 South and 100 West to to their new building when completed.

The Heber City Council has identified the purchase of the HL&P property as a key priority for achieving several of the Envision Central Heber initiatives included in the adopted plan. The Envision Central Heber Plan was adopted in 2023 after undertaking a significant public input process. One of the key initiatives in the plan is to provide more parking to support existing business, city event programming, and reinvestment in the downtown.

In 2024 HL&P initiated an appraisal of the their parcel by Inqoba, an independent third party appraisal company. The appraisal established the current value for the HL&P parcel at \$875,000.00.

The referenced lease agreement would permit HL&P to lease the building back from the Agency after its sale. HL&P requires continued use of the building for their administrative service functions until their new building has been completed and occupied.

DISCUSSION

The Sale and Purchase of Real Property Agreement includes the following key terms:

- 1) Counterparties to the Agreement are the Heber City Community Reinvestment Agency (Agency) and Heber Light and Power (HL&P).
- 2) Transaction price: \$876,000---\$1,000 over the appraised value.
- 3) The closing of the Sale and Purchase Agreement is contingent upon the City's sole satisfaction with the following three conditions: a) acquiring of or commitment for a Title Policy; b) successful negotiation of a Lease Agreement; and c) complete satisfaction with all other commitments', conditions and obligations contained in the Agreement.
- 4) Closing would occur after City's concurrence with all commitments, conditions and obligations or no later than April 30, 2025.

The Lease Agreement includes the following key terms:

- 1) Counterparties to the Agreement are the Heber City Community Reinvestment Agency (Agency) and Heber Light and Power (HL&P).
- 2) Agreement grants HL&P an initial lease term of 6 months and two automatic renewals of six months each unless terminated sooner by HL&P by giving 120 days notice prior to the conclusion of the initial term or renewal terms. Additionally, should HL&P cease operations in the building, the lease will terminate 30 days after notice by Agency.
- 3) Lease rate is \$1 per initial term and \$1 for each renewal term.
- 4) Indemnification language requiring each party to indemnify the other.
- 5) HL&P is responsible for building maintenance and utilities during the lease.
- 6) HL&P is required to continue existing use of the building.

FISCAL IMPACT

The Sale and Purchase of Real Property Agreement establishes the amount of the transaction at \$876,000.00. Staff is proposing the following revenue mix for covering the cost of the transaction:

- 1) \$700,000.00 from GF restricted reserves. This sum was ascertained recently from the City's sale of 1.5 acres located in the commercial park located near Heber Valley Airport.

2) \$176,000.00 from GF unrestricted reserves.

Should Council approve this Agreement, a budget amendment would be required for the general revenue fund and Community Reinvestment Agency Fund, as this transaction was not included in the FY '25 budget. This amendment would be expected in March '25.

CONCLUSION

HL&P has agreed to sale their parcel of land located at 31 South and 100 West to the Agency at this time, provided the Lease Agreement is also approved. The purchase is consistent with the Envision Central Heber initiative and Council's down town priorities. Heber City has the financial resources to consummate the transaction. Heber City staff recommends adoption of both agreements.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve the item** as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve the item** as amended, as follows.

Alternative 3 - Continue

I move to **continue the item** to another meeting on , with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny the item** with the following findings.

ACCOUNTABILITY

Department: Administrative

Staff member:

EXHIBITS

1. Lease Agreement for HLP Admin Building (2025-01-24) (HE040-001) (002)

2. DRAFT Real Estate Purchase Agreement - Admin Building 20250115 v2 - 4906-6950-3504 - 1
3. HLP admin building appraisal 2024 (002)

LEASE AGREEMENT

This Lease Agreement (“**Agreement**”) is made and entered into this ___ day of _____, 2025, by and between **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a political subdivision of the State of Utah (“**Lessor**”), and **HEBER LIGHT & POWER COMPANY**, a Utah interlocal entity (“**Lessee**”).

RECITALS

A. Lessor is the owner of certain real property located at approximately 31 South 100 West, Heber City, Wasatch County, Utah (“**Property**”). The Property is more fully described on **Attachment A**.

B. Subject to and upon the terms and conditions set forth in this Lease, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, the Property and other rights and appurtenances described herein for the use of an administrative facility.

NOW, THEREFORE, for and in consideration of the mutual covenants and benefits herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. **Premises.** Lessor hereby leases to Lessee the Property; subject to the terms set forth herein, for purposes substantially similar to the purposes for which Lessee has historically used the Property. Lessee agrees to take the Property on an “as-is” basis and acknowledges that Lessee has had opportunity to fully inspect the Property prior to entering into this Agreement.

2. **Lease Term.** The initial term of this Agreement commences on the ___ day of _____ 2025 (“**Commencement Date**”) and continues for six (6) months following the Commencement Date (“**Initial Term**”). This Agreement shall automatically renew for two (2) additional successive six (6) month terms (each, a “**Renewal Term**”) unless terminated by Lessee by giving written notice to the Lessor at least one hundred twenty (120) days before the expiration of the Initial Term or any successive Renewal Term. The Initial Term and any Renewal Terms shall be collectively referred to herein as the “**Term**”.

3. **Termination.** In the event Lessee moves its operations off of the Property, this Agreement will automatically terminate upon thirty (30) days following written notice from Lessor of its intent to terminate this Agreement. Lessee hereby agrees to provide such notice within a reasonable time after ceasing Lessee's use of the Property.

4. **Rent.** Commencing on the Commencement Date, Lessee shall pre-pay to Lessor annual rent for the Initial Term in the amount of one dollar (\$1.00). The rent for any Renewal Terms shall be one dollar (\$1.00) per each Renewal Term. Rent shall not be prorated for any partial Renewal Term.

5. **Nature of Lessee's Use.** Lessee shall use the Property in substantially the same manner as Lessee has historically used the Property.

6. **Indemnity and Hold Harmless; Waiver of Consequential Damages.** Each party (“**Indemnifying Party**”) hereby indemnifies and holds the other party (“**Indemnified Party**”) harmless against any claim of liability or loss from personal injury or property damages to the extent the same is caused by or resulting from Indemnifying Party’s negligence, willful misconduct, breach of this Agreement or other tortious conduct or that of its employees, contractors, servants, or agents. However, the Indemnifying Party does not indemnify or hold the Indemnified Party harmless for the proportionate amount of such claims resulting from the negligence or willful misconduct of the Indemnified Party. Notwithstanding anything set forth in this Agreement to the contrary, the Indemnified Party shall not be liable to the Indemnifying Party, or any of the Indemnifying Party’s employees, contractors, servants, or agents, for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability, or otherwise.

7. **Maintenance.** Property. During the Term, Lessee shall maintain and repair the Property as permitted herein in compliance with all applicable laws and otherwise in good condition, subject to normal wear and tear.

8. **Utilities.** Lessee is responsible for the direct payment of all utilities required by its use of the Property.

9. **Authority and Quiet Enjoyment.** Lessor represents that, as of the execution date of this Agreement, it has the full right, power, and authority to execute this Agreement and, upon written request prior to execution of this Agreement, will provide Lessee with evidence of that authority. Lessor further covenants that, on paying the rent and performing the covenants herein, Lessee shall have quiet enjoyment of the Property during the Term.

10. **Applicable Laws.** Lessee shall, in respect to the condition of the Property and at Lessee’s sole cost and expense, comply with all laws relating to Lessee’s nature of use of the Property (as permitted herein).

11. Binding Nature of Agreement; Assignment. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors, and assigns. This Agreement shall not be sold, assigned, or transferred by Lessee without Lessor's prior written approval.

12. Complete Agreement - Integration. It is mutually agreed and understood that this Agreement contains all agreements, promises, and understandings between Lessor and Lessee relating to the subject matter hereof and that no other agreements, promises, or understandings shall or will be binding on either Lessor or Lessee in any dispute, controversy, or proceeding at law relating to the subject matters hereof. Any amendment to this Agreement is void and ineffective unless it is signed in writing by both parties.

13. Utah Law Applicable. This Agreement and its performance shall be governed, interpreted, construed, and regulated by the laws of Utah.

14. Delivery of Notices. All notices and other communications required or permitted under this Agreement shall be in writing and shall be given by any of the following methods: United State Mail, first class, postage, prepaid, registered or certified U.S. Mail, postage prepaid and return receipt requested; or by hand delivery (with the signature of a person receiving the notice on behalf of Lessor). A notice or communication sent by a different method becomes effective only if the person to whom the document is addressed actually receives it.

Lessor's address:

Heber City
75 N. Main Street
Heber City, UT 84032
Attn: Matt Brower

Lessee's address:

Heber Light & Power Company
31 South 100 West
Heber, UT 84032
Attn: Bart Miller

15. No Waiver. Any party's failure to enforce any provision of the Agreement shall not constitute a waiver of the right to enforce such provision. The provisions may be waived only in writing signed by the party intended to be benefited by the provisions and a waiver by a party of a breach hereunder by the other party shall not be construed as a waiver of any succeeding breach of the same or other provisions.

16. **Severability.** If any portion of any term or provision of this Agreement, or the application thereof to any person or circumstance, shall be invalid or unenforceable, at any time or to any extent, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

17. **Drafting Party.** This document has been and shall be deemed to be a product of joint drafting by the parties and there shall be no presumption otherwise.

18. **Captions.** The captions and headings in this Agreement are for convenience only and shall not be considered in construing any provision contained in this Agreement.

19. **Attorney Fees.** In any action arising out of this Agreement, the prevailing party shall be entitled to costs and reasonable attorney fees.

20. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

21. **Further Assurance.** Each party shall do such acts and things as the requesting party may reasonably require for the purpose of giving the full benefit of this Agreement to the requesting Party.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

LESSOR:

**HEBER CITY COMMUNITY
REINVESTMENT AGENCY**

By: _____

Name:

Title:

LESSEE:

HEBER LIGHT & POWER COMPANY

By: _____

Name: Jason Norlen

Title: General Manager

STATE OF UTAH)
 §
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the _____ of Heber City Community Reinvestment Agency, on behalf of said entity.

NOTARY PUBLIC

STATE OF UTAH)
 §
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Jason Norlen, the General Manager of Heber Light & Power Company, on behalf of said entity.

NOTARY PUBLIC

ATTACHMENT A

Description of the Property

BEG SW COR LOT 3, BLK 79, HEBER SURVEY; N00°48'E 83 FT; S88°58'E 100 FT;
N00°48'E 16.5 FT; S88°58'E 45 FT; S00°48'W 16.5FT; S88°58'E 54.32 FT; S00°48'W 87 FT;
N88°58'W 110 FT; N00°48'E 4 FT; N88°58'W 89.32 FT TO BEG.

Also known as Wasatch County Parcel # 00-0004-9119

AGREEMENT FOR SALE AND PURCHASE OF REAL PROPERTY

This Agreement for Sale and Purchase of Real Estate (the “**Agreement**”) is entered into as of the _____ day of _____, 2025 (the “**Effective Date**”), by and between **HEBER LIGHT & POWER COMPANY**, a Utah interlocal entity (“**Seller**”) and **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a political subdivision of the State of Utah, and its successors or assigns (“**Buyer**”).

RECITALS

A. Seller owns approximately 0.41 acres of real property, County APN 00-0004-9119, located in Wasatch County, State of Utah, as more fully described on Exhibit A attached hereto (the “**Real Property**”).

B. Buyer desires to purchase the Real Property, together with all together with (i) all easements, rights of way, benefits, privileges, rights, and appurtenances running with, related to, or pertaining thereto, (ii) all improvements of any kind located on, and all of Seller’s right, title and interest in any land lying in any street, road or avenue in front of or adjoining, such Real Property, (iii) any and all entitlements, approvals, consents, goodwill, zoning rights, use rights, and other intangible assets and/or rights of any kind whatsoever related or appurtenant to such Real Property (collectively, the “**Property**”).

TERMS AND CONDITIONS

In consideration of the amounts to be paid and the mutual promises contained herein, Buyer and Seller agree as follows:

**ARTICLE I
AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE**

1.1 Purchase and Sale. In accordance with the terms and conditions set forth in this Agreement, and subject to the conditions precedent set forth in Section 1.4 below (or in any other provision of this Agreement), Seller agrees to convey to Buyer, and Buyer agrees to purchase and take from Seller, fee simple title in and to the Property.

1.2 Purchase Price. The purchase price for the Property (the “**Purchase Price**”) is EIGHT HUNDRED SEVENTY SIX THOUSAND DOLLARS (\$876,000.00).

1.3 Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller, as adjusted for prorations on the Closing Date, in cash, by cashier’s check, or other immediately available funds.

1.4 Conditions Precedent to Purchase. The purchase of the Property by Buyer, and Buyer’s obligations to close and consummate the purchase and sale transaction described herein, is expressly contingent on, conditioned on, and subject to the satisfaction, at Buyer’s sole discretion, of all of the conditions listed below. In the event any one of the following items or issues has not been satisfied by the Closing Date (defined below), Buyer shall have the option (at

Buyer's sole discretion) of terminating this Agreement or may defer Closing for up to sixty (60) additional days.

(a) Buyer's receipt before the Closing occurs of the Title Policy (defined below), or of the Title Company's irrevocable promise and commitment to issue the Title Policy in accordance with paragraph 2.1.

(b) Buyer and Seller have negotiated a lease agreement whereby Seller is allowed to continue to occupy the property after closing, in substantially the form attached hereto as **Exhibit C** (the "**Lease Agreement**").

(c) The full and complete satisfaction of all other terms, conditions and obligations of Seller under this Agreement.

ARTICLE II TITLE INSURANCE

2.1 Commitment of Title Insurance.

(a) Commitment. Buyer is in possession of, or will obtain, a commitment for extended owner's title insurance covering the Property (the "**Commitment**"), issued by the Title Company. The commitment shall be updated by the Title Company to a date on or after the date of this Agreement.

(b) Objections to Title. Buyer shall have fourteen (14) days following full execution of this Agreement and receipt of the updated Commitment to provide any written objections to any matter or issue set forth or disclosed in the Commitment, which objections may include matters and issues shown on any survey of the Property (collectively, the "**Title/Survey Objections**"). If Buyer does not timely deliver written notice of its Title/Survey Objections to Seller, Buyer shall be deemed to have approved of all matters set forth in the Commitment and on any survey. If Title/Survey Objections are timely made, Seller shall determine, at its sole discretion, as to each Title/Survey Objection, whether Seller is willing or able to eliminate (or obtain affirmative coverage in the Title Policy) over each of the Title/Survey Objections. At least five (5) business days prior to the end of the Due Diligence Period (defined below), Seller shall notify Buyer in writing as to those Title/Survey Objections that Seller will cause to be cured, eliminated, or insured over at Closing. Notwithstanding the foregoing, Seller shall be obligated to eliminate any deeds of trust, mortgages, judgment liens, mechanics' liens, materialmen's liens and other liens (the "**Liens**") recorded against the Property to the extent caused by, or arising as a result of, any actions or inactions by, on behalf of, or under the direction of, Seller. If (a) Seller's written notice indicates that Seller is unable or unwilling to eliminate or provide affirmative coverage over any Title/Survey Objections (other than the Liens), upon terms acceptable to Buyer at Buyer's sole discretion, or (b) Seller does not timely deliver the written notice as required hereunder, then in either event Buyer may (i) waive the Title/Survey Objections that Seller was unwilling or unable to cure and otherwise purchase

the Property subject to the other terms and conditions of this Agreement, or (ii) terminate this Agreement by either giving written notice to Seller at any time before the Closing occurs, whereupon neither Buyer nor Seller shall have any further right, liability, duty or obligation under this Agreement, except for agreements or covenants that specifically survive termination. Matters to which Buyer does not object shall be deemed to be “**Permitted Exceptions**” and shall not be considered objections to any matter contained in the Commitment.

- (c) Delivery of Title Insurance. Except as otherwise stated in Section 2.1(b), Seller shall obtain and deliver to Buyer within ten (10) days after the Closing Date an ALTA Extended Owner’s Policy of title insurance in the amount of the Purchase Price (in a form satisfactory to Buyer), which title policy shall (i) be effective as of the Closing Date, (ii) contain no exceptions other than the Permitted Exceptions, and (iii) include any and all endorsements requested by Buyer (collectively, the “**Title Policy**”). Buyer shall pay for the cost of the above stated Title Policy.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller makes the following representations and warranties to Buyer, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall extend beyond and survive the Closing Date and delivery of the deed for the Property from Seller to Buyer:

(a) Seller has and on the Closing Date will have good and marketable fee simple title to the Property, free and clear of all encumbrances, liens, claims, or reservations, except as specifically approved by Buyer under this Agreement.

(b) Seller has the right, power and authority to execute, deliver, and perform this Agreement and the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate (or other) actions on the part of Seller. Upon execution and delivery this Agreement, this Agreement shall constitute valid and binding obligations of Seller enforceable against Seller in accordance with its terms.

(c) Seller is unaware of and has not received notice any judgment, suit, claim, action, arbitration, legal, administrative, eminent domain action, or other proceeding or governmental investigation, pending or threatened, with respect to the Property and no activities or events have occurred on or in connection with the Property that could give rise to any such claims or proceedings.

(d) Seller has not received any notices, demands, or deficiency statements from any mortgagee of the Property or from any state, municipal, or county government or agency or any insurer relating to the Property and which have not been cured or remedied except property valuation and tax notices issued by the county which are not yet due and payable.

(e) Except as otherwise expressly disclosed in the Commitment, the Property is not subject to any proposed special assessment or to any existing special assessment lien arising as a result of any works or improvements completed, installed, or contemplated at or before the Closing Date.

(f) No contracts, leases, licenses, commitments, or undertakings of which Seller is a party exist relating to the Property.

(g) Seller has paid and shall pay all liens, charges, taxes, and assessments for the Property arising prior to the Closing Date.

(h) No person, broker or entity, whether or not affiliated with either party is entitled to a commission, finder's fee, or other compensation arising from this Agreement, as regarding Seller.

(i) During the period from the Effective Date until the Closing Date, Seller shall maintain the Property and all improvements and personal property thereon (or related thereto) in a good and clean condition, and to the extent in Seller's control, shall preserve in all respects all value in the Property.

(j) Neither Seller nor any of its affiliates has made any assignment for the benefit of creditors, filed any petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned or applied to any tribunal for any receiver, conservator or trustee of it or any of its property or assets, or commenced any action or proceeding under any reorganization arrangement, readjustment of debt, conservation, dissolution or liquidation law or statute of any jurisdiction; no such action or proceeding has been commenced or threatened against Seller by any creditor, claimant, governmental authority or any other person or entity. Seller is not currently contemplating making any such assignment for the benefit of creditors, or filing any bankruptcy petition as more fully described above.

3.2 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall survive the Closing and delivery of the deed for the Property from Seller to Buyer.

(a) Buyer has the right, power and authority to execute, deliver, and perform this Agreement.

(b) No person, broker or entity, whether or not affiliated with Buyer, is entitled to a commission, finder's fee, or other compensation arising from this Agreement as regarding Buyer. Buyer shall indemnify, defend, and hold Seller harmless from and against any and all claims, loss, or damage relating to or arising out of any claim for compensation by any broker, person, or entity claiming by or through Buyer.

ARTICLE IV

SELLER'S USE OF THE PROPERTY

From and after Seller's execution of this Agreement, Seller shall not, without the prior written consent of Buyer, grant or convey any easement, lease, license, permit, encumbrance, or any other legal or beneficial interest in or to the Property or engage in any negotiations with any party other than Buyer regarding the purchase or sale of the Property. Seller shall not enter into any service contract or other agreement related to the Property that would be binding on Buyer after the Closing. Except as otherwise provided for herein, Seller agrees to pay, as and when the same are due, all payments on any encumbrances presently affecting the Property and any and all taxes, assessments, and levies with respect to the Property through the Closing Date.

ARTICLE V MISCELLANEOUS

5.1 No Due Diligence. Buyer's purchase of the Property is **not** conditioned on due diligence by Buyer.

5.2 No Financing Condition. Closing is **not** conditioned on Buyer successfully obtaining financing

5.3 Personal Property; Exclusions. Any personal property remaining on the Property at the later of (i) Closing or (ii) the termination of the Lease Agreement shall be property of Buyer. The backup generator and transfer switch are excluded from the sale and may be removed by Seller at any time prior.

5.4 As-Is Condition. Buyer is purchasing the Property in as-is condition and Seller makes no warranties of any kind as to the condition of the Property or the suitability of the Property for any use contemplated by Buyer.

5.5 No Water. No water shares or water rights are included in this transaction.

5.6 Property Information. Seller hereby agrees to deliver or cause to be delivered at Seller's sole expense, within fourteen (14) days after the Effective Date, all of the following to Buyer (collectively, the "**Property Information**"), to the extent such Property Information is in Seller's possession or reasonable control, or in the possession or reasonable control of any of Seller's agents or contractors:

- (a) All surveys of the Property;
- (b) All environmental reports, studies, and site assessments relating to the Property;
- (c) All traffic, engineering, soil, geotechnical, and hazardous substance reports, tests and inspection results and other similar tests, investigations or studies relating to the Property;
- (d) All documents of any kind related to the construction, purchase, sale, and or transfer of the Property;
- (g) All documents, agreements, contracts, written notices, memorandums of understanding, letters of intent, permits, or other information of any kind related to any and

all utilities for the Property, and, if applicable, for each and every Lot within the Property (including the availability thereof);

(j) Any and all leases of any kind related to, encumbering, or affecting the Property (whether or not shown or disclosed on the Title Commitment); and

To Seller's knowledge, there are no false, untrue, or misleading statements or information in any of the Property Information. In addition, until Closing, to the extent Seller received any new or additional information related to any of the foregoing, Seller will promptly provide such information to Buyer.

ARTICLE VI CLOSING

6.1 Time and Place of Closing. The purchase and sale transaction contemplated by this Agreement shall be consummated through a closing conference (the "Closing"), which shall be held at the Title Company not more than thirty (30) days after Buyer has given notice to Seller that all of the conditions precedent set forth in Section 1.4 have been satisfied to Buyer's satisfaction in Buyer's sole discretion (the "Closing Date"), but in no event later than **April 30, 2025** or at such earlier time and place as the parties may mutually agree in writing.

6.2 Actions at Closing. At the Closing, the following events shall occur and each being declared to have occurred simultaneously with the other:

(a) All documents to be recorded and funds to be delivered hereunder shall be delivered to the Title Company in escrow, to hold, deliver, record and disburse in accordance with supplemental escrow instructions, the form and content of which shall be agreed to by the parties prior to Closing.

(b) At the Closing or sooner as otherwise stated in the escrow instructions, the following shall occur:

(i) Seller shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) A Special Warranty Deed, in the form attached hereto as **Exhibit B**, conveying the Property to Buyer subject only to the Permitted Exceptions, which deed shall be duly executed and acknowledged by Seller and in proper form in all respects for recording in Wasatch County, Utah;

(2) All documentation, including without limitation an owner's affidavit, that the Title Company deems necessary or desirable in order to allow the Title Company to provide Buyer with the Title Policy;

(3) An affidavit fully executed and properly acknowledged by Seller, as required by Internal Revenue Code Section 1445(b)(2), in a form reasonably acceptable to the Title Company and to Buyer;

(4) All other documents required to be executed by Seller pursuant to the terms of this Agreement; and

(5) Any and all proration amounts as more fully set forth in this Agreement.

(ii) Buyer shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) The Purchase Price to be paid as provided in Section 1.3 hereof; and

(2) All other documents required to be executed by Buyer pursuant to the terms of this Agreement.

(c) Buyer and Seller shall each deliver to the other, two executed copies of the Buyer's and Seller's settlement statement setting forth all prorations, credits provided in this Agreement, disbursements of the Purchase Price, and expenses of the Closing.

(d) Except as otherwise specifically set forth herein, Buyer and Seller shall share equally any Closing or escrow charges of the Title Company.

6.3 Seller's Remedies. In the event this transaction fails to close due to Buyer's fault or inability to close after the expiration of the Due Diligence Period, Seller, as Seller's sole and exclusive remedy, shall have the right to retain the Earnest Money Deposit, if any, as liquidated damages for Buyer's failure to close. The parties hereby agree that such amount is reasonable compensation to Seller for Buyer's failure to close, since the precise damage to Seller due to such failure of Buyer would be very difficult or impossible to determine.

6.4 Buyer's Remedies. In the event this transaction fails to close due to Seller's fault, Buyer shall be entitled to have the Earnest Money Deposit, if any, returned and shall be entitled to any and all other remedies available at law or in equity, including (without limitation) specific performance.

ARTICLE VII PRORATIONS

7.1 Prorations Between Seller and Buyer. The following prorations shall be made between Seller and Buyer as of the Closing Date:

(a) Closing costs shall be apportioned between the parties in accordance with the normal and customary practice of commercial real estate transactions in Wasatch County, Utah.

**ARTICLE VIII
RELEASE, ASSUMPTION, AND INDEMNITY**

Seller shall release, indemnify, save, hold harmless, and defend Buyer against any and all claims, suits, losses, liabilities, costs, expenses, or damages made against or incurred by Buyer relating to the condition (environmental or otherwise) of the Property prior to the Closing Date or any activity in connection with the Property that occurred prior to the Closing Date.

**ARTICLE IX
LOSS OF THE PROPERTY PRIOR TO CLOSING**

9.1 Risk of Loss. The risk of loss with respect to the Property shall be borne by Seller until the Closing occurs.

9.2 Condemnation. If any portion of the Property becomes the subject of a condemnation proceeding(s), Seller shall promptly notify Buyer in writing of such proceedings, and Buyer shall have the option to (i) terminate this Agreement with written notice to Seller, or (ii) elect not to terminate this Agreement, in which event this Agreement shall remain in full force and effect. If Buyer does not make any election within fifteen (15) days after receipt of Seller's written notification of such condemnation proceedings(s), then Buyer shall be deemed to have elected to not terminate this Agreement. If Buyer does not terminate the Agreement (or is deemed not to have terminated this Agreement), then at Closing (a) Seller shall pay to Buyer all condemnation awards or proceeds from any such proceedings or actions in lieu thereof received by Seller to the date of Closing, (b) Seller shall assign to Buyer all of Seller's rights to defend such proceedings or actions in lieu thereof, and all of Seller's rights to receive any additional condemnation awards or proceeds, and (c) Buyer shall take the Property subject to any such condemnation proceeding(s). As used herein, the phrase "becomes the subject of a condemnation proceeding(s)" shall mean any notice or knowledge by Seller of any formal or informal condemnation by any governmental authority against any portion of the Property.

9.3 Casualty. If the Property shall be damaged by any casualty of any kind prior to Closing, Seller shall promptly notify Buyer in writing of such damage, and Buyer shall have the option to (i) terminate this Agreement with written notice to Seller, in which event the Earnest Money Deposit, if any, shall be immediately returned to Buyer, or (ii) elect not to terminate this Agreement, in which event this Agreement shall remain in full force and effect. If Buyer does not make any election within fifteen (15) days after receipt of Seller's written notification of such damage, then Buyer shall be deemed to have elected to not terminate this Agreement. If Buyer does not terminate the Agreement (or is deemed not to have terminated this Agreement), then at Closing (a) Seller shall pay to Buyer all insurance awards or proceeds from any such damage or received by Seller to the date of Closing, (b) Seller shall assign to Buyer all of Seller's rights to any additional awards or proceeds, and (c) Buyer shall take the Property subject to any such damage.

ARTICLE X
(reserved)

ARTICLE XI
GENERAL PROVISIONS

11.1 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, which written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto.

11.2 Amendments. This Agreement may be amended or modified only by mutual written agreement of the parties hereto.

11.3 Survival. All warranties, representations, covenants, and agreements contained in this Agreement (including without limitation the release and indemnity described in Article VIII above) shall survive the execution and delivery of this Agreement and all documents delivered in connection with this Agreement and shall survive the Closing of the transactions contemplated by this Agreement and all performances in accordance with this Agreement.

11.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators, and assigns; provided, however, that notwithstanding the foregoing, Seller's interest under this Agreement may be assigned, encumbered, or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise. Buyer may assign this Agreement to Heber City or another governmental entity associated with Heber City, but not otherwise.

11.5 Notices. Any notice, demand, or document which any party is required or any party desires to give or deliver to or make upon any other party shall be in writing, and may be personally delivered or given or made by recognized overnight courier service or by United States registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To Seller: Heber Light & Power Company
 31 South 100 West
 Heber City, UT 84032
 Attn: Bart Miller

To Buyer: Heber City
 75 N. Main Street
 Heber City, UT 84032
 Attn: Matt Brower

Any party may designate a different address for itself by notice similarly given. Unless provided herein, any such notice, demand or document so given shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given.

11.6 Time of Essence. Time is of the essence in the performance of each and every term, condition, and covenant of this Agreement.

11.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.8 Headings. Any and all headings herein contained are for purposes of identification only and shall not be considered in construing this Agreement.

11.9 Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorney fees and costs. As used herein in the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of suit.

11.10 Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or any warranty or representation under this Agreement by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not of the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provision of this Agreement.

11.11 Exhibits. Any and all exhibits attached or to be attached hereto are hereby incorporated and made a part of this Agreement by reference.

11.12 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

11.13 No Recording. This Agreement shall not be recorded in the real property records.

11.14 Further Instruments. Each party hereto shall from time to time execute and deliver such further documents or instruments as the other party, its counsel, or the Title Company may reasonably request to effectuate the intent of this Agreement, including without limitation documents necessary for compliance with the laws, ordinances, rules, and regulations of any applicable governmental authorities.

11.15 Confidentiality. The Purchase Price and terms of this Agreement are intended by both parties to be confidential during the operative period of this Agreement. Therefore, except as

directed by a court, administrative authority or required by subpoena or by law, neither party shall disclose the Purchase Price or terms of this Agreement or any other non-public information related hereto; provided, however, Buyer may disclose any and all information related to this Agreement or the Property to any and all consultants, attorneys, employees, contractors, agents, representatives, lenders, and others to the extent necessary to evaluate, inspect, or review the Property and the purchase and sale transaction as described herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

[remainder of page intentionally left blank; signature page follows]

“Seller”

HEBER LIGHT & POWER COMPANY

By: _____

Jason Norlen, General Manager

Date Signed:

“Buyer”

HEBER CITY COMMUNITY REINVESTMENT
AGENCY

By: _____

Name:

Title:

Date Signed:

EXHIBIT A

PROPERTY DESCRIPTION

Parcel # 00-0004-9119

BEG SW COR LOT 3, BLK 79, HEBER SURVEY; N00°48'E 83 FT; S88°58'E 100 FT;
N00°48'E 16.5 FT; S88°58'E 45 FT; S00°48'W 16.5FT; S88°58'E 54.32 FT; S00°48'W 87 FT;
N88°58'W 110 FT; N00°48'E 4 FT; N88°58'W 89.32 FT TO BEG.

EXHIBIT B

FORM OF DEED

Grantee mailing address:

Heber City Community Reinvestment Agency
75 N. Main Street
Heber City, UT 84032
Attn: City Manager

SPECIAL WARRANTY DEED

FOR AND IN CONSIDERATION of the sum of TEN and 00/100 Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, **HEBER LIGHT & POWER COMPANY**, a Utah interlocal entity and political subdivision of the State of Utah (“**Grantor**”), has bargained and sold, and by these presents does transfer and convey to **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a Utah community reinvestment agency and political subdivision of the State of Utah (“**Grantee**”), certain land in Wasatch County, State of Utah, being more particularly described on Exhibit A attached to this Special Warranty Deed and incorporated herein by this reference.

This Special Warranty Deed is subject to all easements, rights of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing property taxes and assessments.

Grantor further covenants and binds itself to warrant and forever defend the title to the property to the said Grantee, Grantee’s successors and assigns, against the lawful claims of all persons whomsoever claiming by, through or under Grantor, but not otherwise.

[signature page follows]

WITNESS, the hand of said Grantor this ___ day of _____, 2025.

HEBER LIGHT & POWER COMPANY

By: _____
Jason Norlen, General Manager

State of Utah)
 §
County of Wasatch)

On this _____ day of _____, 2025, before me, _____ a notary public, personally appeared Jason Norlen, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he executed the same.

Witness my hand and official seal.

(notary signature)

(seal)

Exhibit A to Special Warranty Deed
(Legal Description)

INSERT LEGAL DESCRIPTION

Also known as Wasatch County Tax Parcel # 00-0004-9119

EXHIBIT C

FORM OF LEASE AGREEMENT



APPRAISAL REPORT

HEBER LIGHT & POWER OFFICE BUILDING

**LOCATED AT
31 SOUTH 100 WEST
HEBER, UTAH 84032**

**PREPARED FOR:
HEBER LIGHT & POWER**
c/o Bart Stanley Miller | CPA
Chief Financial Officer
31 South 100 West
Heber, UT 84032

Submitted by:
Mark L. Reed | MAI
InQoba-1, PC
2816 S Highland Drive, Suite 201
Salt Lake City, UT 84106

FILE NUMBER 24-07-02MR
CASE CODE: hlpob-240606

EFFECTIVE VALUATION DATE:
June 14, 2024



July 18, 2024

Mr. Bart Stanley Miller | CPA
Chief Financial Officer
Heber Light & Power
31 South 100 West
Heber, UT 84032

Re: Appraisal Report: Heber Light & Power office building, located at 31 South 100 West, Heber, Utah.

Dear Mr. Miller:

At your request, we have completed an appraisal addressing market value of the fee simple estate of the above-referenced property. This report contains the data, bases, and analyses upon which the value estimate is based. The intended use of this report is to assist with sale negotiations.

This appraisal report conforms with Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP).

The subject was inspected on June 13, 2024, which is the effective valuation date. After careful consideration of available information, we are of the opinion market value of the subject property is:

EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
\$875,000

The value estimate is subject to assumptions and limiting conditions contained in the report. Based on market observations, the foregoing value reflects a reasonable market exposure period of three to six months. The prospective marketing period is also estimated at three to six months. We trust this is sufficient to accomplish its intended function. Please call if we can be of further assistance.

Respectfully submitted,

Mark L. Reed, MAI
InQoba-1, PC
Utah State - Certified General Appraiser
Certificate 5834628-CG00 Expires 07-31-25

Brandon G. Bess | MAI
Commercial Appraisal & Valuation Experts, LLC
Utah State – Certified General Appraiser
Certificate 7897866-CG00 Expires 07-31-24

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EXECUTIVE SUMMARY

PROPERTY TYPE:	Heber Light & Power Office Building
LOCATION:	31 South 100 West Heber, Utah 84032
PURPOSE OF APPRAISAL:	Estimate market value
PROPERTY RIGHTS APPRAISED:	Fee Simple
REPORT DATE:	July 18, 2024
EFFECTIVE VALUATION DATE:	June 13, 2024
PARCEL NUMBER(S):	00-0004-9119
PROPERTY TAXES (2021):	The subject is exempt from ad valorem taxation
SITE:	
- Size	0.41 acre; 17,725 sq. ft.
- Topography	Near Level
- Zoning	C-4 (Central Commercial Zone)
- Flood Zone	Zone "B" (within 500-year flood risk); Community Panel No. 49051C0118E, dated March 15, 2012
IMPROVEMENTS:	
- Use	General office building and storage garage
- Year Built ¹	Approx. 1950
- Construction	Class "D" wood-frame
- Quality	Average
- Number of Stories	One plus basement
- Usable Area	3,962 square feet
- Rentable Area ²	3,962 square feet
- Gross Area ³	5,935 square feet
- Effective Age & Remaining Life	20 years/35 Years
HIGHEST AND BEST USE:	
As Vacant:	Mixed-use development with main level commercial space and upper-level residential units.
As Improved:	Continuation of current office use
VALUE CONCLUSION:	\$875,000

¹ Wasatch County has no building records for the subject. Therefore, the actual year built could not be obtained. The reported year built is an estimate based on the subject's characteristics and the age of surrounding properties.

² The usable and rentable areas are based on measurements taken at the time of inspection. It includes 1,758 square feet of basement level office space, and 416 square feet of office space located in the rear building.

³ The gross area includes 1,973 square feet of garage space in the rear building.

CERTIFICATION

We certify that we have made an investigation and analysis of the following property:

**HEBER LIGHT & POWER OFFICE BUILDING
LOCATED AT
31 SOUTH 100 WEST
HEBER, UTAH**

We certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. Mark Reed and Brandon Bess personally inspected the property that is the subject of this report on June 13, 2024.
10. No one else provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. As of the date of this report, Mark Reed and Brandon Bess have completed the continuing education program for Designated Members of the Appraisal Institute.
13. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
14. Mark L. Reed is currently a Certified General Appraiser in the State of Utah. License #5834628-CG00.
15. Brandon Bess is currently a Certified General Appraiser in the State of Utah. License #7897866-CG00.

Dated: July 18, 2024



Mark L. Reed, MAI
InQoba-1, PC
Utah State - Certified General Appraiser
Certificate 5834628-CG00 Expires 07-31-25



Brandon G. Bess | MAI
Commercial Appraisal & Valuation Experts, LLC
Utah State – Certified General Appraiser
Certificate 7897866-CG00 Expires 07-31-24

APPRAISAL REPORT

CLIENT: **HEBER LIGHT & POWER**
c/o Bart Stanley Miller | CPA
Chief Financial Officer
31 South 100 West
Heber, UT 84032

APPRAISERS: Mark L. Reed | MAI
InQoba, LLC
2816 S Highland Drive, #201
Salt Lake City, UT 84106

Brandon Bess | MAI
Commercial Appraisal & Valuation Experts, LLC
2816 S Highland Drive, #201
Salt Lake City, UT 84106

SUBJECT: Office building located at 31 South 100 West, Heber, Utah

DEFINITIONS: Applicable definitions are presented in the addenda.

PURPOSE OF THE APPRAISAL: Estimate market value.

MARKET VALUE DEFINITION (FIRREA): "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well-informed or well-advised and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangement comparable thereto;

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”⁴

INTENDED USE OF THE REPORT: This report is intended to assist with potential sale negotiations.

INTENDED USERS: The intended user of this report is the client.

INTEREST VALUED: Fee Simple.

PERSONAL PROPERTY: No personal property or intangible value is included in the conclusions of this Appraisal Report.

EFFECTIVE DATE OF VALUE: June 13, 2024.

DATE OF THE REPORT: Shown on the letter of transmittal.

SCOPE OF WORK: This report is intended to satisfy all requirements of an Appraisal Report, as defined by the Uniform Standards of Professional Appraisal Practice. The primary objective is to arrive at a value conclusion that would be considered reasonable and well documented by a disinterested third party.

In valuing real property, the following three primary valuation approaches are employed within the appraisal profession – cost, income capitalization, and sales comparison. The use of each approach depends on the type of property and availability of market data upon which the approach is predicated. The use of more than one approach requires a correlation analysis that checks and refines toward a dependable estimate.

The subject consists of an office building estimated to have been constructed circa 1950. The sales comparison and income approaches are developed to value the subject. Given the age of the subject improvements, there is limited data from which to accurately measure depreciation. Therefore, the

⁴ This definition of market value is taken from the final rule issued by the Department of Treasury, Office of the Comptroller of the Currency (12CFR Part 34, August 24, 1990), which are the implementing regulations for Title XI of FIRREA. The definition is also supported by most regulatory agencies as follows: Board of Governors of Federal Reserve System (CFR Parts 208 and 225, July 25, 1991); National Credit Union Administration (CFR Parts 701, 722, and 741, July 25, 1990); Federal Deposit Insurance Corporation (12 CFR Part 323, August 20, 1990); Resolution Trust Corporation (12CFR Part 1608, August 22, 1990); Office of Thrift Supervision, Treasury (12CFR Parts 506, 545, 563, 564, and 571, August 23, 1990). This definition has been adopted by the Appraisal Institute in their Standards of Professional Appraisal Practice, and the Appraisal Foundation in the Uniform Standard of Professional Appraisal Practice (June 30, 1989, amended April 20, 1990, and June 5, 1990).

cost approach is not developed. Further, buyers and their representatives report that they give little weight to the cost approach when making purchase decisions for this property type.

In preparation of this appraisal report, a variety of market data were gathered. These include general data applicable to the subject area, specific data relating to the neighborhood, improved property sales, leases, and other market data. General and specific data were obtained from appropriate government or private agencies, or through personal inspection. To the extent possible, market data were verified with the buyer, seller, broker, owner, or through public records.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: In preparing this appraisal report, the appraiser:

- Inspected the subject site, improvements, and surrounding neighborhood;
- Analyzed the subject's operating and sale history;
- Analyzed highest and best use;
- Gathered information on comparable rental data, vacancy rates, operating expenses, capitalization rates, and improved sales; and
- Confirmed and analyzed the data and applied the income and sales comparison approaches to value.
- Reconciled the conclusions of the approaches into a single value estimate.

DESCRIPTION OF REAL ESTATE APPRAISED

Legal Description

The subject consists of one Wasatch County tax parcel. A legal description was obtained from the County Recorder and is reproduced as follows:

Parcel # 00-0004-9119

BEG SW COR LOT 3, BLK 79, HEBER SURVEY; N00°48'E 83 FT; S88°58'E 100 FT; N00°48'E 16.5 FT; S88°58'E 45 FT; S00°48'W 16.5FT; S88°58'E 54.32 FT; S00°48'W 87 FT; N88°58'W 110 FT; N00°48'E 4 FT; N88°58'W 89.32 FT TO BEG.

Real Estate Tax Information

The subject is currently exempt from ad valorem taxation due to its ownership by a utility provider. The effective tax rate in the area has ranged from 0.009252 to 0.009374 over the last two years. Based on the conclusion of this report, the rates suggest a potential tax burden of approximately \$7,000 per year, if ownership were to change.

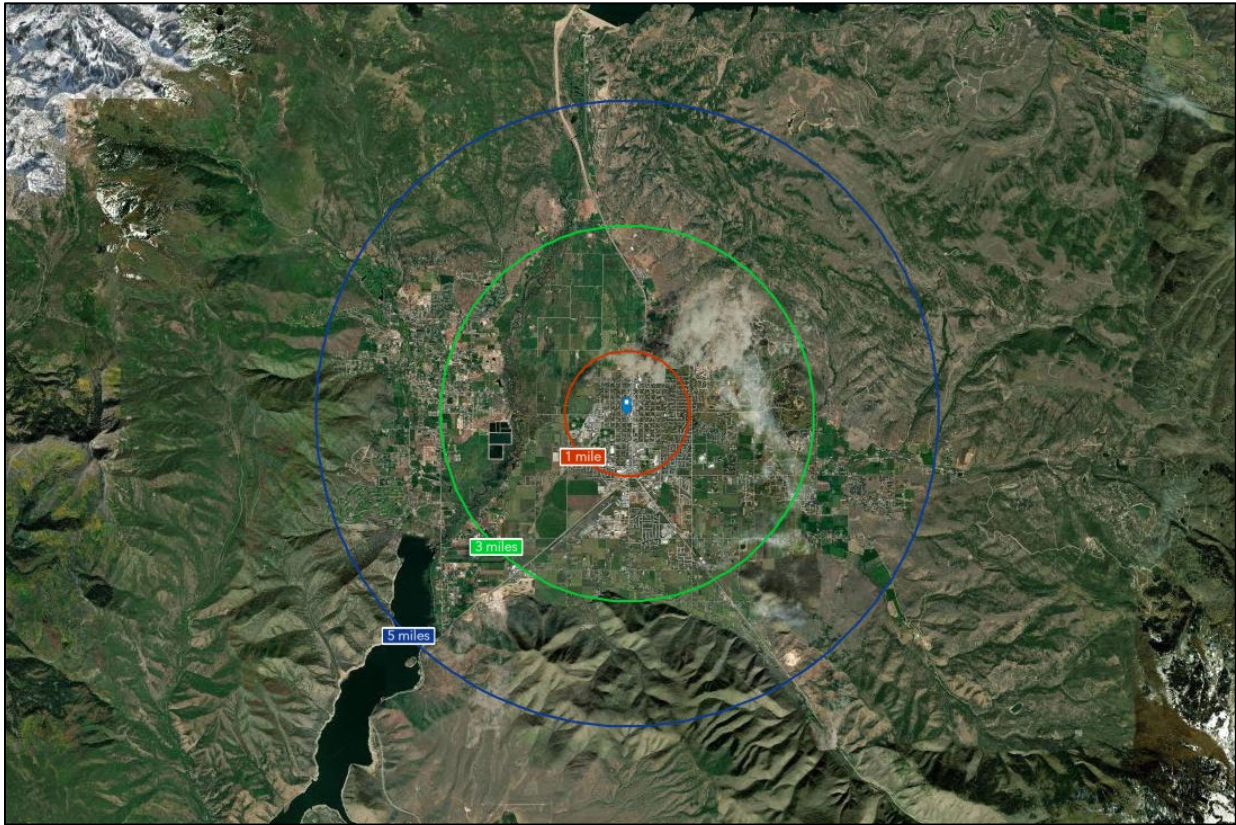
Ownership and Property History

According to Wasatch County records, ownership of the subject is vested in Heber Light & Power Co. Ownership has remained under this entity for many years. The owners have reportedly been approached by Heber City with the intent to acquire the property as part of a Main Street redevelopment project. No formal offer has been made, and this appraisal is intended to assist in negotiating a purchase price. No other details regarding the potential sale were provided.

Aside from the foregoing, we are not aware of any contracts, listings, or offers to purchase the subject within the previous five years.

Location and Neighborhood

The subject is identified on the following aerial map with concentric radius markers of 1 mile, 3 miles and 5 miles.



The subject is located within the corporate jurisdiction of Heber City in Wasatch County. Heber is bounded by unincorporated areas to the north and east, Daniel, Charleston, and Independence to the south, and unincorporated areas and Midway to the west. The Heber micropolitan statistical area has an estimated population of 79,903. Park City is approximately 12 miles north, while Interstate 80 is approximately 16 miles north. The Salt Lake Central Business District and Salt Lake International Airport are approximately 30 and 35 miles northwest, respectively.

Neighborhood Boundaries

A neighborhood is defined as “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.”⁵ Neighborhood boundaries may consist of well-defined

⁵ *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago, IL: Appraisal Institute, 2022), p. 130.

natural or man-made barriers or by a distinct change in land use. Based on this definition, the neighborhood boundaries are considered to be 400 North to the north, 600 South to the south, 100 East to the east, and 200 to the west. The neighborhood constitutes the primary commercial corridor through Heber City.

Neighborhood Land Use

The neighborhood contains a variety of uses, with commercial development located along major arterials, and residential use on interior roads. The subject lies in a transitional area, one street west of Main Street. Development surrounding the subject is a mix of commercial and residential uses. Main Street is the major commercial artery through the neighborhood. Most development west of the subject is for residential use.

Life Cycle:	The neighborhood is considered to be in a stable phase. There are few vacant land tracts that remain available for development. Some older residential properties along arterial roads have been redeveloped for commercial use in recent years.
Age/Life Trends:	Improvements range in age from new to over 100 years.
Access/Linkages:	The subject is immediately accessed from 100 West. Main Street (Highway 40) is the primary artery through the neighborhood and is just east of the subject. Main Street provides access to Interstate 80, which is a major east-west freeway connecting to Salt Lake City, approximately 30 miles northwest of the subject.
Demographic Data:	Demographic data for the neighborhood was obtained from ESRI and is summarized in the following table.

2024 DEMOGRAPHIC DATA			
Radius	One Mile	Three Mile	Five Mile
Population	8,912	26,551	34,023
Households	2,743	7,898	10,325
Persons Per Household	3.23	3.33	3.27
Pop. Density (per sq. mile)	2,837	939	433
Median Age	31.7	33.2	34.7
Average Household Income	\$ 114,511	\$ 134,936	\$ 144,775
Median Household Income	\$ 97,789	\$ 107,843	\$ 113,103
Per Capita Income	\$ 35,394	\$ 40,416	\$ 43,974
Source: US Census Bureau via the Environmental Systems Research Institute			

Employment:

Historical employment data for Wasatch County and the state is summarized in the following table.

EMPLOYMENT DATA - WASATCH COUNTY					
Year	2020	2021	2022	2023	May-24
Labor Force	16,505	16,979	17,724	18,659	18,286
Employed	15,417	16,485	17,303	18,208	17,679
Unemployed	1,088	494	421	451	607
Unemployment Rate	6.6%	2.9%	2.4%	2.4%	3.3%
State Unemployment Rate	4.8%	2.8%	2.4%	2.6%	3.2%
Source: Utah Department of Workforce Services					

Unemployment numbers have generally trended downward over the last five years, but spiked in April 2020 due to economic impacts from the COVID-19 pandemic. Recent data shows that unemployment at the county and state levels has returned to near historic lows.

Influences:

The neighborhood is positively influenced by proximity to transportation linkages, and stable surrounding population base. No negative influences are noted.

Property Description

Please see the subject photographs, plat map, and aerial photograph presented in the addenda.

General Site Data

Frontage:	83 feet on 100 West
Access:	One approach from 100 West
Street Improvements:	100 West is asphalt paved with one travel lane in each direction. The frontages are improved with concrete curb, gutter, and sidewalks. There are also four street parking stalls at the subject's frontage.
Size:	0.41 acre; 17,725 sq. ft.
Shape:	Irregular
Street Orientation:	Interior
Topography:	Near Level
Drainage:	General drainage for the area is southwesterly.
Flood Zone:	Zone "B" (moderate flood risk); Community Panel No. 49051C0118E, dated March 15, 2012. FEMA defines Zone "B" as follows: "Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. B Zones are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile." ⁶
Soil:	A complete soils study was not provided. Development on the subject and nearby properties suggests that soils in the area are adequate to support development.
Utilities:	All are immediately available.
Easements/encumbrances:	A title report was not reviewed in connection with this appraisal. No encumbrances were noted at the time of inspection, and it is assumed there are no adverse easements.

⁶ <https://www.fema.gov/glossary/zone-b-and-x-shaded>.

Contamination:	No evidence of contamination was observed during inspection, and it is assumed none exists. In the event contaminants are discovered, the value provided herein is subject to change.
Site Utility:	The site benefits from relatively flat terrain and adequate shape to support efficient development. The site also benefits from proximity to Main Street and supporting retail development. The moderate flood risk designation impacts most properties in the immediate neighborhood and is not considered a significant detriment to the site. Overall, site utility is considered average for the neighborhood.

Zoning

The subject site is zoned C-3 (Central Commercial Zone) under the jurisdiction of Heber City. The zoning ordinance states the following regarding the C-3 zone.

“The C-3 central commercial zone has been established as a district in which the primary use of the land is for business, a mixture of uses, and community activities. The area covered by this zone is the historical core area encompassing Main Street and adjacent blocks, which acts as the dominant shopping, community gathering place, and financial center for the City and surrounding territory. For this reason, the zone has been located in the central part of the City, where the street pattern makes the variety of uses readily accessible to all parts of the City and surrounding region and where business, shopping, and engaging activities can be carried on with maximum convenience. The C-3 zone is characterized by wide, clean, well-lighted streets and ample pedestrian ways for the convenience and safety of the public. It is the historic core of the City with an historic architectural style and variety that is distinct from the rest of the City.”

Development requirements within the “C-3” zone are summarized in the following table.

ZONE REQUIREMENTS	
C-3 (Central Commercial)	
Minimum Lot Size	None
Minimum Lot Width/Frontage	None
Building Restrictions	
- Min. Front Setback	0' maximum
- Min. Rear Setback	None Reported
- Min. Side Setback	None Reported
Minimum Building Height	None
Maximum Building Height	46 feet or three stories
Minimum Landscape Coverage	None Reported
Maximum Lot Coverage	None
Off-Street Parking	
- General Retail	4 spaces per 1,000 sq. ft. of net floor area
- Restaurant	1 space per 200 sq. ft. of net floor area
- Professional Office	4 spaces per 1,000 sq. ft. of net floor area
- Multi-family Residential	2 spaces per dwelling unit

Permitted uses within the C-3 zone include residential, office, retail, restaurant, and mixed-use. Hotels and motels are listed as conditional uses. Warehouse and manufacturing use, as well as higher-intensity retail uses, such as gas stations and drive-through restaurants, are not allowed. The subject’s current use is legal according to the zoning requirements.

Description of Improvements

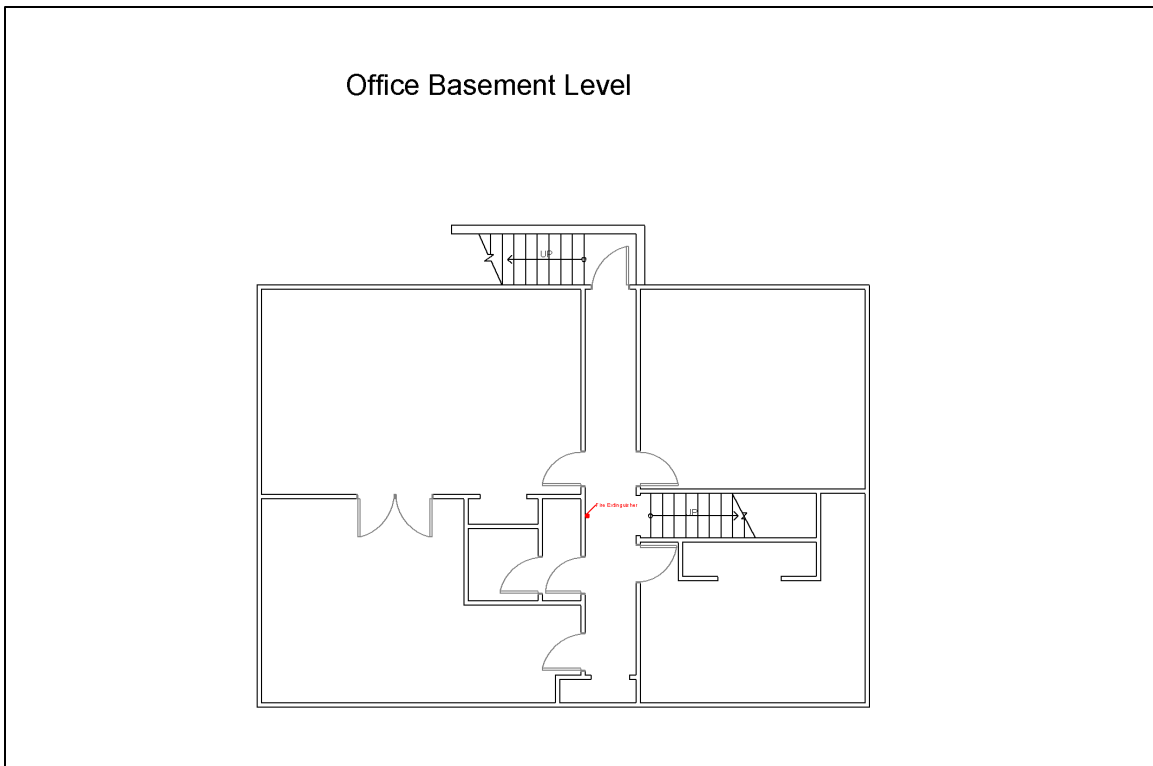
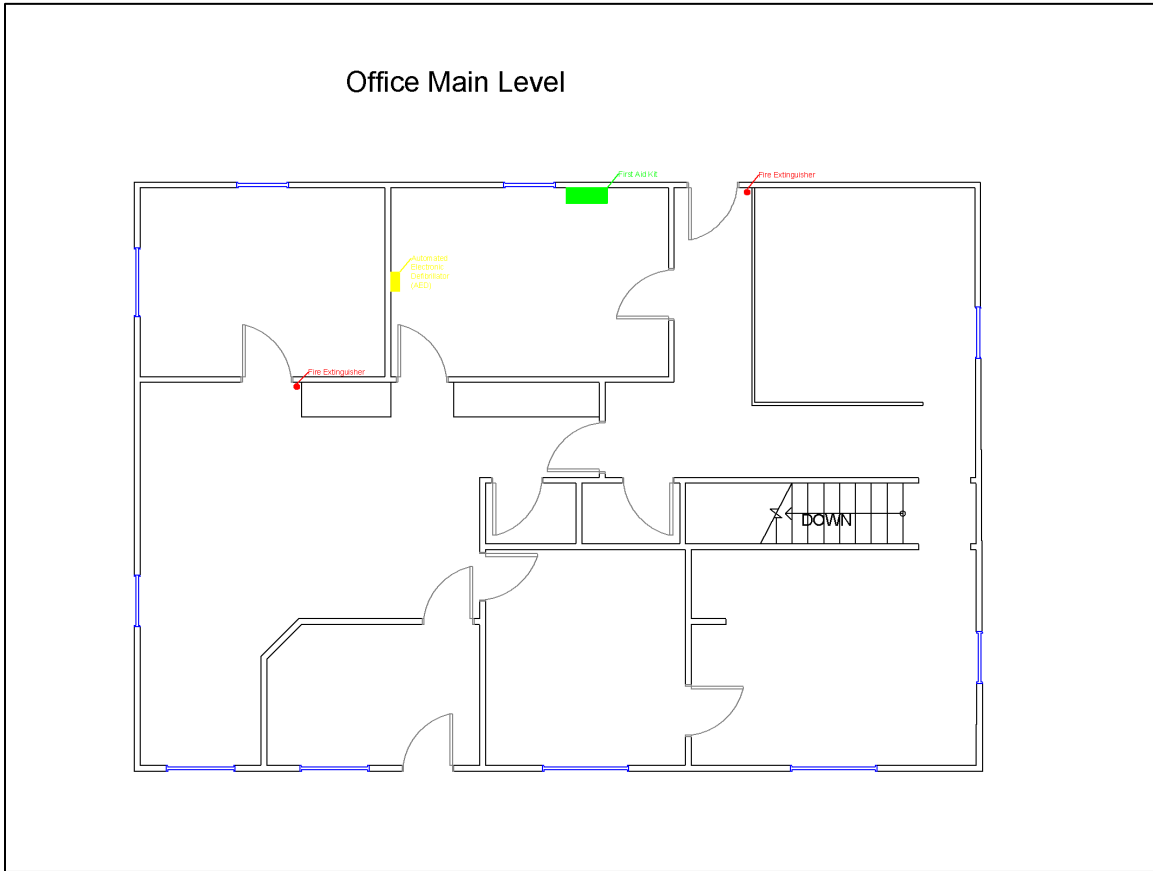
Please refer to the subject photographs presented in the addenda.

The vertical improvements comprise two buildings identified herein as the East Building and the West Building. The East Building is fully finished as office space, while the West Building consists mainly of garage/storage area with some finished office space. Measurements were taken at the time of inspection. A summary of the building areas is provided in the following table:

BUILDING AREA SUMMARY						
Building	Floor	Gross Area	Usable Office Area	Bldg Common Area	Rentable Area	Storage/Amenity Area
West	Main	1,758	1,758	0	1,758	0
	Basement	1,758	1,758	0	1,758	0
East	Main	2,419	446	0	446	1,973
TOTALS		5,935	3,962	0	3,962	1,973

Building Construction/Features

Both buildings consist of Class “D” wood frame construction with brick exteriors. The West Building is designed for single tenant occupancy, but could accommodate one tenant per floor. The basement level includes an exterior entry/exit from the east side of the building; however, the basement level has minimal windows and mainly consists of large meeting areas without private offices. Interior finishes are consistent between the two levels and include commercial grade carpet and ceramic tile flooring, painted gypsum board walls and ceilings with paint grade moldings, and solid wood interior doors. The layout is efficient for general office use, and includes a reception area, private offices, open cubicle area, restrooms, and copy/supply room. The space has good functional utility for general office use; however, the basement space has somewhat limited functionality as an independent space. Floor plans for the West Building are shown as follows.



The East Building is wood framed with brick exterior and contains a standing seam metal roof. It contains a total of 2,419 square feet, 446 of which is finished office space. The remaining area is open garage or storage space. The building includes five overhead doors. Two doors are 10'x10' and three doors are 12' x10'. The garage space has a ceiling height of 11'9" and is heated, but not cooled. The walls and ceiling are finished with painted gypsum board, and floors are bare concrete.

Basic Construction Components. Basic construction components are described as follows.

Footings and Foundation:	Poured, reinforced concrete
Structure:	Class "D" Wood-frame
Ground Level Floor:	Poured concrete slab
Upper-Level Floors:	Wood subfloor over engineered joists
Exterior Walls:	Wood framed with brick veneer
Roof Finish:	Asphalt shingle over wood decking and trusses
Interior Partitions:	2x4" stud walls with painted gypsum board
Lighting/Electrical:	Primarily surface-mounted fixtures; assumed to meet code
Plumbing/Restrooms:	Average quality fixtures, assumed to meet code
HVAC:	Gas-fired, forced-air furnaces and central air throughout
Fire Sprinklers:	None
Elevator:	None

Site Improvements

The site contains landscaping and concrete walkways surrounding the West Building. The remainder of the site is asphalt paved, with parking located between the two buildings. The parking lot contains eight stalls. An additional four stalls of street parking are located in front of the building. The garage can accommodate five additional vehicles. This equates to a total parking ratio of 4.29 stalls per 1,000

square feet of rentable building area, which is adequate per zoning and market standards. The site also includes a backup generator located adjacent to the East Building.

Design/Appeal and Functionality

Construction quality and quality of interior finishes are considered average. The layout of the space is typical and would have broad appeal for a variety of office users. Overall appeal is average for the market.

Effective Age and Remaining Economic Life

As previously discussed, the Wasatch County Assessor's office reported that they have no building records for the subject; therefore, the actual year built could not be determined. Nearby buildings were built between approximately 1920 and 1970. Based on the subject's characteristics, the estimated year built is 1950, indicating an actual age near 74 years. Considering the current condition, the effective age is estimated at 20 years. Marshall Valuation Service estimates typical economic lives for such buildings at 45 years. Remaining economic life is therefore 25 years.

HIGHEST AND BEST USE

Highest and best use is defined as, "...the reasonably probable and legal use of vacant land or improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value."⁷

There are four tests of highest and best use implicit within the foregoing definitions. These include: (1) physically possible, (2) legally permitted, (3) financially feasible, and (4) that use which having met the foregoing tests results in the highest present land value. Highest and best use is considered first as if the land were vacant and available for development and second, as improved.

As If Vacant

- Physically Suitable. The subject's site comprises a 0.41-acre parcel that is generally level and has adequate width, depth, and overall shape to support efficient development. Utilities are immediately available, and access is adequate from 100 West. From a physical standpoint, there are no significant obstacles to development.
- Legally Permissible. The subject is currently zoned "C-3" (Central Commercial Zone) under Heber City jurisdiction. Permitted uses within the C-3 zone include office, retail, restaurant, residential, and mixed-use. The zoning allows for up to three stories with no front setback.
- Economic Feasibility. Economic feasibility relates to supply and demand and the ability to provide a product at a cost that is less than its ultimate market value. The site is proximate to Main Street but lacks significant traffic exposure, which reduces the potential for high intensity retail uses. Additionally, the broader market for retail and office uses is fairly stagnant at present. However, given the relatively small size of the site, a main level commercial component would be feasible. The Heber Valley residential market remains strong, despite slowed activity due to rising interest rates. There is sufficient demand in the market for residential units in the subject's neighborhood. Based on the subject's

⁷ Appraisal Institute, *The Appraisal of Real Estate*, 15th Edition, Chicago, Illinois, Appraisal Institute 2020, p. 306.

location and current market factors, mixed-use with main level commercial space and upper-level residential units is considered a feasible use and would maximize site value.

- Maximum Productivity. Highest and best use as vacant is concluded to be for mixed use development with main level commercial space and upper-level residential units.

As Improved

- Physically Possible. Improvements are well laid out and have been adequately maintained. The building shows some signs of wear, but has substantial physical life remaining.
 - Legally Permissible. Improvements are legal and conforming under the prevailing zone. The zoning does not allow for warehousing or manufacturing uses, which limits the functionality of the East Building; however, the unfinished space provides storage and covered parking, and serves as an amenity to the office area.
 - Economic Feasibility. The primary test of economic feasibility is whether improvements contribute to value or whether land value exceeds value as improved. In this case, the improvements contribute substantial value to the property. Significant alterations or modifications to the building are not necessary as presently improved.
- Maximum Productivity. Highest present value is for continued office use.

VALUATION ANALYSIS

INCOME APPROACH TO VALUE

This approach is based on the appraisal principle of anticipation, which attests that property value is estimated as the present worth of future anticipated benefits accruing to ownership. In the subject instance, these benefits take the form primarily of monetary factors.

The steps of the approach are: (1) estimate gross potential rental income that the property can generate; (2) estimate probable vacancy; (3) estimate applicable operating expenses to arrive at net operating income; and (4) capitalize net operating income to value by an overall rate considered attractive to a prudent investor.

The foregoing process is known as the stabilized income capitalization method. The steps of the approach are presented as follows:

- Gross Potential Income. The subject is currently owner-occupied. In order to estimate gross potential income for the subject, recent leases from comparable properties have been researched. The leased properties were analyzed in comparison to the subject to estimate the revenue the building would likely achieve under current market conditions. This data is summarized below with full detail sheets for each comparable property presented in the addenda.

COMPARABLE OFFICE LEASE ADJUSTMENT GRID						
	SUBJECT	ONE	TWO	THREE	FOUR	FIVE
Address	31 South 100 West	340 South Main Street	786 East Division Street #203	722 West 100 South #2	1790 Bonanza Dr. #201	150 North Main Street
City	Heber	Heber	Park City	Heber	Park City	Heber
Lease Date	N/A	Jan-23	Feb-22	Nov-23	Jul-23	Listing
Year Built/Renovated	1950	1927	2009	2000	2004	2008
Lease Area (Size)	3,962	2,200	1,800	1,000	4,651	1,359
Lease Basis	NNN	NNN	NNN	MG	NNN	NNN
Lease Rate/Sq.Ft.		\$22.00	\$23.00	\$25.00	\$26.00	\$25.00
Conditions of Lease		0%	0%	0%	0%	-5%
Adjusted Rate		\$22.00	\$23.00	\$25.00	\$26.00	\$23.75
Lease Basis		\$0.00	\$0.00	-\$3.00	\$0.00	\$0.00
Adjusted Rate		\$22.00	\$23.00	\$22.00	\$26.00	\$23.75
Market Conditions		1.4%	2.3%	0.6%	0.9%	0.0%
Adjusted Rate		\$22.30	\$23.53	\$22.13	\$26.25	\$23.75
Location/ Exposure		-5%	-5%	5%	-10%	-5%
Physical Characteristics						
Size		0%	0%	0%	0%	0%
Age/Condition		0%	-15%	-8%	-8%	-8%
Quality/Appeal		0%	0%	0%	-5%	0%
Parking/Site Area		0%	0%	0%	0%	0%
Functional Utility/Baseament		-5%	-18%	-18%	-18%	-18%
Storage/Amenities		-1%	11%	11%	9%	10%
Net Adjustments		-10%	-27%	-9%	-31%	-20%
Adjusted Value/Sq.Ft.		\$19.99	\$17.18	\$20.17	\$18.21	\$19.09
AVERAGE		\$18.93				
MEDIAN		\$19.09				
HIGH		\$20.17				
LOW		\$17.18				

The foregoing adjustments have been quantified to the extent possible; however, in many cases the adjustments involve the judgment of the appraisers based on careful review and general market experience.

Prior to adjustment, the comparable properties show a range in rents from \$22.00 to \$26.00 per square foot on varying bases. Typically, there are five factors that affect the lease rate. These include: 1) lease basis; 2) conditions of lease; 3) date of lease; 4) location; and 5) physical characteristics. The comparable properties have been analyzed relative to each of these factors below.

- Conditions of Lease. This refers to any conditions that would impact the lease rate, such as atypical concessions, amortized tenant improvements included in the lease rate, etc. Lease #5 is a current listing. A small downward adjustment was applied to account for typical negotiations that would result

in an executed lease. The remaining leases were reported as arm’s-length with typical terms and do not require adjustment.

- Lease Basis. The lease basis can range from full service (the landlord is responsible for all operating expenses) to triple net (tenant is responsible for operating expenses within the unit and a pro rata share of common area expenses). A triple net rate is typical for single-tenant or two-tenant properties; therefore, the comparable leases are adjusted to reflect a triple net expense basis. Lease #3 is on modified gross terms and requires downward adjustment to equate to a triple net basis. No adjustments are needed for the remaining comparable leased properties.

- Market Conditions (Date of Lease). Rents change over time due to various market factors interacting, particularly supply and demand. The comparable leases took place between February 2022 and November 2023. Historical average rental data from CoStar was reviewed in order to determine an appropriate adjustment for changes in market conditions. Unfortunately, data specific to the Wasatch or Summit County markets was not available. The two nearest office markets for which data is available are the Salt Lake and Provo markets. Data for both markets is summarized in the following table:

HISTORICAL AVERAGE RENT RATES							
Source	Property Type	2020	2021	2022	2023	YTD	CAGR
Costar	Office-Salt Lake Market	\$23.23 4%	\$24.02 3%	\$25.39 6%	\$25.61 1%	\$25.93 1%	3.2%
	Office-Provo Market	\$21.33 16%	\$22.48 5%	\$22.99 2%	\$23.22 1%	\$23.43 1%	2.7%

The average lease rates in Salt Lake County show a compound annual growth rate over the last five years of 3.2%; however, minimal growth has occurred since 2022. The Provo office market shows average lease rates increasing at a compound rate of 2.7% since 2020, but again, most of that growth occurred in 2020 and 2021. Considering the data, an upward adjustment of 1% annually is applied to the comparable leases through the valuation date. Lease #5 is a current listing and does not require adjustment for this factor.

- Location. Adjustments for location account for differences in access, exposure, attractiveness of surrounding development, and the overall perception of an area. The subject has adequate access,

and is proximate to major arterial roads and supporting retail development, but lacks substantial traffic exposure.

Leases #1 and #5 are on Main Street with superior exposure and warrant small downward adjustments.

Lease #2 is in the Silver Creek Junction area of Summit County, and has superior exposure and freeway access. Downward adjustment is also applied to this lease.

Lease #3 is approximately one-half mile west of the subject, but is considered inferior regarding exposure and surrounding development. Upward adjustment is applied.

Lease #4 is on Bonanza Drive in Park City. The location has superior surrounding development and greater population density. A larger downward adjustment is warranted for this lease.

■ Physical Characteristics. Physical characteristics that can affect the rental rate include building size, age and condition, and quality/appeal. Each of these factors is addressed below.

- Size: Often there is an inverse relationship between size and rent per square foot. The comparable leased spaces range in size from 1,000 to 4,651 rentable square feet. As currently demised, the subject would function for a single tenant or two tenants. This indicates unit sizes of 1,758 to 3,962 square feet. The comparable properties reflect a similar range. No adjustments are needed.

- Age and Condition: With respect to age and condition, properties that are well cared for and are of modern design and materials generally rent for higher rates. The subject has an estimated effective age of 20 years. The comparable buildings were constructed between 1927 and 2009, and have estimated effective ages ranging from 10 to 20 years. Adjustments are applied based on a factor of approximately 1% per year difference in estimated effective age.

- Quality: The subject is considered average quality regarding construction and quality of interior finishes. Lease #4 is located in a superior building with higher quality finishes and more common

areas. Downward adjustment is applied to Lease #4. The remaining comparable spaces are similar to the subject regarding construction quality and quality of interior finishes. No other adjustments are necessary.

- Parking/Site Area: The subject and comparable properties all have adequate parking and site area. No adjustments are needed for this factor.

- Functional Utility/Basement: The subject contains approximately 44% of its rentable area below grade. Basement office typically achieves lower lease rates than otherwise comparable above-grade space. In order to derive an adjustment for this factor, current listings for several office properties with basement space were considered. The data is shown as follows:

BASEMENT OFFICE LEASE RATES			
Location	Above Grade Asking Rate	Below Grade Asking Rate	Indicated Discount
786 East Division Street, Park City	\$32.00	\$20.00	-38%
150 North Main Street, Heber	\$25.00	\$15.00	-40%

The two properties in the table both offer above-grade and basement-level office space. The asking rates indicate a discount ranging from 38% to 40% for basement-level space. Based on the data, the subject could expect to achieve a 40% discount for the basement office area. This equates to a 17.6% discount on the entire property.

Lease #1 contains 32% of its leased area below grade, and is the only comparable leased property that contains basement office. Adjustments are applied to the comparable leases based on a 40% discount to the difference in basement office ratio.

- Storage/Amenities: The subject includes 1,973 square feet of garage/storage area that is considered an amenity and not included in the rentable area. Lease #1 includes approximately 1,150 square feet of garage space, which equates to a slightly higher ratio to rentable area. The remaining leased properties do not contain substantial storage or other amenities.

Storage warehouses in the market area show lease rates ranging from approximately \$8.00 to \$15.00 per square foot. A rate below the range is warranted for the subject's storage space, given that it is not likely to be rented independently, and the zoning does not allow for most industrial uses. A contributory rate of \$5.00 per square foot suggests additional income of \$9,865 annually for the storage area, which equates to \$2.49 per square foot of rentable area. Adjustments are applied to the comparable leases based on this factor.

■ Adjustment Summary: After adjustments, the comparable leases indicate a lease rate range from \$17.18 to \$20.17 per square foot, with an adjusted average of \$18.93 per square foot and a median of \$19.09. Lease #1 is the only property that is similar to the subject in regard to basement office space and storage space. It shows an adjusted lease rate slightly above the average. Overall, each of the adjusted leases warrant consideration but additional weight is given to Lease #1.

Considering the data, the market lease rate for the subject is concluded at \$19.50 per square foot on a triple net expense basis.

Expense Reimbursements/Other Income

The foregoing market rent is concluded on a triple net basis with tenants paying all operating expenses except for management fees and replacement reserves. Operating expenses would likely be paid directly by the tenant. Therefore, no common area maintenance fees would be collected, and no other income is anticipated.

Vacancy and Credit Loss

In order to estimate a vacancy rate for the subject over a typical holding period, several market publications were reviewed. Historical vacancy rate data for the Salt Lake and Provo office markets, as presented by CoStar, is summarized as follows.

HISTORICAL VACANCY							
Source	Property Type	2020	2021	2022	2023	YTD	Average
Costar	Office-Salt Lake Market	9.00%	9.10%	10.10%	9.90%	10.70%	9.76%
	Office-Salt Lake Market (3 Star)	7.10%	8.10%	10.10%	9.70%	10.40%	9.08%
	Office-Provo Market	10.50%	9.10%	9.20%	12.30%	11.70%	10.56%
	Office-Provo Market (3 Star)	11.50%	9.80%	10.70%	12.80%	13.70%	11.70%

CoStar reports an annual range from 9.00% to 10.70%, with a five-year average of 9.76% for the Salt Lake market. Three-star properties, which best reflect the subject’s rental class, show a similar range, with a five-year average vacancy rate of 9.08%. The Provo office market shows slightly higher vacancy, with a five-year average of 10.56%. All of the categories suggest current vacancy is at, or near, a five-year high; however, market vacancy has remained somewhat elevated since 2020. Unfortunately, office vacancy data specific to Wasatch County is not available; however, a similar long-term vacancy rate would be expected.

Considering the foregoing, a 10.0% vacancy and collection loss factor is concluded. This is consistent with the vacancy allowance used to derive capitalization rates from investment sales of similar age and quality as the subject.

Operating Expenses

The foregoing lease rate is concluded on a triple net basis with the tenant responsible for all operating expenses, except for management fees and structural repairs. Some leases in recent years include an expense for management fees within reimbursement charges. Although this is becoming more common, it is not yet the market standard and is not reflected in the comparable leases or comparable investment sales. Therefore, management fees must be deducted to reach net operating income. Typical management fees for office properties have been quoted at 3.0% to 7.0% of collected income. The subject is a small, single or two-tenant building and will require minimal management effort. A management fee of 3.0% is considered reasonable and is concluded.

In addition to management fees, the landlord is responsible for structural repairs. Prudent landlords will typically set aside a reserve factor to cover shorter lived building components. PricewaterhouseCoopers National Warehouse study suggests replacement reserves should be between \$0.10 and \$0.50 per square foot. Given the quality and age of the building, a \$0.15 per square foot reserve factor is projected.

The landlord is also responsible for operating expenses on vacant space. In the event of vacancy, maintenance, and utility expenses would be reduced; however, the landlord would be responsible for limited variable expenses plus fixed expenses, including property taxes and insurance. Property tax expenses for the subject were previously estimated to be \$1.77 per rentable square foot if exempt status were removed. Insurance expenses for similar buildings have been reported within the range of \$0.05 to \$0.30 per square foot, annually. Considering the foregoing, the landlord's expense on vacant space is estimated at **\$3.00** per square foot.

Capitalization Rate

The preferred method of capitalization rate selection is to extract such rate from the market. This is accomplished by dividing net operating income by the sale price of similar properties that have sold recently in the open market. To determine the most likely capitalization rate the subject would achieve in the market, an analysis of recent investment sales was performed, as well as a review of published market reports.

Two significant factors that can influence the achieved cap rate for a property are the presence of below or above-market lease rates, and the current occupancy. The subject is owner-occupied; however, this analysis will consider the subject as if leased to stabilized occupancy at market rents. An absorption deduction will then be applied in order to account for the cost of leasing the property to stabilized occupancy.

The following table shows cap rates derived from recent office investment sales along the Wasatch Front.

INVESTMENT SALES SUMMARY										
Sale Date	Property Type	Location	Bldg. Size (Leasable)	Sale Price	PGI	Vacancy	EGI	Operating Exp.	NOI	Capitalization Rate
Mar-23	Office	5353 South 900 East, Murray	37,926	\$ 6,450,000	\$ 749,039	10%	\$ 674,135	\$ 233,245	\$ 440,890	6.84%
Sep-22	Office	7910-7938 S. 3500 E., Cottonwood Hts.	22,334	\$ 3,400,000	\$ 380,236	10%	\$ 342,212	\$ 115,020	\$ 227,192	6.68%
Sep-22	Office Condo	7410 South Creek Rd. #301, Sandy	8,200	\$ 1,950,000	\$ 192,420	10%	\$ 173,178	\$ 42,230	\$ 130,948	6.72%
Oct-22	Med. Off.	25 North 1100 East, American Fork	2,570	\$ 960,000	\$ 72,525	10%	\$ 65,273	\$ 9,946	\$ 55,327	5.76%
Average		6.50%								
Median		6.70%								
High		6.84%								
Low		5.76%								

Note: Operating Expenses include \$0.15 per square foot replacement reserve.

The investment sales show a range of capitalization rates from 5.76% to 6.84%, averaging 6.50%. The most recent sale represents the high end of the range. This may reflect the impact of higher interest rates in the current market, which puts upward pressure on capitalization rates. The low end of the range is a medical office building. Medical office investments tend to have a lower risk profile than general office investments, suggesting a rate above 5.76% is warranted for the subject. Overall, the data suggests a rate between 6.50% and 7.00% is best supported for the subject.

In addition to the investment sales analysis, we have reviewed aggregated investment data from CoStar. The data is summarized in the following table.

SURVEYED CAPITALIZATION RATES		
Costar	Salt Lake Office (2024 YTD)	6.60%
	Provo Office (2023)	6.40%

CoStar reports average capitalization rates for office investments in the Salt Lake market area are 6.60% thus far in 2024. The most recent data for the Provo market shows an average rate of 6.40%. Both market reports suggest that the number of transactions has declined in recent years, with reported capitalization rates varying widely between property types and asset classes. Given the subject’s age and location, outside of primary market areas, a rate above the average is warranted.

Capitalization Rate Summary

Overall, the subject is of average quality and condition, but is an older building and is located outside of primary market areas. These factors suggest above-average investment risk. The data best supports a capitalization rate between 6.50% and 7.00%.

Based on the available data, a 6.75% capitalization rate is concluded for the subject.

Direct Income Capitalization Analysis Summary

The direct income capitalization analysis is summarized in the following table.

DIRECT INCOME CAPITALIZATION					
	Rentable Area		Annual Lease Rate		
Market Rent					
	3,962	x	\$ 19.50	=	\$ 77,259
Other Income					
Reimbursements/Miscellaneous			0%		\$ -
Potential Gross Income Subtotal					\$ 77,259
Less: Vacancy and Credit Loss			10%		\$ (7,726)
Effective Gross Income					\$ 69,533
Operating Expenses					
Management	3%	of EGI			\$ (2,086)
Reserves	\$0.15	per sq. ft.	annually		\$ (594)
Expenses on vacant space	\$3.00	per sq. ft.	annually		\$ (1,189)
Total Operating Expenses					\$ (3,869)
Net Operating Income					\$ 65,664
Overall Rate					6.75%
Income Approach to Value Estimate					\$ 972,803
Rounded To					\$ 975,000

Absorption Discount

The foregoing conclusion represents value for the subject as if at stabilized occupancy. In order to reach the "as is" value for the subject, an adjustment is necessary to account for the costs a prospective buyer would incur to lease the property to stabilization. These costs include rent loss during the

absorption period, operating expenses on the vacant space, marketing expenses, leasing commissions, and tenant improvements. Each item is discussed as follows.

Rent Loss

A long-term vacancy factor for the subject was determined to be 10%; however, the subject is likely to be leased to a single tenant. Therefore, vacancy will represent 100% of the rentable area during the marketing period. Based on conversations with leasing agents and a review of recently leased properties, the marketing period for similar properties in the subject's market segment has ranged from three to six months. For this analysis, a three-month rent loss period is projected.

Operating Expenses

Lost rent is projected on a triple net basis, where the tenant is responsible for all operating expenses, with the exception of management and reserves. Therefore, the landlord is responsible for operating expenses on vacant space during the lease-up period. As previously discussed, these include fixed expenses and a reduced amount of variable expenses. A projected annual operating expense of \$3.00 per square foot during the lease-up period is considered reasonable for the subject. This equates to \$0.25 per square foot per month.

Marketing/Lease Commissions

In addition to lost rent, leasing commission must also be deducted to reach the as is value of the subject. Leasing commissions are estimated at 6.0%, and are based on a typical lease term of three years. No other marketing expenses are projected for the subject.

Tenant Improvements

The subject is in adequate condition to support immediate occupancy, and the concluded market lease rate is based on the current condition. Therefore, no tenant improvement costs are anticipated.

The total absorption discount is summarized in the following table.

ABSORPTION DISCOUNT						
Lost Rent	3,962 sq.ft. x	\$19.50	x	6 months	=	\$ (38,630)
Operating Expenses	3,962 sq.ft. x	\$3.00	x	6 months	=	\$ (5,943)
Commissions	3,962 sq.ft. x	\$19.50	x	3 years x 6%	=	\$ (13,907)
Tenant Improvements	3,962 sq.ft. x	\$0.00	x		=	\$ -
TOTAL						\$ (58,479)
ROUNDED TO:						\$ (60,000)

Considering the foregoing, the “as is” value of the subject by the income approach is concluded as follows.

Value as if at Stabilized Occupancy	\$975,000
Absorption Discount	<u>-\$ 60,000</u>
As Is Value	\$915,000

SALES COMPARISON APPROACH TO VALUE

This approach is based on the appraisal principle of substitution and takes into consideration the selling price of improved properties that provide utility equal or similar to the subject. Comparative adjustments are made for variances to arrive at a value estimate for the subject. The analysis is summarized in the grid below, followed by narrative discussion of the adjustments. Individual data sheets are presented in the addenda.

IMPROVED SALES SUMMARY/ADJUSTMENT GRID					
	SUBJECT	ONE	TWO	THREE	FOUR
Address	31 South 100 West	37 East 100 North	906 South 300 West	35 South 500 East	89 North 600 West
City	Heber	Heber	Heber	Heber	Heber
Rentable Area	3,962	6,942	6,133	3,960	3,312
Sale Price	N/A	\$1,261,000	\$1,245,000	\$1,100,000	\$1,625,000
Year Built	1950	1949	1997	1974	1998
Date of Sale	N/A	Jun-22	Feb-24	Aug-21	Jan-22
Net Income/sq.ft.	N/A	N/A	N/A	N/A	N/A
Capitalization Rate	N/A	N/A	N/A	N/A	N/A
Condition	Average	Average	Average	Average	Average
SALES PRICE/SQ.FT.		\$181.65	\$203.00	\$277.78	\$490.64
PROPERTY RIGHTS		0%	0%	0%	0%
ADJUSTED PRICE/SQ.FT.		\$181.65	\$203.00	\$277.78	\$490.64
FINANCING TERMS		0%	0%	0%	0%
ADJUSTED PRICE/SQ.FT.		\$181.65	\$203.00	\$277.78	\$490.64
CONDITIONS OF SALE		0%	0%	0%	0%
ADJUSTED PRICE/SQ.FT.		\$181.65	\$203.00	\$277.78	\$490.64
EXPENDITURES AFTER PURCHASE		0%	0%	0%	0%
ADJUSTED PRICE/SQ.FT.		\$181.65	\$203.00	\$277.78	\$490.64
MARKET (TIME) ADJ.		0.0%	0.0%	0.0%	0.0%
ADJUSTED PRICE/SQ.FT.		\$181.65	\$203.00	\$277.78	\$490.64
LOCATION/ACCESS		0%	10%	0%	10%
PHYSICAL CHARACTERISTICS					
Size		0%	0%	0%	0%
Quality/Appeal		0%	0%	-10%	0%
Age/Condition		0%	0%	0%	0%
Site Area/Parking		13%	-7%	-5%	-12%
Functional Utility/Basement		-18%	-18%	-18%	-18%
Storage/Amenities		19%	17%	13%	-31%
GROSS ADJUSTMENT		50%	52%	46%	70%
NET ADJUSTMENT		14%	3%	-21%	-50%
ADJUSTED PRICE/SQ.FT.		\$206.86	\$208.29	\$219.92	\$244.83
AVERAGE		\$219.98			
MEDIAN		\$214.11			
HIGH		\$244.83			
LOW		\$206.86			

Prior to adjustment, the sales range from \$181.65 to \$490.64 per square foot. In appraisal theory there are eight basic elements of comparison that should be considered in a sales comparison analysis. These include: 1) real property rights conveyed, 2) financing terms, 3) conditions of sale, 4)

expenditures made immediately after sale, 5) market conditions (date of sale), 6) location, 7) physical characteristics, and 8) use. Adjustments for these factors are presented below.

- Property Rights Conveyed. This factor accounts for differences in property rights that impact the sale price of a property. Such differences can include occupancy, above or below-market lease rates, remaining lease terms, or lease concessions that will impact the property's income stream. The fee simple value is sought in this analysis. All of the sales involved the transfer of fee simple rights. No adjustments are needed for this factor.

- Financing Terms. The market value definition used in this report stipulates cash purchases. All of the sales presented were reported as cash, or cash equivalent, and no adjustment for this factor is necessary.

- Conditions of Sale. Conditions of sale refer to factors surrounding the sale process that result in less than an arm's-length transaction. These circumstances could include sellers under distress, highly motivated buyers, or related parties. The comparable sales were reportedly at arm's-length and do not require adjustment.

- Expenditures Made Immediately After Purchase. Expenditures made immediately after purchase can include the cost to cure deferred maintenance, necessary renovations to the structure, seismic upgrades, or any extraordinary expenses not typically associated with the purchase of real estate. No expenditures were reported for the comparable sales.

- Market Conditions (Date of Sale). Market conditions refer to price changes occurring over time due to various market forces. The sales took place between August 2021 and February 2024. As discussed in the market rent analysis, lease rates for office space have shown minimal increase in recent years. CoStar shows a slight decline in its market pricing index for the Salt Lake and Provo office markets. This suggests rising capitalization rates and/or slowed growth in the owner/user market. Considering the data, no adjustment for market conditions is warranted.

■ Location. Location refers to market perceptions of a specific area, exposure, accessibility, and surrounding development. The subject has adequate access and is proximate to main arterial roads and supporting retail development, but does not have exposure on a main thoroughfare. The comparable sales are all located within Heber City, and are similar in regard to location characteristics. However, Sales #2 and #4 are located farther from Main Street and supporting retail development. Upward adjustments are warranted for these sales.

■ Physical Characteristics. Physical characteristics refer to building size, age and condition, and construction quality. Each is discussed below.

- Size: The comparable properties range in size from 3,312 to 6,942 rentable square feet. The subject is within the range at 3,962 square feet. Generally, as size increases the price per square foot decreases and vice versa. Overall, the range is fairly narrow and no adjustments are needed for this factor.

- Quality (Construction/Finishes): The subject is an average quality office building with average quality interior finishes. The comparable properties are generally of similar quality; however, Sale #3 contains some medical office space, which is more costly than general office, and typically commands higher lease rates. Downward adjustment is warranted for Sale #3. The remaining sales do not require adjustment for this factor.

- Age and Condition: The subject has an estimated effective age of 20 years. The comparable sales were built between 1949 and 1998, but all have a similar effective age of 20 years. No adjustments are needed for this factor.

- Site Area/Parking: The subject has adequate parking and site area, with a floor area ratio of 0.22. The comparable sales vary in this regard, with floor area ratios ranging from 0.08 to 0.61. Sale #1 has the lease site area and warrants upward adjustment for this factor. The remaining properties are superior to the subject in this regard. Prevailing commercial land values in the area range from approximately \$10.00 to \$25.00 per square foot, and can be significantly higher for prime retail land. However, the data suggest that additional, or surplus site area has a lower contributory value than otherwise similar, independently developable land. Therefore, adjustment based on a lower per square

foot factor is warranted. Considering the data, the comparable sales are adjusted based on a factor of \$8.00 per square foot of additional land area.

- Functional Utility/Basement. The subject includes basement office area that represents 44% of the total rentable area, while the comparable properties are all fully above grade. As discussed in the market rent analysis, an appropriate discount for basement office space is 40% of the rate achieved for otherwise similar above-grade space. This implies a total discount of 18% for the subject's rentable area ($0.44 \times 0.40 = 0.18$). Accordingly, an 18% downward adjustment is applied to all of the comparable sales.

- Storage/Amenities. The subject includes 1,973 square feet of garage/storage space that is not included in the rentable area. Sale #4 contains 9,423 square feet of storage warehouse area, and is the only comparable sale with this amenity. As discussed in the market rent analysis, a reasonable contributory rent for the subject's storage space is \$5.00 per square foot. If the concluded vacancy, expenses, and capitalization rate are applied to this income, it suggests a contributory value of \$67.55 per square foot. For additional support of an adjustment factor, Marshall Valuation Service reports construction costs for average/good quality storage warehouse space range from approximately \$57.00 to \$90.00 per square foot. Taking into account depreciation, an adjustment factor toward the low end of the range is well supported.

Considering the data, the comparable sales are adjusted based on a factor of \$65.00 per square foot of garage/storage space.

■ Adjustment Summary. After adjustments, the comparable sales range from \$206.86 to \$244.83 per square foot, averaging \$219.98. The adjusted median is \$214.11 per square foot. Sale #4 is somewhat of an outlier at the high end of the range. This may reflect the higher quality of storage space available at this property compared to the subject. The remaining sales show a fairly narrow range, averaging \$211.69 per square foot. Sale #2 is the most recent sale and is most similar to the subject regarding physical characteristics. It shows an adjusted sale price of \$208.29. Overall, each of the sales warrant consideration, but most weight is given to Sales #1 through #3.

Considering the foregoing analysis, a rounded value of \$215.00 per square foot is concluded for the subject. Total value by the sales comparisons approach is calculated as follows.

$$\begin{array}{r} 3,962 \text{ Square Feet} \times \$215.00 = \$851,830 \\ \text{Rounded To} = \$850,000 \end{array}$$

RECONCILIATION AND FINAL VALUE ESTIMATE

The value estimates indicated by the two approaches to value are reviewed as follows.

Income Approach to Value	\$915,000
Sales Comparison Approach to Value	\$850,000

The income approach relied on estimates of market rent, vacancy, expenses, and an overall capitalization rate. There was sufficient data to derive a credible market rent estimate and capitalization rate. The income approach is most heavily relied on with investment properties, or when the leased fee value is sought. The subject is a single-tenant property, and the most likely buyer is an owner-user rather than an investor. Overall, the income approach is given secondary weight, but is not completely disregarded.

The sales comparison approach involved comparison of properties that were considered reasonably similar to the subject and adjusting for differences. The strength of this approach reflects the actions of buyers in the marketplace. The weakness is the limited number of directly comparable sales in the subject's neighborhood. Despite the limited data, there were adequate comparable sales to derive credible results, and the conclusion is generally supported by the income approach. Greatest weight is given to this approach.

After careful consideration and analysis of available information, We are of the opinion that market value of the fee simple interest in the subject property is:

EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
(\$875,000)

ADDENDA

SUBJECT PHOTOGRAPHS



Front View of Main Building



Main Building – South Elevation



Main Building – East Elevation



Main Building – North Elevation



Entry/Reception Area



Copy/Supply Room



Typical Office



Office/ Conference Area



Open Office/Cubicle Area



Typical Office



Main Level Restroom



Basement Level Conference Room



Basement Level Office/Conference Area



Basement Level Kitchen



Basement Level Restroom



Basement Level Storage/Supply Room



Front View of East Building



Garage Interior



East Building Office Space



East Building Office Space



East Building Office Space

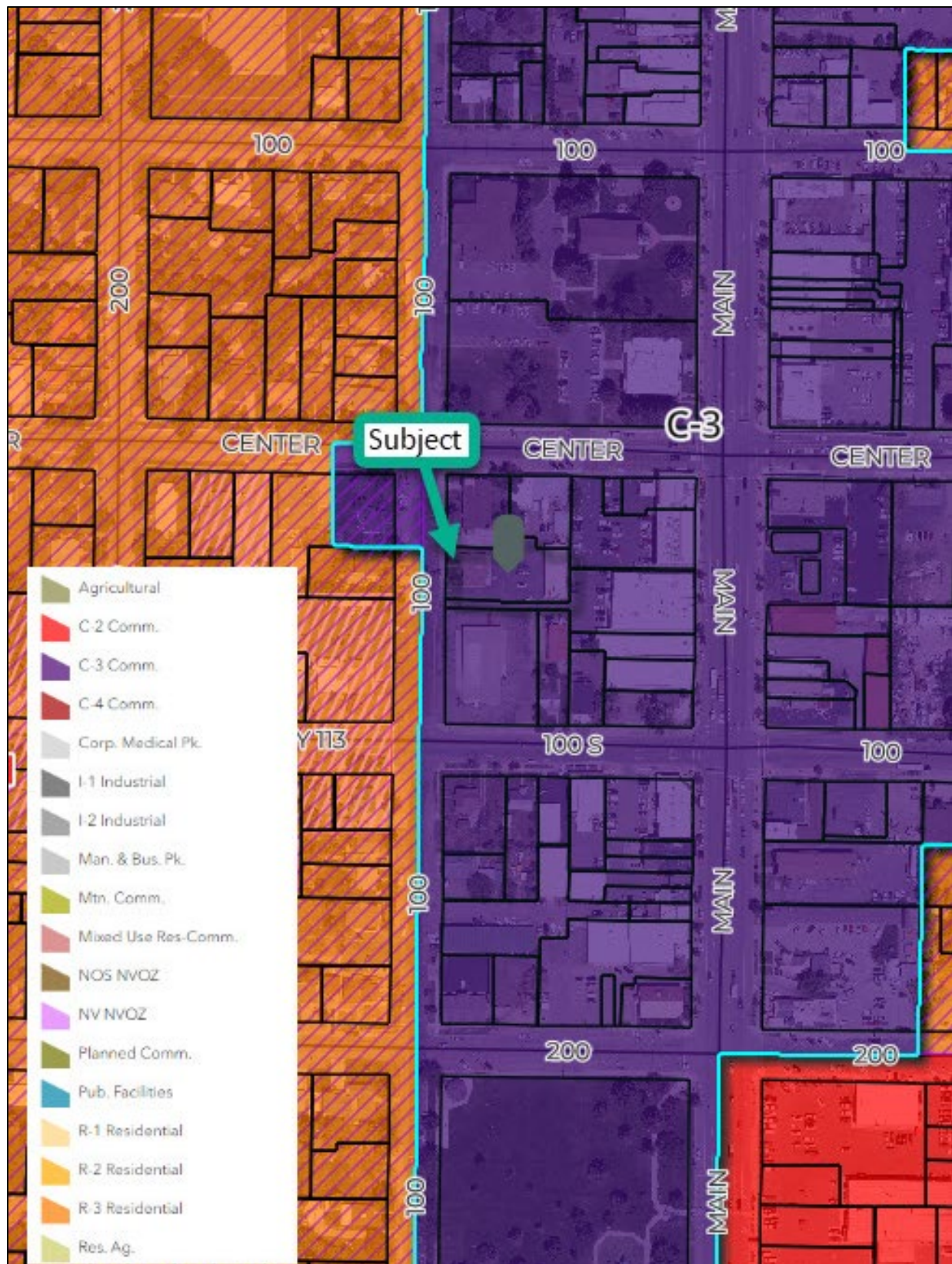


Southerly View Along 100 West Frontage



Northerly View Along 100 West Frontage

ZONING MAP



AERIAL PHOTOGRAPH



FLOOD MAP

RiskMeter

CoreLogic

The closest match to 31 South 100 West, Heber, Utah is 31 S 100 W HEBER, UT 84032-1841

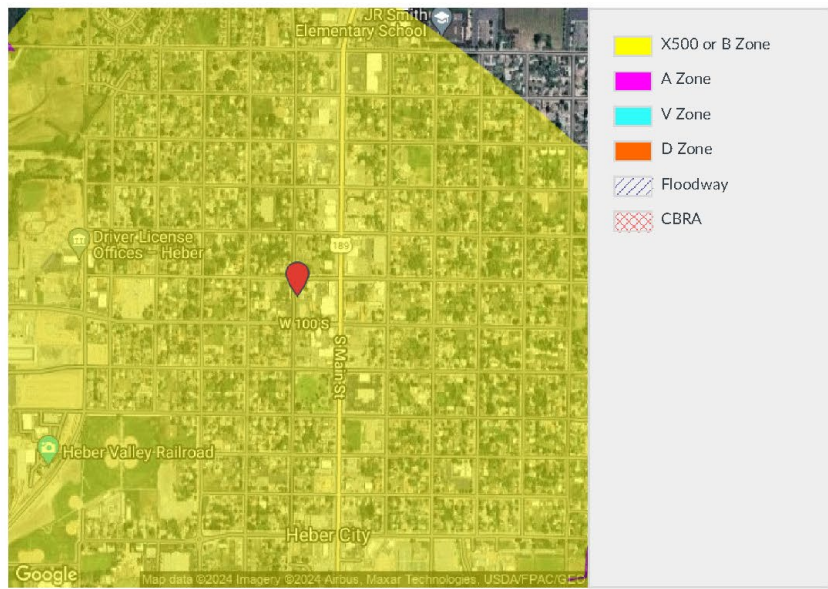
31 S 100 W HEBER, UT 84032-1841

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	490166	PANEL	0118E
PANEL DATE	March 15, 2012	MAP NUMBER	49051C0118E



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DEFINITIONS

■ **Fee Simple Estate.** Fee simple ownership is defined as, "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."⁸

■ **Leased Fee Estate.** Leased fee estate is defined as, "the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."⁹

■ **Leasehold Interest.** Leasehold interest is defined as, "the right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."¹⁰

■ **Market Value (FIRREA).** "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well-informed or well-advised and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangement comparable thereto;
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."¹¹

The foregoing definition stipulates that value reflect cash or cash equivalent terms. The following elaborates on the concept of cash equivalency.

"In applying this definition of market value, adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs that are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparison to financing

terms offered by a third-party financial institution that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession, but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment."¹²

■ **Market Value (Federal Land Acquisition).** "Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither compelled to buy or sell, giving due consideration to all available economic uses of the property."¹³

■ **Market Value (Code of Federal Regulations).** "The most probable price in cash, or terms equivalent to cash, which lands or interest in lands should bring in a competitive and open market under all conditions requisite to a fair sale, where the buyer and seller each acts prudently and knowledgeably, and the price is not affected by undue influence."¹⁴

■ **Market Value (Utah Code).** "Market value is the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts."¹⁵

■ **Use Value.** "The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually."¹⁶

■ **Appraisal.** "(Noun) The act or process of developing an opinion of value; an opinion of value. (Adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services."¹⁷

⁸ The Dictionary of Real Estate, 7th Edition, 2022, The Appraisal Institute, Chicago, Illinois, p. 73.

⁹ Ibid, p. 105.

¹⁰ Ibid, p 105.

¹¹ This definition of market value is taken from the final rule issued by the Department of Treasury, Office of the Comptroller of the Currency (12CFR Part 34, August 24, 1990), which are the implementing regulations for Title XI of FIRREA. The definition is also supported by most regulatory agencies as follows: Board of Governors of Federal Reserve System (CFR Parts 208 and 225, July 25, 1991); National Credit Union Administration (CFR Parts 701, 722, and 741, July 25, 1990); Federal Deposit Insurance Corporation (12 CFR Part 323, August 20, 1990); Resolution Trust Corporation (12CFR Part 1608, August 22, 1990); Office of Thrift Supervision, Treasury (12CFR Parts 506, 545, 563, 564, and 571, August 23, 1990). This definition has been adopted by the Appraisal

Institute in their Standards of Professional Appraisal Practice, and the Appraisal Foundation in the Uniform Standard of Professional Appraisal Practice (June 30, 1989, amended April 20, 1990 and June 5, 1990).

¹² Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC).

¹³ The Uniform Appraisal Standards for Federal Land Acquisitions, 2016, p. 93.

¹⁴ 36 Code of Federal Regulations (CFR) 254.2.

¹⁵ Utah Code Title 59-2-102 (13) (a).

¹⁶ The Dictionary of Real Estate, 7th Edition, 2022, The Appraisal Institute, Chicago, Illinois, p. 199.

¹⁷ The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, 2020-2021 ed, (Washington, D.C.: The Appraisal Foundation), p. 3.

■ Restricted Appraisal Report. "A written report prepared under Standards Rule 2-2(b) or 8-2(b) or 10-2(b) of the Uniform Standards of Professional Appraisal Practice, (2016-2017 Edition)."¹⁸

■ Extraordinary Assumption. "An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions."¹⁹

■ Hypothetical Condition. "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."²⁰

■ Insurable Value. "The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted)."²¹

■ Easement. "The right to use another's land for a stated purpose."²²

■ "As Is" Value Premise. "Market Value 'as is' on appraisal date means an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared."²³

■ Prospective Market Value Upon Completion of Construction Premise. "Prospective value upon completion of construction means the prospective value of a property on the date that construction is completed, based upon market conditions forecast to exist as of that completion date."²⁴

■ Prospective Market Value Upon Reaching Stabilized Occupancy Premise. "Prospective value upon reaching stabilized occupancy means the prospective value of a property at a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy."²⁵

■ Surplus Land. "Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel."²⁶

■ Excess Land. "Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately."²⁷

■ Larger Parcel. "A portion of land that is not a complete parcel, but is the greater part of a bigger tract, entitling the owner to damages both for the parcel and for its severance from the larger tract. To grant both kinds of damages, a court generally requires the owner to show unity of ownership, unity of use, and contiguity of the land. But some states and the federal courts do not require contiguity when there is strong evidence of unity of use."²⁸

■ Highest and Best Use (Code of Federal Regulations). "An appraiser's supported opinion of the most probable and legal use of a property, based on market evidence, as of the date of valuation."²⁹

■ Highest and Best Use. "...the reasonably probable and legal use of vacant land or improved property that is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value."³⁰

¹⁸ Ibid, p.199- As if Vacant.

¹⁹ The Dictionary of Real Estate, 7th Edition, 2022, The Appraisal Institute, Chicago, Illinois, p. 68.

²⁰ Ibid, p. 92.

²¹ Ibid, p. 163.

²² Ibid, p. 58.

²³ Appraisal Policies and Practices of Insured Institutions and Service Corporations, Federal Home Loan Bank Board, "Final Rule", 12 CFR Parts 563 and 571, December 21, 1987.

²⁴ Appraisal Policies and Practices of Insured Institutions and Service Corporations, Federal Home Loan Bank Board, "Final Rule", 12 CFR Parts 563 and 571, December 21, 1987.

²⁵ Ibid.

²⁶ Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th Edition, Chicago, Illinois. Appraisal Institute, 2022), p. 186.

²⁷ Ibid, pp. 80, 81.

²⁸ Black's Law Dictionary, 9th ed. (1891-2009), p. 959.

²⁹ 36 CFR 254.2.

³⁰ Appraisal Institute, The Appraisal of Real Estate, 15th ed. (Chicago, Illinois: Appraisal Institute, 202), p. 306.

COMPARABLE LEASES

COMPARABLE LEASE #1

	Property ID	
	Address:	340 South Main Street
	City/State:	Heber, UT
	County:	Wasatch
	Property Type:	Office
	Subtype:	Low-Rise (1-2 Stories)
	Parcel Number:	00-0020-8330
Site Details		
Land Area (Acres):	0.36	Zoning: C-2 (Commercial)
Topography:	Near Level	Flood Zone: Zone B (moderate risk)
Street Orientation:	Interior	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	2,200	Construction Class: D (wood frame)
Usable Sq. Ft.:	2,200	Total Levels: 1 + basement
Load Factor:	1.00	Year Built: 1927
Floor Area Ratio:	0.14	Quality: Average
Parking Ratio (per 1,000 RSF):	1.82	Condition: Average
Lease Information		
Leased Area (RSF):	2,200	Concessions: None
Lease Date:	1/30/2023	Tenant Improvements: None
Expense Basis:	Triple Net	Options: None
Initial Term:	5 Years	CAM Fees: N/A
Initial Lease Rate (Annual):	\$22.00	Lessor: DK Field Enterprises LLC
Escalations:	3% Annually	Lessee: EA Concept
Verification		
Verified By:	Brandon Bess	
Source:	Broker via Costar, County Records	
Comments		
This is a home that was converted for office use. It includes 1,496 square feet of main level space and 704 square feet of basement office. The property also includes approximately 1,150 square feet of garage space.		


COMPARABLE LEASE #2

	Property ID	
	Address:	786 East Division Street # 203
	City/State:	Unincorporated Summit County, UT
	County:	Summit
	Property Type:	Office
	Subtype:	Low-Rise (1-2 Stories)
	Parcel Number:	SL-I-7-8
Site Details		
Land Area (Acres):	0.92	Zoning: CC (Community Commercial)
Topography:	Near Level	Flood Zone: Zone X/C
Street Orientation:	Interior	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	15,000	Construction Class: D (wood frame)
Usable Sq. Ft.:	N/A	Total Levels: 2 + basement
Load Factor:	N/A	Year Built: 2009
Floor Area Ratio:	0.37	Quality: Average
Parking Ratio (per 1,000 RSF):	3.13	Condition: Average
Lease Information		
Leased Area (RSF):	1,800	Concessions: None
Lease Date:	2/15/2022	Tenant Improvements: None
Expense Basis:	Triple Net	Options: None
Initial Term:	3 Years	CAM Fees: \$6.00
Initial Lease Rate (Annual):	\$23.00	Lessor: Langley LLC
Escalations:	3% Annually	Lessee: RE Dev
Verification		
Verified By:	Brandon Bess	
Source:	Broker via Costar, County Records	
Comments		
This property is located in the Silver Creek Estates subdivision, north of I-80.		


COMPARABLE LEASE #3

	Property ID	
	Address:	722 West 100 South #2
	City/State:	Heber, UT
	County:	Wasatch
	Property Type:	Office
	Subtype:	Office Condo
	Parcel Number:	00-0020-9316, -9317
Site Details		
Land Area (Acres):	0.14 (pro rata)	Zoning: C-4 (Commercial)
Topography:	Near Level	Flood Zone: Zone X/C
Street Orientation:	Interior	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	2,200	Construction Class: D (wood frame)
Usable Sq. Ft.:	2,200	Total Levels: 1
Load Factor:	1.00	Year Built: 2000
Floor Area Ratio:	0.36	Quality: Good
Parking Ratio (per 1,000 RSF):	3.64	Condition: Average
Lease Information		
Leased Area (RSF):	1,000	Concessions: None
Lease Date:	11/5/2023	Tenant Improvements: None
Expense Basis:	Modified Gross	Options: None
Initial Term:	2 Years	CAM Fees: N/A
Initial Lease Rate (Annual):	\$25.00	Lessor: Hollis Investments
Escalations:	3% Annually	Lessee: Psychiatric Consultation Services
Verification		
Verified By:	Brandon Bess	
Source:	Broker via Costar, County Records	
Comments		
The landlord was responsible for taxes, insurance and common areas. The tenant was responsible for utilities and maintenance within the unit.		

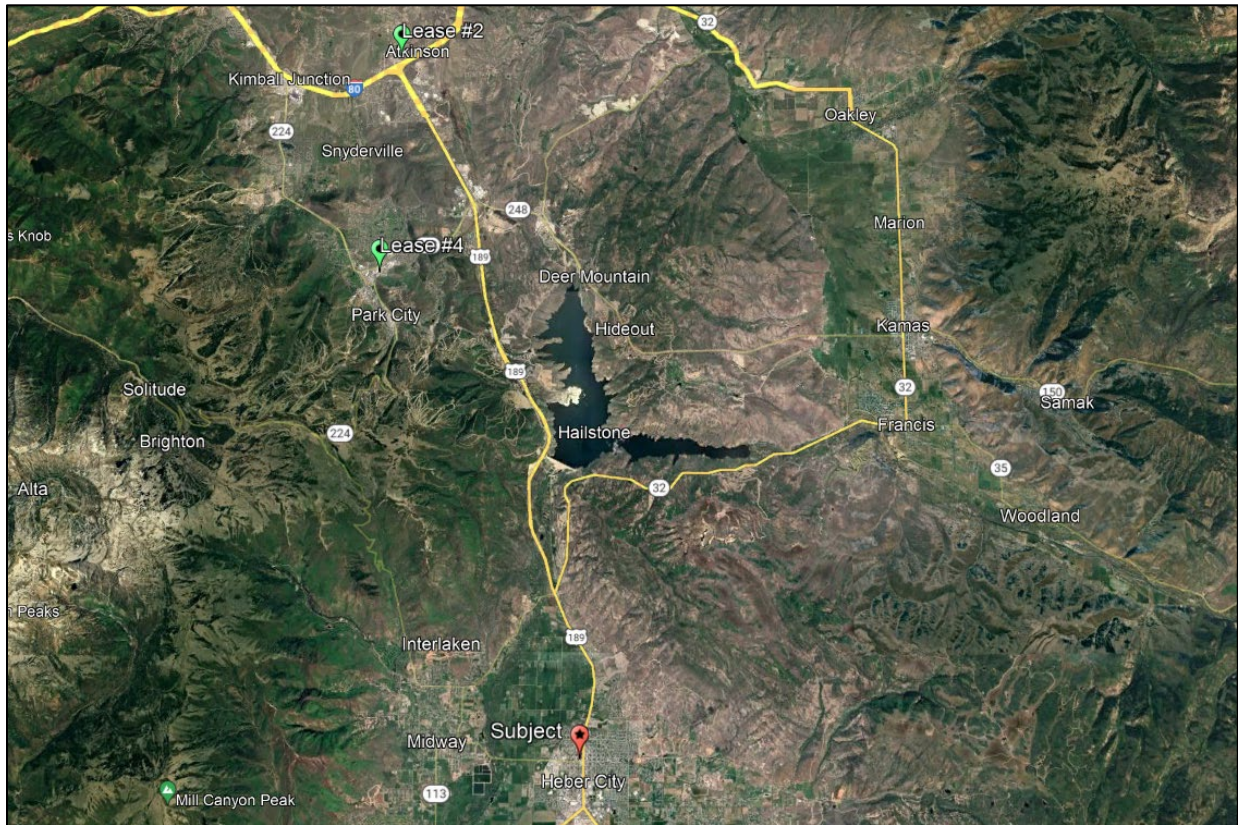
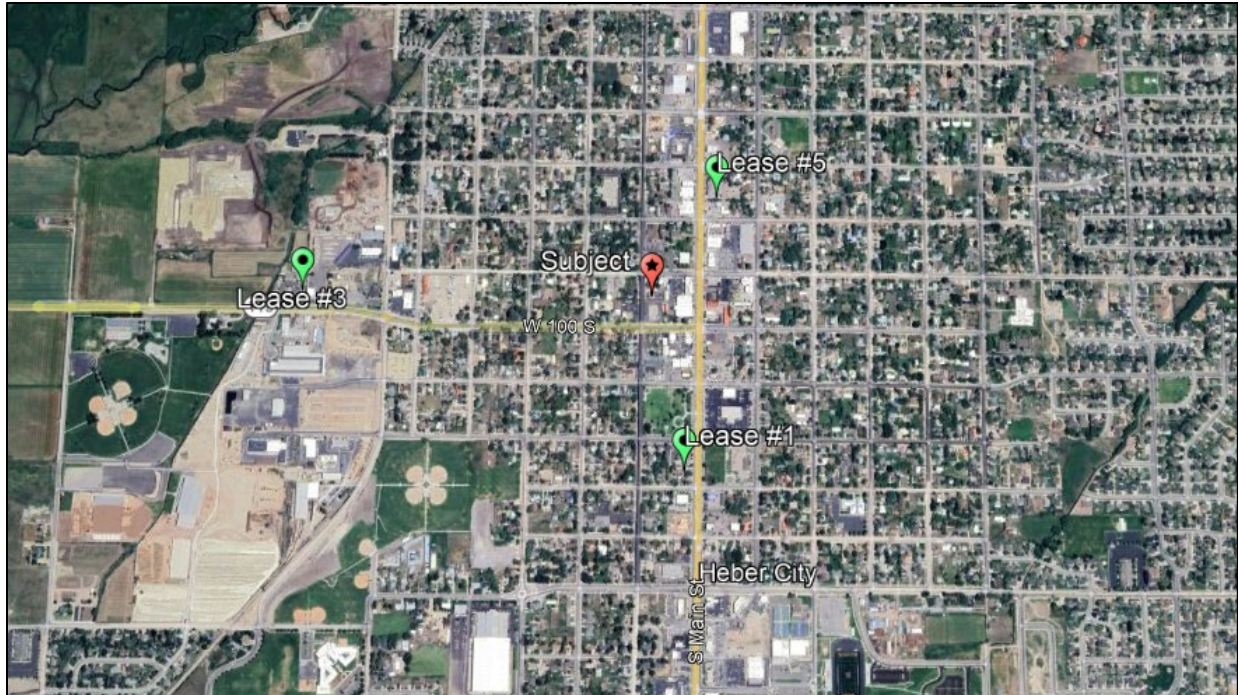
COMPARABLE LEASE #4

	Property ID	
	Address:	1790 Bonanza Drive #201
	City/State:	Park City, UT
	County:	Summit
	Property Type:	Office
	Subtype:	Low-Rise (1-2 Stories)
	Parcel Number:	CCOM-A
Site Details		
Land Area (Acres):	1.82	Zoning: GC (General Commercial)
Topography:	Near Level	Flood Zone: Zone X/C
Street Orientation:	Interior	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	29,185	Construction Class: D (wood frame)
Usable Sq. Ft.:	N/A	Total Levels: 2
Load Factor:	N/A	Year Built: 2004
Floor Area Ratio:	0.37	Quality: Average
Parking Ratio (per 1,000 RSF):	4.28	Condition: Average
Lease Information		
Leased Area (RSF):	4,651	Concessions: None
Lease Date:	7/5/2023	Tenant Improvements: None
Expense Basis:	Triple Net	Options: None
Initial Term:	3 Years	CAM Fees: N/A
Initial Lease Rate (Annual):	\$26.00	Lessor: Rail Central LLC
Escalations:	3% Annually	Lessee: Christie's International
Verification		
Verified By:	Brandon Bess	
Source:	Broker via Costar, County Records	
Comments		
This is a unit in the Rail Central building in Park City.		

COMPARABLE LEASE #5

	Property ID	
	Address:	150 North Main Street
	City/State:	Heber, UT
	County:	Wasatch
	Property Type:	Office
	Subtype:	Low-Rise (1-2 Stories)
	Parcel Number:	00-0005-2162
Site Details		
Land Area (Acres):	1.14	Zoning: C-3 (Commerical)
Topography:	Near Level	Flood Zone: Zone X/C
Street Orientation:	Corner	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	30,739	Construction Class: D (wood frame)
Usable Sq. Ft.:	N/A	Total Levels: 2 + basement
Load Factor:	Typical	Year Built: 2008
Floor Area Ratio:	0.62	Quality: Average
Parking Ratio (per 1,000 RSF):	1.14	Condition: Average
Lease Information		
Leased Area (RSF):	1,359	Concessions: None
Lease Date:	Current Listing	Tenant Improvements: None
Expense Basis:	Triple Net	Options: None
Initial Term:	Negotiable	CAM Fees: \$7.25
Initial Lease Rate (Annual):	\$25.00	Lessor: Clock Tower Investors LLC
Escalations:	3% Annually	Lessee: N/A
Verification		
Verified By:	Brandon Bess	
Source:	Listing, County Records	
Comments		
This is a listing for a main level unit in the Clock Tower building on Heber Main Street.		

COMPARABLE LEASE LOCATION MAPS



COMPARABLE SALES


COMPARABLE SALE #1

	Property ID	
	Address:	37 East 100 North
	City/State:	Heber, UT
	County:	Wasatch
	Property Type:	Mixed-Use
	Subtype:	Office/Retail
	Parcel Number:	00-0005-2089
Site Details		
Land Area (Acres):	0.26	Zoning: C-3 (Commercial)
Topography:	Near Level	Flood Zone: Zone B (Moderate Risk)
Street Orientation:	Interior	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	6,942	Construction Class: D (wood frame)
Usable Sq. Ft.:	6,942	Total Levels: 2
Load Factor:	1.00	Year Built: 1949
Floor Area Ratio:	0.61	Quality: Average
Parking Ratio (per 1,000 RSF):	2.16	Condition: Average
Sale Information		
Sale Price:	\$1,261,000	Rights Conveyed: Fee Simple
Sale Date:	6/17/2022	Sale Conditions: Arms Length
Asking Price:	\$1,500,000	Financing Terms: Cash Equivalent
Marketing Time:	14 Days	Buyer: Heber Firehouse LLC
Price per RSF:	\$181.65	Seller: The Old Firehouse LLC
Income Information		
Potential Gross Income:	N/A	Gross Inc. Multiplier: N/A
Vacancy Factor:	N/A	Effective Inc. Multiplier: N/A
Effective Gross Income:	N/A	Expenses per RSF: N/A
Operating Expenses:	N/A	Net Income per RSF: N/A
Net Operating Income:	N/A	Occupancy at Sale: See Comments
Capitalization Rate:	N/A	Avg. Remaining Term: N/A
Verification		
Verified By:	Brandon Bess	
Source:	WFRMLS # 1778161, County Records	
Comments		
This property contains main level retail space and upper level office space. The building was occupied at the time of sale, but all leases were month to month.		

COMPARABLE SALE #2

	Property ID	
	Address:	906 South 300 West
	City/State:	Heber, UT
	County:	Wasatch
	Property Type:	Office
	Parcel Number:	00-0015-9652
Site Details		
Land Area (Acres):	0.87	Zoning: B/MP (Business/Medical Park)
Topography:	Near Level	Flood Zone: Zone B (Moderate Risk)
Street Orientation:	Corner	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	6,133	Construction Class: D (wood frame)
Usable Sq. Ft.:	6,133	Total Levels: 2
Load Factor:	1.00	Year Built: 1997
Floor Area Ratio:	0.16	Quality: Average
Parking Ratio (per 1,000 RSF):	3.59	Condition: Average
Sale Information		
Sale Price:	\$1,245,000	Rights Conveyed: Fee Simple
Sale Date:	2/13/2024	Sale Conditions: Arms Length
Asking Price:	\$1,299,000	Financing Terms: Cash Equivalent
Marketing Time:	32 Days	Buyer: Rhett M. Roberts
Price per RSF:	\$203.00	Seller: Silo School LLC
Income Information		
Potential Gross Income:	N/A	Gross Inc. Multiplier: N/A
Vacancy Factor:	N/A	Effective Inc. Multiplier: N/A
Effective Gross Income:	N/A	Expenses per RSF: N/A
Operating Expenses:	N/A	Net Income per RSF: N/A
Net Operating Income:	N/A	Occupancy at Sale: Vacant
Capitalization Rate:	N/A	Avg. Remaining Term: N/A
Verification		
Verified By:	Brandon Bess	
Source:	WFRMLS # 1971251, County Records	
Comments		
This property was previously used as a school but functions well for office use.		

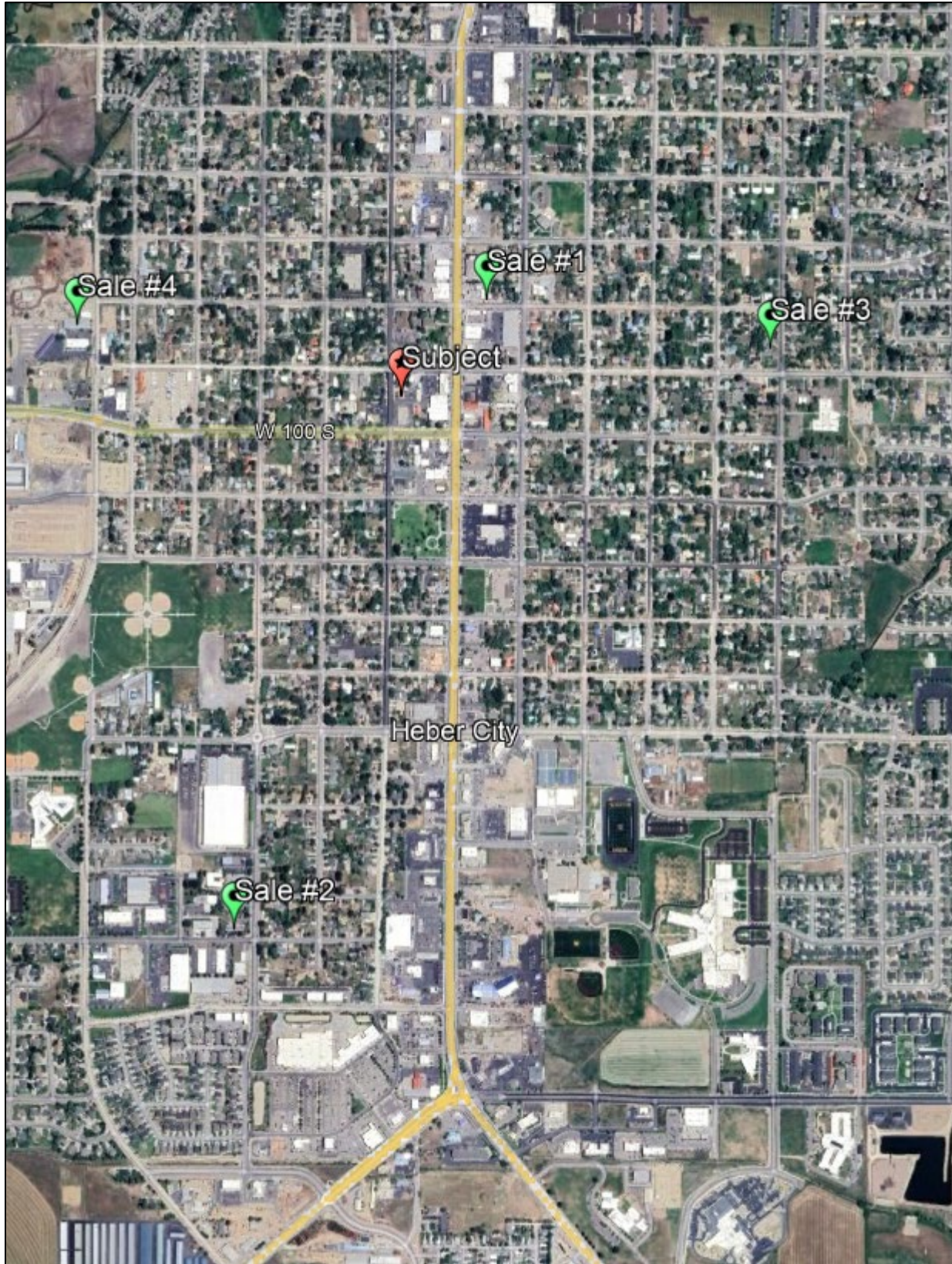
COMPARABLE SALE #3

	Property ID	
	Address:	35 South 500 East
	City/State:	Heber, UT
	County:	Wasatch
	Property Type:	Office
	Subtype:	Medical Office
	Parcel Number:	00-0005-7872
Site Details		
Land Area (Acres):	0.58	Zoning: R-3 (Residential)
Topography:	Near Level	Flood Zone: Zone B (Moderate Risk)
Street Orientation:	Interior	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	3,960	Construction Class: D (Wood frame)
Usable Sq. Ft.:	3,960	Total Levels: 1
Load Factor:	1.00	Year Built: 1974
Floor Area Ratio:	0.16	Quality: Average
Parking Ratio (per 1,000 RSF):	4.8	Condition: Average
Sale Information		
Sale Price:	\$1,100,000	Rights Conveyed: Fee Simple
Sale Date:	8/30/2021	Sale Conditions: Arms Length
Asking Price:	\$1,240,000	Financing Terms: Cash Equivalent
Marketing Time:	40 Days	Buyer: Wasatch County
Price per RSF:	\$277.78	Seller: Lynda Foote Burton
Income Information		
Potential Gross Income:	N/A	Gross Inc. Multiplier: N/A
Vacancy Factor:	N/A	Effective Inc. Multiplier: N/A
Effective Gross Income:	N/A	Expenses per RSF: N/A
Operating Expenses:	N/A	Net Income per RSF: N/A
Net Operating Income:	N/A	Occupancy at Sale: Vacant
Capitalization Rate:	N/A	Avg. Remaining Term: N/A
Verification		
Verified By:	Brandon Bess	
Source:	WFRMLS # 1750639, County Records	
Comments		
<p>This property was built out for medical office use, but also functions for general office use. It is located in a residential zone and is therefore considered legal, non-conforming. It was purchased by Wasatch County to use for additional government office space.</p>		

COMPARABLE SALE #4

	Property ID	
	Address:	89 North 600 West
	City/State:	Heber, UT
	County:	Wasatch
	Property Type:	Office
	Subtype:	Office/Warehouse
	Parcel Number:	00-0005-9084
Site Details		
Land Area (Acres):	0.88	Zoning: C-4 (General Commercial)
Topography:	Near Level	Flood Zone: Zone B (Moderate Risk)
Street Orientation:	Interior	Excess Land: None
Improvement Details		
Rentable Sq. Ft.:	3,312	Construction Class: S (metal)
Usable Sq. Ft.:	3,312	Total Levels: 1
Load Factor:	1.00	Year Built: 1998
Floor Area Ratio:	0.09	Quality: Average
Parking Ratio (per 1,000 RSF):	9.06	Condition: Average
Sale Information		
Sale Price:	\$1,625,000	Rights Conveyed: Fee Simple
Sale Date:	1/7/2022	Sale Conditions: Arms Length
Asking Price:	\$1,650,000	Financing Terms: Cash Equivalent
Marketing Time:	6 Days	Buyer: CJC Collective LLC
Price per RSF:	\$490.64	Seller: BDK Enterprises, LLC
Income Information		
Potential Gross Income:	N/A	Gross Inc. Multiplier: N/A
Vacancy Factor:	N/A	Effective Inc. Multiplier: N/A
Effective Gross Income:	N/A	Expenses per RSF: N/A
Operating Expenses:	N/A	Net Income per RSF: N/A
Net Operating Income:	N/A	Occupancy at Sale: Vacant
Capitalization Rate:	N/A	Avg. Remaining Term: N/A
Verification		
Verified By:	Brandon Bess	
Source:	WFRMLS # 1770862, County Records	
Comments		
This property contains 3,312 square feet of office space and 9,423 square feet of warehouse/storage space. The property previously sold in May of 2017 for \$830,000.		

COMPARABLE SALES LOCATION MAP



STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been based on the following limiting conditions:

1. For purposes of this appraisal, any marketing program for the sale of the property would assume cash or its equivalent.
2. No detailed soil studies covering the subject property were available for this appraisal. It is therefore assumed that soil conditions are adequate to support standard construction consistent with highest and best use.
3. The date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.
4. The appraisers assume no responsibility for economic or physical factors that may affect the opinions in this report which occur after the valuation date.
5. The appraisers reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
6. No opinion as to title is rendered. Data relating to ownership and legal description was obtained from the client or public records and is considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements, and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
7. If no title policy was made available to the appraisers, they assume no responsibility for such items of record not disclosed by their customary investigation.
8. The appraisers assume no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
9. The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated.
10. The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with unless otherwise stated.
11. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
12. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

13. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
14. Maps, plats, and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.
15. No opinion is intended to be expressed for matters that require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
16. Possession of this report, or copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
17. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance.
18. The appraisers have personally inspected the subject property and find no obvious evidence of structural deficiencies, except as may be stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes can be assumed without provision of specific professional or government inspections.
19. Unless otherwise noted, no consideration has been given in this appraisal to the value of the property located on the premises which is considered by the appraisers to be personal property, nor has consideration been given to the cost of moving or relocating such personal property; only the real property has been considered.
20. Information obtained for use in this appraisal is believed to be true and correct to the best of our ability; however, no responsibility is assumed for errors or omissions, or for information not disclosed which might otherwise affect the valuation estimate.
21. Unless otherwise stated in this report, the appraisers signing this report have no knowledge concerning the presence or absence of toxic materials in the improvements and/or hazardous waste on the land. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them.
22. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the appraiser.

23. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraiser's inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition

on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

24. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the Property.

QUALIFICATIONS

Mark L. Reed | MAI

InQoba-1, PC
2816 S Highland Drive, Suite 201
Salt Lake City, UT 84106

Phone: 801 910-3921
E-mail: mark@inqoba.com

APPRAISAL EXPERIENCE

- InQoba, Salt Lake City, Utah, April 2016 to Present. Appraiser and consultant of commercial real estate.
- J. Philip Cook & Associates, Salt Lake City, Utah, March 2011 to 2022. Appraisal contractor
- LECCG, Salt Lake City, Utah, January 2007 to March 2011. Appraiser and consultant of commercial real estate.
- Stuart & Company, February 2004 - January 2007. Appraiser.

PROFESSIONAL MEMBERSHIPS & LICENSES

- Certified General Appraiser, State of Utah, #5834628-CG00
- Certified General Appraiser, State of Idaho, #CGA-6161
- Certified General Appraiser, State of New Mexico, #C03859-G
- Designated Member, Appraisal Institute (MAI)

EDUCATION

- MBA, Brigham Young University, August 2000
- Bachelor of Arts, Brigham Young University, August 1991

CLIENTS SERVED (Partial list)

FINANCIAL INSTITUTION/MORTGAGE

Bank of American Fork
Barnes Bank
Citibank
Far West Bank
Frontier Bank
KeyBank National Association
US Bank

Bank of Colorado
Central Bank
City National Bank
First National Bank of Layton
JP Morgan Chase Bank
Mountain America Credit Union
Wells Fargo

CORPORATE/OTHER COMPANIES

Branson Properties
Intermountain Health Care
LDS Church
PacifiCorp
Rocky Mountain Power
The Nature Conservancy

First American Title Insurance
Landrock Development
Marshall Group
Questar
Sundance Development
TransWest Express

GOVERNMENT

Draper City
Small Business Administration
SITLA – Utah Trust Lands
Utah Attorney General
Utah Department of Transportation

FDIC
Salt Lake Community College
South Salt Lake Redevelopment Agency
Utah Transit Authority
Salt Lake City

Mark Reed | MAI (Continued)

LEGAL FIRMS

Anderson Call & Wilkinson
 Callister Nebeker & McCullough
 Holme, Roberts & Owen
 Parr Brown Gee & Loveless
 Ray Quinney and Nebeker
 Stoel Rives
More available upon request

Ballard Spahr, LLP
 Clyde, Snow Sessions and Swenson
 Kirton and McConkie
 Parsons Behle & Latimer
 Reeder Lu Green, LLP
 Wood Crapo, LLC

SPECIALIZED COURSES COMPLETED

Appraisal Principles (Course 110) Appraisal Institute, May 2004
 USPAP (Course 410) Appraisal Institute, October 2004
 Appraisal Procedures (Course 101) Appraisal Institute, January 2005
 Basic Income Capitalization (Course 310) Appraisal Institute, June 2005
 General Applications (Course 320) Appraisal Institute, July 2006
 Advanced Income Capitalization (Course 510) Appraisal Institute, June 2007
 Eminent Domain Update Seminar, Utah Land Use Institute, February 2008
 National USPAP Equivalent Course, Appraisal Institute, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023
 Business Practices and Ethics, Appraisal Institute, May 2009
 Advanced Sales Comparison and Cost Approaches, Appraisal Institute, October 2009
 Market Analysis and Highest & Best Use, Appraisal Institute, June 2010
 Subdivision Valuation, Appraisal Institute, August 2013
 Report Writing and Case Studies, Appraisal Institute, April 2015
 Advanced Concepts and Case Studies, Appraisal Institute, November 2016
 Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) Course, April 2023
 The Basics of Expert Witness for Commercial Appraisers, McKissock, April 2023
 Numerous other continuing education courses 2016-2023

APPRAISAL/CONSULTING ASSIGNMENTS (sample)

Land: All types of land including residential, commercial, agricultural, and public use

Office: Various properties including multi-story projects ranging in size from 3,000 to more than 200,000 square feet, bank buildings, and medical office space.

Retail: Various buildings including community and neighborhood shopping centers, sit-down and fast-food restaurants, convenience stores, car washes, oil and lube shops, and stand-alone retail uses.

Specialty Properties: Specialty properties including subdivisions, multifamily developments, mixed use, schools, ski resort properties, guest ranches, train maintenance facilities, utility easements, conservation easements and condemnation easements, including yellow book-compliant appraisals (UASFLA).

Brandon G. Bess | MAI

2816 S Highland Drive, Suite 201
Salt Lake City, UT 84106

Phone: 801 633 4491
E-mail: brandon@bgbre.com

PROFESSIONAL MEMBERSHIPS & LICENSES

- Certified General Appraiser, State of Utah, Certificate #7897866-CG00
- Certified General Appraiser, State of Idaho, Certificate #CGA-5100
- Designated Member – Appraisal Institute (MAI)

EDUCATION

- Bachelor of Science, University of Utah (Economics)

APPRAISAL EXPERIENCE

- President, Brandon G. Bess, LLC Appraisal & Consulting–Feb. 2020 to Present
- Appraiser and Consultant of commercial real estate, J. Philip Cook, LLC –Feb. 2015 to Feb. 2020
- Hearing Officer, Salt Lake County Board of Equalization – July 2014 – May 2017
- Appraiser and Consultant of commercial real estate, Insight Appraisal & Consulting, LLC – August 2011 – Feb. 2015
- Appraiser/Researcher, Fortis Group, a commercial appraisal and consulting firm – January 2008 – August 2011

AREAS OF PRACTICE

- Retail
- Industrial: flex space, manufacturing, distribution, business park, and general office/warehouse
- Office Buildings: low rise suburban office and medical office as well as mid-rise buildings in the Central Business District
- Eminent Domain: Road widening and various utility corridors
- Development land including mixed-use projects
- Agricultural and ranch land
- Residential subdivision land

CLIENTS SERVED (Partial list)

FINANCIAL INSTITUTION/MORTGAGE

Wells Fargo Bank
Zions Bank
Bank of American Fork
Heritage West Credit Union
First National Bank, Cortez

CORPORATE/OTHER COMPANIES

Rocky Mountain Power
LDS Church
The Trust for Public Lands

Brandon G. Bess | MAI (Continued)**GOVERNMENT**

Salt Lake County
West Valley City
West Jordan City
US Dept. of Agriculture
Utah Department of Transportation

SPECIALIZED COURSES COMPLETED

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice
- Residential Highest and Best Use and Market Analysis
- Residential Report Writing & Case Studies
- Residential Sales Comparison & Income Approaches
- Residential Site Valuation & Cost Approach
- 2014/15 USPAP Update Course
- General Sales Comparison Approach
- General Income Approach
- General Site Valuation & Cost Approach
- General Highest and Best Use and Market Analysis
- General Report Writing & Case Studies
- 2016/17 USPAP Update Course
- Statistics, Modeling & Finance
- Commercial Appraisal Review
- Expert Witness for Commercial Appraisers
- Advanced Income Capitalization
- Advanced Market Analysis & Highest and Best Use
- Advanced Concepts and Case Studies
- Quantitative Analysis and Best Use
- Advanced Concepts and Case Studies

LEASE AGREEMENT

This Lease Agreement (“**Agreement**”) is made and entered into this ___ day of _____, 2025, by and between **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a political subdivision of the State of Utah (“**Lessor**”), and **HEBER LIGHT & POWER COMPANY**, a Utah interlocal entity (“**Lessee**”).

RECITALS

A. Lessor is the owner of certain real property located at approximately 31 South 100 West, Heber City, Wasatch County, Utah (“**Property**”). The Property is more fully described on **Attachment A**.

B. Subject to and upon the terms and conditions set forth in this Lease, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, the Property and other rights and appurtenances described herein for the use of an administrative facility.

NOW, THEREFORE, for and in consideration of the mutual covenants and benefits herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. **Premises.** Lessor hereby leases to Lessee the Property; subject to the terms set forth herein, for purposes substantially similar to the purposes for which Lessee has historically used the Property. Lessee agrees to take the Property on an “as-is” basis and acknowledges that Lessee has had opportunity to fully inspect the Property prior to entering into this Agreement.

2. **Lease Term.** The initial term of this Agreement commences on the ___ day of _____ 2025 (“**Commencement Date**”) and continues for six (6) months following the Commencement Date (“**Initial Term**”). This Agreement shall automatically renew for two (2) additional successive six (6) month terms (each, a “**Renewal Term**”) unless terminated by Lessee by giving written notice to the Lessor at least one hundred twenty (120) days before the expiration of the Initial Term or any successive Renewal Term. The Initial Term and any Renewal Terms shall be collectively referred to herein as the “**Term**”.

3. **Termination.** In the event Lessee moves its operations off of the Property, this Agreement will automatically terminate upon thirty (30) days following written notice from Lessor of its intent to terminate this Agreement. Lessee hereby agrees to provide such notice within a reasonable time after ceasing Lessee's use of the Property.

4. **Rent.** Commencing on the Commencement Date, Lessee shall pre-pay to Lessor annual rent for the Initial Term in the amount of one dollar (\$1.00). The rent for any Renewal Terms shall be one dollar (\$1.00) per each Renewal Term. Rent shall not be prorated for any partial Renewal Term.

5. **Nature of Lessee's Use.** Lessee shall use the Property in substantially the same manner as Lessee has historically used the Property.

6. **Indemnity and Hold Harmless; Waiver of Consequential Damages.** Each party (“**Indemnifying Party**”) hereby indemnifies and holds the other party (“**Indemnified Party**”) harmless against any claim of liability or loss from personal injury or property damages to the extent the same is caused by or resulting from Indemnifying Party’s negligence, willful misconduct, breach of this Agreement or other tortious conduct or that of its employees, contractors, servants, or agents. However, the Indemnifying Party does not indemnify or hold the Indemnified Party harmless for the proportionate amount of such claims resulting from the negligence or willful misconduct of the Indemnified Party. Notwithstanding anything set forth in this Agreement to the contrary, the Indemnified Party shall not be liable to the Indemnifying Party, or any of the Indemnifying Party’s employees, contractors, servants, or agents, for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability, or otherwise.

7. **Maintenance.** Property. During the Term, Lessee shall maintain and repair the Property as permitted herein in compliance with all applicable laws and otherwise in good condition, subject to normal wear and tear.

8. **Utilities.** Lessee is responsible for the direct payment of all utilities required by its use of the Property.

9. **Authority and Quiet Enjoyment.** Lessor represents that, as of the execution date of this Agreement, it has the full right, power, and authority to execute this Agreement and, upon written request prior to execution of this Agreement, will provide Lessee with evidence of that authority. Lessor further covenants that, on paying the rent and performing the covenants herein, Lessee shall have quiet enjoyment of the Property during the Term.

10. **Applicable Laws.** Lessee shall, in respect to the condition of the Property and at Lessee’s sole cost and expense, comply with all laws relating to Lessee’s nature of use of the Property (as permitted herein).

11. **Binding Nature of Agreement; Assignment.** This Agreement shall be binding on and inure to the benefit of the parties, their respective successors, and assigns. This Agreement shall not be sold, assigned, or transferred by Lessee without Lessor's prior written approval.

12. **Complete Agreement - Integration.** It is mutually agreed and understood that this Agreement contains all agreements, promises, and understandings between Lessor and Lessee relating to the subject matter hereof and that no other agreements, promises, or understandings shall or will be binding on either Lessor or Lessee in any dispute, controversy, or proceeding at law relating to the subject matters hereof. Any amendment to this Agreement is void and ineffective unless it is signed in writing by both parties.

13. **Utah Law Applicable.** This Agreement and its performance shall be governed, interpreted, construed, and regulated by the laws of Utah.

14. **Delivery of Notices.** All notices and other communications required or permitted under this Agreement shall be in writing and shall be given by any of the following methods: United State Mail, first class, postage, prepaid, registered or certified U.S. Mail, postage prepaid and return receipt requested; or by hand delivery (with the signature of a person receiving the notice on behalf of Lessor). A notice or communication sent by a different method becomes effective only if the person to whom the document is addressed actually receives it.

Lessor's address:

Heber City
75 N. Main Street
Heber City, UT 84032
Attn: Matt Brower

Lessee's address:

Heber Light & Power Company
31 South 100 West
Heber, UT 84032
Attn: Bart Miller

15. **No Waiver.** Any party's failure to enforce any provision of the Agreement shall not constitute a waiver of the right to enforce such provision. The provisions may be waived only in writing signed by the party intended to be benefited by the provisions and a waiver by a party of a breach hereunder by the other party shall not be construed as a waiver of any succeeding breach of the same or other provisions.

16. **Severability.** If any portion of any term or provision of this Agreement, or the application thereof to any person or circumstance, shall be invalid or unenforceable, at any time or to any extent, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

17. **Drafting Party.** This document has been and shall be deemed to be a product of joint drafting by the parties and there shall be no presumption otherwise.

18. **Captions.** The captions and headings in this Agreement are for convenience only and shall not be considered in construing any provision contained in this Agreement.

19. **Attorney Fees.** In any action arising out of this Agreement, the prevailing party shall be entitled to costs and reasonable attorney fees.

20. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

21. **Further Assurance.** Each party shall do such acts and things as the requesting party may reasonably require for the purpose of giving the full benefit of this Agreement to the requesting Party.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

LESSOR: **HEBER CITY COMMUNITY REINVESTMENT AGENCY**

By: _____
Name:
Title:

LESSEE: **HEBER LIGHT & POWER COMPANY**

By: _____
Name: Jason Norlen
Title: General Manager

STATE OF UTAH)
 §
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the _____ of Heber City Community Reinvestment Agency, on behalf of said entity.

NOTARY PUBLIC

STATE OF UTAH)
 §
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Jason Norlen, the General Manager of Heber Light & Power Company, on behalf of said entity.

NOTARY PUBLIC

ATTACHMENT A

Description of the Property

BEG SW COR LOT 3, BLK 79, HEBER SURVEY; N00°48'E 83 FT; S88°58'E 100 FT;
N00°48'E 16.5 FT; S88°58'E 45 FT; S00°48'W 16.5FT; S88°58'E 54.32 FT; S00°48'W 87 FT;
N88°58'W 110 FT; N00°48'E 4 FT; N88°58'W 89.32 FT TO BEG.

Also known as Wasatch County Parcel # 00-0004-9119