* DRAFT *

$10,000,000*

REDEVELOPMENT AGENCY OF TAYLORSVILLE CITY, SALT LAKE COUNTY UTAH

TAX INCREMENT AND SALES TAX REVENUE BONDS

SERIES 2010

DATED DATE: DECEMBER 9, 2010 | **RATING: NOT APPLIED FOR BANK QUALIFICATION: YES** | **ISSUE DATE: DECEMBER 9, 2010**

FINANCING TERM SHEET

ISSUER:	Redevelopment Agency of Taylorsville City, Utah (the "Agency")
PAR AMOUNT OF BONDS:	$10,000,000.00
FINANCIAL ADVISOR:	Lewis Young Robertson & Burningham, Inc. (Salt Lake City)
TRUSTEE:	Zions First National Bank, Corporate Trust (Salt Lake City)
BOND COUNSEL:	Ballard Spahr, LLP (Salt Lake City)
GENERAL INFORMATION:	The City of Taylorsville (the "City"), incorporated in 1996, covers an area of approximately 10.86 square miles and has an estimated current population of approximately 62,000. The City is located generally in the middle of Salt Lake County and is bordered by West Valley City on the north, Murray City on the east, West Jordan City on the south and Kearns Township on the west. The City is located approximately nine miles southwest of metropolitan Salt Lake City. The City is approximately 94% built-out.
THE RDA:	The City of Taylorsville was largely developed in the years preceding City incorporation when this area was within the jurisdiction of Salt Lake County. Many of the City's existing and potential key retail shopping areas were developed many years ago and are now showing signs of deterioration and the need for redevelopment. Accordingly, The Redevelopment Agency of Taylorsville City was created by Ordinance No. 01-13 on April 18, 2001 to deal with these problems. Taylorsville's first Urban Renewal Project Area (URA) was adopted on January 23, 2008. This area is the 5400 South Bangerter Highway Urban Renewal Project Area having 76 parcels comprising 58.71 privately-owned acres. The boundaries of this URA are 5400 South and Bangerter Highway and the URA generally includes all properties fronting 5400 South and Bangerter Highway located between 3600 West and 4015 West Streets. In 2010, the Albertsons store and several of the smaller shops in the West Point Shopping Center were closed, hastening the need to re-tenant this retail shopping center. In addition, the Utah Department of Transportation (UDOT) proceeded to construct a Continuous Flow Intersection (CFI) to facilitate better traffic flow in this travel corridor which will soon be impacted by the termination of the Mountain View Transportation Corridor at 5400 South Street. UDOT's design of the 5400 South and Bangerter Highway CFI project necessitated removal of the existing off and on ramp access to the

West Point Shopping Center which were the principal access ways to this retail shopping center. Loss of this access point is critical and as the URA has aggressively sought new tenants for the vacant buildings in the West Point Shopping Center it has been confirmed that tenants are not interested in locating here unless improved access to this shopping center is provided. New access to the West Point Shopping Center will be provided from proceeds of the Series 2010 Incremental Advance Bonds by installing a new 3-way traffic signal on 5400 South Street between Bangerter Highway and 4015 West. While the estimated the cost of these traffic signalization improvements is greater than the anticipated property tax increment available from this area alone, the City recognizes the need and importance of this project and has committed additional sources of revenue to help pay for these improvements.

In response to this need, the City of Taylorsville passed Ordinance No. 10-27 on September 15, 2010 to establish this area as a Community Development Project Area (CDA). This action will allow use of sales tax increment on an "opt-in" basis to help pay for the cost of these improvements. The City of Taylorsville is willing to "opt–in" and forego its share of sales tax from this area to pay for theses traffic signalization and other related improvements. The Redevelopment Agency of Taylorsville City will approach other taxing entities such as Salt Lake County and the State of Utah for their CDA "opt-in" sales tax increment participation as economic development partners for this improvement. Sales tax increment funds attributable to this CDA "overlay" of the 5400 South and Bangerter Highway Urban Renewal Project area are administered by the Redevelopment Agency of Taylorsville.

Another project area that is in need of infrastructure improvements is near 5400 South and Redwood Road, but the exact details regarding the improvements have not been finalized.

Other project areas for which the City could use the funds from the Incremental Advance Bonds are listed as follows;

6200 South & Redwood Road

4800 South & Redwood Road

4100 South & Redwood Road

The City is desirous of using Incremental Advance Bonds due to the fact that all of the specific projects necessary in the various RDA Project Areas have not been finalized and flexibility is necessary. Prior to incremental draws occurring, details regarding specific projects to be funded in the various Project Areas will be provided to the bond holder(s).

PURPOSE:

To fund projects as necessary and allowable under Title 17C of the Utah State Code, for Urban Renewal, Economic Development and Community Development within the City's various project areas in order to promote economic development within those areas. Such projects could include, but are not limited to, acquisition of real property, demolition of existing structures, and infrastructure improvements

As discussed above, the most immediate need will be to fund land acquisition and installation of a semaphore on 5400 South just west of Bangerter Highway serving as an entrance to one of the RDA project areas.

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SECURITY FOR SERIES 2010 BONDS:	The Series 2010 Bonds are special limited obligations of the Agency, payable from and secured solely by a pledge of the Pledged Revenues and certain funds and accounts established by the Indenture. The Pledged Revenues consist of (a) tax increment revenues (the "Pledged Tax Increment Revenues") generated within the Redevelopment Project Area; (b) all of the revenues received by the Agency pursuant to the Interlocal Sales Tax Pledge and Loan Agreement dated November 3, 2010 (the "Pledge Agreement") between the Agency and the City, which revenues are derived from the local sales and use revenues received by the City (the "Pledged Sales Tax Revenues") under the Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code Annotated 1953, as amended; and (c) Direct Payments (as defined herein) and certain investment income as may be realized from time to time in various RDA funds or as may be derived from the investment of the moneys held in the Bond Fund, the Debt Service Reserve Fund, and the Development Fund created under the Indenture (the "Investment Income"). The Series 2010 Bonds are special obligations of the Agency, payable from and secured solely by a pledge of the Pledged Tax Increment and Pledged Sales Tax Revenues. The Series 2010 Bonds do not constitute a general obligation or debt of the RDA, the State of Utah or any of its political subdivisions, and neither the Agency, the State of Utah nor any of its political subdivisions shall be liable thereon. Neither the faith and credit nor the ad valorem taxing power of the Agency, the State of Utah, or any of its political subdivisions is pledged to the payment of the principal of, premium, if any or interest on the Series 2010 Bonds. The Agency has no taxing power.
FORM OF BOND SALE & PURCHASER:	It is anticipated that the Series 2010 Bonds will be offered, when and if issued, as a direct purchase negotiated with a financial institution or sophisticated purchaser. The City anticipates closing on the Incremental Advance Bonds on or about December 9, 2010 in the total amount not to exceed $10,000,000.00 and the first draw is anticipated to occur, on or about December 9, 2010, with subsequent draws to occur over the following three years.
INCREMENTAL ADVANCE STRUCTURE:	Interest would accrue on the aggregate amount advanced with each draw as they occur. No accrual of interest will occur until funds are advanced.
BOND PAYMENTS:	The principal and interest on the Series 2010 Bonds will be payable semi-annually on each May 1st and November 1st (the "Payment Date") beginning November 1, 2014.
MATURITY SCHEDULE:	The final maturity for the Series 2010 Bonds will be November 1, 2024. [See Exhibit A for a Preliminary Debt Service Schedule related to the anticipated first incremental advance.]
BOND TAX STATUS:	Depending on the specific projects for which the bond proceeds are used, a portion of the bonds may be taxable. Tax status will be determined with each draw and the respondent should provide a rate for both tax-exempt and taxable series. The first anticipated draw of approximately $2.5 million will be tax exempt.
DEBT SERVICE RESERVE FUND:	To the extant required by the successful bidder, the issuer will provide for the funding of a Debt Service Reserve Fund from bond proceeds each time a draw occurs. The Debt Service Reserve requirement will be subject to the requirements of federal tax laws.
OPTIONAL REDEMPTION:	As the City may be desirous of prepaying all, or a portion of the bonds off early, an aggressive call feature is desirable. Understanding that the call feature may impact the interest rate formula, please provide an option assuming the Series 2010 Bonds are callable after one year and an option assuming the bonds are callable after five years.

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SOURCES AND USES OF FUNDS:

Provided below is a summary of the estimated sources and uses of bond proceeds.

SOURCES OF FUNDS:	
Par Amount of Series 2010 Bonds	$10,000,000
Total Sources of Funds	$10,000,000

USES OF FUNDS:	
Construction / Acquisition Funds	$9,825,000
Cost of Issuance	175,000
Total Uses of Funds	$10,000,000

* If required, if not required would be available for construction acquisition.

CLOSING AND FUNDING:

Closing and funding of the first incremental draw of the Series 2010 Bonds shall occur on, or about, December 9, 2010 at which time all required legal opinions shall have been delivered and all due diligence and Bond documentation shall have been completed. It is anticipated that this date will be on or about December 9, 2010. In anticipation of this closing date, the City has scheduled to enter into a Bond Purchase Agreement with a purchaser on December 1, 2010.

CITY AUDITS:

The City's audits for Fiscal Years 2005 through 2009 can be found on the State Treasurer's website at the following addresses:

Fiscal Year 2009: http://www.sao.state.ut.us/lgr/municipal/2009/09mftayl.pdf
Fiscal Year 2008: http://www.sao.state.ut.us/lgr/municipal/2008/08mftayl.pdf
Fiscal Year 2007: http://www.sao.state.ut.us/lgr/municipal/2007/07mftayl.pdf
Fiscal Year 2006: http://www.sao.state.ut.us/lgr/municipal/2006/06mftayl.pdf
Fiscal Year 2005: http://www.sao.state.ut.us/lgr/municipal/2005/05mftayl.pdf

CITY BUDGETS:

The City's budgets for Fiscal Years 2011 and 2010 can be found on the State Treasurer's website at the following addresses:

Fiscal Year 2011: http://www.sao.state.ut.us/lgr/municipal/2011/11mbtayl.pdf
Fiscal Year 2010: http://www.sao.state.ut.us/lgr/municipal/2010/10mbtayl.pdf

HISTORICAL PLEDGED SALES TAX REVENUES:

Provided below is a summary of historical sales and use taxes collected by the City:

Fiscal Year	Sales Tax Revenues	Percent Change
2010	6,716,524	(9.96)
2009	7,377,454	(13.59)
2008	8,440,299	1.05
2007	8,352,652	19.10
2006	7,013,354	8.11
2005	6,487,198	3.33
2004	6,278,198	0.76
2003	6,230,916	(5.88)
2002	6,620,107	(2.58)

CITY'S SALE S TAX REVENUES AND DEBT SERVICE COVERAGE CALCULATIONS:

The City's Fiscal Year 2009 collection of Sales Tax Revenues and total estimated debt coverage calculations can be found in Exhibit B.

INCREMENTAL DRAW SCHEDULE:

Provided below is a summary of the anticipated incremental advance draw schedule:

Maturity	Principal Amount	Issue Date	Maturity Date
1	$ 2,500,000.00	12/1/2010	11/1/2024
2	$ 2,500,000.00	11/1/2011	11/1/2024
3	$ 2,500,000.00	11/1/2012	11/1/2024
4	$ 2,320,000.00	11/1/2013	11/1/2024
Total:	**$9,825,000.00**		

CONTACT INFORMATION:

Please direct all questions regarding this Term Sheet to the Financial Advisor.

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Jerry Rechtenbach- Board member
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Larry Johnson- Board member

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John Inch Morgan- City Administrator
Scott Harrington- Chief Financial Officer
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Exhibit A: Debt Service Calculations

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Exhibit B: Debt Service Coverage Table

City of Taylorsville, Utah Debt Service coverage for Tax Increment & Sales Tax Revenue Bonds, 2010 Series										
	Historical			Projection						
Fiscal Year	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Sales Tax Revenue:	$8,352,652	$8,440,299	$7,377,454	$6,716,524	$6,716,524	$6,716,524	$6,716,524	$6,716,524	$6,716,524	$6,716,524
Total Revenues:	**$8,352,652**	**$8,440,299**	**$7,377,454**	**$6,716,524**	**$6,716,524**	**$6,716,524**	**$6,716,524**	**$6,716,524**	**$6,716,524**	**$6,716,524**
Annual Bond Debt Service										
Series 2007	212,731	717,963	746,838	740,669	740,725	755,325	739,325	738,025	738,850	741,475
Proposed Series 2010 Bonds	-	-	-	-	34,123	126,949	207,830	285,880	1,106,301	1,105,418
Total Bond Debt Service:	**$ 212,731**	**$ 717,963**	**$ 746,838**	**$ 740,669**	**$ 774,848**	**$ 882,274**	**$ 947,155**	**$1,023,905**	**$1,845,151**	**$1,846,893**
Debt Service Coverage	**39.26**	**11.76**	**9.88**	**9.07**	**8.67**	**7.61**	**7.09**	**6.56**	**3.64**	**3.64**
Projected Remaining Sales Tax Cash Flow after payment of debt	8,139,921	7,722,337	6,630,617	5,975,855	5,941,676	5,834,250	5,769,369	5,692,619	4,871,373	4,869,631

$10,000,000

Redevelopment Agency of Taylorsville Clty, Utah

Tax Increment and Sales Tax Revenue Bonds, Series 2010

(No DSRF, Direct Placement, Four Draws)

Operation Of Project Construction Fund

Date	Principal	Rate	Receipts	Disbursements	Cash Balance	Fiscal Total
12/09/2010	2,500,000.00	-	2,500,000.00	2,500,000.00	-	-
05/01/2011	-	-	-	-	-	2,500,000.00
11/01/2011	2,500,000.00	-	2,500,000.00	2,500,000.00	-	-
05/01/2012	-	-	-	-	-	2,500,000.00
11/01/2012	2,500,000.00	-	2,500,000.00	2,500,000.00	-	-
05/01/2013	-	-	-	-	-	2,500,000.00
11/01/2013	2,325,000.00	-	2,325,000.00	2,325,000.00	-	-
05/01/2014	-	-	-	-	-	2,325,000.00
Total	$9,825,000.00	-	$9,825,000.00	$9,825,000.00	-	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	9,825,000.00
Total Cost of Investments	$9,825,000.00
Target Cost of Investments at bond yield	$9,441,146.18
Actual positive or (negative) arbitrage	(383,853.82)
Yield to Receipt	8.58E-13
Yield for Arbitrage Purposes	2.9132806%

$10,000,000

Redevelopment Agency of Taylorsville City, Utah

Tax Increment and Sales Tax Revenue Bonds, Series 2010

(No DSRF, Direct Placement, Four Draws)

Sources & Uses

Dated 12/09/2010 | Delivered 12/09/2010

Sources Of Funds	
Par Amount of Bonds	$10,000,000.00
Total Sources	$10,000,000.00

Uses Of Funds	
Costs of Issuance	174,000.00
Deposit to Project Construction Fund	9,825,000.00
Rounding Amount	1,000.00
Total Uses	$10,000,000.00

$10,000,000

Redevelopment Agency of Taylorsville Clty, Utah

Tax Increment and Sales Tax Revenue Bonds, Series 2010

(No DSRF, Direct Placement, Four Draws)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
11/01/2014	Serial Coupon	1.820%	1.820%	790,000.00	100.000%	790,000.00
11/01/2015	Serial Coupon	2.160%	2.160%	805,000.00	100.000%	805,000.00
11/01/2016	Serial Coupon	2.470%	2.470%	825,000.00	100.000%	825,000.00
11/01/2017	Serial Coupon	2.810%	2.810%	845,000.00	100.000%	845,000.00
11/01/2018	Serial Coupon	3.080%	3.080%	865,000.00	100.000%	865,000.00
11/01/2019	Serial Coupon	3.350%	3.350%	895,000.00	100.000%	895,000.00
11/01/2020	Serial Coupon	3.550%	3.550%	925,000.00	100.000%	925,000.00
11/01/2021	Serial Coupon	3.750%	3.750%	955,000.00	100.000%	955,000.00
11/01/2022	Serial Coupon	3.850%	3.850%	995,000.00	100.000%	995,000.00
11/01/2023	Serial Coupon	3.950%	3.950%	1,030,000.00	100.000%	1,030,000.00
11/01/2024	Serial Coupon	4.050%	4.050%	1,070,000.00	100.000%	1,070,000.00
Total	-	-	-	$10,000,000.00	-	$10,000,000.00

Bid Information

Par Amount of Bonds	$10,000,000.00
Gross Production	$10,000,000.00
Bid (100.000%)	10,000,000.00
Total Purchase Price	$10,000,000.00
Bond Year Dollars	$92,034.44
Average Life	9.203 Years
Average Coupon	2.9946084%
Net Interest Cost (NIC)	2.9946084%
True Interest Cost (TIC)	2.9132806%

$10,000,000

Redevelopment Agency of Taylorsville City, Utah

Tax Increment and Sales Tax Revenue Bonds, Series 2010

(No DSRF, Direct Placement, Four Draws)

Debt Service Schedule

Yield Statistics

Bond Year Dollars	$92,034.44
Average Life	9.203 Years
Average Coupon	2.9946084%
Net Interest Cost (NIC)	2.9946084%
True Interest Cost (TIC)	2.9132806%
Bond Yield for Arbitrage Purposes	2.9132806%
All Inclusive Cost (AIC)	3.1296067%

IRS Form 8038

Net Interest Cost	2.9946084%
Weighted Average Maturity	9.203 Years

$10,000,000

Redevelopment Agency of Taylorsville City, Utah

Tax Increment and Sales Tax Revenue Bonds, Series 2010

(No DSRF, Direct Placement, Four Draws)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/09/2010	-	-	-	-	-
05/01/2011	-	-	34,122.69	34,122.69	34,122.69
11/01/2011	-	-	43,254.11	43,254.11	-
05/01/2012	-	-	83,694.69	83,694.69	126,948.80
11/01/2012	-	-	83,694.69	83,694.69	-
05/01/2013	-	-	124,135.26	124,135.26	207,829.95
11/01/2013	-	-	124,135.26	124,135.26	-
05/01/2014	-	-	161,745.00	161,745.00	285,880.26
11/01/2014	790,000.00	1.820%	161,745.00	951,745.00	-
05/01/2015	-	-	154,556.00	154,556.00	1,106,301.00
11/01/2015	805,000.00	2.160%	154,556.00	959,556.00	-
05/01/2016	-	-	145,862.00	145,862.00	1,105,418.00
11/01/2016	825,000.00	2.470%	145,862.00	970,862.00	-
05/01/2017	-	-	135,673.25	135,673.25	1,106,535.25
11/01/2017	845,000.00	2.810%	135,673.25	980,673.25	-
05/01/2018	-	-	123,801.00	123,801.00	1,104,474.25
11/01/2018	865,000.00	3.080%	123,801.00	988,801.00	-
05/01/2019	-	-	110,480.00	110,480.00	1,099,281.00
11/01/2019	895,000.00	3.350%	110,480.00	1,005,480.00	-
05/01/2020	-	-	95,488.75	95,488.75	1,100,968.75
11/01/2020	925,000.00	3.550%	95,488.75	1,020,488.75	-
05/01/2021	-	-	79,070.00	79,070.00	1,099,558.75
11/01/2021	955,000.00	3.750%	79,070.00	1,034,070.00	-
05/01/2022	-	-	61,163.75	61,163.75	1,095,233.75
11/01/2022	995,000.00	3.850%	61,163.75	1,056,163.75	-
05/01/2023	-	-	42,010.00	42,010.00	1,098,173.75
11/01/2023	1,030,000.00	3.950%	42,010.00	1,072,010.00	-
05/01/2024	-	-	21,667.50	21,667.50	1,093,677.50
11/01/2024	1,070,000.00	4.050%	21,667.50	1,091,667.50	-
05/01/2025	-	-	-	-	1,091,667.50
Total	$10,000,000.00	-	$2,756,071.20	$12,756,071.20	-