

PUBLIC NOTICE

Notice is hereby given that the Tooele City Council and the Redevelopment Agency (RDA) of Tooele City will meet in a Work Meeting on Wednesday, February 4, 2026 at 5:30 p.m. The meeting will be held in the Tooele City Hall Council Chambers, located at 90 North Main Street, Tooele, Utah. The complete public notice is posted on the Utah Public Notice Website www.utah.gov, the Tooele City Website www.tooelecity.gov, and at Tooele City Hall. To request a copy of the public notice or for additional inquiries please contact Shilo Baker, City Recorder at (435)843-2111 or shilob@tooelecity.gov.

Tooele City public meetings may be recorded and transcribed for documentation and quality assurance purposes. By attending this meeting, you consent to being recorded. If you do not consent, we encourage you to join the City Council meeting electronically by visiting the Tooele City YouTube Channel, at <https://www.youtube.com/@tooelecity> or by going to YouTube.com and searching "Tooele City Channel".

AGENDA**1. Open City Council Meeting****2. Roll Call****3. Mayor's Report****4. Council Members' Report****5. Discussion Items****a. Public Comment Policy Discussion**

Presented by Matthew Johnson, City Attorney

b. Resolution 2026-03 A Resolution of the Tooele City Council Amending the Tooele City Fee Schedule, Adding an Annual Fee for Use of the Tooele City Police Department Gun Range

Presented by Adrian Day, Police Chief

c. Resolution 2026-05 A Resolution of the Tooele City Council Authorizing Payment of a Fee in Lieu of Water Rights Conveyance for Holiday Oil on Franks Drive

Presented by John Perez, Economic Development Director

d. Effective Date for Changes to City Fees Discussion

Presented by Shannon Wimmer, Finance Director

6. Closed Meeting

~ Litigation, Property Acquisition, and/or Personnel

7. Adjourn

Shilo Baker, Tooele City Recorder

Pursuant to the Americans with Disabilities Act, individuals needing special accommodations should notify Shilo Baker, Tooele City Recorder, at 435-843-2111 or shilob@tooelecity.gov, prior to the meeting.

Policy: Public Comments

This policy is adopted to facilitate meaningful public engagement while ensuring that City Council meetings remain orderly and respectful. Beyond mandated Public Hearings, in its discretion, the City Council may in its sole discretion notice a general Public Comment Period on its meeting agendas. During all City Council meetings, the City Council Chambers shall be a Limited Public Forum, subject to this Policy. When a Public Comment Period or a Public Hearing is noticed, the time, place, and manner regulations of this Policy shall apply. The City Council's failure to strictly enforce each regulation shall not limit the Council's ability to require substantial compliance from speakers. This Policy shall apply to all Public Comment Periods and City Council meeting Public Hearings that take place during City Council meetings. The term "Chair" as used in this policy means: (1) the Council Chairperson; or, (2) a person lawfully presiding at a City Council meeting in the Council Chairperson's absence.

Verbal Comments

- Speakers will identify themselves verbally and in writing by first and last name.
- Speakers will identify their local geographical area of residence (e.g. Tooele City). The Chair may restrict comments to Tooele City residents, businesses, and other stakeholders.
- Speakers will address comments directly to the City Council (not to the Mayor, City staff, development applicants, presenters, members of the public, or others).
- Comments will be limited to 3 minutes per speaker. A timer may be displayed. After 3 minutes, the microphone may be cut off, and a timer may sound.
- For any one particular Public Comment Period or Public Hearing, the Chair may designate a total reasonable length of time for comments. If no time limitation is designated, the length of time for comments shall be limited to thirty (30) minutes per Public Comment Period and per Public Hearing, unless indicated otherwise by the Chair.
- The Public Comment Period and Public Hearings are not free-for-all open-mic opportunities. Speakers will limit their comments to topics within the City Council's jurisdictional authority. In the case of a Public Hearing, speakers will limit their comments to the topics for which the Public Hearing was noticed.
- Speakers will not engage in disrespectful, disruptive, attacking, threatening, or violent behavior.
- Speakers will not make obscene comments or gestures.
- Clapping, booing, hissing, cheering, and other similar disruptive behavior is prohibited.
- No verbal comments may be made remotely via electronic means except as a reasonable ADA accommodation, upon request.

Written Comments. Speakers may submit written comments to the City Recorder or electronically to cmpubliccomment@tooelecity.gov. Written comments for a Public Hearing shall be submitted delivered no later than 5:00 PM the day prior to the Public Hearing meeting, and must express the author's intention that they be considered in connection with the Public Hearing. Written comments for a Public Comment Period that are submitted later than 5:00 PM the day prior to a meeting will be considered for the next calendared meeting. The City Recorder will deliver the comments to the City Council. The Chair will indicate during the Public Comment Period or Public Hearing the receipt of written comments and at least the substance of their content. All of the verbal comment regulations listed above shall also apply to written comments. The Chair has discretion to disregard any written submission that fails to comply with any regulation in this policy, or which fails to reasonably express the author's intention that it be considered during a City Council meeting.

Signs. Signs of any size or type displayed by the public are prohibited in the City Council chambers. Signs may be displayed in the City Hall rotunda so long as they do not disrupt the meeting or interfere with patron attendance, in the City Council's discretion, if the comments comply with the verbal comment regulations, above.

The City Council retains discretion in the administration of this Policy, and may alter or add to these regulations for meeting decorum and efficiency. The City Council may utilize all legal means to enforce this Policy. The Council Chairperson is primarily responsible for the enforcement of this Policy.

Council Chairperson: _____

Date: _____

TOOELE CITY CORPORATION

RESOLUTION 2026-03

A RESOLUTION OF THE TOOELE CITY COUNCIL AMENDING THE TOOELE CITY FEE SCHEDULE, TO ESTABLISH A FEE FOR USE OF THE TOOELE CITY PISTOL RANGE BY OTHER LAW ENFORCEMENT AGENCIES FOR POLICE OFFICER TRAINING.

WHEREAS, Tooele City Code §1-26-1 authorizes the City Council to establish City fees by resolution for activities regulated by the City and services provided by the City; and,

WHEREAS, Utah Code §§ 10-3-717 and 10-3-718 authorize the City Council to exercise administrative powers, such as establishing city fees and regulating the use of city property, by resolution; and,

WHEREAS, under the Council-Mayor form of municipal government, established and governed by the Tooele City Charter (2024) and Utah Code §10-3b-201 et seq., the Mayor exercises all executive and administrative powers; however, it has been the practice of Tooele City for all fees proposed by the Mayor and City Administration to be approved by the City Council; and,

WHEREAS, under an Agreement with ARCO Environmental Remediation, LLC, attached as Exhibit A, the City leases and Tooele City Police Department ("TCPD") operates and maintains the Tooele City Pistol Range (the "Range"), and wishes to allow other law enforcement agencies use of the gun range for police officer training; and,

WHEREAS, use of the Range by other agencies creates a need for a fee in order to cover additional costs, including additional costs incurred in the supervision of the Range, and additional costs incurred in the operation of the Range, including utilities, lead shot reclamation, and construction, repair, and replacement of improvements upon the Range; and,

WHEREAS, City administration recommends an annual fee of \$1,000 per year for use of the Range by another law enforcement agency for police officer training, and the City desires to add this existing fee to the Tooele City Fee Schedule; and,

WHEREAS, the City Council finds that the proposed fee is reasonable; and,

NOW, THEREFORE, BE IT RESOLVED BY THE TOOELE CITY COUNCIL that the Tooele City Fee Schedule is hereby amended to include the above-listed fee for use of the Tooele City Pistol Range by other law enforcement agencies for police training.

This Resolution shall become effective upon passage, without further publication, by authority of the Tooele City Charter.

IN WITNESS WHEREOF, this Resolution is passed by the Tooele City Council this ____ day of _____, 2026.

TOOELE CITY COUNCIL

(For)

(Against)

ABSTAINING: _____

MAYOR OF TOOELE CITY

(Approved)

(Disapproved)

ATTEST:

Shilo Baker, City Recorder

S E A L

Approved as to Form:

Matthew C. Johnson, City Attorney

Exhibit A

Lease Agreement
with ARCO Environmental Remediation, LLC

EXHIBIT A

(to Amended and Restated Lease Agreement)

Description of the Premises

TOOELE CITY PISTOL RANGE

BEGINNING AT A POINT WHICH IS N89°59'51"E A DISTANCE OF 616.65 FEET ALONG THE SECTION LINE BETWEEN SECTIONS 18 & 19, T3S, R3W, S.L.B. & M. AND S00°00'09"E A DISTANCE OF 710.06 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 19. (POINT OF BEGINNING IS ALSO AN EXISTING FENCE CORNER)

THENCE N78°45'54"E A DISTANCE OF 247.52 FEET;

THENCE N07°36'14"W A DISTANCE OF 40.19 FEET;

THENCE N74°22'47"E A DISTANCE OF 64.87 FEET;

THENCE S12°32'20"E A DISTANCE OF 308.90 FEET;

THENCE S81°30'08"W A DISTANCE OF 385.58 FEET;

THENCE N03°12'50"E A DISTANCE OF 254.14 FEET TO THE POINT OF BEGINNING. CONTAINS 2.12 ACRES.

(THE BASIS OF BEARING IS N89°59'51"E BETWEEN THE NORTHWEST AND NORTHEAST CORNERS OF SAID SECTION 19. BOTH CORNERS ARE MONUMENTED BY TOOELE COUNTY SURVYEOR PIPE & CAP MONUMENTS.)

Description of the Joint Right of Way

JOINT RIGHT OF WAY

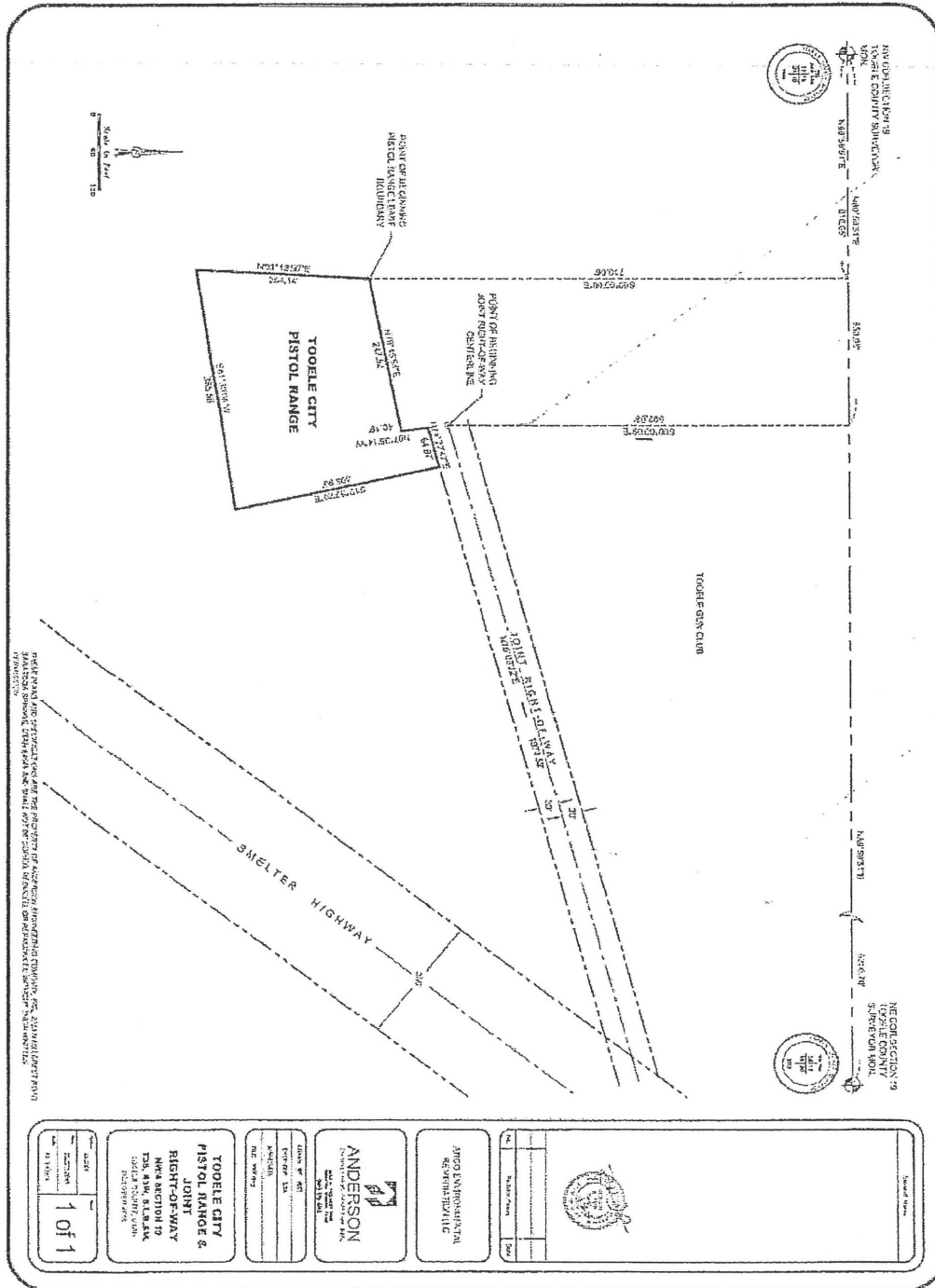
A 60 FOOT WIDE RIGHT OF WAY EXTENDING 30 FEET ON BOTH SIDES OF THE FOLLOWING DESCRIBED CENTERLINE. BEGINNING AT A POINT WHICH IS N89°59'51"E A DISTANCE OF 850.08 FEET ALONG THE SECTION LINE BETWEEN SECTIONS 18 & 19, T3S, R3W, S.L.B. & M. AND S00°00'09"E A DISTANCE OF 592.03 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 19.

THENCE N75°03'22"E A DISTANCE OF 1077.52 FEET TO A POINT WITHIN "SMELTER ROAD" (A 200 FOOT WIDE TOOELE COUNTY ROAD)

(THE BASIS OF BEARING IS N89°59'51"E BETWEEN THE NORTHWEST AND NORTHEAST CORNERS OF SAID SECTION 19. BOTH CORNERS ARE MONUMENTED BY TOOELE COUNTY SURVYEOR PIPE & CAP MONUMENTS.)

EXHIBIT B
(to Amended and Restated Lease Agreement)

Map Depicting Tooele City Pistol Range and Joint Right of Way



**AMENDED AND RESTATED
LEASE AGREEMENT**

THIS AMENDED AND RESTATED LEASE AGREEMENT ("Lease") is made and entered into effective as of the 28th day of November, 2018 (the "Amended and Restated Effective Date"), by and between **ARCO ENVIRONMENTAL REMEDIATION, L.L.C.**, a Delaware limited liability company, as successor in interest to **ATLANTIC RICHFIELD COMPANY**, a Delaware corporation, herein referred to as "lessor", whose address is P.O. Box 941744, Plano, Texas 75094-1744 and **TOOELE CITY CORPORATION**, a municipal corporation; whose address is 90 North Main, Tooele, Utah 84074, herein referred to as "lessee".

RECITALS

A. Atlantic Richfield Company, as lessor, and City of Tooele, Utah, as lessee, are parties to that certain Lease Agreement (the "Original Lease Agreement") dated February 5, 1992 (the "Original Effective Date").

B. ARCO Environmental Remediation, L.L.C. ("AERL") acquired the lessor's rights under the Original Lease Agreement effective January 7, 1997.

C. AERL, as successor in interest to Atlantic Richfield Company under the Original Lease Agreement, and the City of Tooele, Utah acknowledge that since commencement of the Original Lease there have been changes in circumstances and issues have arisen which effect the rights and obligations of the respective parties that are not clear and/or adequately addressed in the Lease, and that given the long remaining Lease term the parties desire to amend and restate the Original Lease Agreement as provided herein.

D. This Amended and Restated Lease Agreement supersedes and replaces in its entirety the Original Lease Agreement as of the Amended and Restated Effective Date. This Amended and Restated Lease Agreement is only a modification and restatement of the Original Lease Agreement and it does not serve as a termination of the Original Lease Agreement. Nothing herein is intended to impair the priority or effect of the Original Lease Agreement and lessor shall have no obligation to refund or return any payments previously made by lessee under the Original Lease Agreement.

NOW THEREFORE, in consideration of the forgoing recitals and the terms and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Lease is Amended and Restated as follows:

**SECTION ONE
DEMISE, DESCRIPTION, AND USE OF PREMISES**

(a) **General.** Lessor leases to lessee and lessee leases from lessor, for use as a police pistol range, with limited shotgun and rifle use, for police officer training and for no other purpose, those certain premises with the appurtenances thereto, situated in the

County of Tooele, State of Utah, and more particularly described as "Tooele City Pistol Range" on Exhibit A and depicted on Exhibit B attached hereto and made a part hereof. As used herein, the terms "premises" and "demised premises" refer to the real property above described and to any improvements located thereon from time to time during the term hereof. Lessor hereby acknowledges that the buildings now in place on the premises belong to lessee. Lessor also grants to lessee the non-exclusive right to use as an access route the property described as the "Joint Right Of Way" on Exhibit A and depicted on Exhibit B pursuant to the provisions of Section Twelve of this Lease.

(b) **Condition of Premises.** Lessee acknowledges that lessor has informed lessee that the premises and Joint Right of Way may have been impacted by historic mining and smelting operations. Lessee further acknowledges that lessee has inspected the premises and Joint Right of Way as a part of its occupancy of the premises and use of the Joint Right of Way pursuant to the Original Lease Agreement. Lessee agrees that it has accepted the premises and Joint Right of Way "AS IS" and "WITH ALL FAULTS". Lessee acknowledges that lessor has made no representations or warranties of any nature whatsoever, express or implied, including any representation or warranty concerning the physical condition of the premises or Joint Right of Way, and lessee has relied solely on its inspection and occupancy of the premises and Joint Right of Way in entering into this Lease. Lessee further agrees to, and hereby does, release and covenant not to sue lessor from and for any claims, liabilities or obligations of any nature arising from or by reason of (i) the historic mining and smelting operations that may have impacted the premises and Joint Right of Way, (ii) the existing physical or environmental condition of the premises and Joint Right of Way, or (iii) any claim based on alleged breach of any express or implied representation or warranty.

(c) **Construction of Improvements.** Lessee shall be entitled to construct, reconstruct, repair, replace and improve buildings and other improvements on the premises from time to time so long as (i) such improvements are for a purpose or purposes permitted under this Lease, and (ii) lessee complies with the requirements of this section and any other applicable provisions of the Lease, and with all applicable laws, codes, regulations and ordinances. Except as otherwise provided below, if lessee desires to construct any improvement on the premises, lessee shall prepare plans and specifications for the proposed improvements and submit them to lessor for approval. Lessor shall promptly review such plans and specifications. Within thirty (30) days following delivery of the plans and specifications to lessor, lessor shall inform lessee in writing of its approval of, or objections to, the proposed plans. If lessor approves the proposed plans and specifications, lessee may proceed with construction of the improvements. If lessor notifies lessee of any objections, lessee shall not proceed with construction of the improvements. Lessor and lessee shall promptly attempt in good faith to resolve the objections. If lessor and lessee are unable to resolve the objections within sixty (60) days following delivery of the notice of objections by lessor to lessee, lessee shall not be permitted to construct the improvements and lessee may terminate this Lease by delivery of written notice of termination to lessor. Such notice shall refer to this clause and specify the effective date of termination. Notwithstanding the foregoing, lessee may make routine repairs, minor replacements and minor improvements to the premises without the prior approval of lessor. For purposes of this Lease, any repair, replacement or improvement which costs less than

\$25,000 shall be deemed routine or minor and shall not require lessor approval.

(i) If lessee makes any material changes in the approved plans and specifications, lessee shall notify lessor of the changes and obtain lessor's approval of such changes using the same procedures as outlined above prior to completing the work.

(ii) By approving lessee's plans and specifications, lessor makes no representations or warranties concerning the design or construction of the proposed improvements. Lessee assumes any and all risks involved with respect to any construction work contemplated by the plans and specifications and hereby releases and discharges, and indemnifies and holds harmless lessor from and against any and all liability or loss, damage or injury suffered or incurred by lessee or third parties in any way arising out of or in connection with any construction work done by lessee on the demised premises.

(iii) At all times during construction of any improvements and at all times thereafter, lessee shall keep the premises and Joint Right of Way free from any unnecessary accumulation of waste materials and rubbish and keep and leave the premises and Joint Right of Way in a neat and orderly fashion. Any waste materials used in or created by the construction of any improvements on the premises shall be stored and disposed of properly by lessee.

(iv) All improvements constructed on the premises shall be the property of lessee during the term of this Lease. At all times during the term of this Lease, the improvements that are owned by lessee shall not be conveyed, transferred or assigned unless such conveyance, transfer, or assignment shall be to a person, corporation or other entity to whom this Lease is being transferred or assigned simultaneously therewith in compliance with the provisions of Section Seventeen hereof. At all times during the term of this Lease, the lessee under this Lease shall be the owner of the improvements.

(v) If either party delivers to the other party notice of termination of this Lease pursuant to Section Nineteen of this Lease, unless otherwise agreed by the parties, lessee shall remove all of the improvements from the premises prior to the termination date specified in the notice. If lessor terminates this Lease by reason of lessee's default, or if this Lease is terminated for any other reason, unless otherwise agreed by the parties, lessee shall remove all of the improvements from the premises within sixty (60) days following delivery of the notice of termination. If for any reason lessee fails to timely remove any or all the improvements, all of lessee's right, title, and interest therein shall cease and terminate, and title to the improvements shall immediately vest in lessor. No further deed or other instrument shall be necessary to confirm the vesting in lessor of title to the remaining improvements. However, upon any termination of this Lease, if requested by lessor, lessee shall execute and deliver to lessor a deed or other instrument requested by lessor, acknowledging lessee's right, title, and interest in or to the improvements has expired, and that title to the improvements has vested in lessor. Lessor shall pay the cost of recording said deed or other instrument.

SECTION TWO TERM

The initial term of this Lease is for ninety-nine (99) years. The initial term commenced January 1, 1992 and, unless sooner terminated as provided herein, shall end on December 31, 2090. As used herein the expression "term hereof" refers to such initial term. The initial term of this Lease may be extended only by mutual written agreement of the parties.

SECTION THREE RENT

On or before each anniversary date of the commencement of the term of this Lease (January 1 of each year of the term hereof), lessee shall pay to lessor the sum of One Hundred Dollars (\$100.00) per year at the address hereinafter specified as rent for the forthcoming year of the Lease term.

SECTION FOUR WARRANTIES OF TITLE AND QUIET POSSESSION

Lessor covenants that lessor is seized of the demised premises in fee simple and has full right to make this Lease and, so long as lessee complies with the terms and conditions of this Lease, lessee shall have quiet and peaceable possession of the demised premises during the term hereof.

SECTION FIVE USE LIMITATIONS AND RESTRICTIONS

(a) **Uses Prohibited.** Lessee shall not use, or permit the demised premises, or any part thereof, or the Joint Right of Way, to be used for any purpose or purposes other than the purpose or purposes for which the demised premises are hereby leased, and for which the right of access to the Joint Right of Way is granted. Grazing of livestock and other agricultural uses and residential uses are expressly prohibited.

(b) **Use by Police Officers and Others.** The parties acknowledge that lessee is using the demised premises as a shooting range for its police officers and such persons undergoing police sponsored firearm training under the supervision of an authorized police firearms instructor. Lessee shall be solely responsible for supervising the activities of the users of the facility while on the premises. Such supervision shall include without limitation (i) adopting, communicating to users and enforcing appropriate use and safety measures, and (ii) requiring written releases of liability for the benefit of lessor from all persons using the shooting range.

SECTION SIX
WASTE, NUISANCE AND HAZARDOUS MATERIALS

(a) **Compliance with Laws/Waste and Nuisance Prohibited.** During the term of this Lease, lessee shall comply with all applicable federal, state and local laws and regulations affecting the demised premises and the Joint Right of Way. Lessee shall not commit, or suffer to be committed, any waste on the demised premises or the Joint Right of Way, or any nuisance.

(b) **Repairs and Maintenance.** Lessee shall at all times during the term of this Lease, at lessee's own cost and expense, keep the premises and any improvements thereon, and the Joint Right of Way in good order, condition, and repair, ordinary wear and tear excepted, and in such condition as may be required by (i) applicable laws, regulations, requirements and ordinances, (ii) requirements of any federal, state or local governmental authorities having jurisdiction over the premises, and (iii) the terms of the insurance policies furnished pursuant to this Lease.

(c) **Hazardous Materials Prohibited.** Except for lead shot, lessee shall not cause or permit any materials defined as "hazardous" or "toxic" under applicable federal, state or local environmental laws, regulations, requirements and ordinances to be used, stored, released, generated or disposed of on or in the demised premises or the Joint Right of Way by lessee or its agents, employees, representatives, police officers, citizens, guests or invitees (collectively, "lessee or its invitees"). Lessee shall indemnify, defend and hold harmless lessor from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses, including attorneys' fees, consultants or experts' fees arising as a result of (a) a breach of the covenants set forth in this subsection, or (b) the presence of or release of any such materials onto the demised premises or Joint Right of Way caused, permitted or suffered by lessee or its invitees. This indemnification includes, without limitation, the duty to defend lessor from and against any claims for which indemnification is provided under this subsection as well as the obligation to pay any and all fees (including attorneys' fees) and costs incurred due to any litigation, investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision.

(d) **Lead Reclamation Program.** Lessee has instituted a lead reclamation program whereby lessee (or a contractor on lessee's behalf) searches for and removes lead shot from the soils of the demised premises on a periodic basis. At the present time, the lead reclamation program is conducted at such time as more than one million (1,000,000) lead shots have been discharged at lessee's firing range since the previous reclamation work. Lessee shall continue such program during the term of this Lease on the same basis as currently implemented, provided that in any event the lead shot reclamation shall be conducted at the earlier of (i) every ten (10) years or (ii) upon one million (1,000,000) rounds having been discharged. Notwithstanding the foregoing, if due to circumstances beyond the reasonable control of lessee, lessee determines that it likely will be unable to complete a lead shot reclamation program within any given ten (10) year period, lessee may request that lessor extend the time period for such program to the extent reasonably necessary to permit completion of the program. Such request shall be in writing, shall set forth a detailed description of reasons for the extension, and shall specify the length of the

time period of the requested extension. Lessor shall promptly review the request and duly consider the reasons for such request. Lessor shall provide lessee a written response to such request within thirty (30) days following delivery of the request by lessee to lessor. In its response, lessor may (i) grant the requested extension, (ii) grant the requested extension with conditions, or (iii) deny the requested extension. Lessor may include conditions to approval of a requested extension, or deny a requested extension, at its discretion in order to protect its interests.

(e) **Lessor Access.** Lessee agrees to allow lessor's representatives access to the demised premises, lessee's operations and lessee's records for the purpose of determining lessee's compliance with its obligations under this section.

(f) **Breach of Obligations.** Lessee agrees that any breach by lessee of obligations under this section shall be deemed a default and a breach of this Lease.

SECTION SEVEN LESSOR'S RIGHT OF ENTRY

Lessee shall permit lessor and the agents, employees and contractors of lessor to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the same, conducting site investigations (including soil and water sampling, drilling test wells and otherwise gathering site data) and for the purpose of undertaking any environmental remediation or reclamation which may be required or advisable (as determined by lessor in its discretion) under any applicable local, state, or federal requirements, including, but not limited to, CERCLA requirements, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to lessee for any loss of occupation or quiet enjoyment of the premises thereby occasioned and without any cost or expense to lessor, its agents, its contractors or its employees.

SECTION EIGHT RIGHT OF FIRST OFFER

During the Lease term, lessee shall have right to make the first offer for the purchase and sale of the demised premises (the "First Offer Right") when lessor determines to actively market the demised premises for sale to third parties.

(a) **Notice to Tenant.** At any time during the Lease term that lessor determines to actively market all or any part of the demised premises for sale to third parties, lessor shall first provide lessee with written notice of its intent to market the demised premises (the "Offer Notice"). The Offer Notice shall include without limitation (i) a legal description of the property to be offered for sale, (ii) a summary of the proposed financial terms and conditions of the proposed offer for sale (including the purchase price and, if applicable, any financing terms), (iii) a summary of any other material terms of the proposed offer for sale, and (iv) the date upon which the demised premises is to be placed on the market for sale.

(b) **Procedure for Acceptance.** On or before the date which is thirty (30) days after lessee's receipt of the Offer Notice (the "Election Date"), lessee shall deliver written notice to lessor ("Lessee's Election Notice") pursuant to which lessee shall have the right to elect either to: (i) purchase the demised premises as described in the Offer Notice upon the terms set forth in the Offer Notice; or (ii) not purchase the demised premises. If lessee timely delivers Lessee's Election Notice, the provisions of subsection (c) below shall apply. If lessee does not timely deliver Lessee's Election Notice electing one of the options in clauses (i) or (ii) hereinabove by the Election Date, lessee shall be deemed to have elected not to purchase the demised premises. If lessee elects or is deemed to have elected not to purchase the demised premises, then lessee's right of first offer shall terminate with respect to the demised premises and lessor shall thereafter have the right to sell the demised premises to anyone to whom lessor desires on any terms lessor desires.

(c) **Purchase and Sale Agreement.** Within thirty (30) days following delivery by lessee to lessor of a Lessee's Election Notice exercising its right to purchase the demised premises, lessor shall deliver to lessee a draft of a purchase and sale agreement incorporating the terms and conditions of the purchase and sale summarized in the Offer Notice (the "Draft PSA"). Lessor and lessee shall negotiate in good faith the terms and conditions of the Draft PSA for a period of not more than sixty (60) days. If at the end of the sixty (60) day period, the parties are unable to reach final agreement on the terms and conditions of the purchase and sale, either party may terminate the negotiations by written notice to the other party. Upon such termination, the parties shall have no further obligations to each other under this section and lessor shall thereafter have the right to sell the demised premises to anyone to whom lessor desires on any terms lessor desires.

(d) **Rights and Obligations after Execution.** Upon mutual execution of a purchase and sale agreement (execution by all parties), lessee's and lessor's rights and obligations shall be governed by the terms and conditions thereof. Notwithstanding the foregoing, unless otherwise provided in the purchase and sale agreement, this Lease shall remain in full force and effect until closing of the sale of the demised premises, at which time it shall terminate.

SECTION NINE SUBLETTING AND ASSIGNMENT

Lessee may not assign this Lease or sublet all or any part of the premises without the express written consent of lessor, which consent lessor may withhold in its sole discretion. Any assignment or sublease of the demised premises in violation of the provisions of this Section shall render this Lease null and void.

SECTION TEN NOTICES

All notices, demands, or other writings in this Lease provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be sent to the addresses set forth below. Any notice, demand or other writing shall be deemed

to have been fully given or made either (i) one (1) day following delivery to a nationally recognized overnight delivery carrier (prepaid), or (ii) two (2) days following deposit in the United States mail, certified and postage prepaid and addressed as follows:

TO LESSOR: ARCO Environmental Remediation, L.L.C.
P.O. Box 941744
Plano, TX 75094-1744
Attention: Project Manager

TO LESSEE: Tooele City Corporation
90 North Main Street
Tooele, Utah 84074

The address to which any notice, demand, or other writing may be given or made or sent to either party as above provided may be changed by written notice given by such party as above provided.

SECTION ELEVEN UTILITIES AND TAXES

Except as specifically provided below, lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone service, and other public utilities of every kind furnished to the premises (if any) throughout the term hereof, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the premises and all activities conducted thereon, and lessor shall have no responsibility of any kind for any disruption thereof.

Lessor shall pay the real property taxes attributable to the land described on Exhibit A attached hereto, if any.

SECTION TWELVE PROPERTY ACCESS – JOINT RIGHT OF WAY

Lessee shall be permitted to use the land described as the Joint Right of Way on Exhibit A and depicted on Exhibit B solely for ingress and egress to the premises. Lessee shall maintain the Joint Right of Way at lessee's own expense in accordance with all applicable laws, regulations and requirements. Lessee shall also allow the Tooele Gun Club and all of its members in good standing to use that portion of the Joint Right of Way necessary to gain entry to the property leased by the Tooele Gun Club from lessor, without charge to either lessor or the Tooele Gun Club or its members.

SECTION THIRTEEN LIENS

Lessee shall keep all of the premises and every part thereof and all buildings and other improvements, at any time located thereon free and clear of any and all mechanics', materialmen's, and other liens for or arising out of or in connection with work or labor

done, services performed, or materials or appliances used or furnished for or in connection with any operations of lessee, any alteration, improvement, or repairs or additions which lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by lessee on or about the premises, or any obligations of any kind incurred by lessee, and at all times promptly and shall fully pay and discharge any and all claims on which any such lien may or could be based, and shall indemnify lessor against all such liens and claims of liens and suits or other proceedings pertaining thereto.

SECTION FOURTEEN LIMITATION OF LESSOR LIABILITY AND INDEMNIFICATION OF LESSOR

(a) **Limitation of Lessor Liability.** Lessor shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by lessee or by any person whosoever that may at any time be using or occupying or visiting the demised premises or be in, on, or about the same, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of lessee or of any occupant, visitor, or user of any portion of the premises, or shall result from or be caused by any other matter or thing whether of the same kind as or of a different kind than the matters or things above set forth.

(b) **Indemnification by Lessee.** Lessee shall indemnify, defend and hold harmless the lessor and Atlantic Richfield Company, together with all their respective predecessors and successors (merged, acquired or otherwise), parents, affiliates, divisions and subsidiaries and all their respective shareholders, directors, officers, employees, attorneys, contractors, agents, transferees and assigns (collectively, the "Indemnified Parties") from and against any actions, claims, damages, losses, liabilities, costs or expenses, including reasonable attorneys fees, (collectively, "Liabilities") which lessor or the Indemnified Parties may incur, or which may be asserted against them, arising from or by reason of, (i) lessee's use of the demised premises or the Joint Right of Way, (ii) the use of the demised premises or the Joint Right of Way by employees or agents of lessee, by lessee's police officers, guests, or invitees, and (iii) lessee's breach of, or failure to perform, any of its obligations under this Lease, except that lessee shall not be liable for any of the foregoing to the extent arising out of the sole negligence or willful misconduct of lessor. Lessee shall be obligated to provide and pay for a defense by counsel satisfactory to lessor and the applicable Indemnified Parties for all claims to which the indemnity provisions of this subsection (b) apply. Each of the Indemnified Parties is a third party beneficiary of this Lease entitled to seek enforcement of all rights and benefits provided them in this subsection (b).

(c) **Waiver by Lessee.** Lessee hereby waives all claims against lessor for damages to the building and improvements that are now on or hereafter placed or built on the premises and to the property of lessee in, on, or about the premises, and for injuries to persons or property in or about the premises or the Joint Right of Way, from any cause arising at any time.

SECTION FIFTEEN

REDELIVERY OF PREMISES

Lessee shall pay the rent and all other sums required to be paid by lessee hereunder in the amounts, at the times, and in the manner herein provided, and shall keep and perform all the terms and conditions hereof on its part to be kept and performed, and, at the expiration or sooner termination of this Lease, peaceably and quietly quit and surrender to lessor the premises free and clear of all liens and encumbrances and in good order and condition, subject to the other provisions of this Lease. Upon termination of this Lease (at the end of the term or otherwise), lessee shall return the premises to substantially the same condition as existed prior to commencement of the Lease. Lessee's obligations shall include without limitation (i) removal of all lead shot from the soils to background levels, and (ii) reclamation of any other hazardous materials (as defined in Section Six (c) above) on the demised premises caused, suffered or permitted by lessee or its agents, employees, contractors, members, guests, invitees or other users of the facility. In the event of the non-performance by lessee of any of the covenants of lessee undertaken herein, this Lease may be terminated as herein provided.

SECTION SIXTEEN REMEDIES CUMULATIVE

All remedies heretofore and hereafter conferred on lessor shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law.

SECTION SEVENTEEN INSURANCE

Lessee shall maintain in effect throughout the term of this Lease the following types and amounts of insurance:

(a) Commercial or General Liability Insurance including coverage for premises and operations, contractual liability, insuring the indemnity agreement set forth in Section Fourteen, and completed operations, with a combined single limit of not less than \$1,000,000 per occurrence, applicable to bodily injury, sickness or death and loss of or damage to property in any one occurrence and including liability for lead contamination if not covered under a separate policy; and

(b) Workers' Compensation Insurance, including Occupational Disease, in accordance with the laws of the State of Utah.

(c) Notwithstanding the foregoing, or anything else contained herein to the contrary, (i) as of the Amended and Restated Effective Date, the limit set forth in subsection (a) above shall be changed from "\$1,000,000" to "\$5,000,000.00" and (ii) within thirty (30) days after the Amended and Restated Effective Date, lessee shall deliver to lessor a Certificate of Insurance confirming lessee has obtained coverage with such increased limit, and otherwise in compliance with the paragraph below describing the requirements of any such Certificate of Insurance.

If lessee acquires vehicles for use in its operation during the term of this Lease (by purchase, lease or otherwise), lessee shall maintain in effect Automobile Liability Insurance covering owned, non-owned, hired and all vehicles used by lessee with a combined single limit of not less than \$1,000,000 applicable to bodily injury, sickness or death and/or loss of or damage to property in any one occurrence.

Except for Workers' Compensation Insurance, lessor and Atlantic Richfield Company shall be included in each policy of insurance purchased or maintained by lessee pursuant to this Section as an additional insured and the additional insured endorsement shall state that coverage is afforded the additional insureds with respect to claims and occurrences arising out of operations performed by or on behalf of lessee. All policies required under this section shall be endorsed to provide that underwriters and insurance companies of lessee shall not have any right of subrogation against the lessor or Atlantic Richfield Company, or their respective underwriters and insurance companies.

Within thirty (30) days following the Effective Date, and upon request at anytime, lessee shall furnish Certificates of Insurance to lessor evidencing the insurance required under this Section Seventeen. Each certificate shall provide that at least thirty (30) days' prior written notice shall be given lessor in the event of cancellation or material change in the policies. All Certificates of Insurance must contain reference to endorsements (i.e., additional insureds, waiver of subrogation, etc.) as required herein. In no event shall any failure of lessor to receive Certificates of Insurance required under this Section Seventeen or to demand receipt of such certificates prior to lessee's execution of this Lease be construed as a waiver by lessor of lessee's obligations to obtain insurance pursuant to this Section Seventeen. The obligation to procure and maintain any insurance required by this Section Seventeen is a separate responsibility of lessee and independent of the duty to furnish a Certificate of Insurance. Further, lessee will furnish lessor with copies of the underlying insurance policies at lessor's request.

Lessee shall require any of its contractors that perform work on the premises or the Joint Right of Way to obtain, maintain and keep in force during the time in which they are engaged in performing any work on the premises or the Joint Right of Way, the same types and limits of insurance coverage identified in this Section Seventeen and furnish lessor acceptable evidence of such insurance upon request. All policies of contractors shall be endorsed to provide a waiver of subrogation as set forth above.

Lessor shall have the right from time to time during the Term (but not more often than once every ten years during the Term) to review the foregoing insurance limits required of lessee and increase such limits as deemed necessary by lessor, which increase shall be effective within thirty (30) days after written notice of such increase from lessor to lessee, and lessee shall deliver a current Certificate of Insurance within such thirty day period confirming lessee has obtained coverage with such increased limit, and otherwise in compliance with the paragraph above describing the requirements of any such Certificate of Insurance.

SECTION EIGHTEEN
PROHIBITION OF ENCUMBRANCE AND INVOLUNTARY ASSIGNMENT

(a) **No Encumbrance.** Lessee shall not permit or suffer any mortgage, deed of trust, lien or other encumbrance of any nature against the premises or lessee's leasehold estate without the prior written approval of lessor, which approval lessor may withhold in its discretion.

(b) **No Involuntary Assignment.** Neither this Lease nor the leasehold estate of lessee nor any interest of lessee hereunder in the demised premises or in the building or improvements thereon shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever (except through statutory merger or consolidation, or devise, or intestate succession) any such attempt at involuntary assignment, transfer, or sale shall be void and of no effect.

SECTION NINETEEN
DEFAULT

(a) **Default by Lessee.** The occurrence of any of the following shall constitute a default and breach of this Lease by lessee:

(i) Any failure by lessee to pay the rent required to be paid by lessee under this Lease within thirty (30) days following the due date thereof; or

(ii) Any failure by lessee to perform any other agreement, covenant, term or condition of this Lease and such failure is not cured within thirty (30) days following written notice from lessor.

Upon the occurrence of a default by the lessee, then in addition to any other remedies available to the lessor at law or in equity, the lessor shall have the immediate option to terminate this Lease and all rights of the lessee hereunder by giving written notice of such intention to terminate in the manner specified in this Lease. In the event that the lessor shall elect to so terminate this Lease, then the lessor may recover from the lessee any unpaid rent which had been earned at the time of such termination, plus any other amount necessary and proper to compensate the lessee for any harm or loss proximately caused by the lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. In the event of any such default by the lessee, lessor shall also have the right, with or without terminating this Lease, to re-enter the premises and remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of the lessee.

(b) **Lessor's Right to Cure Lessee Defaults.** Whenever and as often as lessee shall fail or neglect to comply with and perform any term, covenant, condition, or agreement to be complied with or performed by lessee hereunder, then, upon thirty (30) days prior written notice to lessee, lessor at lessor's option, in addition to all other remedies available to lessor, may perform, or cause to be performed, such work, labor, services, acts,

or things, and take such other steps, including entry onto the premises and the improvements thereon, as lessor may deem advisable, to comply with and perform any such term, covenant, condition, or agreement, which is in default. In such event, lessee shall reimburse lessor upon demand, and from time to time, for all costs and expenses suffered or incurred by lessor in so complying with or performing such term, covenant, condition, or agreement. The commencement of any work or the taking of any other steps or performance of any other act by lessor pursuant to the immediately preceding sentence shall not be deemed to obligate lessor to complete the curing of any term, covenant, condition, or agreement which is in default.

(c) **Default by Lessor.** Lessor shall not be in default under this Lease unless lessor fails to perform any agreement, covenant, term or condition of this Lease to be performed by lessor, and such failure is not cured within thirty (30) days following written notice from lessee to lessor specifying such default, or such longer time as may be reasonably necessary if such failure cannot reasonably be cured within such thirty (30) day period (so long as lessee commences to cure such failure within such 30-day period, and thereafter diligently pursues completion of same). Upon a default of any term of this Lease by lessor hereunder as provided above, lessee's sole and exclusive remedies under this Lease shall be to terminate this Lease or pursue a claim against lessor for any actual damages suffered by lessee as a direct result of such lessor default (or, if appropriate, pursue a claim for injunction or specific performance). Lessee hereby waives any and all rights to recover consequential, incidental, indirect, punitive and/or exemplary damages against lessor.

(d) **Waiver of Jury Trial.** Lessor and lessee each waive the right to a trial by jury in respect of any litigation based on this Lease, or arising out of, under or in connection with this Lease.

SECTION TWENTY TERMINATION

Either party shall have the right to terminate this Lease by giving the other party at least 180 days prior written notice for any reason or no reason. There shall be no adjustment of rental under such termination.

SECTION TWENTY-ONE EFFECT OF EMINENT DOMAIN

(a) **Effect of total condemnation.** In the event the entire demised premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and lessee and lessor shall thereupon be released from any liability thereafter accruing hereunder.

(b) **Effect of partial condemnation.** In the event a portion of the demised premises shall be so appropriated or taken and the remainder of the premises shall not be suitable for the use of the premises as permitted by this Lease, or if the remainder of the

premises is not one undivided parcel of property, lessee shall have the right to terminate this Lease as of the date of such taking or giving to lessor written notice of such termination within thirty (30) days after lessor has notified lessee in writing that the premises has been so appropriated or taken.

In the event of such partial taking and lessee does not so terminate this Lease, then this Lease shall continue in full force and effect as to the part not taken and the rental shall be paid by lessee in the amount previously specified herein.

(c) **Condemnation award.** In the event of the termination of this Lease by reason of the total or partial taking of the premises by eminent domain, then in any such condemnation proceedings lessor and lessee shall be free to make claim against the condemning or taking authority for the amount of any damage done to them, respectively, as a result thereof.

SECTION TWENTY-TWO WAIVER

The waiver by lessor of, or the failure of lessor to take action with respect to any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition therein contained. The subsequent acceptance of rent hereunder by lessor shall not be deemed to be a waiver of any preceding breach by lessee of any term, covenant, or condition of this Lease, other than the failure of lessee to pay the particular rental so accepted, regardless of lessor's knowledge of such preceding breach at the time of acceptance of such rent.

SECTION TWENTY-THREE PARTIES BOUND

The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of each of the respective parties hereto.

SECTION TWENTY-FOUR MISCELLANEOUS

(a) **Negation of Agency Relationship.** This Lease shall not be construed to create, either expressly or by implication, the relationship of agency, partnership, or joint venture between the lessor and lessee. Neither party to this Lease is authorized to act on behalf of the other party in any manner relating to the subject matter of this Lease.

(b) **No Oral Changes.** This Lease may not be changed or modified orally, but only by an agreement in writing signed by the parties hereto.

(c) **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Utah.

(d) **Lessor's Expenses.** Lessee shall reimburse lessor upon demand for all reasonable expenses, including attorneys fees, incurred by lessor in connection with the collection of any rent in default hereunder, or the termination of this Lease by reason of a default of lessee, as such term is defined above, or the enforcement of any other obligation of lessee which is in default hereunder, or the protection of lessor's rights hereunder, or any litigation or dispute in which lessor becomes a party or otherwise becomes involved, without fault on its part, relating to the premises, the Joint Right of Way or lessee's rights or obligations hereunder.

(e) **Counterparts.** The parties may sign this Lease in one or more counterparts, each of which constitutes an original and all of which will be one and the same agreement. The parties agree that an electronic transmission including email (provided that the email contains this Lease in PDF format) and facsimile, of any duly executed copy of this Lease constitutes an original and binding document.

(f) **Code of Conduct.** Lessee is aware that lessor's Code of Conduct Policy prohibits the giving or receiving of any bribe, facilitation or kickback payments, and lessee agrees and confirms that it has not and, to the actual knowledge of lessee, its Affiliates (as defined herein), contractors, subcontractors and its and their respective directors, officers, employees, agents and representatives, have not, in connection with the transaction contemplated by this Lease, made, offered, or promised to make, and will not make, offer, or promise to make, any payments or other transfer of anything of value, including without limitation the provision of any service, gift or entertainment, directly or indirectly, to (a) any Government Official (as defined herein), (b) any director, officer, employee, agent or representative of lessor or any of its Affiliates (as defined herein), (c) any political party, official of a political party, or candidate for public office, or (d) an agent or intermediary for payment to any of the foregoing; for the purpose of obtaining or influencing the award of or carrying out of the Lease. For the purposes of this Section, (1) the term "Affiliate" means any entity which directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control of, a party; and (2) the term "Government Official" means any director, officer, employee, agent or representative of any government or any department, agency or instrumentality thereof, and includes any person acting in any official, administrative or judicial capacity for or on behalf of any such government or department, agency or instrumentality. In the event that lessor has any basis for a good faith belief that lessee may not be in compliance with the requirements set forth in this Section, lessor shall advise lessee in writing of its good faith belief and lessee shall cooperate fully with any and all reasonable inquiries undertaken by or on behalf of lessor in connection therewith, including reasonable access by lessor to lessee's personnel and records. The provisions of this Section shall survive any termination of the Lease.

(g) **OFAC.** Lessee hereby represents, certifies and warrants to lessor as follows: (1) lessee is not named by, and is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by, any Executive Order, including, without limitation, Executive Order 13224, or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enacted,

enforced or administered by the Office of Foreign Assets Control ("OFAC"); (2) lessee is not engaged in the transaction which is the subject of this Lease, directly or indirectly, for or on behalf of, or instigating or facilitating the transaction which is the subject of this Lease, directly or indirectly on behalf of, any such person, group, entity or nation; and (3) none of the proceeds used to pay the rent have been or will be derived from a "specified unlawful activity" as defined in, and lessee is not otherwise in violation of, the Money Laundering Control Act of 1986, as amended, or any other applicable laws regarding money laundering activities. Furthermore, lessee agrees to immediately notify lessor if lessee was, is, or in the future becomes a "senior foreign political figure," or an immediate family member or close associate of a "senior foreign political figure", within the meaning of Section 312 of the USA PATRIOT Act of 2001. Notwithstanding anything to the contrary, lessee acknowledges and agrees that the foregoing representations, certifications and warranties shall be and remain true and in full force and effect on the date hereof and throughout the term of this Lease and that any breach thereof shall be a default under this Lease (not subject to any notice or cure period) giving rise to lessor's remedies. Lessee agrees to cooperate with lessor and complete and execute such documentation as may be required in order to comply with the provisions of such laws, rules and regulations referenced under this Section 24(g). This Section shall survive the expiration or any earlier termination of this Lease.

SECTION TWENTY-FIVE SECTION CAPTIONS

The captions appearing under the section number designations of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

In witness whereof, the parties have executed this Lease- on the day and year first above written.

Lessor:

ARCO ENVIRONMENTAL REMEDIATION, L.L.C.

By: James C. Barratt

Name: James C. Barratt

Title: Vice President

Lessee:


TOOELE CITY CORPORATION, a municipal corporation

By: Debra E. Winn

Name: Debra E. Winn

Title: Mayor

ATTEST:

Michelle Ann

-16-

Approved as to Form:

Roger E. Baker
Tooele City Attorney

TOOELE CITY CORPORATION

RESOLUTION 2026-05

A RESOLUTION OF THE TOOELE CITY COUNCIL AUTHORIZING PAYMENT OF A FEE IN LIEU OF WATER RIGHTS CONVEYANCE FOR HOLIDAY OIL ON FRANKS DRIVE.

WHEREAS, Tooele City Code Chapter 7-26 governs the exaction by Tooele City of water rights as a condition of land use approval (see also UCA 10-20-911); and,

WHEREAS, TCC Section 7-26-3(2) empowers the City Council to adopt a legislative policy allowing for the payment of a fee in lieu of water rights conveyance: "Fee-in-lieu. Pursuant to established City Council policy, in lieu of actual conveyance of water rights pursuant to this Chapter, certain development applicants may pay to the City an amount per acre-foot for access to water rights controlled by the City in a quantity necessary to satisfy the anticipated future water needs of the proposed development to be served and supplied by the City water system"; and,

WHEREAS, on November 1, 2023, the City Council approved Resolution 2023-92, adopting an updated fee-in-lieu of water rights conveyance policy referred to in TCC 7-26-3(2), with an effective date of November 1, 2023 (with the original policy being adopted in 2007) (see the November 1 policy attached as Exhibit B); and,

WHEREAS, the November 1 policy encourages the consideration of at least the following factors in considering requests to pay the fee-in-lieu:

- The number of jobs the development is anticipated to create, together with the nature of the jobs (e.g., full-time) and job compensation (e.g., wage levels, benefits).
- The amount of sales tax the Project is anticipated to generate.
- The amount of property tax the Project is anticipated to generate.
- The anticipated environmental and social benefits and impacts of the Project.
- The number of acre-feet requested against the number of water credits available, given the annual limit and the availability of water rights as described in the November 1 policy.

WHEREAS, the City Council retains sole and exclusive legislative discretion in deciding to allow the payment of the fee-in-lieu; and,

WHEREAS, Tooele City received from Brent Neel (representing Holiday Oil) a letter dated January 26, 2026, requesting the allocation of 2.27 acre-feet of City-owned municipal water rights for development of a convenience store with gas station in the area

of 1000 North and Franks Drive ("the Project"), or, in other words, requesting to pay the fee-in-lieu rather than convey water rights for the Project (see the letter attached as Exhibit A); and,

WHEREAS, the Project will involve new commercial construction; and,

WHEREAS, the Project proposal addresses the policy considerations identified above and in the November 1 policy in the following ways:

- The Project requests 2.27 acre-feet of water.
- An estimated capital investment of \$7.5 million to \$8 million.
- The creation of an estimated 10 to 15 jobs, with average remuneration for a cashier at \$14 to \$18 per hour, \$35,000 to \$55,000 annually for an assistant manager, and \$80,000+ for a manager position.
- The opportunity for seasonal workers during summer months when high school is on summer break.
- The generation of new sales tax and commercial activity: Holiday Oil anticipates over \$15 million in sales annually (\$11.8 million in fuel sales, \$3.5 million in C-Store sales).

NOW, THEREFORE, BE IT RESOLVED BY THE TOOELE CITY COUNCIL that, in light of the legislative policies and considerations discussed above, the City Council hereby authorizes the payment of the fee-in-lieu of water rights for the Project, for up to 2.27 acre-feet of municipal water rights, for the fee amount established in the November 1 policy of \$35,000 per acre-foot, subject to the terms and conditions outlined in the November 1 policy.

This Resolution is necessary for the immediate preservation of the peace, health, safety, or welfare of Tooele City and shall become effective upon passage, without further publication, by authority of the Tooele City Charter.

IN WITNESS WHEREOF, this Resolution is passed by the Tooele City Council this ____ day of _____, 2026.

TOOELE CITY COUNCIL

(For)

(Against)

ABSTAINING: _____

TOOELE CITY MAYOR

(Approved)

(Disapproved)

ATTEST:

Shilo Baker, City Recorder

S E A L

Approved as to Form:

Matthew C. Johnson, Tooele City Attorney

Exhibit A

Letter Requesting Fee in Lieu

1/26/2026

Tooele City

Attn: John Perez, MPA

Economic Development Director

Subject: Request for 2.27 Acre-Feet of Water Rights for Convenience Store that includes a Drive-Thru and 6 Dispensers Fuel Canopy

Dear Mr. John Perez,

I am writing to formally request approval for 2.27 acre-feet of water rights through a payment in lieu for a proposed convenience store, drive-thru, and fuel canopy development located at the northeast corner of 1000 N and Franks Drive in Tooele City. The site plan for this project is currently under review by the City (see site plan on second page)

As advised by City Engineer Paul Hansen, I understand that this request will require approval from the City Council.

This development is expected to provide meaningful economic benefits to the community by offering essential services in an area experiencing significant commercial and residential growth. The project will also contribute through job creation, capital investment, and future sales tax revenue.

- Expected Number of Jobs:
 - 10-15 employees
 - Opportunity for seasonal workers during the summer months (high school)
- Estimated Average Remuneration:
 - Cashier: \$14-18/hour
 - Assistant Store Manager: \$35,000 - \$55,000 annually
 - Store Manager: \$80,000+
- Total Capital Investment:
 - \$7.5 - \$8 million
- Estimated Sales Tax Revenue:
 - Estimated C-Store Revenue: \$3,500,000
 - Fuel Revenue: \$11,811,974

We appreciate the City's support in facilitating this development, and Holiday Oil is excited about the opportunity to open our second location within Tooele City limits.

Managing Director

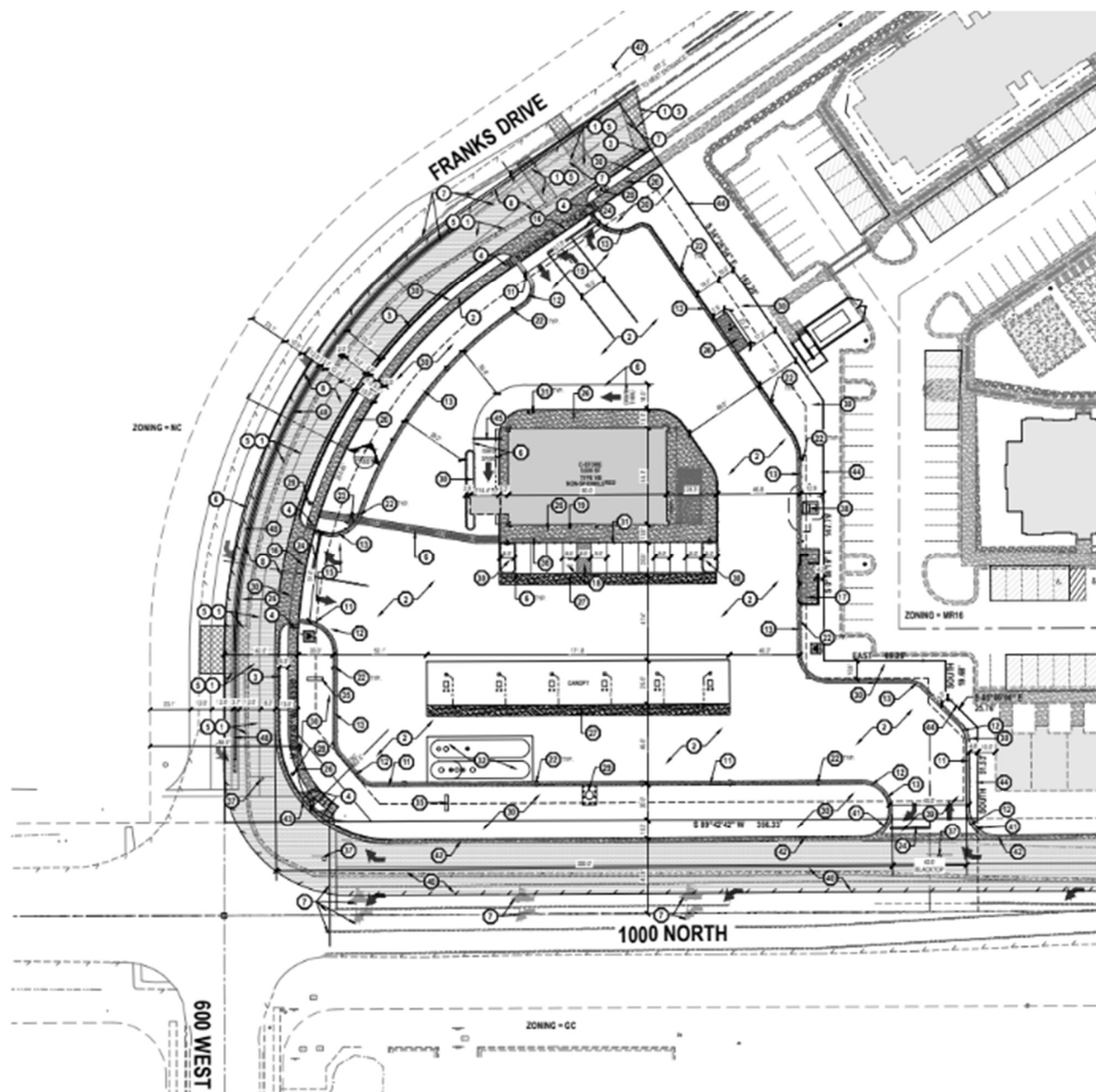


Exhibit B

November 1, 2023, Fee-in-lieu Policy



City Council Policy

RE: Payment of a Fee In Lieu Of Water Rights Conveyance under Tooele City Code §7-26-3(2).

Effective Date: November 1, 2023

Tooele City Code Chapter 7-26 requires the conveyance of water rights as a condition of approval of all land use applications. Section 7-26-3(2) states the following:

Fee-in-lieu. Pursuant to established City Council policy, in lieu of actual conveyance of water rights pursuant to this Chapter, certain development applicants may pay to the City an amount per acre-foot for access to water rights controlled by the City in a quantity necessary to satisfy the anticipated future water needs of the proposed development to be served and supplied by the City water system.

This City Council Policy is established pursuant to the legislative authority embodied in §7-26-3(2).

Residential Development. Beginning on the Effective Date, Tooele City will allow the owner(s) of an existing single-family parcel of record that, as of the Effective Date, is not part of a recorded subdivision, and the owner(s) of a single-family lot that is part of a recorded subdivision, either of which parcel or lot is subdivided through a two-lot subdivision (e.g., a lot split), to pay a fee (the "Fee") for the new lot in lieu of the residential water right requirement established in TCC §7-26-2(1). The administrative departments are authorized to determine eligibility and to approve payment of the Fee for such a two-lot residential subdivision. The item for which the Fee is paid shall be known for purposes of this Policy as a Water Rights Credit or Credit.

Persons who are eligible under this Policy may purchase Credits by paying the Fee. Credits will be purchased on a first-come first-served basis. The Fee shall be paid in full prior to building permit issuance. Should a building permit for which the Fee was paid expire under the terms of the permit, the City will refund the Fee, minus a \$100 administrative service charge. A person who previously paid the Fee and received a Fee refund due to an expired building permit may submit a new building permit application and may again request to pay the Fee on a first-come first-served basis behind others who paid the Fee and whose building permits remain valid.

Non-residential Development. Beginning on the Effective Date, Tooele City will allow owners of a non-residential development project ("Project") to request to pay the Fee if the Project is determined by the City to need less than 20 acre-feet of municipal water rights. Additional Credits may be made available, upon recommendation of the Public Works Director and Economic Development Director, and with written approval of the Mayor. A Request shall be in

writing from the property owner or agent and addressed to the City Council or Mayor. Approval of a request may be granted only after full consideration of the following criteria in relation to the amount of water used for the Project:

- The number of jobs the Project is anticipated to create, together with the nature of the jobs (e.g., full-time) and job compensation (e.g., wage levels, benefits).
- The amount of sales tax the Project is anticipated to generate.
- The amount of property tax the Project is anticipated to generate.
- The anticipated environmental and social benefits and impacts of the Project.

The Council may consider additional criteria as it thinks appropriate. Persons who are eligible under this Policy and approved by the City Council may purchase Credits by paying the Fee. Credits will be purchased on a first-come first-served basis. The Fee shall be paid in full prior to building permit issuance. Should a building permit for which the Fee was paid expire under the terms of the permit, the City will refund the Fee, minus a \$100 administrative service charge. A person who previously paid the Fee and received a Fee refund due to an expired building permit, or due to the approval sunseting, may submit a new building permit application and may again request to pay the Fee. If authorized by the City Council, the Credits may be purchased on a first-come first-served basis behind others who paid the Fee and whose building permits remain valid. The City Council may partially approve a request, for example, by authorizing 10 Credits out of 20 Credits requested.

Sunset for Non-residential Projects.

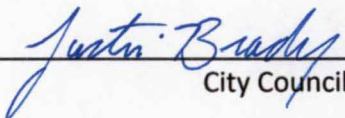
The City Council's authorization to pay the Fee for one or more buildings in a non-residential development Project containing more than one primary structure (e.g., more than one restaurant or store) is conditioned upon the Project obtaining City approval of a building permit for a first primary structure in the Project, and commencing vertical construction of the permitted structure, within two years of the date of approval of the Resolution authorizing payment of the Fee. Thereafter, the Project shall obtain a building permit for at least one additional primary structure, and commence vertical construction, within each successive twelve months following the commencement of construction of the prior building. By way of example, if a Resolution is approved on January 1, 2024, a first building permit must be obtained, and vertical construction commenced, prior to December 31, 2025; the next building must be permitted and construction commenced prior to December 31, 2026; and so on. Should any of these events not occur before the applicable sunset date, the City Council approval shall lapse and the remaining Credits shall revert to the City. The City Council, in its sole discretion, may extend these sunset deadlines or modify these conditions in a public meeting.

General.

1. **Fee Cost.** The Fee shall be established at \$35,000 per 1.0 acre-foot of depletion of municipal water rights. This Fee amount is not intended or calculated to reflect market value. The Fee applicable to any Request shall be the Fee in effect on the date of the Request, provided the

building permit application for which the Fee is paid is filed with the City within one year of the Request, and otherwise shall be the Fee in effect on the date of the building permit application.

2. Annual Limit. The number of Credits purchased pursuant to this Policy shall not exceed a total of 50 in any calendar year or in any period of 12 consecutive months without the approval of the City Council, in its discretion.
3. Acceptance of Credits. Upon payment of the Fee, the City will indicate the payment on the approved building permit. Payment of the Fee to the City constitutes surrender of the Credits to the City. No Credit certificate is required.
4. Integration. This Policy shall supersede any prior oral or written policies, practices, and understandings on the subject of this Policy.
5. Use of Revenues. Revenues derived from payment of the Fee shall be utilized for the protection of existing water rights and/or the acquisition of additional water rights, except that the City Council may authorize the use of the revenues for other Tooele City water-related projects and needs upon a finding of good cause. The water rights revenue fund is a fund in the City's General Fund and is not an enterprise fund.
6. Limited Availability. The payment of the Fee under this Policy is subject to the availability of corresponding water rights, in the sole discretion of Tooele City.
7. Resolution Required. The City Council's authorization to pay the Fee for a non-residential Project shall be pursuant to approved City Council Resolution.
8. No Entitlement or Security. Approval of a Resolution for a Project containing multiple lots or buildings (e.g., subdivision, site plan) shall be a temporary reservation of Credits for the Project's building permit applicants. Approval of a Resolution shall not constitute a vested development right or a land use entitlement, or the creation of a marketable security. The City will accept the Fee only from building owners, the authorized agents of building owners, or building permit applicants for buildings in a Project.
9. No Assignment or Transfer. Credits shall not be assignable or transferrable but are reserved by the City in the City's sole discretion for specific Projects and sold for specific buildings.
10. No Pre-payment. Project owners may not pre-purchase Credits for their Project or any Project building in advance of building permit application.
11. No Precedent. City Council authorization to pay the Fee for one Project, at whatever Fee amount per Credit, shall not be considered a precedent in any way in reference to any other Project.
12. Refunds. If water usage projection for a building are reduced by the City after payment of the Fee for that building, the City will reimburse the difference between the Fee paid and the Fee that would have been paid under the reduced usage projection. If a Fee payor withdraws a building permit application prior to its approval, the City will reimburse the Fee, with a \$100 administrative charge.


City Council Chair

CHAPTER 26. FEES

1-26-1. Fee Establishment Authority.

1-26-2. Fee Appeal Authority.

1-26-1. Fee Establishment Authority.

(1) The City Council is authorized to establish Tooele City fees by resolution, to be incorporated into a Tooele City Fee Schedule, for activities regulated by the City, for applications approved by the City, for permits issued by the City, for services delivered by the City, and otherwise as allowed by law.

(2) When the City Council enacts a change to any fee, the new fee amount shall apply to all new and pending applications and submissions for which the fee has not been paid in full, except where the fee amount is otherwise vested by law or by written agreement with the City.
(Ord. - , - - ; Ord. 2011-16, 08-17-11)

1-26-2. Fee Appeal Authority.

(1) Unless provided otherwise by a specific provision of the Utah Code or Tooele City Code, the Mayor shall be the Appeal Authority for purposes of appealing a City fee.

(2) Unless provided otherwise by a specific provision of the Utah Code or Tooele City Code, all appeals of City fees shall be filed in writing within the later of (a) 10 calendar days of payment of the fees, or (b) if an itemized fee statement has been requested pursuant to U.C.A. ~~§10-9a-510~~ §10-20-904, within 10 calendar days of the City providing the itemized fee statement.

(3) The appellant has the burden of proving that the fee paid does not reflect the reasonable estimated cost of

- (A) regulating the industry
- (B) processing the application
- (C) issuing the permit, or
- (D) delivering the service.

(4) The appellant shall state in the written appeal the full legal and factual basis for the appeal.

(5) The Mayor shall evaluate the merits of the appeal and shall issue a written decision within 15 calendar days of the filing of the appeal. The Mayor's decision shall state its effective date and shall constitute the City's final decision regarding the fee.

(6) The Mayor shall provide a copy of each written decision to the City Council.

(7) The Mayor's decision is subject to District Court review as provided by U.C.A. §10-9a-801 *et. seq.*
(Ord. - , - - ; Ord. 2011-16, 08-17-11)

