

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of _____, 2025, by and between the **BEAVER COUNTY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and the **MILFORD AREA HEALTH CARE SERVICE DISTRICT #3**, a political subdivision of the State of Utah (the “Hospital District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency was created and organized pursuant to the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and is authorized and empowered under the Act to undertake, among other things, various community development activities pursuant to the Act, including, among other things, assisting Beaver County (the “County”) in development activities that are likely to advance the policies, goals and objectives of the County’s general plan, contributing to capital improvements and investments which substantially benefit the County, creating economic benefits to the County, and improving the public health, safety and welfare of its residents; and

B. **WHEREAS**, this Agreement is made pursuant to the provisions of the Act and the Interlocal Cooperation Act (UCA Title 11, Chapter 13) (the “Cooperation Act”); and

C. **WHEREAS**, the Agency plan to create the MILFORD II (EXPANSION) COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) The Project will be located approximately 10 miles north of Milford, Utah, as outlined in Exhibit “A” (the “Property”), through the adoption of the Milford II (Expansion) Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the County, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include more developments, with encouragement and planning by the Agency. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the County and/or the Agency may enter into one or more participation agreements with one or more developer(s) which will provide certain terms and conditions upon which the Project Area will be developed using, in part, “Tax Increment” (as that term is defined in the Act), generated from the Project Area; and

E. **WHEREAS**, historically, the Project Area has generated a total of \$1,104 per year in property taxes for the various taxing entities, including the County, Beaver County School District (the “School District”), the Milford Fire District #2 (the “Fire District”), and the Milford Area Health Care Service District #3 (the “Hospital District”).

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the County, the School District, the Fire District and the Hospital District are projected to total approximately \$1,846,719 per year, with \$241,104 going to the Hospital District; and

G. **WHEREAS**, the Agency has requested the County, Fire District, Hospital District and the School District to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for a specified period of time specified portions of the increased property tax (i.e., Tax Increment,) which will be generated by the Project Area; and

H. **WHEREAS**, it is in the interest of the constituents of the Hospital District for the Hospital District to remit such payments to the Agency to permit the Agency to leverage private development within the Project Area; and

I. **WHEREAS**, the Agency has retained LRB Public Finance Advisors, Inc., an independent financial consulting firm with substantial experience regarding community reinvestment projects and tax increment funding across the State of Utah, to prepare the Project Area Plan; and

J. **WHEREAS**, the Agency adopted at its June 10, 2025, Board Meeting the Milford II (Expansion) Community Reinvestment Project Area Budget (the “Project Area Budget”), a copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

K. **WHEREAS**, the parties desire to set forth in writing their agreements regarding the nature and timing of such assistance;

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The Hospital District has determined that significant additional property tax revenue (*i.e.*, Tax Increment, as defined by the Act) will likely be generated by the development of public amenities within the Project Area as described in further detail in the Project Area Plan and Project Area Budget. Each of the parties acknowledge, however, that the development activity required for the generation of the Tax Increment is not likely to occur within the foreseeable future or to the degree possible or desired without Tax Increment participation in order to induce and encourage such development activity.

2. **Offset of Development Costs and Expenses.** The Hospital District has determined that it is in the interests of its residents to pay or reimburse specified portions of its Tax Increment to the Agency in order for the Agency to support the construction of public amenities and other development related costs needed to serve the Project Area, to the extent permitted by the Act, the Project Area Plan, and the Project Area Budget, each as adopted and amended from time to time.

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2024, meaning the Base Taxable Value shall, to the extent and in the manner defined by the Act, be equal to the equalized taxable value shown on the 2024 Beaver County assessment rolls for all property located within the Project Area (which was calculated and included in the Project Area Plan and Project Area Budget and is equal to \$130,210).

4. **Agreement(s) with Developer(s).** The Agency is authorized to enter into one or more participation agreements with one or more participants which may provide for the payment of certain amounts of Tax Increment (to the extent such Tax Increment is actually paid to and received by the Agency from year to year) to the participant(s) conditional upon the participant (s)’s meeting of certain performance measures as outlined in said agreement. Such agreement shall be consistent with the terms and conditions of this Agreement, shall require as a condition of the payment to the participant(s) that the respective participant or its approved successors in title as owners of all current and subsequent parcels within the Project Area, shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies, and such other performance measures as the Agency may deem appropriate.

5. **Payment Trigger.** The first year (“Year One”) of payment of Tax Increment from the Hospital District to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by March 1, 2028. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Six. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Beaver County Auditor’s office.
6. **Total Payment to Agency.** The Hospital District shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Six, 70% of the annual Property Tax Increment (Hospital District’s proportionate amount) generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, which is also the tax collection agency. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Hospital District, which is hereby expressly approved as being included in Tax Increment as required by Section 17C-1-407 of the Act. It is expressly understood that the Property Taxes which are the subject of this Agreement are only those Property Taxes actually collected by the Hospital District from the Project Area.
8. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.
9. **No Independent Duty.** The Hospital District shall be responsible to remit to the Agency only Tax Increment actually received on behalf of the Hospital District by the County, which is also the tax collecting agency. The Hospital District shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the County, on behalf of the Hospital District on an annual basis.
10. **Authority to Bind.** Each individual executing this Agreement represents and warrants that such person is authorized to do so, and, that upon executing this Agreement, this Agreement shall be binding and enforceable in accordance with its terms upon the party for whom such person is acting.
11. **Further Documents and Acts.** Each of the parties hereto agrees to cooperate in good faith with the others, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.
12. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered to an officer or duly authorized representative of the other party in person or by Federal Express, private commercial delivery or courier service for next business day delivery, or by United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Hospital District:
Milford Area Health Care Service District #3
Attn: Beaver County Hospital Service District
P.O. Box 739
Milford, UT 84751

Phone: (435) 387-2411

If to Agency:

Beaver County Community Development and Renewal Agency

Attn: Agency Board

105 E. Center St.

Beaver, UT 84713

Phone: (435) 438-6464

Any party may from time to time, by written notice to the others as provided above, designate a different address which shall be substituted for that specified above. Notice sent by mail shall be deemed served or delivered seventy-two (72) hours after mailing. Notice by any other method shall be deemed served or delivered upon actual receipt at the address or facsimile number listed above. Delivery of courtesy copies noted above shall be as a courtesy only and failure of any party to give or receive a courtesy copy shall not be deemed to be a failure to provide notice otherwise properly delivered to a party to this Agreement.

13. **Entire Agreement.** This Agreement is the final expression of and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

14. **No Third-Party Benefit.** The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. There are no intended third-party beneficiaries to this Agreement.

15. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. In the event the date on which any of the parties is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

16. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

17. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing executed by each of the parties hereto.

18. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

19. **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision

herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

20. **Governing Law.** This Agreement and the exhibits attached hereto shall be governed by and construed under the laws of the State of Utah. In the event of any dispute hereunder, it is agreed that the sole and exclusive venue shall be in a court of competent jurisdiction in Beaver County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County cannot pay and/or that the Agency cannot receive payments of the Tax Increment, declares that the Agency cannot pay the Tax Increment to developers, or takes any other action which has the effect of eliminating or reducing the payments of Tax Increment received by the Agency, the Agency's obligation to pay the Tax Increment to developers shall be reduced or eliminated accordingly, the Agency, and the County shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

22. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

23. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Six.

24. **Assignment.** No party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from all parties. Notwithstanding the foregoing, such consent shall not be unreasonably withheld or delayed so long as the assignee thereof shall be reasonably expected to be able to perform the duties and obligations being assigned.

25. **Termination.** Upon any termination of this Agreement resulting from the uncured default of any party, the order of any court of competent jurisdiction or termination as a result of any legislative action requiring such termination, then any funds held by the Agency and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, then such funds shall be returned to the party originally remitting same to the Agency and upon such return this Agreement shall be deemed terminated and of no further force or effect.

26. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

- a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act;
- b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5(3) of the Cooperation Act;
- c. A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;
- d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act; and
- e. Should a party to this Agreement desire to terminate this Agreement, in part or in whole, each party to the Agreement must adopt, by resolution, an amended Interlocal Cooperation Agreement stating the reasons for such termination. Any such amended

Interlocal Cooperation Agreement must be in harmony with any development/participation agreement(s) entered into by the Agency as described in this Agreement.

- f. Immediately after execution of this Agreement by both Parties, the Agency shall, on behalf of both parties, cause to be published notice regarding this Agreement pursuant to Section 11-13-219 of the Cooperation Act.
- g. This Agreement makes no provision for the parties acquiring, holding and disposing of real and personal property used in the joint undertaking as such action is not contemplated as part of this Agreement nor part of the undertaking. Any such provision would be outside the parameters of the current undertaking. However, to the extent that this Agreement may be construed as providing for the acquisition, holding or disposing of real and/or personal property, all such property shall be owned by the Agency upon termination of this Agreement.

27. **Use of Hospital District's Participated Tax Increment.** The Agency shall limit its use of funds participated by the Hospital District to those uses stated in the adopted June 10, 2025, versions of the Official Project Area Plan and Budget. Other uses of Hospital District participated funds may be allowed by amending this Interlocal Agreement. Note that the Agency will follow the legal requirement outlined in **17C-5-307 Allocating project area funds for housing** to expend at least 10% of the tax increment revenue it receives on affordable housing if annual revenues exceed \$100,000.

(Remainder of page left intentionally blank.)

IN WITNESS WHEREOF, the parties have executed this Agreement on the day specified above.

MILFORD AREA HEALTH CARE SERVICE DISTRICT

Attest:

By: _____

Its: Chair

Clerk

APPROVED AS TO FORM:

Attorney for Milford Area Health Care Service District

Agency: BEAVER COUNTY COMMUNITY
DEVELOPMENT AND RENEWAL AGENCY

Attest:

By: _____

Its: Chair

Secretary

APPROVED AS TO FORM:

Attorney for Agency

EXHIBIT "A"
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

Pearson Property

Jetta Pearson Robinson
P.O. Box 18
Minersville, UT 84752

Seth Davie
P.O. Box 18
Minersville, UT 84752

Tammy Pearson
P.O. Box 119
Minersville, UT 84752

Tax ID No. 02-0012-0001 (360 acres)

The Southwest Quarter of the Northwest quarter and the East half of Section 17, Township 27 South, Range 10 West, Salt Lake Base and Meridian.

Obsidian Property

Obsidian Land, LLC
35 West 300 South
Heber City, UT 84032

Tax ID No. 02-0015-0003 (307.84 acres)

The North Half of Section 16, Township 27 South, Range 10 West, Salt Lake Base and Meridian-less that portion lying within the Railroad right of way

Bradshaw Parcel

Laura Bradshaw, Trustee
LKKC Living Trust
PO Box 1054
Cedar City, UT 84720

Tax ID No. 02-0015-0004 (302.84 acres)

The South half of Section 16, Township 27 South, Range 10 West, Salt Lake Base and Meridian.

-less that portion lying within the Railroad right of way

-less that portion deeded to Level 3, Communications, LLC by Warranty Deed recorded August 27, 1999 as Entry No. 204421, in Book 320, Page 820, described as follows: Commencing at the East one-quarter of Section 16, Township 27 South, Range 10 West, Salt Lake Base and Meridian, thence North 88°09'12" West along the center section line of said Section 16, 3222.95 feet to the West right of way line of the Union Pacific Railroad and the true point of beginning, running thence North 88°09'12" West along said center section line 491.37 feet, thence South 87°29'32" West along the right of way of a County Road 40.00 feet, thence South 01°10'23" West 407.02 feet, thence South 88°09'12" East 531.32 feet to the above said railroad right of way line, thence North 01°10'08" East along said right of way line 410.06 feet to the point of beginning (Tax ID No. 0002-0015-0010).

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Project Area Budget