**UC Agreement No. 2025 - \_\_\_\_\_**

**INTERLOCAL COOPERATION AGREEMENT**

**between**

**UTAH COUNTY AND PAYSON CITY**

**For**

**A Road Project within Payson City**

**THIS AGREEMENT,** is made and entered into this day of 2025, by and between UTAH COUNTY, a body corporate and politic of the State of Utah, with principal offices located at 100 East Center Street, Provo, Utah 84606 (“County”) and PAYSON CITY, a political subdivision of the State of Utah, with principal offices located at 439 W Utah Ave, Payson, UT 84651 (“City”).

**WHEREAS,** the Utah Interlocal Cooperation Act, Utah Code Title 11, Chapter 13, permits local governmental units including cities, counties, and political subdivisions of the State of Utah to make the most efficient use of their powers by enabling them to cooperate with other public entities on the basis of mutual advantage and to exercise joint cooperative action for the benefit of their respective citizens; and

**WHEREAS**, City and County are public agencies under the Interlocal Cooperation Act; and

**WHEREAS**, County has imposed sales and use taxes to fund Roads or a system for public transit authorized by the Local Option Sales and Use Taxes for Transportation Act, Utah Code Title 59, Chapter 12; and

**WHEREAS**, the Utah State Legislature has limited the use of the sales and use tax revenue as provided in Utah Code 59-12-2212.2; and

**WHEREAS**, City and County desire to facilitate the construction of Road Projects to provide additional funds to finish the reconstruction of main street from 500 South to 700 South(hereinafter “Road Projects” and better defined below in Section 5) and the development and construction of the Road Projects are allowable uses of the sales and use tax revenue; and

**WHEREAS**, City and County held duly noticed public meetings wherein this Agreement was considered and an Authorizing Resolution was presented for approval by the respective legislative bodies;

**NOW, THEREFORE**, in consideration of the covenants and agreements contained herein and other valuable consideration, the sufficiency of which is hereby acknowledged, City and County hereby agree as follows:

**Section 1. PURPOSES.**

This Agreement has been established and entered into between the County and the City for the purpose of outlining the respective rights and responsibilities of the City and the County in the construction of the Road Projects. Further, the Parties intend to utilize tax revenue received under the Local Option Sales and Use Taxes for Transportation Act, Utah Code Title 59, Chapter 12, to fund the construction of the Road Projects.

**Section 2. ADMINISTRATION OF AGREEMENT.**

The parties to this Agreement do not contemplate nor intend to establish a separate legal entity under the terms of this Agreement. The parties hereto agree that, pursuant to Utah Code Section 11-13-207, the Utah County Administrator, shall act as the administrator responsible for the administration of this Agreement. The parties further agree that this Agreement does not anticipate nor provide for any organizational changes in the parties. The administrator agrees to keep all books and records in such form and manner as the Utah County Auditor shall specify and further agrees that said books shall be open for examination by the parties hereto at all reasonable times. The parties agree that they will not acquire, hold nor dispose of real or personal property pursuant to this Agreement during this joint undertaking.

**Section 3. EFFECTIVE DATE, DURATION.**

This Agreement shall become effective and shall enter into force within the meaning of the Interlocal Cooperation Act, upon the submission of this Agreement to, and the approval and execution hereof by the governing bodies of the County and the City. The term of this Agreement shall be from the date of execution hereof until the terms and obligations identified herein are completed, but in no event will the duration last longer than 3 years from the execution date. All requests for reimbursements must be submitted before the end of the three-year period.

**Section 4. NO SEPARATE LEGAL ENTITY.**

The County and the City do not contemplate nor intend to establish a separate legal or administrative entity under the terms of this Agreement.

**Section 5. TERMS.**

**A.** **Development and Construction of the Road Projects:** City will develop and construct the Road Projects in Payson City to finish the reconstruction of main street from 500 South to 700 South. The Road Projects are defined as the development and construction, including any property acquisition and corridor preservation costs, of the roads.

**B. Reimbursement to City for Construction Costs:** City will submit itemized invoices to County for reimbursement for the direct costs of the Road Projects, not to exceed $3,000,000.

County agrees to reimburse City within 30 days of receiving acceptable itemized invoices establishing the validity of the direct costs of the Road Projects. The maximum amount of reimbursement from County to City shall be $3,000,000. Any costs which exceed $3,000,000 shall be the City’s sole responsibility. If the costs of the Road Projects are less than $3,000,000, then County shall retain those non-utilized funds. The use of City equipment and/or City employee time for the Road Projects shall not be reimbursable.

City may request reimbursement according to the following schedule:

1. $2,000,000 on or after July 1, 2025.
2. An additional $1,000,000 on or after January 1, 2026.
3. Notwithstanding the above schedule, the County may, at its own option, and in collaboration with City, expedite the schedule and elect to reimburse up to $3,000,000 at any time before the dates in this section. Regardless, the total reimbursement shall not exceed $3,000,000.
4. All reimbursement requests must be received by COUNTY prior to the end of the three-year duration of this interlocal agreement.

**C. Ownership and Maintenance of Road Projects**: The City shall own and be responsible for maintenance, repair, and replacement of the Road Projects.

**D. Inspection of Road Projects:** County, upon reasonable notice, reserves the right to enter upon the Road Projects to inspect the same to verify compliance with this Agreement.

**E. Other Expenses:** Except as otherwise expressly stated herein, all expenses for the development and construction of the Road Projects shall be the sole responsibility of the City.

**F. No Third-Party Rights:** The obligations of the parties set forth in this Agreement shall not create any rights in or obligations to any persons or parties other than to the City and the County. This Agreement is not intended to nor shall it be construed to benefit any third party.

**Section 6. FILING OF INTERLOCAL COOPERATION AGREEMENT.**

Executed copies of this Agreement shall be placed on file with the official keeper of records of the County and the City and shall remain on file for public inspection during the term of this Agreement.

**Section 7. AMENDMENTS.**

This Agreement may not be amended, changed, modified or altered except by an instrument in writing which shall be: (a) approved by Resolution of the governing body of each of the parties, (b) executed by a duly authorized official of each of the parties, and (c) filed in the official records of each party.

**Section 8. SEVERABILITY.**

If any term or provision of this Agreement or the application thereof shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and shall be enforced to the extent permitted by law. To the extent permitted by applicable law, the parties hereby waive any provision of law, which would render any of the terms of this Agreement unenforceable.

**Section 9. GOVERNING LAW.**

All questions with respect to the construction of this Agreement, and the rights and liability of the parties hereto, shall be governed by the laws of the State of Utah.

**Section 10. INDEMNIFICATION.**

The City shall indemnify and hold County harmless from any and all claims of liability for any injury or damage to any person or property whatsoever occurring in, on or about the Road Projects or any part thereof. The City shall further indemnify and hold County harmless from and against any and all claims arising from any breach or default in the performance of any obligation on City’s part to be performed under the terms of this Agreement, or arising from any act or negligence of City, or any of City’s agents, employees, contractors, subcontractors, or invitees and from and against all costs, reasonable attorney’s fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Both the City and the County agree that the terms of this Agreement are subject to, and not a waiver of, the protections, immunities and liability limits of the Governmental Immunity Act of Utah, U.C.A. 63G-1-101, et. seq. City’s obligations under this provision shall survive the expiration or other termination of this Agreement.

**IN WITNESS WHEREOF**, the parties have signed and executed this Agreement, after resolutions duly and lawfully passed, on the dates listed below:

**UTAH COUNTY**

Authorized by Resolution No. 2025-\_\_\_, authorized and passed on the \_\_\_\_\_ day of \_\_\_\_\_\_ 2025.

BOARD OF COUNTY COMMISSIONERS

UTAH COUNTY, UTAH

BRANDON B. GORDON, Chair

REVIEWED AS TO FORM AND

ATTEST: COMPATIBILITY WITH APPLICABLE LAW:

AARON R. DAVIDSON JEFFREY S. GRAY

Utah County Clerk Utah County Attorney

By: By:

Deputy Utah County Clerk Deputy Utah County Attorney

**PAYSON CITY**

Authorized by Resolution No. \_\_\_\_\_\_, authorized and passed on the 16th day of July 2025.

PAYSON CITY

William R. Wright

Its: Mayor

ATTEST:

Kim E. Holindrake

Payson City Recorder

By:

REVIEWED AS TO FORM AND COMPATIBILITY WITH APPLICABLE LAW:

Brandon Dalley

Payson City Attorney

By: