

**INTERLOCAL COOPERATION AGREEMENT**  
**Between**  
**SOUTH SALT LAKE CITY REDEVELOPMENT AGENCY**  
**And**  
**SOUTH SALT LAKE CITY**

THIS INTERLOCAL COOPERATION AGREEMENT (“Agreement”) is entered into as of the 9<sup>th</sup> day of December 2015, by and between the SOUTH SALT LAKE CITY REDEVELOPMENT AGENCY (the “Agency”) and SOUTH SALT LAKE CITY (the “Taxing Entity”). The foregoing are sometimes referred to herein individually as a “Party” and collectively as the “Parties”.

**RECITALS**

**WHEREAS**, the Agency has been created and organized for the purposes provided in the former Utah Neighborhood Development Act, the former Utah Redevelopment Agencies Act and the current Utah Community Development and Renewal Agencies Act, Title 17C, Chapters 1 through 4, Utah Code Annotated, 1953, as amended, and any successor law or act (the “Development Act”) and is authorized and empowered to undertake various activities and actions pursuant to the Development Act; and

**A. WHEREAS**, the Agency has completed the process under the Development Act to create the 3900 South Community Development Project Area (the “Project Area”) which will include the property described and shown in Attachment “A”, to this Agreement. The Agency’s purpose in creating this Project Area is to promote the development of a mix used project that includes apartments, single family and Flex-industrial space (the “Project”) in the Project Area, and it is the intent of the Taxing Entity to participate with the tax increment generated from this development ; and

**B. WHEREAS**, the Development Act authorizes funding of community development project areas and plans pursuant to interlocal agreements with taxing entities.

**C. WHEREAS**, the Agency is willing to use certain property tax increment from the Project Area attributable to the Taxing Entity’s tax levy, and the Taxing Entity is willing to consent that certain property tax increment from the Project Area attributable to the Taxing Entity’s tax levy be used, to fund the Project Area and Plan; and

**D. WHEREAS**, Sections 17C-4-201 of the Development Act authorizes a taxing entity to “consent to the agency receiving the taxing entity’s... tax increment... for the purpose of providing funds to carry out a proposed or adopted community development project area plan;” and

**E. WHEREAS**, for the purpose of providing funds to carry out the adopted Plan, the Taxing Entity desires to give its consent that the Agency receive certain tax increment from the

Project Area attributable to the Taxing Entity's tax levy in accordance with the terms of this Agreement; and

**F. WHEREAS**, this Agreement is entered into by the Parties pursuant to the authority of applicable State law, including the Development Act, and the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated, as amended (the "**Cooperation Act**").

## AGREEMENT

**NOW, THEREFORE**, for the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

1. Base Year and Base Taxable Value; Payment of Tax Increment to Agency by Salt Lake County. The Parties agree that for purposes of calculation of the Taxing Entity's share of tax increment from the Project Area to be paid to the Agency pursuant to this Agreement, the base year shall be 2014, and the base taxable value shall be the 2014 assessed taxable value of all real and personal property within the Project Area. Based upon review of the Salt Lake County records, the Parties agree that the proposed 2014 base taxable value of the Project Area is \$0. The increase in the property tax revenues attributable to the Taxing Entity's tax levy on both real and personal property within the Project Area, over and above the property tax revenues attributable to Taxing Entity's tax levy on the base taxable value, or in other words the tax increment attributable to the Taxing Entity's tax levy (the "**Tax Increment**"), in accordance with Section 17C-4-203(2) of the Development Act shall be paid by Salt Lake County to the Agency for the period of time as provided and set forth in Section 2 below.

2. Taxing Entity's Consent. The Taxing Entity, pursuant to Section 17C-4-201 of the Development Act and Section 11-13-215 of the Cooperation Act, hereby agrees and consents to the following:

That the Agency, for Fifteen (15) tax years, beginning with the year the Agency begins to draw the tax increment, shall receive 75% of the Tax Increment attributable to the Taxing Entity's tax levy on both real and personal property within the Project Area pursuant to the terms and conditions of this Agreement; for the purpose of providing funds to the Agency to carry out the proposed Plan. It is agreed by the Parties that the maximum budget amount the Agency may receive under this Agreement shall be \$10,000,000 (the "Budget Cap"), and the Taxing Entities tax levy under this Agreement shall be applied to the Budget Cap. The Agency may not be paid any portion of the Taxing Entity's taxes resulting from an increase in the Taxing Entity's tax rate that occurs after the Taxing Entity approves this Agreement, unless the Taxing Entity specifically so consents in writing pursuant to an amendment to this Agreement or in a separate agreement. Tax increment attributable to the Taxing Entity's tax levy for tax years beyond the 15 year collection period or over the Budget Cap shall be paid by Salt Lake County to the Taxing Entity. It is agreed that the tax increment to be distributed under this Agreement shall be implemented before January 1, 2018.

The Parties agree that the Taxing Entity's share shall be limited to the development of the property within the proposed project area only, any additional increment that may be created from

other property included in the project area will be paid to the Taxing Entity at 100%, unless consent has been given to the Agency to receive this additional Tax Increment.

In return for the Taxing Entities participation, the Agency shall agree to the following terms and conditions, and where required provide and assist the Taxing Entity as follows:

The Agency agrees to use any Tax Increment collected from the Taxing Entity from the Project Area, for the development of the public improvements, and other costs outlined in the Project Area Budget, shown in Attachment "B".

The Parties agree that the terms of this Agreement allow for the Project Area to exist for fifteen (15) years, or until the Budget Cap of \$10,000,000 has been reached, whichever occurs first. Upon completion of 15 years, or the year the Budget Cap has been reached; this Agreement shall terminate and the Tax Increment produced by the Project Area will return to the tax rolls and be disbursed to the Taxing Entity.

3. No Third Party Beneficiary. Nothing in this Agreement shall be deemed or considered to create any obligation in favor of or rights for any person or entity not a party to this Agreement. No person or entity is an intended third party beneficiary of this Agreement. Any obligation of the Agency to make any payments to a developer, business or any person or entity is to be set forth in written agreements between the Agency and the person or entity, in accordance with terms and requirements satisfactory to the Agency.

4. Due Diligence. Each of the Parties acknowledges for itself that it has performed its own review, investigation and due diligence regarding the relevant facts concerning the Project Area and Plan and the expected benefits to the community and to the Parties, and each of the Parties relies on its own understanding of the relevant facts and information, after having completed its own due diligence and investigation.

5. 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 by a 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 Section 11-13-202.5 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 as the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act; and
- e. The term of this Agreement shall commence on the date of full execution of this Agreement by the Parties, and continue through the date that is 180 days after the last

payment of Tax Increment by the County to the Agency pursuant to the terms and provisions of this Agreement; but in no event shall the Agency be able to receive the Tax Increment for a period longer than fifteen (15) years as defined in this Agreement.

f. This Agreement does not create a separate entity.

6. Publication of Notice. Immediately after execution of this Agreement by the Parties, each of the Parties shall cause to be published a notice regarding this Agreement as provided and allowed pursuant to Section 11-13-219 of the Cooperation Act and in accordance with Utah Code § 17C-4-202. For purposes of the notice required under Utah Code § 17C-4-202, the Agency shall cause a notice to be published that sets forth a summary of this Agreement and includes a statement that the resolution or interlocal agreement is available for general inspection and the hours of inspection.

7. Modification. A modification of, or amendment to, any provision contained in this Agreement shall be effective only if the modification or amendment is in writing and signed by the Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

8. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

9. Further Assurances. The Parties agree to execute such additional documents and take further actions as may become necessary or desirable to fully carry out each of the provisions and the intent of this agreement including (a) the development and redevelopment of the Project Area and (b) adjustment of any provision of this Agreement if, and to the extent necessary, to bring it into compliance with all applicable governmental requirements without diminishing the rights and authority granted to Agency under this agreement.

10. Severability. Whenever possible, each provision of this Agreement and every related document shall be interpreted in such a manner as to be consistent and valid under applicable law; but if any provision of any of the foregoing shall be invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition, without invalidating the remainder of such provisions or the remaining provisions of this Agreement or said documents.

11. Entire Agreement. This Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the Parties and supersedes and cancels all prior agreements between the Parties with respect to the subject matter hereof.

ENTERED into as of the day and year first above written.

SOUTH SALT LAKE CITY REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Chairman

ATTEST

By: \_\_\_\_\_  
Agency Secretary

Approved as to Form:

\_\_\_\_\_  
Attorney for Agency

SOUTH SALT LAKE CITY

By: \_\_\_\_\_  
Mayor

Approved as to Form:

\_\_\_\_\_  
Attorney for Taxing Entity