

AMERICAN FORK CITY
REDEVELOPMENT AGENCY AGENDA
MAY 10, 2022

Notice is hereby given that the American Fork City Redevelopment Agency will meet in a special session on May 10, 2022, to be held at City Hall, located at 31 N. Church Street, commencing at 6:45 p.m. The agenda shall be as follows:

SPECIAL SESSION

1. Roll call.
2. Presentation and acceptance of the RDA Tentative Budget for fiscal year ending June 30, 2023.
3. Review and action on a resolution approving an interlocal agreement with Utah County for the Patriot Station Community Reinvestment Project Area.
4. Review and action on a resolution approving an interlocal agreement with Alpine School District for the Patriot Station Community Reinvestment Project Area.
5. Review and action on a resolution approving an interlocal agreement with Central Utah Water Conservancy District for the Patriot Station Community Reinvestment Project Area.
6. Review and action on a resolution approving an interlocal agreement with North Utah County Water Conservancy District for the Patriot Station Community Reinvestment Project Area.
7. Review and action on the approval of the January 25, 2022, annual meeting minutes.
8. Unfinished business.
9. New business.
10. Adjournment.

Dated this 6th day of May, 2022



Terilyn Lurker
City Recorder



REQUEST FOR BOARD ACTION
AMERICAN FORK REDEVELOPMENT AGENCY
MAY 10, 2022

Department Administration

Department Approval Anna Montoya

SUMMARY RECOMMENDATION

The City Administrator and Finance Director would recommend approval of the tentative budget

BACKGROUND

American Fork City Redevelopment Agencies are required to adopt a tentative budget at the first Board meeting in May. This is a tentative budget and subject to change. Approval of the tentative budget will set the public hearing for the fiscal year 2023 budget to be approved on June 21, 2022.

BUDGET IMPACT

Budget impacts are detailed in the Fiscal Year 2022-23 Proposed Budget

SUGGESTED MOTION

I move to approve the fiscal year ending June 30, 2023 Proposed Budget and set the public hearing for the final fiscal year ending June 30, 2023, budget for Tuesday, June 21, 2022.

SUPPORTING DOCUMENTS

FY2022 Tentative Budget RDA (PDF)



RDA - Downtown Redevelopment Fund

FUND SUMMARY

The Downtown Redevelopment fund is used to enhance and promote the City's core downtown area and to account for one small business revolving loan issued by the City that is still outstanding.

DEPARTMENT BUDGET

Description	Actual 2020-21	Estimated 2021-22	Approved 2021-22	Proposed 2022-23
REVENUES				
Operating and Capital Revenues				
Interest Revenue	\$ 1,495	\$ 743	\$ 1,000	\$ 500
Total Operating and Capital Revenues	1,495	743	1,000	500
TOTAL REVENUES	\$ 1,495	\$ 743	\$ 1,000	\$ 500
EXPENDITURES				
Operating				
Professional & Technical	8,200	-	-	-
Total Operating Expenses	8,200	-	-	-
TOTAL EXPENDITURES	\$ 8,200	\$ -	\$ -	\$ -
Downtown Redevelopment Net Revenue	(6,705)	743	1,000	500
Beginning Fund Balance	103,757	97,052	97,052	97,795
Ending Fund Balance	\$ 97,052	\$ 97,795	\$ 98,052	\$ 98,295





RDA-East Side Redevelopment Agency Fund

FUND SUMMARY

The East Side RDA fund (also known as the East Main RDA fund) was created to account for the revenues and expenditures for the East Main RDA project area created December 1992. The goal of the East Main RDA project area is to incentivize the commercial and industrial development of several blocks along Main Street in American Fork where conditions of blight were determined to be present. The fund will continue to receive “haircut” monies until 2025.

DEPARTMENT BUDGET

Description	Actual 2020-21	Estimated 2021-22	Approved 2021-22	Proposed 2022-23
REVENUES				
Operating and Capital Revenues				
Tax Increment	\$ (5)	\$ 4,653	\$ -	\$ -
Haircut-East Side	42,539	51,826	44,081	48,859
Interest Earnings	578	409	763	763
Total Operating and Capital Revenues	43,112	56,888	44,844	49,622
TOTAL REVENUES	\$ 43,112	\$ 56,888	\$ 44,844	\$ 49,622
EXPENDITURES				
Transfers Out				
Transfer to General Fund	-	-	-	-
Total Transfers Out	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
East Side RDA Fund Net Revenue	43,112	56,888	44,844	49,622
Beginning Fund Balance	51,088	94,200	94,200	151,088
Ending Fund Balance	\$ 94,200	\$ 151,088	\$ 139,044	\$ 200,710





RDA-Business Park Redevelopment Fund

FUND SUMMARY

The Business Park RDA fund (also known as the North Valley RDA fund) was created to account for the revenues and expenditures of the North Valley RDA Project Area created September 1987. The goal of the North Valley RDA project area is to incentivize the commercial and industrial development along I-15 in American Fork. The fund will receive tax increment revenue through fiscal year 2019, and haircut monies through fiscal year 2026.

DEPARTMENT BUDGET

Description	Actual 2020-21	Estimated 2021-22	Approved 2021-22	Proposed 2022-23
REVENUES				
Operating and Capital Revenues				
Tax Increment	\$ 3,937	\$ -	\$ -	\$ -
Haircut	300,680	317,147	320,943	324,039
Interest Earnings	10,384	8,732	33,798	33,798
Total Operating and Capital Revenues	315,001	325,879	354,741	357,837
TOTAL REVENUES	\$ 315,001	\$ 325,879	\$ 354,741	\$ 357,837
EXPENDITURES				
Operating and Capital Revenues				
Haircut Expenditures	-	-	354,741	357,837
Total Operating Expenditures	-	-	354,741	357,837
TOTAL EXPENDITURES	\$ -	\$ -	\$ 354,741	\$ 357,837
Business Park RDA Fund Net Revenue	315,001	325,879	-	-
Beginning Fund Balance	2,077,311	2,392,312	2,392,312	2,718,191
Ending Fund Balance	\$ 2,392,312	\$ 2,718,191	\$ 2,392,312	\$ 2,718,191





EDA-Egg Farm Economic Development Area

FUND SUMMARY

The Egg Farm EDA Fund was created to account for the revenues and expenditures of the Egg Farm EDA project area created in September 2000. The goal of the Egg Farm EDA project area is to incentivize the commercial and industrial development of a former chicken farm in American Fork City. The fund will receive tax increment revenue through fiscal year 2028, depending on when minimum tax increment levels are reached. It is important to note that 20 percent of tax increment received must go towards affordable housing projects in the state of Utah.

DEPARTMENT BUDGET

Description	Actual 2020-21	Estimated 2021-22	Approved 2021-22	Proposed 2022-23
REVENUES				
Operating and Capital Revenues				
Tax Increment	\$ 791,539	\$ 795,601	\$ 830,971	\$ 830,971
Tax Increment - Housing	197,885	198,900	207,743	207,743
Interest Earnings	8,535	5,046	20,000	8,535
Total Operating and Capital Revenues	997,959	999,547	1,058,714	1,047,249
TOTAL REVENUES	\$ 997,959	\$ 999,547	\$ 1,058,714	\$ 1,047,249
EXPENDITURES				
Operating				
Administrative Expenses	\$ 15,500	\$ 15,429	\$ 12,629	\$ 14,571
Total Operating Expenses	15,500	15,429	12,629	14,571
Capital				
Developer Reimbursement	291,273	-	-	-
Admin Charge-General Fund	39,947	-	-	-
860 E Reconstruction	329,008	447,003	-	-
Widening of 1500 South	7,055	-	-	-
Widening of 1100 South	5,028	500,000	1,643,786	1,138,960
Total Capital Expenditures	672,311	947,003	1,643,786	1,138,960
Transfers Out				
Transfer to General Fund	-	51,828	51,828	35,617
Transfer to Culinary Water Fund	1,628,069	198,900	204,965	202,470
Total Transfers Out	1,628,069	250,728	256,793	238,087
TOTAL EXPENDITURES	\$ 2,315,880	\$ 1,213,160	\$ 1,913,208	\$ 1,391,618
Egg Farm EDA Fund Net Revenue	(1,317,921)	(213,613)	(854,494)	(344,369)
Beginning Fund Balance	2,932,898	1,614,977	1,614,977	1,401,364
Ending Fund Balance	\$ 1,614,977	\$ 1,401,364	\$ 760,483	\$ 1,056,995



CRA-Patriot Station Community Reinvestment Area

FUND SUMMARY

The Patriot Station CRA Project Area Plan was drafted in October 2018 to define the method and means of transit oriented development (TOD) around the vicinity of the American Fork FrontRunner Station. Future development within the Project Area includes proposed high and medium density multi-family housing and the creation of space for offices and commercial businesses, including numerous infrastructure and improvements to capture the vision and density of the anticipated transit oriented development. As of May 5, 2020, the creation of the CRA has been put on hold pending approval by other taxing entities within the project area.

DEPARTMENT BUDGET

Description	Actual 2020-21	Estimated 2021-22	Approved 2021-22	Proposed 2022-23
REVENUES				
Tax Increment	\$ -	\$ -	\$ -	\$ 558,029
Tax Increment - Housing	-	-	-	139,507
Interest Earnings	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 697,536
EXPENDITURES				
Operating				
Administrative Expenses	\$ 8,000	\$ 16,700	\$ -	\$ 15,000
Low/Moderate Income Housing	-	-	-	139,507
Total Operating Expenses	8,000	16,700	-	154,507
TRANSFERS OUT				
Transfer to General Capital Projects Fund	-	-	-	349,630
Total Transfers Out	-	-	-	349,630
TOTAL EXPENDITURES	\$ 8,000	\$ 16,700	\$ -	\$ 504,137
Patriot Station CRA Fund Net Revenue	(8,000)	(16,700)	-	193,399
Beginning Fund Balance	(168,699)	(176,699)	(176,699)	(193,399)
Ending Fund Balance	\$ (176,699)	\$ (193,399)	\$ (176,699)	\$ -



REQUEST FOR BOARD ACTION
AMERICAN FORK REDEVELOPMENT AGENCY
MAY 10, 2022

Department Finance

Director Approval Anna Montoya

AGENDA ITEM Review and action on a resolution approving an interlocal agreement with Utah County for the Patriot Station Community Reinvestment Project Area.

SUMMARY RECOMMENDATION

Staff recommends approval of a resolution approving an interlocal agreement with Utah County.

BACKGROUND

American Fork City has prepared the Patriot Station Community Reinvestment Project area plan and budget. The Patriot Station CRA plan is a result of a comprehensive evaluation of the type of appropriate land use which will enable sustainable growth and economic development. The project budget will fund improvements along 200 South including installation of utilities, right of way acquisition, and landscaping features. The project will also include community gathering areas and civic space areas.

BUDGET IMPACT

See Patriot Station CRA Area Plan and Budget.

SUGGESTED MOTION

I move to approve a resolution approving an interlocal agreement with Utah County for the Patriot Station Community Reinvestment Project.

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this ____ day of _____, 2022, by and between the **AMERICAN FORK CITY REDEVELOPMENT AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **UTAH COUNTY**, a political subdivision of the State of Utah (the “County”), in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operating under 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 American Fork City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 has established the PATRIOT STATION COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) within the vicinity of the American Fork Station, generally to east of 7400 West/900 East, to the west of 700 West, and to the north and south of 200 South/7750 North. The southernmost portion of the Project Area extends roughly 0.6 miles south of 200 South/7750 North, as outlined in Exhibit “A” (the “Property”), through the adoption of the Patriot Station Amended Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto along with any amendments is 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, such as office, high density multi-family housing, hotel, mixed use, and park and ride developments. 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 approximately \$179,000 per year in property taxes for the various taxing entities, including the City, the County, Alpine School District (the “School District”), the North Utah County Water Conservancy District (the “North Water District”), and the Central Utah Water Conservancy District (the “Central Water District”) with only approximately \$18,500 being generated annually for the County; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, the North Water District, and the Central Water District are projected to total approximately \$4.81 million per year, with \$497.2 thousand going to the County; and

G. **WHEREAS**, the Agency has requested the City, the County, the School District, the North Water District, and the Central Water District to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for 20 years 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 best interest of the residents of the County for the County 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 pledged to set aside sufficient funds to create an affordable housing ownership assistance program to aid Alpine School District, Utah County Sheriff, and American Fork City public safety employees who fall in the low to moderate income pay ranges to obtain ownership of affordable housing in the Project Area; and

J. **WHEREAS**, the Agency has retained Lewis Young Robertson & Burningham, 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 Budget; and

K. **WHEREAS**, the Agency adopted the American Fork City Community Reinvestment Amended Project Area Budget (the "Project Area Budget"), a copy of which is attached as **Exhibit "C"** along with any amendments is incorporated herein by this reference, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area; and

L. **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 County 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 County has determined that it is in the best interest of its residents to pay or distribute 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. **Affordable Housing Assistance Pilot Program.** The Agency has agreed to set aside up to Seven Million Six-Hundred Thousand Dollars (\$7,600,000) in Tax Increment generated funding to aid Alpine School District, Utah County Sheriff, and American Fork City public safety employees with rent or down payment assistance and \$1.6 million to administer the affordable housing program. These employees must live within or relocate to live within the Project Area and fall within established low to moderate income guidelines. Applicants of the program must also show proof annually of continued employment with Alpine School District, Utah County Sheriff's Office, or American Fork Public Safety. Further guidelines of the affordable housing assistance pilot program can be found in a separate governing document.

The Agency and the County have agreed that the portion of the funding set aside for the affordable housing assistance pilot program through specified portions of the County's Tax Increment will be used exclusively for down payment assistance to purchase housing in the Project Area.

4. **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 2019, 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 2019 Utah County assessment rolls for all property located within the Project Area (which is currently estimated to be approximately Twenty-Six Million Three-Hundred Thousand Dollars (\$26,300,000) but is subject to final adjustment and verification by the County and Agency).

5. **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.

6. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the County 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, 2026. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Utah County Auditor's office.

7. **Total Payment to Agency.** The County shall authorize the County to remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, 60%, or once the Agency collects a maximum cumulative dollar amount of the Tax Increment from the Project Area of Sixty-Five Million Dollars (\$65,000,000) as specified in the Project Area Budget, of the annual Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.

The Agency and the County also agree that the County's portion of the Tax Increment from the Project Area shall be used exclusively to fund infrastructure improvements within the Project Area.

8. **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 acting as the tax collection agency for the County. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the County, 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 County from the Project Area.

9. **Prohibition of Reduction of Funds by Taxing Entities.** As required by Utah Code Section 17C-5-204(6), this Agreement prohibits the County from proportionately reducing the amount of Project Area funds the County consents to pay to the Agency by the amount of any direct expenditures the County makes within the Project Area for the benefit of the Project Area or the Agency.

10. **Prohibition of Issuing Bonds Secured by the County's Portion of the Tax Increment.** Notwithstanding anything contained herein, or in the Act, to the contrary, the Agency covenants with the County that the Agency shall not issue bonds secured by the County's portion of the Tax Increment to be paid to the Agency under this Agreement.

11. **Administrative Fee.** As additional consideration to the County to enter into this Agreement, the Agency shall pay to the County an annual administrative payment in the sum of \$10,000 _____, to offset the expenses in administering this Agreement and other agreements between the Agency and other taxing entities related to the collection of the Tax Increment. The annual administrative payment shall be due January 5 of each calendar year of this Agreement, commencing on the date of this Agreement and continuing until this Agreement expires by its terms. Receipt by the County of each annual administrative payment is a condition precedent to any obligation of the County to make the annual Tax Increment payment to the Agency.

12. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County acting as the tax collecting agency for the County. The County 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 County on an annual basis beginning in Year One.

13. **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.

14. **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.

15. **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 Utah County:
Attn: County Commission
51 South University Avenue
Provo, Utah 84601
Phone: (801) 851-8135

If to Agency:
American Fork City Redevelopment Agency
Attn: Agency Board
51 E Main Street
American Fork, Utah 84003
Phone: (801) 763-3033

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 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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **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.

22. **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.

23. **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 Utah County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

24. **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.

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

26. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty or according to the sunset provision in the Project Area Budget "or once the

Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area of Sixty-Five Million Dollars (\$65,000,000.00), whichever comes first.”

27. **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.

28. **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.

29. **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.

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

County: UTAH COUNTY

Attest:

By: _____

Its: Chair

Clerk

Approved as to form:

Attorney for Utah County

Agency: AMERICAN FORK CITY REDEVELOPMENT
AGENCY

Attest:

By: _____

Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project Area

Legal Description:

Commencing N89°50'50"W 347.93 feet and South 38.39 feet from the northeast corner of Section 21, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence S74°42'37"E 5,715.56 feet; thence S00°12'10"E 84.19 feet; thence N89°16'29"W 1637.08 feet; thence S00°22'04"W 535.91 feet; thence S04°34'26"E 108.86 feet; thence S02°50'35"E 237.21 feet; thence S01°30'08"W 1124.97 feet; thence S00°27'18"W 1127.96 feet; thence N89°59'23"W 4,539.89 feet; thence N01°06'41"E 1,552.56 feet; thence N88°52'55"W 678.69 feet; thence N12°00'00"E 1,102.49 feet; thence N31°05'00"E 599.76 feet; thence N65°45'23"E 181.57 feet; thence N07°10'00"E 359.90 feet; thence N61°20'00"E 492.87 feet; thence N69°07'00"E 199.95 feet; thence N00°05'01"E 806.33 feet to the point of beginning.
(19,411,313.54 sq ft / 445.62 acres)

LESS AND EXCEPTING the following description:

Commencing N89°50'50"W 263.67 feet and South 1604.06 feet from the northeast corner of Section 21, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence East 708.97 feet; thence S00°53'22"W 599.41 feet; thence S87°23'27"E 17.59 feet; thence S00°00'06"E 86.09 feet; thence N89°59'57"W 717.23 feet; thence North 686.21 feet to the point of beginning. (484,431.15 sq ft / 11.21 acres)

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Amended Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Amended Project Area Budget



REQUEST FOR BOARD ACTION
AMERICAN FORK REDEVELOPMENT AGENCY
MAY 10, 2022

Department Finance

Director Approval Anna Montoya

AGENDA ITEM Review and action on a resolution approving an interlocal agreement with Alpine School District for the Patriot Station Community Reinvestment Project Area.

SUMMARY RECOMMENDATION

Staff recommends approval of a resolution approving an interlocal agreement with Alpine School District.

BACKGROUND

American Fork City has prepared the Patriot Station Community Reinvestment Project area plan and budget. The Patriot Station CRA plan is a result of a comprehensive evaluation of the type of appropriate land use which will enable sustainable growth and economic development. The project budget will fund improvements along 200 South including installation of utilities, right of way acquisition, and landscaping features. The project will also include community gathering areas and civic space areas.

BUDGET IMPACT

See Patriot Station CRA Area Plan and Budget.

SUGGESTED MOTION

I move to approve a resolution approving an interlocal agreement with Alpine School District for the Patriot Station Community Reinvestment Project.

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this ____ day of _____, 2022, by and between the **AMERICAN FORK CITY REDEVELOPMENT AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **ALPINE SCHOOL DISTRICT**, a political subdivision of the State of Utah (the “School District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operating under 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 American Fork City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 has established the PATRIOT STATION COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) within the vicinity of the American Fork FrontRunner Station, generally to east of 7400 West/900 East, to the west of 700 West, and to the north and south of 200 South/7750 North. The southernmost portion of the Project Area extends roughly 0.6 miles south of 200 South/7750 North, as outlined in Exhibit “A” (the “Property”), through the adoption of the Patriot Station Amended Draft Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto along with any amendments is incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include more diversification of development over time, with encouragement and planning by the Agency, such as office, high density multi-family housing, hotel, mixed use, and park and ride developments. 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 approximately \$179,000 per year in property taxes for the various taxing entities, including the City, Utah County (the “County”), the School District, the North Utah County Water Conservancy District (the “North Water District”), and the Central Utah Water Conservancy District (the “Central Water District”) with approximately \$125,000 being generated annually for the School District; and

F. **WHEREAS**, upon full development as contemplated in the Amended Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, the North Water District, and the Central Water District are projected to total approximately \$4.81 million per year, with \$3.4 million going to the School District; and

G. **WHEREAS**, the Agency has requested the City, the County, the School District, the North Water District, and the Central Water District to participate in the promotion of development in the Project Area as more fully outlined in the attached Amended Project Area Plan and Budget, respectively

Exhibits “B” and “C”, by agreeing to remit to the Agency for 20 years 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 best interest of the residents of the School District for the School 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 pledged to set aside sufficient funds to create an affordable housing assistance program to aid Alpine School District, Utah County Sheriff, and American Fork City public safety employees who fall in the low to moderate income pay ranges; and

J. **WHEREAS**, the Agency has retained Lewis Young Robertson & Burningham, 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 Budget; and

K. **WHEREAS**, the Agency adopted the American Fork City Community Reinvestment Amended Project Area Budget (the “Project Area Budget”), a copy of which is attached as Exhibit “C” along with any amendments is incorporated herein by this reference, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area; and

L. **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 School 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 Amended Project Area Plan and Amended Project Area Budget as outlined in Exhibits “B” and “C”. 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 School District has determined that it is in the best interests of its residents to pay or distribute 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 Amended Project Area Plan, and the Amended Project Area Budget, each as adopted and amended from time to time.

3. **Affordable Housing Assistance Pilot Program.** The Agency has agreed to set aside up to Seven Million Six-Hundred Thousand Dollars (\$7,600,000) in Tax Increment generated funding to aid Alpine School District, Utah County Sheriff, and American Fork City public safety employees with rent or down payment expenses. These employees must reside in or relocate to live within the project area and fall within established low to moderate income guidelines. Applicants of the program must also show proof annually of continued employment within Alpine School District, Utah County Sheriff’s Office, or American Fork Public Safety. Further guidelines of the affordable housing assistance pilot program can be found in a separate governing document.

The Agency and School District have agreed that a minimum of 65% of the funding set aside for the affordable housing assistance pilot program will be reserved for School District employees.

Additionally, the Agency will not place a cap on the total funding percentage of pilot program funds that may be used to assist employees of the School District.

4. **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 2019, 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 2019 Utah County assessment rolls for all property located within the Project Area (which is currently estimated to be approximately Twenty-Six Million Three-Hundred Thousand Dollars (\$26,300,000) million but is subject to final adjustment and verification by the County and Agency).

5. **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.

6. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the School 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, 2026. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Utah County Auditor's office.

7. **Total Payment to Agency.** The School District shall authorize the County to remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, 60%, or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area of Sixty-Five Million Dollars (\$65,000,000) as specified in the Amended Project Area Budget, of the annual Property Tax Increment generated from within the Project Area, including the real (i.e., building, land, and fixtures), personal, and centrally assessed property within the Project Area as it relates to the School District's levy of property taxes.

8. **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 acting as the tax collection agency for the School District. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the School 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 County from the Project Area.

9. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits the School District from proportionately reducing the amount of project area funds the School District consents to pay to the Agency by the amount of any direct expenditures the School District makes within the Project Area for the benefit of the Project Area or the Agency.

10. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County acting as the tax collecting agency for the School District. The County 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 School District on an annual basis.

11. **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.

12. **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.

13. **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 Alpine School District:
Attn: Business Administrator
575 N 100 E
American Fork, Utah 84003
Phone: (801) 610-8400

If to Agency:
American Fork City Redevelopment Agency
Attn: Agency Board
51 E Main Street
American Fork, Utah 84003
Phone: (801) 763-3033

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 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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **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 Utah County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

22. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County or the School District 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 School District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

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

24. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty or according to the sunset provision in the Project Area Budget "or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area of Sixty-Five Million Dollars (\$65,000,000.00), whichever comes first."

25. **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.

26. **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.

27. **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.

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

School District: ALPINE SCHOOL DISTRICT

Attest:

By: _____

Its: President

Business Administrator

Approved as to form:

Attorney for School District

Agency: AMERICAN FORK CITY REDEVELOPMENT
AGENCY

Attest:

By: _____

Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project Area

Legal Description:

Commencing N89°50'50"W 347.93 feet and South 38.39 feet from the northeast corner of Section 21, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence S74°42'37"E 5,715.56 feet; thence S00°12'10"E 84.19 feet; thence N89°16'29"W 1637.08 feet; thence S00°22'04"W 535.91 feet; thence S04°34'26"E 108.86 feet; thence S02°50'35"E 237.21 feet; thence S01°30'08"W 1124.97 feet; thence S00°27'18"W 1127.96 feet; thence N89°59'23"W 4,539.89 feet; thence N01°06'41"E 1,552.56 feet; thence N88°52'55"W 678.69 feet; thence N12°00'00"E 1,102.49 feet; thence N31°05'00"E 599.76 feet; thence N65°45'23"E 181.57 feet; thence N07°10'00"E 359.90 feet; thence N61°20'00"E 492.87 feet; thence N69°07'00"E 199.95 feet; thence N00°05'01"E 806.33 feet to the point of beginning.
(19,411,313.54 sq ft / 445.62 acres)

LESS AND EXCEPTING the following description:

Commencing N89°50'50"W 263.67 feet and South 1604.06 feet from the northeast corner of Section 21, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence East 708.97 feet; thence S00°53'22"W 599.41 feet; thence S87°23'27"E 17.59 feet; thence S00°00'06"E 86.09 feet; thence N89°59'57"W 717.23 feet; thence North 686.21 feet to the point of beginning. (484,431.15 sq ft / 11.21 acres)

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Amended Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Amended Project Area Budget



REQUEST FOR BOARD ACTION
AMERICAN FORK REDEVELOPMENT AGENCY
MAY 10, 2022

Department Finance

Director Approval Anna Montoya

AGENDA ITEM Review and action on a resolution approving an interlocal agreement with Central Utah Water Conservancy District for the Patriot Station Community Reinvestment Project Area.

SUMMARY RECOMMENDATION

Staff recommends approval of a resolution approving an interlocal agreement with Central Utah Water Conservancy District.

BACKGROUND

American Fork City has prepared the Patriot Station Community Reinvestment Project area plan and budget. The Patriot Station CRA plan is a result of a comprehensive evaluation of the type of appropriate land use which will enable sustainable growth and economic development. The project budget will fund improvements along 200 South including installation of utilities, right of way acquisition, and landscaping features. The project will also include community gathering areas and civic space areas.

BUDGET IMPACT

See Patriot Station CRA Area Plan and Budget.

SUGGESTED MOTION

I move to approve a resolution approving an interlocal agreement with Central Utah Water Conservancy District for the Patriot Station Community Reinvestment Project.

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this ____ day of _____, 2022, by and between the **AMERICAN FORK CITY REDEVELOPMENT AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **CENTRAL UTAH WATER CONSERVANCY DISTRICT**, a political subdivision of the State of Utah (the “Central Water District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operating under 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 American Fork City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 has established the PATRIOT STATION COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) within the vicinity of the American Fork FrontRunner Station, generally to east of 7400 West/900 East, to the west of 700 West, and to the north and south of 200 South/7750 North. The southernmost portion of the Project Area extends roughly 0.6 miles south of 200 South/7750 North, as outlined in Exhibit “A” (the “Property”), through the adoption of the Patriot Station Amended Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto along with any amendments is incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include more diversification of development over time, with encouragement and planning by the Agency, such as office, high density multi-family housing, hotel, mixed use, and park and ride developments. 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 approximately \$179,000 per year in property taxes for the various taxing entities, including the City, Utah County (the “County”), Alpine School District (the “School District”), the North Utah County Water Conservancy District (the “North Water District”), and the Central Water District, with approximately \$7,093 being generated annually for the Central Water District; and

F. **WHEREAS**, upon full development as contemplated in the Amended Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, the North Water District, and the Central Water District are projected to total approximately \$4,818,115 per year, with \$190,852 going to the Central Water District; and

G. **WHEREAS**, the Agency has requested the City, the County, the School District, the North Water District, and the Central Water District to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for 20 years specified portions of the increased property

tax (i.e., Tax Increment,) which will be generated by the Project Area as more fully outlined in the attached Amended Project Area Plan and Budget, respectively **Exhibit “B”** and **Exhibit “C”**; and

H. **WHEREAS**, it is in the best interest of the residents of the Central Water District for the Central Water 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 pledged to set aside sufficient funds to create an affordable housing assistance program to aid Alpine School District, Utah County Sheriff, and American Fork City public safety employees who fall in the low to moderate income pay ranges; and

J. **WHEREAS**, the Agency has retained Lewis Young Robertson & Burningham, 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 Budget; and

K. **WHEREAS**, the Agency adopted the American Fork City Community Reinvestment Amended Project Area Budget (the “Project Area Budget”), a copy of which is attached as **Exhibit “C”** along with any amendments is incorporated herein by this reference, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area; and

L. **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 Central Water 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 Amended Project Area Plan or **Exhibit “B”** and Amended Project Area Budget or **Exhibit “C”**. 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 Central Water District has determined that it is in the best interests of its residents to pay or distribute 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 Amended Project Area Plan, and the Amended Project Area Budget, each as adopted and amended from time to time.

3. **Affordable Housing Assistance Program.** The Agency has agreed to set aside up to Seven Million Six-Hundred Thousand Dollars (\$7,600,000) in Tax Increment generated funding to aid Alpine School District, Utah County Sheriff, and American Fork City public safety employees with rent or down payment expenses. These employees must reside in or relocate to live within the project area and fall within established low to moderate income guidelines. Applicants of the program must also show proof annually of continued employment within Alpine School District, Utah County Sheriff’s Office, or American Fork Public Safety. Further guidelines of the affordable housing assistance program can be found in a separate governing document.

4. **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 2019, 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 2019 Utah County assessment rolls for all property located within the Project Area (which is currently estimated to be Twenty-Six Million Three-Hundred Thousand Dollars (\$26,300,000) but is subject to final adjustment and verification by the County and Agency).
5. **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.
6. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the Central Water 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, 2026. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Utah County Auditor's office.
7. **Total Payment to Agency.** The Central Water District shall authorize the County to remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, 60%, or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area of Sixty-Five Million Dollars (\$65,000,000) as specified in the Amended Project Area Budget, of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area as it relates to the Central Water District's levy of property taxes.
8. **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 acting as the tax collection agency for the Central Water District. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Central Water 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 County from the Project Area.
9. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits the Central Water District from proportionately reducing the amount of project area funds the Central Water District consents to pay to the Agency by the amount of any direct expenditures the Central Water District makes within the Project Area for the benefit of the Project Area or the Agency.
10. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County acting as the tax collecting agency for the Central Water District. The County 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 Central Water District on an annual basis.

11. **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.

12. **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.

13. **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 Central Utah Water Conservancy District:
Attn: District Board
1426 E. 750 N. Suite 400
Orem, Utah 84097
Phone: (801) 226-7100

If to Agency:
American Fork City Redevelopment Agency
Attn: Agency Board
51 E Main Street
American Fork, Utah 84003
Phone: (801) 763-3033

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 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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **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 Utah County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

22. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County or the Central Water District 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 Central Water District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

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

24. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty or according to the sunset provision in the Project Area Budget "or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area of Sixty-Five Million Dollars (\$65,000,000.00), whichever comes first."

25. **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.

26. **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.

27. **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.

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

North Water District: CENTRAL UTAH WATER CONSERVANCY
DISTRICT

Attest:

By: _____

Its: Chair

Clerk

Approved as to form:

Attorney for Central Water District

Agency: AMERICAN FORK CITY REDEVELOPMENT
AGENCY

Attest:

By: _____

Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project Area

Legal Description:

Commencing N89°50'50"W 347.93 feet and South 38.39 feet from the northeast corner of Section 21, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence S74°42'37"E 5,715.56 feet; thence S00°12'10"E 84.19 feet; thence N89°16'29"W 1637.08 feet; thence S00°22'04"W 535.91 feet; thence S04°34'26"E 108.86 feet; thence S02°50'35"E 237.21 feet; thence S01°30'08"W 1124.97 feet; thence S00°27'18"W 1127.96 feet; thence N89°59'23"W 4,539.89 feet; thence N01°06'41"E 1,552.56 feet; thence N88°52'55"W 678.69 feet; thence N12°00'00"E 1,102.49 feet; thence N31°05'00"E 599.76 feet; thence N65°45'23"E 181.57 feet; thence N07°10'00"E 359.90 feet; thence N61°20'00"E 492.87 feet; thence N69°07'00"E 199.95 feet; thence N00°05'01"E 806.33 feet to the point of beginning.
(19,411,313.54 sq ft / 445.62 acres)

LESS AND EXCEPTING the following description:

Commencing N89°50'50"W 263.67 feet and South 1604.06 feet from the northeast corner of Section 21, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence East 708.97 feet; thence S00°53'22"W 599.41 feet; thence S87°23'27"E 17.59 feet; thence S00°00'06"E 86.09 feet; thence N89°59'57"W 717.23 feet; thence North 686.21 feet to the point of beginning. (484,431.15 sq ft / 11.21 acres)

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Amended Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Amended Project Area Budget



REQUEST FOR BOARD ACTION
AMERICAN FORK REDEVELOPMENT AGENCY
MAY 10, 2022

Department Finance

Director Approval Anna Montoya

AGENDA ITEM Review and action on a resolution approving an interlocal agreement with North Utah County Water Conservancy District for the Patriot Station Community Reinvestment Project Area.

SUMMARY RECOMMENDATION

Staff recommends approval of a resolution approving an interlocal agreement with North Utah County Water Conservancy District.

BACKGROUND

American Fork City has prepared the Patriot Station Community Reinvestment Project area plan and budget. The Patriot Station CRA plan is a result of a comprehensive evaluation of the type of appropriate land use which will enable sustainable growth and economic development. The project budget will fund improvements along 200 South including installation of utilities, right of way acquisition, and landscaping features. The project will also include community gathering areas and civic space areas.

BUDGET IMPACT

See Patriot Station CRA Area Plan and Budget.

SUGGESTED MOTION

I move to approve a resolution approving an interlocal agreement with North Utah County Water Conservancy District for the Patriot Station Community Reinvestment Project.

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this ____ day of _____, 2022, by and between the **AMERICAN FORK CITY REDEVELOPMENT AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **NORTH UTAH COUNTY WATER CONSERVANCY DISTRICT**, a political subdivision of the State of Utah (the “North Water District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operating under 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 American Fork City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 has established the PATRIOT STATION COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) within the vicinity of the American Fork FrontRunner Station, generally to east of 7400 West/900 East, to the west of 700 West, and to the north and south of 200 South/7750 North. The southernmost portion of the Project Area extends roughly 0.6 miles south of 200 South/7750 North, as outlined in Exhibit “A” (the “Property”), through the adoption of the Patriot Station Amended Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto along with any amendments is incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include more diversification of development over time, with encouragement and planning by the Agency, such as office, high density multi-family housing, hotel, mixed use, and park and ride developments. 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 approximately \$179,000 per year in property taxes for the various taxing entities, including the City, Utah County (the “County”), Alpine School District (the “School District”), the North Water District, and the Central Utah Water Conservancy District (the “Central Water District”) with approximately \$284 being generated annually for the North Water District; and

F. **WHEREAS**, upon full development as contemplated in the Amended Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, the North Water District, and the Central Water District are projected to total approximately \$4,818,115 per year, with \$7,634 going to the North Water District; and

G. **WHEREAS**, the Agency has requested the City, the County, the School District, the North Water District, and the Central Water District to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for 20 years specified portions of the increased property

tax (i.e., Tax Increment,) which will be generated by the Project Area as more fully outlined in the attached Amended Project Area Plan and Budget, respectively **Exhibit “B”** and **Exhibit “C”**; and

H. **WHEREAS**, it is in the best interest of the residents of the North Water District for the North Water 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 pledged to set aside sufficient funds to create an affordable housing assistance program to aid Alpine School District, Utah County Sheriff, and American Fork City public safety employees who fall in the low to moderate income pay ranges; and

J. **WHEREAS**, the Agency has retained Lewis Young Robertson & Burningham, 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 Budget; and

K. **WHEREAS**, the Agency adopted the American Fork City Community Reinvestment Amended Project Area Budget (the “Project Area Budget”), a copy of which is attached as **Exhibit “C”** along with any amendments is incorporated herein by this reference, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area; and

L. **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 North Water 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 Amended Project Area Plan or **Exhibit “B”** and Amended Project Area Budget or **Exhibit “C”**. 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 North Water District has determined that it is in the best interests of its residents to pay or distribute 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 Amended Project Area Plan, and the Amended Project Area Budget, each as adopted and amended from time to time.

3. **Affordable Housing Assistance Program.** The Agency has agreed to set aside up to Seven Million Six Hundred Thousand Dollars (\$7,600,000) in Tax Increment generated funding to aid Alpine School District, Utah County Sheriff, and American Fork City public safety employees with rent or down payment expenses and \$1.6 million to administer the affordable housing program. These employees must live in or relocate to live within the project area and fall within established low to moderate income guidelines. Applicants of the program must also show proof annually of continued employment within Alpine School District, Utah County Sheriff’s Office, or American Fork Public Safety. Further guidelines of the affordable housing assistance program can be found in a separate governing document.

4. **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 2019, 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 2019 Utah County assessment rolls for all property located within the Project Area (which is currently estimated to be Twenty Six Million Three Hundred Thousand Dollars (\$26,300,000) but is subject to final adjustment and verification by the County and Agency).
5. **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.
6. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the North Water 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, 2026. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Utah County Auditor's office.
7. **Total Payment to Agency.** The North Water District shall authorize the County to remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, 60%, or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area of Sixty-Five Million Dollars (\$65,000,000) as specified in the Amended Project Area Budget, of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area as it relates to the North Water District's levy of property taxes.
8. **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 acting as the tax collection agency for the North Water District. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the North Water 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 County from the Project Area.
9. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits the North Water District from proportionately reducing the amount of project area funds the North Water District consents to pay to the Agency by the amount of any direct expenditures the North Water District makes within the Project Area for the benefit of the Project Area or the Agency.
10. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County acting as the tax collecting agency for the North Water District. The County 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 North Water District on an annual basis.

11. **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.

12. **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.

13. **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 North Utah County Water Conservancy District:
Attn: District Board
100 East Center Street
Provo, Utah 84606
Phone: (801) 851-8000

If to Agency:
American Fork City Redevelopment Agency
Attn: Agency Board
51 E Main Street
American Fork, Utah 84003
Phone: (801) 763-3033

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 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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **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 Utah County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

22. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County or the North Water District 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 North Water District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

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

24. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty or according to the sunset provision in the Project Area Budget "or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area of Sixty-Five Million Dollars (\$65,000,000.00), whichever comes first."

25. **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.

26. **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.

27. **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.

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

North Water District: NORTH UTAH COUNTY WATER
CONSERVANCY DISTRICT

Attest:

By: _____

Its: Chair

Clerk

Approved as to form:

Attorney for North Water District

Agency: AMERICAN FORK CITY REDEVELOPMENT
AGENCY

Attest:

By: _____

Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project Area

Legal Description:

Commencing N89°50'50"W 347.93 feet and South 38.39 feet from the northeast corner of Section 21, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence S74°42'37"E 5,715.56 feet; thence S00°12'10"E 84.19 feet; thence N89°16'29"W 1637.08 feet; thence S00°22'04"W 535.91 feet; thence S04°34'26"E 108.86 feet; thence S02°50'35"E 237.21 feet; thence S01°30'08"W 1124.97 feet; thence S00°27'18"W 1127.96 feet; thence N89°59'23"W 4,539.89 feet; thence N01°06'41"E 1,552.56 feet; thence N88°52'55"W 678.69 feet; thence N12°00'00"E 1,102.49 feet; thence N31°05'00"E 599.76 feet; thence N65°45'23"E 181.57 feet; thence N07°10'00"E 359.90 feet; thence N61°20'00"E 492.87 feet; thence N69°07'00"E 199.95 feet; thence N00°05'01"E 806.33 feet to the point of beginning. (19,411,313.54 sq ft / 445.62 acres)

LESS AND EXCEPTING the following description:

Commencing N89°50'50"W 263.67 feet and South 1604.06 feet from the northeast corner of Section 21, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence East 708.97 feet; thence S00°53'22"W 599.41 feet; thence S87°23'27"E 17.59 feet; thence S00°00'06"E 86.09 feet; thence N89°59'57"W 717.23 feet; thence North 686.21 feet to the point of beginning. (484,431.15 sq ft / 11.21 acres)

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Amended Project Area Plan

EXHIBIT “C”
To
INTERLOCAL AGREEMENT

Amended Project Area Budget