

**INTERLOCAL COOPERATION AGREEMENT
BETWEEN SALT LAKE COUNTY AND
THE REDEVELOPMENT AGENCY OF MIDVALE CITY**

Midvale Main Street CDA Project

THIS INTERLOCAL COOPERATION AGREEMENT (this “Agreement”) is entered into between **SALT LAKE COUNTY**, a body corporate and politic of the State of Utah (the “County”), and **THE REDEVELOPMENT AGENCY OF MIDVALE CITY**, a public entity (the “Agency”) (collectively, the “Parties”).

RECITALS

WHEREAS, the County and the Agency are “public agencies” as defined by the Utah Interlocal Cooperation Act, UTAH CODE §§ 11-13-101 to -608 (2021) (the “Interlocal Act”), and, as such, are authorized to enter into this Agreement to act jointly and cooperatively in a manner that will enable them to make the most efficient use of their resources and powers; and

WHEREAS, the Agency is a community reinvestment agency created and existing under the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, UTAH CODE §§ 17C-1-101 to -5-406 (2021) (the “Act”). The Agency is authorized under the Act to conduct urban renewal, economic development, community development, and community reinvestment activities within Midvale City, Utah; and

WHEREAS, pursuant to Resolution No. 2015-13RDA adopted by the Agency on November 17, 2015, and Ordinance 2015-O-14 adopted by the Midvale City Council on November 15, 2015, the Midvale Main Street CDA Project Area Plan (the “Project Area Plan”) has been approved, a copy of which is attached hereto as **Exhibit A**, which includes the legal description, parcel numbers, and a map of the Midvale Main Street CDA Project Area (the “Project Area”); and

WHEREAS, under the Project Area Plan, the Agency desires to encourage redevelopment in the heart of Midvale City that will attract private capital investment, contribute to the tax base, create jobs, preserve Historic Main Street, and otherwise contribute to the economic vitality and prosperity of Midvale City; and

WHEREAS, the County, as a taxing entity, now desires to consent to the Agency receiving certain tax increment (as defined in § 17C-1-102(61) of the Act) (“Tax Increment”) created by development activities in the Project Area to assist in development as set forth in the Project Area Plan; and

WHEREAS, Section 17C-4-201 of the Act authorizes the County to consent to the payment to the Agency of its share of Tax Increment generated from the Project Area for the purposes set forth in the Project Area Plan.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1. Payment of Tax Increment. The County hereby agrees to pay the Agency 100% of the County’s portion of the Tax Increment from the Project Area (the “County’s Contribution”) during the Tax Increment Payment Period and subject to the Annual Mitigation Payment and the Contribution Cap, defined below.

(a) Payment Period. The initial payment of the County's Contribution will be made to the Agency from taxes collected during the Trigger Year, defined below, and will be paid to the Agency the following year. Such a payment shall be made annually thereafter until either of the following occurs: a) a total of twenty (20) annual payments have been made; or b) the total cumulative amount of the Agency's Share, defined below, reaches \$2,264,812 (the "Contribution Cap"). The period during which payments are made to the Agency under this section is referred to herein as the "Tax Increment Payment Period."

(b) This Agreement does not include a contribution of sales and use tax, and the Agency shall not seek a contribution of sales and use tax from the County with respect to the Project Area.

2. Notice of Intent to Trigger.

(a) When the Agency is ready to commence the Tax Increment Payment Period it shall deliver to the County a notice of intent to trigger in a form substantially similar to **Exhibit B**.

(b) The Agency agrees to deliver the notice described in this section sometime between January 1st and October 31st. If the Agency delivers the notice between November 1st and December 31st, it will be deemed as though delivered during the following calendar year.

(c) The "Trigger Year" will be the tax year immediately following delivery of the notice of intent to trigger.

3. Base Year and Base Taxable Value. For purposes of calculating the annual Tax Increment, the "Base Tax Year" shall be the tax year preceding the Trigger Year. "Base Taxable Value" equals the assessed taxable value of all Property within the Project Area for the Base Tax Year.

4. Annual Mitigation Payment. Notwithstanding Section 1 of this Agreement, the Parties hereby agree that for each tax year during the Tax Increment Payment Period, the Agency shall transfer an amount equal to 25% of the County's Contribution back to the County (the "Annual Mitigation Payment"). The Agency's transfer of the Annual Mitigation Payment to the County each year shall occur no later than three months following the Agency's receipt of County's Contribution from the Salt Lake County Treasurer. The amount equal to the County's Contribution less the Annual Mitigation Payment is hereinafter referred to as the "Agency's Share." However, the Parties agree that if the Annual Mitigation Payment is ever held to be invalid or unenforceable by a court of competent jurisdiction or as a result of legislative or administrative action, or if the County ever provides a written notice to the Agency calling for the elimination of the Annual Mitigation Payment from the Agreement for any other reason, then the Parties agree that, in lieu of the Annual Mitigation Payment and starting with the next tax year for which County Tax Increment has not already been paid to the Agency, the County's Contribution under Section 1 will be reduced by 25%—in addition to any reduction for the County's administration and operations—and that the Salt Lake County Treasurer shall pay the remainder of the County's Tax Increment directly to the County. Furthermore, if a reduction to the County's Contribution is triggered under this section, the Agency agrees that it will not seek repayment of—and will waive any claim to any portion of—the Annual Mitigation Payment that has already been paid to the County.

5. Allowable Uses of Tax Increment. The Project Area budget is attached hereto as **Exhibit C** and is incorporated by reference. The Agency shall use the Agency's Share solely for those expenses and purposes—and in accordance with the corresponding amounts—set forth in the Project Area budget.

(a) Affordable Housing Set Aside. Agency agrees to encumber 20% of its total budget for projects that satisfy Utah Code § 17C-1-412. Such projects shall result in an increase in

affordable housing within the Agency's boundary and may not replace affordable housing already available within the Agency's boundary.

(b) County Administrative Fee. The Parties hereby agree that for each tax year during the Tax Increment Payment Period, the Agency shall transfer an amount equal to 3% of the Agency's Share to the County for use by the County to cover costs associated with evaluating its participation in the Project Area and ongoing administration of this Agreement (the "County Administrative Fee"). The Agency's transfer of the County Administrative Fee to the County each year shall occur no later than three months following the Agency's receipt of the County's Contribution from the Salt Lake County Treasurer. The County reserves the right, in its sole discretion, to reduce or eliminate the County Administrative Fee at any time and for any reason upon written notice to the Agency in which event the County's Contribution Cap shall automatically be reduced by the same amount. Furthermore, if a reduction to the Agency's Share is triggered under this section, the Agency agrees that it will not seek repayment of and will waive any claim to any portion of the County Administrative Fee that has already been paid to the County.

6. (a) Representations. To induce the County to execute and perform this Agreement, the Agency hereby represents to the County as follows:

i. Local Community Contribution. The Agency and Midvale City have entered into an interlocal cooperation agreement wherein Midvale City has agreed to contribute 60% of its Tax Increment to the Agency for the duration of the payment period.

ii. Sufficiency of Tax Increment. To the best of the Agency's knowledge, the net amount of Tax Increment that the Agency expects to receive from the County, is sufficient to carry out and accomplish some of the objectives of the Project Area Plan.

iii. Legal Requirements. To the best of the Agency's knowledge, the Agency is not in violation of any legal requirements pursuant to this Agreement and no violation of legal requirements exist with respect to the establishment of the Project Area.

iv. No Violation of Other Agreements. To the best of the Agency's knowledge, the consummation of the transactions contemplated by this Agreement and the performance of this Agreement will not result in any breach of, or constitute a default under, any agreement or other instrument pertaining to this Project Area.

(b) Effect of Disbursement of County's Contribution to Agency. The Agency agrees that its receipt of the County's Contribution under this Agreement each year during the payment period, constitutes an affirmation that the representations of this section remain true and correct as of the date thereof, unless the County is notified to the contrary prior to the Agency's receipt of County Contribution.

7. Interlocal Cooperation Act. In satisfaction of the requirements of the Interlocal 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 Interlocal Act.

(b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Interlocal Act.

(c) Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action taken pursuant to this Agreement, and for any financing of such costs.

(d) 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 Interlocal Act.

(e) No separate legal entity is created by the terms of this Agreement. The Executive Director of the Agency is hereby designated the administrator for all purposes of the Interlocal Act, pursuant to Section 11-13-207 of the Interlocal Act.

(f) Following the execution of this Agreement by each of the Parties, each Party shall cause a notice regarding this Agreement to be published in accordance with Section 11-13-219 of the Interlocal Act.

(g) No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent a Party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.

(h) The cooperative undertaking set forth in this Agreement shall be administered by the Agency's Executive Director and the County's Director of Economic Development, who may delegate the administration of this Agreement to the extent allowed by law and the rules and regulations of their respective organizations.

8. Notices. All notices, communications, requests, and waivers required under this Agreement must be in writing. All notices shall be given (i) by delivery in person, (ii) by a nationally recognized next day courier service; or (iii) by first class, registered or certified mail, postage prepaid. Notices may also be given by electronic mail, provided that any such communication is concurrently given by one of the methods set forth in the preceding sentence. All notices shall be addressed in each case as follows (or to such other address as either party may specify in writing from time to time):

To Agency: Redevelopment Agency of Midvale City
7505 Holden Street
Midvale, UT 84047
Attn: Manager

With a copy to: Midvale City Attorney
7505 Holden Street
Midvale, UT 84047

To County: Salt Lake County
Office of Regional Development
2001 South State Street, S2-100
PO Box 144575
Salt Lake City, Utah 84114-4575
Attn: Director

With a copy to: Salt Lake County District Attorney

35 East 500 South
Salt Lake City, Utah 84111
Attn: Adam Miller

9. Event of Default. An “Event of Default” is the failure of a Party to comply with any of the material terms, conditions, covenants, or provisions of this Agreement, or any action or activity of the Agency using the County’s Contribution within the Project Area that, materially deviates from the actions or activities contemplated by the Project Area Plan or the Project Area Budget, that is not fully cured by such Party on or before the expiration of a sixty (60) day period (or, if the other Party approves in writing—which approval shall not be unreasonably withheld, conditioned or delayed—such longer period as may be reasonably required to cure a matter which, due to its nature, cannot reasonably be cured within 60 days) commencing upon the non-defaulting Party’s written notice to the defaulting Party of the occurrence thereof. Upon the occurrence of any Event of Default, the non-defaulting Party may, in its sole discretion, pursue all remedies conferred by law or equity or other provisions of this Agreement.

10. Liability. Both Parties are governmental entities under the Governmental Immunity Act of Utah, UTAH CODE §§ 63G-7-101 to -904 (2021) (the “Immunity Act”). Neither Party waives any defenses or limits of liability available under the Immunity Act and other applicable law. Both Parties maintain all privileges, immunities, and other rights granted by the Immunity Act and all other applicable law.

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

12. Entire Agreement. This Agreement and the exhibits attached hereto constitute the entire agreement between the Parties pertaining to the subject matter hereof, and all prior agreements, representations, negotiations, and understandings of the Parties hereto, oral or written, express or implied, are hereby superseded by this Agreement.

13. No Waiver. The failure of either Party at any time to require performance of any provision or to resort to any remedy provided under this Agreement will in no way affect the right of that Party to require performance or to resort to a remedy at any time thereafter. Additionally, the waiver of any breach of this Agreement by either Party will not constitute a waiver as to any future breach.

14. No Obligations to Third Parties. The Parties agree that the Agency’s obligations under this Agreement are solely to the County and that the County’s obligations under this Agreement are solely to the Agency. The Parties do not intend to confer any rights to third parties unless otherwise expressly provided for under this Agreement.

15. Agency. No officer, employee, or agent of the Agency or the County is intended to be an officer, employee, or agent of the other Party. None of the benefits provided by each Party to its employees including, but not limited to, workers’ compensation insurance, health insurance and unemployment insurance, are available to the officers, employees, or agents of the other Party. The Agency and the County will each be solely and entirely responsible for its acts and for the acts of its officers, employees, or agents during the performance of this Agreement.

16. Assignment. No Party may assign its rights, duties, or obligations under this Agreement without obtaining prior written consent from the other Party.

17. Governing Law and Venue. The laws of the State of Utah govern all matters arising out of this Agreement. Venue for any and all legal actions arising hereunder will lie in the District Court in and for the County of Salt Lake, State of Utah.

18. Severability. If any provision of this Agreement is found to be illegal or unenforceable in a judicial proceeding, such provision will be deemed inoperative and severable, and, provided that the fundamental terms and conditions of this Agreement remain legal and enforceable, the remainder of this Agreement shall remain operative and binding on the Parties.

19. Counterparts. This Agreement may be executed in counterparts, and all so executed will constitute one agreement binding on all the Parties, it being understood that all Parties need not sign the same counterpart. Further, executed copies of this Agreement delivered by facsimile or email will be deemed an original signed copy of this Agreement.

20. Further Assurance. Each of the Parties hereto agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

21. Authorization. Each of the Parties hereto represents and warrants to the other that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

This Agreement will become effective when all the Parties have signed it. The date this Agreement is signed by the last party to sign it (as indicated by the date stated under that party's signature) will be deemed the date of this agreement.

[SIGNATURE PAGE TO FOLLOW]

INTERLOCAL AGREEMENT - SIGNATURE PAGE FOR THE COUNTY

SALT LAKE COUNTY

By _____
Mayor Jennifer Wilson or Designee

Dated: _____, 20____

Approved by:

Salt Lake County Office of Regional Development


By _____

Name: _____

Title: _____

Dated: _____, 20____

Approved as to Form and Legality:

By  _____
Deputy District Attorney

Name: Adam Miller

Dated: January 3, 20 22

INTERLOCAL AGREEMENT – SIGNATURE PAGE FOR CITY

THE REDEVELOPMENT AGENCY OF MIDVALE CITY

By Robert U. Hale

Name: Robert U. Hale

Title: Mayor

Dated: 20 Dec 2021, 20

Attest: Shelly Reed
Deputy Recorder

Approved as to Form and Legality:

AGENCY ATTORNEY

By Lisa A. Garner

Name: Lisa A. Garner

Dated: 1/4/2022, 20



EXHIBIT A

Attach Project Area Plan

EXHIBIT B

Notice of Intent to Trigger

[[AGENCY LETTERHEAD]]

[[Date]]

Notice is hereby given to Salt Lake County (the "County") that the Redevelopment Agency of Midvale City (the "Agency") is triggering the County's portion of tax increment generated in the Midvale Main Street CDA Project Area. For purposes of calculating the annual tax increment under the interlocal agreement between the County and the Agency (the "Agreement"), the Base Year shall be 20____, which is the year that this notice is being delivered to the County. The Agency expects the Base Taxable Value of all parcels within the Project Area is \$_____. The Trigger Year shall be 20____, which is the year immediately following the Base Year. The Tax Increment Payment Period shall commence in 20____, which is the year immediately following the Trigger Year.

The Agency further affirms that the documents attached to the Agreement as Exhibits A and C remain true and accurate representations of the Project Area Plan and the Project Budget, respectively, as of the date of this notice.

THE REDEVELOPMENT AGENCY OF MIDVALE CITY

By Robert M. Hale

Name: Robert M. Hale

Title: Mayor

attest: Shelly Reed
Deputy Recorder



EXHIBIT C

Attach Project Area Budget

Use	Budget Amount	Condition
Parking	\$5,100,000	Range of +/- 20%
Relocation, demolition, land acquisition, infrastructure, etc	\$1,000,000	Range of +/- 20%
Capital Projects	\$1,500,000	Range of +/- 20%
Professional Services	\$150,000	Range of +/- 20%
Developer Reimbursements	\$1,500,000	Range of +/- 20%
Public Art	\$1,945,250	Range of +/- 20%
Bingham Junction Reimbursement (may fluctuate)	\$541,667	Amount to date
Housing	\$3,100,000	Maximum
Agency Admin Fee	\$465,000	Maximum
County Admin Fee (3% of County participation cap)	\$65,965	Exact
Total	\$15,367,883	Projected

Salt Lake County contribution calculated as follows:

County increment before admin fee	\$2,198,847
Admin fee (3% of \$2,198,847)	\$65,965
Total County contribution	\$2,264,812