

INTERLOCAL AGREEMENT FOR TAX INCREMENT

THIS INTERLOCAL AGREEMENT is entered into as of the _____ day of _____, 2018, by and between the REDEVELOPMENT AGENCY OF THE CITY OF LOGAN (the “**Agency**”) and the CITY OF LOGAN (the “**City**”). The foregoing are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS:

WHEREAS, the Agency was created and organized pursuant to the provisions of Utah law and currently continues to operate under the provisions of the Community Reinvestment Agency Act, Utah Code Ann. Title 17C Chapters 1 through 5, as amended (the “**Development Act**”), and is authorized and empowered thereunder to undertake various activities and actions pursuant to the Development Act; and

WHEREAS, pursuant to the Development Act, the Agency on October 2, 2018 and the City of Logan on October 16, 2018, have established the South Main River Community Reinvestment Project Area (the “**Project Area**”) through adoption of the South Main River Community Reinvestment Project Area Plan, dated August 31, 2018 (the “**Plan**”) which is incorporated herein by this reference, and

WHEREAS, pursuant to interlocal agreements with taxing entities the Development Act authorizes funding of community development project areas and plans, such as the Project Area and related Plan, with property tax increment and sales tax proceeds; and

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

WHEREAS, Utah Code Ann. §17C-5-204 of the Development Act authorizes a taxing entity to “consent to the Agency receiving the taxing entity’s tax increment or sales tax revenues, or both, for the purpose of providing funds to carry out a proposed or adopted community reinvestment project area plan”; and

WHEREAS, Utah Code Ann. §11-13-215, Utah Code Annotated also authorizes a taxing entity to share its tax and other revenues with other governmental agencies; and

WHEREAS, this Agreement is entered into by the Parties pursuant to the authority of applicable State law, including the Development Act, and the Interlocal Cooperation Act, Title 11, Chapter 13, UCA, as amended.

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

1. Base Taxable Value; Payment of Tax Increment to Agency by City of Logan. The Parties agree that for purposes of calculation of the City's share of tax increment from the Project Area to be paid by the City to the Agency pursuant to this Agreement, the base taxable value shall be the 2018 assessed taxable value of all real and personal property within the Project Area; and the Parties hereby agree that for purposes of this Agreement and related tax increment calculations the base taxable value of the Project Area is and shall be \$_____.

For the fifteen (15) year period described in Section 2 below, the property tax revenues from the City's levy that are attributable to the base taxable value shall continue to be paid by Cache County to the City. A portion of the tax increment, as defined in Section 17C-1-102(60) of the Development Act (the "Tax Increment") attributable to the City's tax levy on both real and personal property within the Project Area, shall be paid by Cache County to the Agency for the fifteen (15) year period provided and set forth in Section 2 below.

2. City's Consent and Related Provisions. The City, pursuant to Section 17C-5-204 of the Development Act and Sections 11-13-202.5 and 11-13-215 of the Cooperation Act, hereby agrees and consents that for fifteen (15) tax years the Agency shall receive and be paid 70% of the Tax Increment attributable to the City's tax levy on both real and personal property within the Project Area, for the purpose of providing funds to the Agency to carry out the Plan; with said fifteen (15) year period to commence with any tax year from 2020 to 2021 at the Agency's election and determination as evidenced by a written notice to the City and to the Cache County Auditor. The City further consents that the Agency may use for the Agency's administrative purposes up to 5% of the Tax Increment attributable to the City's tax levy that the Agency receives pursuant to this Agreement. For the fifteen (15) year period described above, the remaining 30% of the Tax Increment attributable to the City's tax levy on both real and personal property within the Project Area, shall be paid by Cache County to the City. All tax increment attributable to the City's tax levy for tax years beyond the fifteen (15) year period described above shall be paid by Cache County to the City. The calculation of the annual Tax Increment to be paid by the City to the Agency shall be made as required by the Development Act using the then current tax levy rate. Cache County shall pay directly to the Agency the Tax Increment in accordance with the Development Act for the fifteen (15) year period described above.

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

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

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

- a. This Agreement shall be authorized by a resolution of the legislative body of each Party pursuant to an 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 in behalf of each Party pursuant to and in accordance with the Section 11-13-202.5 of the Cooperation Act;
- c. A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;
- d. After approval as required by law and full execution of this Agreement by the Parties, the term of this Agreement shall commence on the effective date as provided in paragraph 14 below, and continue through the date that is 180 days after the last payment of Tax Increment to the Agency pursuant to the terms and provisions of this Agreement. After satisfaction of all obligations of the Agency to pay to others the funds to be received by the Agency under this Agreement, this Agreement may be terminated before the end of the above-stated term by the mutual written agreement of the Parties.
- e. There will be no jointly held or jointly owned property and each Party will be responsible for acquiring, holding and disposing of its own property. The Parties do not anticipate the need to dispose of property upon early termination of this Agreement or otherwise, and therefore no further provision regarding the disposition of property is included in this Agreement.
- f. The Agency will solely be responsible for budgeting all required funding for the Plan and the City will solely be responsible for budgeting for its activities.

6. Publication of Notice. Immediately after execution of this Agreement by the Parties, each of the Parties shall cause to be published a notice regarding their authorization of this Agreement, as provided and allowed pursuant to Utah Code Ann. §17C-5-205(2) and §11-13-219(3). The City agrees that the Agency may cause such publication of notice to be made on the City's behalf and at the Agency's expense, in a joint publication.

7. Modification. A modification of, or amendment to, any provision contained in this Agreement shall be effective only if the modification or amendment is in writing and signed by the Parties after proper approval of the modification or amendment as may be required by law.

8. Further Documents and Acts. Each of the Parties hereto agrees to cooperate in good faith with the other 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 intent and transactions contemplated under this Agreement.

9. Entire Agreement. 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 proper agreements,

representations, negotiations and understandings of the Parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

10. 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.

11. Assignment. No Party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from all Parties.

12. Incorporation of Recitals. The recitals set forth above are hereby incorporated by reference as part of this Agreement.

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

14. Effective Date. This Agreement shall become effective upon the publication of the summary of this Agreement as provided by law (See Utah Code Ann. §17C-5-205(2) and §11-13-219(3)).

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

CITY OF LOGAN

By: _____
Thomas C. Jensen, Chairperson

ATTEST:

By: _____
Teresa Harris, City Recorder

Attorney review for the City of Logan: The undersigned, as counsel for the Redevelopment Agency of Logan City, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law and certifies that the Agency and the Taxing Entity, signed hereto, each followed all legal requirements relating to the adoption of this Interlocal Agreement.

Kymber Housley, City Attorney

REDEVELOPMENT AGENCY OF THE CITY OF
LOGAN

By: _____
Holly H. Daines, Chief Administrative Officer

By: _____
Jeannie F. Simmonds, Vice-Chairperson

Attorney review for the Agency: The undersigned, as counsel for City, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law and certifies that the Agency and the Taxing Entity, signed hereto, each followed all legal requirements relating to the adoption of this Interlocal Agreement.

Craig Carlston, Counsel for the Agency