

HEBER CITY COMMUNITY REINVESTMENT AGENCY

RESOLUTION NO. 2021-08

A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH HEBER CITY FOR THE HEBER CITY DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Heber City Community Reinvestment Agency (the “**Agency**”) and Heber City, (the “**Taxing Entity**”) are “public agencies” for purposes of the Act; and

WHEREAS the Agency has adopted a Project Area Plan (the “**Plan**”) for the Heber City Downtown Community Reinvestment Project Area (the “**Project Area**”); and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an interlocal agreement with the Taxing Entity (the “**Interlocal Agreement**”) whereby the Taxing Entity consents to the Agency receiving for an extended period of time a portion of the tax increment produced by the Taxing Entity’s levy on real and personal property within the Project Area; and

WHEREAS Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE HEBER CITY COMMUNITY REINVESTMENT AGENCY AS FOLLOWS:

1. The Interlocal Agreement with the Taxing Entity, substantially in the form attached hereto as **Exhibit A**, is approved and shall be executed by the Agency.

2. The Chair shall make such additions, changes, and emendations as the Chair deems necessary prior to the execution of the Interlocal Agreement, so long as such changes do not materially alter the terms of the Interlocal Agreement.

3. Pursuant to Section 11-13-202.5 of the Act, the Interlocal Agreement has been submitted, or will be submitted prior to execution, to legal counsel of the Agency for review and approval as to form and legality.

4. Pursuant to Section 11-13-209 of the Act and upon full execution of the Interlocal Agreement, a copy thereof shall be filed immediately with the keeper of records of the Agency.

5. The Interlocal Agreement shall be effective on the date of the notice required by Utah Code § 17C-5-205.

6. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED on the 6th day of July, 2021.

	AYE	NAY	ABSENT	ABSTAIN
Heidi Franco	<u>X</u>	_____	_____	_____
Wayne Hardman	<u>X</u>	_____	_____	_____
Mike Johnston	<u>X</u>	_____	_____	_____
Rachel Kahler	<u>X</u>	_____	_____	_____
Ryan Stack	_____	_____	<u>X</u>	_____



**HEBER CITY COMMUNITY
REINVESTMENT AGENCY**

Kelleen Potter
Kelleen Potter, Chair

ATTEST:

Trina Cooke
Trina Cooke, City Recorder

EXHIBIT A

HEBER CITY INTERLOCAL AGREEMENT

**INTERLOCAL AGREEMENT by and between the HEBER CITY
COMMUNITY REINVESTMENT AGENCY and
HEBER CITY for the HEBER CITY DOWNTOWN COMMUNITY
REINVESTMENT PROJECT AREA**

THIS INTERLOCAL AGREEMENT is entered into as of the 20th day of July 2021, by and between the **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a political subdivision of the State of Utah (the “**Agency**”), and **HEBER CITY**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity shall be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of, and continues to operate under, the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct urban renewal, economic development, community development, and community reinvestment activities within Heber City, Utah, as contemplated by the Act; and

B. WHEREAS the Agency created the Heber City Downtown Community Reinvestment Project Area (the “**Project Area**”) and adopted a community reinvestment project area plan for the Project Area (the “**Project Area Plan**”) on July 6, 2021, which is incorporated herein by this reference, which includes the legal description and a map of the Project Area, pursuant to which the Agency desires to encourage, promote and provide for desirable development within the Project Area; and

C. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) in connection with the development of the Project Area as set forth in the Project Area Plan; and

D. WHEREAS the Agency anticipates providing a portion of the tax increment (as defined in Utah Code Annotated (“**UCA**”) § 17C-1-102(61) (hereinafter “**Tax Increment**”)), created by development within the Project Area to encourage desirable development within the Project Area; and

E. WHEREAS UCA § 17C-5-204(3) authorizes the Taxing Entity to consent to the payment to the Agency of all or a portion of the Taxing Entity’s share of Tax Increment generated from the Project Area for the purposes set forth therein; and

F. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

G. WHEREAS in order to facilitate development of the Project Area, the Taxing Entity desires to pay to the Agency a portion of the Taxing Entity's share of Tax Increment generated by development within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the "**Cooperation Act**").

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

1. Taxing Entity's Consent.

a. Pursuant to Section 17C-5-204(4) of the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid eighty percent (80%) of the Taxing Entity's share of the Tax Increment from the Project Area (the "**Taxing Entity's Share**") for up to twenty (20) consecutive years. The Agency may begin collecting increment, or "trigger" the collection of Tax Increment, upon written notice to the Taxing Entity and to Wasatch County. Regardless of the date for which the Agency begins collecting Tax Increment under this Agreement, the Agency shall not collect Tax Increment for any period beyond December 31, 2041. The date that the Agency begins collecting Tax Increment under this Agreement shall be on January 1 of the particular year. For the sake of illustration only, this subsection requires that the Agency begin collecting Tax Increment no later than January 1, 2022 in order to receive the full 20 years of Tax Increment contemplated by this Agreement.

b. The Taxing Entity's Share shall be used for the purposes set forth in the Act as reflected herein and in the Project Area Documents and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (a) the Taxing Entity's tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Tax Increment shall be the value of all taxable property within the Project Area as of January 1, 2021, which taxable value is subject to adjustment as required by law.

c. All centrally-assessed property existing within the Project Area as of the date of this Agreement, if any, shall be excluded from the calculation of Tax Increment under this Agreement. However, any new centrally assessed property constructed within the Project Area in connection with the Project shall be considered as new incremental value for purposes of calculating Tax Increment pursuant to this Agreement. The County is hereby authorized to make such

calculations and estimates as may be reasonably necessary to accomplish such treatment as described in this subsection.

d. The Taxing Entity hereby authorizes and directs Wasatch County to pay directly to the Agency the Taxing Entity's Share in accordance with UCA § 17C-5-206 for the period described herein.

e. Of the amounts received by the Agency, the Agency may retain ten percent (10%) of the total Taxing Entity's Share each year to be used as described in UCA § 17C-5-307(3).

2. **Authorized Uses of Tax Increment.** The Parties agree that the Agency may apply the Taxing Entity's Share to the payment of any of the components of the development within the Project Area and related purposes, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **Return of Tax Increment to the Taxing Entity.** If the Agency, in its sole discretion, is unable to utilize the full amount of the Taxing Entity's Share for the uses authorized in Section 2, above, then the Agency shall return to the Taxing Entity that portion of that Taxing Entity's Share that the Agency is unable to utilize.

4. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency for the Project Area.

5. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

6. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

7. **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 in behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

c. A copy of this executed 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.

e. The term of this Agreement shall commence on the publication of the notice required by Section 17C-5-205 of the Act and shall continue through the date on which all of each Taxing Entity's Share has been paid to and disbursed by the Agency as provided herein.

f. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all parties in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act.

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

7. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, 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. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

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

9. **Interpretation.** The terms "include," "includes," "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

10. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if

the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

- a. such holding or action shall be strictly construed;
- b. such provision shall be fully severable;
- c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;
- d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and
- e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

11. **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.

12. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

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

14. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement

15. **Incorporation of Exhibits.** Any exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

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

[Remainder of page intentionally left blank; signature pages to follow]

EXECUTION VERSION

Agency:

**HEBER CITY COMMUNITY
REINVESTMENT AGENCY**

By: 
Kelleen Potter, Chair

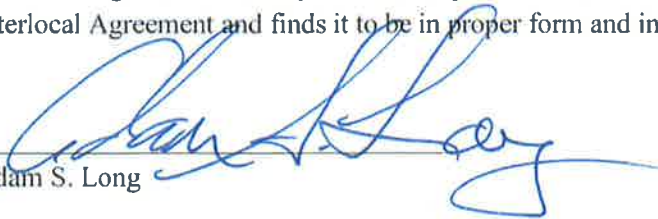
Attest:


Trina Cooke, Secretary



Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.


Adam S. Long

[Signatures continue]

EXECUTION VERSION

[ADDITIONAL SIGNATURES TO INTERLOCAL AGREEMENT]



Taxing Entity:

HEBER CITY

By: Kelleen Potter
Kelleen Potter, Mayor

Attest:

Trina Cooke
Trina Cooke, City Recorder