
M E M O R A N D U M

DATE: June 17, 2005
TO: City Council Members
FROM: Russell Weeks
RE: Interlocal Agreement: Funding for Planned Salt Palace Expansion
CC: Cindy Gust-Jenson, Rocky Fluhart, David Oka, Gary Mumford, Valda Tarbet, Steve Fawcett, Jennifer Bruno, Sylvia Jones

This memorandum pertains to a proposed resolution authorizing Mayor Ross Anderson to sign an interlocal agreement between Salt Lake City and the Salt Lake City Redevelopment Agency. The agreement would enable the City to lend the Redevelopment Agency \$1.6 million as part of a financial package to help expand the Salt Palace Convention Center.

OPTIONS

- Adopt the resolution.
- Do not adopt the resolution.

MOTIONS

- I move that the City Council adopt the resolution authorizing the approval of an interlocal agreement regarding financing for the expansion of the Salt Palace Convention Center between Salt Lake City and the Redevelopment Agency of Salt Lake City.
- I move that the City Council consider the next item on the agenda.

KEY POINTS/BACKGROUND

- The City Council, acting as the Redevelopment Agency Board of Directors, unanimously adopted Resolution 601.05 on June 16. The resolution approved the same terms of the interlocal agreement now before the City Council.
- As in previous Council discussion, the source of the \$1.6 million loan to the Redevelopment Agency will be accumulated funds in Salt Lake City's Debt Service Fund. Under a 1999 interlocal agreement involving construction of the Steiner Ice Sheet on Guardsman's Way, Salt Lake County agreed to pay \$300,000 a year for 10 years to Salt Lake City. To date, \$1.8 million is available in the fund to pay for debt scheduled to be retired in the year 2015. The interlocal agreement now before the City Council would require the Redevelopment Agency to repay Salt Lake City by Fiscal Year 2008-2009.
- The other \$6.4 million the City has pledged to help expand the Salt Palace is scheduled to come from savings from refinancing a portion of Salt Lake City Municipal Building Authority bonds.

JUN 17 2005

RESOLUTION NO. _____ OF 2005

RESOLUTION AUTHORIZING THE APPROVAL OF AN INTERLOCAL
AGREEMENT REGARDING FINANCING FOR THE EXPANSION
OF THE SALT PALACE CONVENTION CENTER BETWEEN
SALT LAKE CITY CORPORATION AND
THE SALT LAKE CITY REDEVELOPMENT AGENCY

WHEREAS, Title 11, Chapter 13, of the Utah Code Annotated allows public entities to enter into cooperative agreements to provide joint undertakings and services; and

WHEREAS, the attached interlocal agreement has been prepared to accomplish said purposes with respect to financing the expansion of the Salt Palace Convention Center;

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

1. The City Council does hereby approve the execution and delivery of the attached Interlocal Agreement Regarding financing for the Expansion of the Salt Palace Convention Center.
2. The agreement shall be effective on the date that it is signed by all parties thereto.
3. Ross C. Anderson, Mayor of Salt Lake City, Utah, or his designee, is hereby authorized to approve said agreement on behalf of Salt Lake City Corporation, subject to such minor changes which do not materially effect the rights and obligations of the City thereunder and as shall be approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

Passed by the City Council of Salt Lake City, Utah, this _____ day of June,
2005.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST AND COUNTERSIGN:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM:



SALT LAKE CITY ATTORNEY'S OFFICE

**INTERLOCAL AGREEMENT BETWEEN
SALT LAKE CITY CORPORATION AND
THE REDEVELOPMENT AGENCY OF SALT LAKE CITY
REGARDING FINANCING FOR THE
EXPANSION OF THE SALT PALACE CONVENTION CENTER**

This Interlocal Agreement is executed between Salt Lake City Corporation, a municipal corporation and political subdivision of the State of Utah (the "City") and the Redevelopment Agency of Salt Lake City, a body corporate and politic of the State of Utah (the "RDA") this day of June, 2005.

RECITALS

WHEREAS, pursuant to the Interlocal Cooperative Act, Chapter 13, Title 11 Utah Code Annotated, 1953, as amended, the parties are authorized to enter into cooperative agreements as contemplated herein; and

WHEREAS, the Salt Palace Convention Center ("Salt Palace") is an important facility for tourism and economic development within Salt Lake City.

WHEREAS, the City and the RDA are beneficiaries of the direct and collateral benefits of the Salt Palace, including from the tax receipts generated from its operation and use and other major revenue benefits; and

WHEREAS, the citizens of the State of Utah and County of Salt Lake which includes Salt Lake City would benefit from the increased economic benefits of a renovated Salt Place that will accommodate the needs of large conventions, such as the Outdoor Retailers Convention; and

WHEREAS, in April 2005, the Utah State Legislature appropriated \$4,000,000 to help finance a portion of the costs associated with the expansion of the Salt Palace contingent upon a contribution from the City of \$8,000,000 for the project; and

WHEREAS, in April 2005, the City executed an Interlocal Agreement with Salt Lake County (the "City/County Interlocal Agreement") in which the City agreed to pay \$8,000,000 to Salt Lake County for a portion of the costs for the expansion of the Salt Palace and

WHEREAS, the RDA was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act, and

WHEREAS, the RDA adopted a redevelopment plan effective February 11, 1971 entitled "CBD Neighborhood Development Plan"; and

WHEREAS, the RDA amended the CBD Neighborhood Development Plan on May 1, 1982; and

WHEREAS, the Salt Palace is located within the CBD Neighborhood Development Plan; and

WHEREAS, the RDA desires to participate in the financing of a portion of the costs for the expansion of the Salt Palace, but does not currently have the funds to do so.

NOW THEREFORE, based upon discussions between the City and the RDA, the parties have reached the following agreement as to the financing for City's portion of the Salt Palace renovation and expansion.

AGREEMENT

1. The City agrees to loan to the RDA the sum of One Million Six-Hundred Thousand Dollars (\$1,600,000.00) (the "Loan") on or before July 1, 2005, based upon the terms and conditions set forth herein.

2. The RDA agrees to execute a promissory note in favor of the City substantially in the form set forth on Exhibit A attached hereto, pursuant to which the RDA agrees to repay the Loan with interest as provided therein, on or before June 30, 2009.

3. On or before July 1, 2005, and subject to receipt of the proceeds of the Loan, the RDA agrees that it will pay to Salt Lake County \$1,600,000 for the Salt Palace expansion on behalf of the City. The RDA shall obtain a receipt from Salt Lake County acknowledging that it has accepted such sum as payment on behalf of the City pursuant to the City/County Interlocal Agreement.

4. Both parties agree to take such further action and to execute such documents as may be necessary to effectuate the terms of this agreement.

5. Any notice, demand, request, consent, submission, approval, designation or other communication which either party is required or desires to give under this Agreement shall be made in writing and mailed to the other party at the addresses set forth below or at such other addresses as the parties may provide in writing from time to time. Such notices shall be faxed and mailed, by first-class mail, postage prepaid, as follows:

If to City, at: Salt Lake City Mayor
City & County Building
451 South State Street, Room 306
Salt Lake City, Utah 84111

If to RDA, at: Chair, Redevelopment Agency of Salt Lake City
City & County Building
451 South State Street, Room 418
Salt Lake City, Utah 84111

6. No covenant or condition of this Agreement may be waived by either party, unless done so in writing by such party. Forbearance or indulgence by a party in any

regard whatsoever shall not constitute a waiver of other covenants or conditions to be performed by the other party and shall not be deemed to be a waiver of any rights such party may have with respect to this Agreement.

7. This Agreement shall be governed by the laws of the State of Utah, both as to interpretation and performance. It shall be enforced only in the State district courts located in Salt Lake City, Utah.

8. There are no intended third-party beneficiaries to this Agreement. It is expressly understood that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the parties, and nothing contained in this Agreement shall give or allow any claim or right of action by any third person under this Agreement. It is the express intention of the parties that any person other than the party who received benefits under this Agreement shall be deemed an incidental beneficiary only. This Agreement may not be assigned.

9. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and no statements, promises, or inducements made by either party or agents of either party that are not contained in this Agreement shall be binding or valid, and this Agreement may not be enlarged, modified or altered except through a written instrument which is signed by both parties. To the extent of any conflict between the provisions of this Agreement and the provisions of any later agreements, the later agreements shall be controlling.

10. Interlocal Cooperation Act Requirements:

a. This Agreement shall be authorized by resolution of the governing body of each party pursuant to Section 11-13-202.5 of the Interlocal Cooperation Act, Utah Code Title 11, Chapter 13, as amended (the "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 Section 11-13-202.5 of the Act;

c. A duly executed original counterpart of this Agreement shall be filed with keeper of records of each party, pursuant to Section 11-13-209 of the Act;

d. Except as otherwise specifically provided herein, each party shall be responsible for its own costs of any action done pursuant to this Agreement, and for any financing of such costs; and

e. No separate legal entity is created by the terms of this Agreement. To the extent that this Agreement requires administration other than as set forth herein, it shall be administered by the mayor of the City and the Chair of the RDA. No real or personal property shall be acquired jointly by the parties as a result of this Agreement. To the extent that 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.

11. REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND EMPLOYEES. The City and the RDA each represents that it has not (1) provided an illegal gift or payoff to a City or RDA officer or employee or former City or RDA officer or employee, or his or her relative or business entity, respectively; (2) retained any person to solicit or secure this contract upon an agreement or understand for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of

interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City or RDA officer or employee or former City or RDA officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the parties hereto have executed the foregoing instrument as of the day and year first above written.

SALT LAKE CITY CORPORATION

By: Ross C. Anderson Salt Lake City
Mayor

ATTEST:

Deputy City Recorder

REDEVELOPMENT AGENCY
OF SALT LAKE CITY

By: Ross C. Anderson, Chief
Administrative Officer

By: David J. Oka, Executive Director

Approved as to form and compliance with applicable law:


Salt Lake City Attorney's Office

Approved as to form and compliance with applicable law:

Redevelopment Agency of Salt Lake City Attorney

STATE OF UTAH

COUNTY OF SALT)ss
LAKE)

The foregoing instrument was acknowledged before me this _____ day of ,
2005, by Ross C. Anderson, the Mayor of Salt Lake City Corporation.

NOTARY PUBLIC,
residing in Salt Lake County, Utah

My Commission Expires:

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005, by _____, the Deputy City Recorder of Salt Lake City Corporation.

NOTARY PUBLIC,
residing in Salt Lake County, Utah

My Commission Expires:

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005, by Ross C. Anderson, the Chief Administrative Officer of the Redevelopment Agency of Salt Lake City.

NOTARY PUBLIC,
residing in Salt Lake County, Utah

My Commission Expires:

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005, by David J. Oka, the Executive Director of the Redevelopment Agency of Salt Lake City.

NOTARY PUBLIC,
residing in Salt Lake County, Utah

My Commission Expires:

\$1,600,000

PROMISSORY NOTE

Salt Lake City, Utah
June __, 2005

For value received, the Redevelopment Agency of Salt Lake City ("RDA") promises to pay to Salt Lake City Corporation (the "City") the principal sum of ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000.00) with interest from the date set forth above at a rate equal to the average interest rate earned on the City's pooled investments, per annum on the unpaid balance, compounded annually, until this note is paid in full. All principal and interest shall be due and payable to the City on or before June 30, 2009 and no payments shall be due before such date; provided, however the RDA may prepay this note at any time.

REDEVELOPMENT AGENCY OF SALT LAKE CITY

