

---

# M E M O R A N D U M

---

**DATE:** December 11, 2007  
**TO:** City Council Members  
**FROM:** Jennifer Bruno, Policy Analyst  
**RE:** RDA/City Interlocal to participate in payment of debt service for Sales Tax Bonds for the Westside Railroad Realignment Project (Grant Tower)

---

Attached is a resolution authorizing the Mayor to sign the Interlocal Cooperative Agreement with the Redevelopment Agency of Salt Lake City, to participate in the payment of the debt service on the Sales Tax Bond issuance for the Grant Tower Railroad Realignment Project (Grant Tower).

In 2007, a total of \$8.5 million in bonds were issued for the purpose of financing certain infrastructure improvements relating to the Westside Railroad Realignment Project (Grant Tower), and the extension of light rail to the intermodal hub within the City (TRAX Extension Project). When the City Council approved the funding mechanism for these projects, the City Council and Administration agreed that the RDA would pay the debt service on \$3.1 million of the project improvements (relating to improvements within the Depot Redevelopment District). The attached interlocal is the final step in formalizing this understanding.

As negotiations have continued between the City Treasurer and the Redevelopment Agency, questions have arisen about which agency should bear the cost of issuance for the Redevelopment Agency's portion of the bonds. The total cost of issuance for the \$3.1 million portion of the bonds is \$87,697.66 over the period of fifteen years. See the attached "Schedule A" for a breakdown of debt service and issuance cost payments over the life of the bond, under the two different scenarios.

It should be noted that the interlocal agreement that the Council chooses to pass will need to be considered and approved by the Redevelopment Agency Board of Directors at a later meeting.

## OPTIONS

1. The Council can choose the interlocal which would **include** the bond issuance cost in the RDA's debt payment obligation (total RDA obligation over 15 years would total \$4.21 million).  
*Motion:* ["**I move that the Council**"] Adopt a resolution authorizing the Mayor to sign the interlocal agreement between the City and the Redevelopment Agency for participation of payment of debt service on Sales Tax Series 2007 A bonds, titled **OPTION 1**.
2. The Council can choose the interlocal which would **exclude** the bond issuance cost in the RDA's debt payment obligation (total RDA obligation over 15 years would total \$4.13 million). *It should be noted that if the Council chooses this option, the general fund will be responsible for this portion of the debt service - totaling \$87,697.66 over the 15 year period.*  
*Motion:* ["**I move that the Council**"] Adopt a resolution authorizing the Mayor to sign the interlocal agreement between the City and the Redevelopment Agency for participation of payment of debt service on Sales Tax Series 2007 A bonds, titled **OPTION 2**.

**SCHEDULE A**

**Redevelopment Agency Payment Obligation  
Westside Railroad Re-alignment Project  
(Grant Tower)  
Impact of Cost of Issuance on Debt Service**

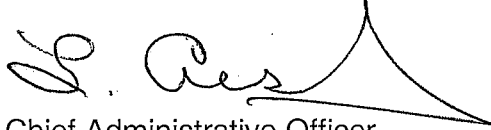
<u>Date</u>	<u>Including Cost of Issuance</u>	<u>Excluding Cost of Issuance</u>	<u>Impact</u>
10/1/2007	\$219,041.59	\$213,442.81	\$5,598.78
4/1/2008	61,116.88	59,876.25	1,240.63
10/1/2008	221,116.88	219,876.25	1,240.63
4/1/2009	58,156.88	56,916.25	1,240.63
10/1/2009	228,156.88	221,916.25	6,240.63
4/1/2010	54,926.88	53,781.25	1,145.63
10/1/2010	229,926.88	223,781.25	6,145.63
4/1/2011	51,426.88	50,381.25	1,045.63
10/1/2011	231,426.88	230,381.25	1,045.63
4/1/2012	47,826.88	46,781.25	1,045.63
10/1/2012	237,826.88	231,781.25	6,045.63
4/1/2013	44,026.88	43,081.25	945.63
10/1/2013	239,026.88	238,081.25	945.63
4/1/2014	40,126.88	39,181.25	945.63
10/1/2014	245,126.88	239,181.25	5,945.63
4/1/2015	36,026.88	35,181.25	845.63
10/1/2015	251,026.88	245,181.25	5,845.63
4/1/2016	31,726.88	30,981.25	745.63
10/1/2016	256,726.88	250,981.25	5,745.63
4/1/2017	27,226.88	26,581.25	645.63
10/1/2017	257,226.88	251,581.25	5,645.63
4/1/2018	22,396.88	21,856.25	540.63
10/1/2018	262,396.88	251,856.25	10,540.63
4/1/2019	17,296.88	16,968.75	328.13
10/1/2019	267,296.88	261,968.75	5,328.13
4/1/2020	11,984.38	11,762.50	221.88
10/1/2020	276,984.38	271,762.50	5,221.88
4/1/2021	6,187.50	6,075.00	112.50
10/1/2021	281,187.50	276,075.00	5,112.50
	<u>\$4,214,950.47</u>	<u>\$4,127,252.81</u>	<u>\$87,697.66</u>

DANIEL A. MULE'  
CITY TREASURER

**SALT LAKE CITY CORPORATION**  
DEPARTMENT OF MANAGEMENT SERVICES  
TREASURER

ROSS C. "ROCKY" ANDERSON  
MAYOR

**COUNCIL TRANSMITTAL**



**TO:** Lyn Creswell, Chief Administrative Officer

**DATE:** December 4, 2007

**FROM:** Daniel A. Mulé, City Treasurer



**SUBJECT:** Interlocal Agreement between the City and the Redevelopment Agency (RDA) to Participate in the Payment of Debt Service for the Sales Tax Series 2007A Bonds (Westside Railroad Realignment Project – Grant Tower)

**STAFF CONTACT:** Daniel A. Mulé, City Treasurer

**TELEPHONE NUMBER:** 535-6411

**RECOMMENDATION:** That the City Council adopt the Resolution authorizing the execution of an interlocal agreement in connection with the issuance of the above-referenced bond issue.

**DOCUMENT TYPE:** Resolution

**BUDGET IMPACT:** If the City Council/RDA Board selects Option 1, the option that includes costs of issuance in the RDA's debt payment obligation for the Grant Tower Project, there will be no budgetary impact to the General Fund. However, if the City Council/RDA Board selects Option 2, the option that does not include costs of issuance in the RDA's debt payment obligation for the Grant Tower Project, the budgetary impact to the General Fund will total \$87,697.66 over a period of fifteen years. See Schedule A attached to this Transmittal.

**DISCUSSION:** The Sales Tax Series 2007A Bonds were issued for the purpose of financing certain infrastructure improvements, including but not limited to utility relocations and street improvements necessary for the realignment of certain railroad tracks (Grant Tower Project), and the extension of light rail within the City (TRAX Extension Project). When the City Council gave its approval to move forward with the Grant Tower Project and related bonding, it was agreed that the RDA would pay the debt service on \$3.1 million of project improvements within the Depot District. The attached Interlocal Agreement was created for this purpose, and Exhibit A of this Agreement shows the RDA's debt payment

H:\Treas\DansDocs\Council Cover Letters\Interlocal with RDA for SalesTax 2007.doc

obligation. However, it was unclear if the Council intended to have the RDA pay the issuance costs (costs to issue the bonds) associated with the \$3.1 million, or have the General Fund absorb that portion of the issuance costs. Schedule A shows the impact of issuance costs.

Consequently, the Council will need to choose between Option 1 and Option 2 of the attached Interlocal Agreement. In Exhibit A of Option 1, issuance costs are included in the RDA's debt payment obligation. In Exhibit A of Option 2, issuance costs are excluded from the RDA's debt payment obligation.

It should be noted that any future refunding of these bonds that alters the debt service schedule or any other terms of the RDA's current repayment obligation will first require approval by the RDA Board/City Council.

#### Attachments

cc: Boyd Ferguson  
Steve Fawcett  
Gordon Hoskins  
Randy Hillier  
Marina Scott  
Valda Tarbet  
Rusty Vetter

RESOLUTION NO. \_\_\_\_\_ OF 2007  
AUTHORIZING THE APPROVAL OF AN  
INTERLOCAL COOPERATION AGREEMENT  
BETWEEN SALT LAKE CITY CORPORATION AND  
THE REDEVELOPMENT AGENCY OF SALT LAKE CITY

WHEREAS, Title 11, Chapter 13, Utah Code Ann., 1953, allows public entities to enter into cooperative agreements to provide joint undertakings and services; and

WHEREAS, the attached agreement has been prepared to accomplish said purposes;

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

1. It does hereby approve the execution and delivery of the following:

AN INTERLOCAL AGREEMENT BETWEEN SALT LAKE CITY CORPORATION AND THE REDEVELOPMENT AGENCY OF SALT LAKE CITY FOR PARTICIPATING IN THE PAYMENT OF DEBT SERVICE ON 2007A BONDS ISSUED BY THE CITY FOR THE CONSTRUCTION OF THE WESTSIDE RAILROAD REALIGNMENT PROJECT (GRANT TOWER)

2. The effective date of the agreement shall be the date it is signed by all parties to the agreement.

3. Ross C. "Rocky" Anderson, or his successor as Mayor of Salt Lake City, Utah, or the Mayor's designee, is hereby authorized to approve said agreement on behalf of Salt Lake City Corporation, subject to such minor changes which do not materially affect 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 \_\_\_\_\_, 2007.

SALT LAKE CITY COUNCIL

By: \_\_\_\_\_  
CHAIRPERSON

ATTEST AND COUNTERSIGN:

\_\_\_\_\_  
CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM:

  
\_\_\_\_\_  
SENIOR SALT LAKE CITY ATTORNEY

HB\_ATTYY-#2640-v1-Interlocal\_resolution\_with\_RDA\_re\_Grant\_Tower.DOC

**SCHEDULE A**

**Redevelopment Agency Payment Obligation  
Westside Railroad Re-alignment Project  
(Grant Tower)  
Impact of Cost of Issuance on Debt Service**

<u>Date</u>	<u>Including Cost of Issuance</u>	<u>Excluding Cost of Issuance</u>	<u>Impact</u>
10/1/2007	\$219,041.59	\$213,442.81	\$5,598.78
4/1/2008	61,116.88	59,876.25	1,240.63
10/1/2008	221,116.88	219,876.25	1,240.63
4/1/2009	58,156.88	56,916.25	1,240.63
10/1/2009	228,156.88	221,916.25	6,240.63
4/1/2010	54,926.88	53,781.25	1,145.63
10/1/2010	229,926.88	223,781.25	6,145.63
4/1/2011	51,426.88	50,381.25	1,045.63
10/1/2011	231,426.88	230,381.25	1,045.63
4/1/2012	47,826.88	46,781.25	1,045.63
10/1/2012	237,826.88	231,781.25	6,045.63
4/1/2013	44,026.88	43,081.25	945.63
10/1/2013	239,026.88	238,081.25	945.63
4/1/2014	40,126.88	39,181.25	945.63
10/1/2014	245,126.88	239,181.25	5,945.63
4/1/2015	36,026.88	35,181.25	845.63
10/1/2015	251,026.88	245,181.25	5,845.63
4/1/2016	31,726.88	30,981.25	745.63
10/1/2016	256,726.88	250,981.25	5,745.63
4/1/2017	27,226.88	26,581.25	645.63
10/1/2017	257,226.88	251,581.25	5,645.63
4/1/2018	22,396.88	21,856.25	540.63
10/1/2018	262,396.88	251,856.25	10,540.63
4/1/2019	17,296.88	16,968.75	328.13
10/1/2019	267,296.88	261,968.75	5,328.13
4/1/2020	11,984.38	11,762.50	221.88
10/1/2020	276,984.38	271,762.50	5,221.88
4/1/2021	6,187.50	6,075.00	112.50
10/1/2021	281,187.50	276,075.00	5,112.50
	<u>\$4,214,950.47</u>	<u>\$4,127,252.81</u>	<u>\$87,697.66</u>

**[OPTION 1 – INCLUDING COSTS OF ISSUANCE]**

**INTERLOCAL AGREEMENT BETWEEN SALT LAKE CITY CORPORATION  
AND THE REDEVELOPMENT AGENCY OF SALT LAKE CITY  
FOR PARTICIPATING IN THE PAYMENT OF DEBT  
SERVICE ON 2007A BONDS ISSUED BY THE CITY FOR  
THE CONSTRUCTION OF THE WESTSIDE RAILROAD  
REALIGNMENT PROJECT (GRANT TOWER)**

THIS AGREEMENT is made and entered into this \_\_\_ day of January, 2008, by and between SALT LAKE CITY CORPORATION, a Utah 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 "Agency");

**WITNESSETH:**

WHEREAS, pursuant to the act entitled Community Development and Renewal Agencies, Title 17C, Chapter 1, Utah Code Annotated 1953, as amended (the "Redevelopment Act"), the Agency is authorized to use a portion of its tax increment revenues provided for in Section 17C-1-409(1), from its Depot District Project Area (the "Tax Increment Revenues") for urban renewal within such project areas (the "Permitted Improvements"); and

WHEREAS, the Agency and the City are desirous that Permitted Improvements be made within the Agency's Depot District Project Area that are a part of the City's Westside Railroad Realignment Project (Grant Tower) (the "Project"); and

WHEREAS, pursuant to Section 17C-1-409(4) of the Redevelopment Act, the City may pay for the costs of the Project and the Agency may agree to reimburse the City for the costs thereof by making periodic payments over a period of years; and

WHEREAS, on July 10, 2007 the City issued its \$8,590,000 Salt Lake City, Utah Sales Tax Revenue Bonds, Series 2007A (the "Bonds"), a portion of the proceeds of which are being used to finance the construction of the Project; and

WHEREAS, the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and Section 17C-1-207(1) of the Redevelopment Act permit the City and the Agency to cooperate to their mutual advantage, and this Agreement is made pursuant to that authority; and

WHEREAS, the City and the Agency are both beneficiaries of the direct and collateral benefits from the construction of the Project; and

WHEREAS, the Agency is willing to reimburse the City for an amount not to exceed \$3,100,000.00 of project-related expenditures plus bond issuance costs and interest, which is a portion of the debt service payments to be made by the City on the Bonds that have been allocated to improvements within the Depot District Project Area; and

WHEREAS, the Agency will pledge the Tax Increment Revenues for use with respect to the Project pursuant to this Agreement; and



WHEREAS, the City and the Agency have agreed that the Agency's obligation to the City under this Agreement will be junior and subordinate to contractual obligations involving the Gateway Development (with Gateway Associates, Ltd. as the contracting party) and the Homestead Suites Development (with Rio Grande Development LLC as the contracting party) that encumber Depot District Project Area Tax Increment Revenues; and

WHEREAS, under the applicable provisions of the Redevelopment Act, the Agency has incurred debt and from time to time may issue its bonds and incur debt (collectively, the "Agency Debt") payable from the Tax Increment Revenues; and

WHEREAS, all of the Agency Debt will be senior to the Agency's obligations to the City under this Interlocal Agreement; and

WHEREAS, both the Board of Directors of the Agency and the City Council of the City have adopted resolutions approving the execution and delivery of this Agreement and the transaction contemplated thereby;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties mutually agree and covenant as follows:

1. Definitions. Terms defined in the foregoing recitals shall have the same meaning when used herein.

2. Project Description. The Project shall consist of the acquiring and constructing of certain infrastructure improvements, including but not limited to relocation and modification of underground utilities, street improvements, track crossings, grading and draining construction, diversion of City Creek, the seeding of City corridors, and the creation of a railroad quiet zone that extends into the Depot District Project Area.

3. Agency Obligations.

(a) To the extent funds are available from the Depot District Project Area Tax Increment Revenues, and after payment of existing contractual obligations that encumber such Tax Increment Revenues, the Agency shall pay to or upon the order of the City (as reimbursement for amounts paid by the City to pay debt service on the Bonds) the amounts shown on Exhibit A. The Agency shall make each payment in the amount indicated on Exhibit A on or about October 1 and April 1 in the year indicated, all of which constitutes indebtedness on the part of the Agency. The Agency shall be obligated to make payments to the City only to the extent that the City has made the corresponding payment for debt service on the Bonds and in the event that the City fails to make such corresponding payment, the Agency's obligation under this Agreement shall be abated until such time as the City shall have made its payment with respect to the Bonds.

(b) Neither the debt service schedule, nor any of the material terms of the Agency's repayment obligation, shall change without prior approval of the Agency's Board of Directors.

(c) Funds not paid by the Agency in one year shall accrue and be due the following year, if available, and shall bear simple interest, calculated monthly, at the City's pooled investment interest rate from the due date until paid. Payments not made by the

Agency on or before the expiration of the Tax Increment Revenue funding in 2021 shall no longer be an obligation of the Agency, if the funds are legally unavailable for such purposes or payments.

(d) The parties mutually understand that the Agency shall pay the amounts due hereunder to the extent funds are available from the Depot District Project Area Tax Increment Revenues; however, the parties specifically acknowledge and understand that said payments are subordinate to and shall be made after payment of other Agency commitments, including the other Agency Debt related to the Depot District Project Area. Nothing contained herein shall in any way limit the ability of the Agency to issue or incur additional Agency Debt.

4. Term. This Agreement shall commence on the date of final execution by all parties and shall continue through October 31, 2021, unless changed by mutual agreement in writing by all parties. Notwithstanding the foregoing, the Agency shall be obligated to pay to the City all amounts shown on Exhibit A, including amounts, if any, shown as being due before the term of this Agreement commences.

5. Restriction on Use of Agency Funds.

(a) Use of Funds. The net proceeds from the City's issuance of the Bonds associated with the Agency's commitment of Depot District Project Area Tax Increment Revenues, shall be used only for improvements within the Depot District Project Area. If the cost of the improvements within the Depot District Project Area is less than \$3,100,000.00, the City shall make corresponding reductions to the amount to be paid by the Agency on Exhibit A. Within six months after the completion of the Project, but not later than December 31, 2008, the City shall provide to the Agency an accounting for the Project that will determine the Agency's actual portion of the cost of Project improvements. If necessary, the parties shall amend Exhibit A hereto to reflect changes in the cost of Project improvements and debt service on the Bonds.

(b) City Accounting. The City shall maintain an accounting system and accounting records that thoroughly track the receipt of all Agency contributions and the expenditure of money for improvements within the Depot District Project Area.

(c) Records. The City's records pertaining to the cost of the Project shall be made available to the Agency upon reasonable request for review or audit.

6. Indemnification. The parties recognize that each party is covered by the Utah Government Immunity Act (Chapter 30, Title 63, Utah Code Ann.) and nothing herein is intended to modify the provisions of that Act. The City agrees to indemnify and hold the Agency harmless from any and all losses, claims, suits, actions of any nature whatsoever (including all reasonable attorneys' fees and expenses), damages or other remedies (legal or equitable) sought by any person, corporation, partnership or other entity arising or in connection with the Project or the performance by the City of the terms and conditions of this Agreement or other City participation in the Project, including without limitation: (a) any injury to or the death of any person or the damage to any property in any manner growing out of or in connection with the Project; (b) the use of any motorized vehicle or equipment in connection with the Project; or (c) the condition of any sidewalk, street or other public area in connection with the Project.

7. Integrated Contracts. This Agreement, together with the exhibits hereto, contains the entire agreement of the parties and no statements, promises, or inducements made by any party or agents that are not contained in this Agreement shall be binding or valid. This Agreement may not be altered, or amended, except upon agreement of all parties and in writing executed by the parties hereto. Additions, deletions, or changes in the provisions of this Agreement that do not comply with this requirement shall not be binding on any party.

8. Severability.

(a) If any clause, sentence or paragraph of this Agreement, except Paragraph 3, is declared to be invalid by a court of competent jurisdiction, such declaration shall not affect the remaining portions.

(b) In the event that Paragraph 3, or the financial or property contribution of any party, is declared to be invalid, such paragraph or contribution is deemed a material element of this Agreement and the entire Agreement shall be invalid.

(c) No party shall take any action to invalidate this Agreement; provided however, any party may seek a declaratory judgment pertaining to the rights, obligations and responsibilities of the parties.

9. Notices. All notices required under this Agreement shall be sent as follows:

Salt Lake City:	City Mayor 451 South State Street, Room 306 P.O. Box 145474 Salt Lake City, Utah 84114-5474
-----------------	--

with a copy to:	Salt Lake City Attorney 451 South State Street, Room 505 P.O. Box 145478 Salt Lake City, Utah 84114-5478
-----------------	---

Salt Lake City Treasurer 451 South State Street, Room 228 P.O. Box 145462 Salt Lake City, Utah 84114-5462
--

Redevelopment Agency of Salt Lake City:	Executive Director 451 South State Street, Room 418 P.O. Box 145518 Salt Lake City, Utah 84114-5518
--	--

Each party may designate further or different addresses or individuals to which subsequent notices shall be sent.

10. Interlocal Co-operation Act Requirements. In satisfaction of the requirements of the Interlocal Act in connection with this Agreement, the parties agree as follows:

(a) This Agreement shall be approved by the legislative body of each party, pursuant to §11-13-202.5 of the Interlocal Act;

(b) This Agreement shall be reviewed as to form and compliance with applicable law by a duly authorized attorney on behalf of each party, pursuant to §11-13-202.5 of the Interlocal Act;

(c) A duly executed original counterpart of this Agreement shall be filed with the keeper of records of each party, pursuant to §11-13-209 of the Interlocal 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. Pursuant to §11-13-207, 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 Executive Director of the Agency, acting as a joint board. No real or personal property shall be acquired jointly by the parties as a result of this Agreement. Unless otherwise provided for in this Agreement, to the extent that a party acquires, holds, and 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.

IN WITNESS WHEREOF: (A) the City by resolution duly adopted by the City Council has authorized this Agreement to be signed by its Mayor and attested to by its City Recorder and (B) the Redevelopment Agency of Salt Lake City by resolution duly adopted by

its Board has authorized this Agreement to be signed by its Chief Administrative Officer and its Executive Director all as of the day and year first above written.

SALT LAKE CITY CORPORATION

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Recorder

Approved as to form and compliance with applicable law:

\_\_\_\_\_  
Senior City Attorney

REDEVELOPMENT AGENCY OF SALT LAKE CITY

By: \_\_\_\_\_  
Chief Administrative Officer

By: \_\_\_\_\_  
Executive Director

Approved as to form and compliance with applicable law:

\_\_\_\_\_  
Agency Attorney

## EXHIBIT A

### Redevelopment Agency Payment Obligation Westside Railroad Re-alignment Project (Grant Tower) Including Costs of Issuance

<u>Date</u>	<u>Debt Service</u>	<u>RDA Obligation</u>
10/1/2007	\$358,314.03	\$219,041.59
4/1/2008	112,985.63	61,116.88
10/1/2008	357,985.63	221,116.88
4/1/2009	108,453.13	58,156.88
10/1/2009	368,453.13	228,156.88
4/1/2010	103,513.13	54,926.88
10/1/2010	373,513.13	229,926.88
4/1/2011	98,113.13	51,426.88
10/1/2011	378,113.13	231,426.88
4/1/2012	92,513.13	47,826.88
10/1/2012	382,513.13	237,826.88
4/1/2013	86,713.13	44,026.88
10/1/2013	386,713.13	239,026.88
4/1/2014	80,713.13	40,126.88
10/1/2014	395,713.13	245,126.88
4/1/2015	74,413.13	36,026.88
10/1/2015	404,413.13	251,026.88
4/1/2016	67,813.13	31,726.88
10/1/2016	412,813.13	256,726.88
4/1/2017	60,913.13	27,226.88
10/1/2017	415,913.13	257,226.88
4/1/2018	53,458.13	22,396.88
10/1/2018	423,458.13	262,396.88
4/1/2019	45,595.63	17,296.88
10/1/2019	430,595.63	267,296.88
4/1/2020	37,414.38	11,984.38
10/1/2020	442,414.38	276,984.38
4/1/2021	28,555.00	6,187.50
10/1/2021	448,555.00	281,187.50
4/1/2022	19,105.00	-
10/1/2022	174,105.00	-
4/1/2023	15,617.50	-
10/1/2023	175,617.50	-
4/1/2024	12,017.50	-
10/1/2024	182,017.50	-
4/1/2025	8,192.50	-
10/1/2025	183,192.50	-
4/1/2026	4,255.00	-
10/1/2026	189,255.00	-
	<u>\$7,994,022.91</u>	<u>\$4,214,950.47</u>

**[OPTION 2 – EXCLUDING COSTS OF ISSUANCE]**

**INTERLOCAL AGREEMENT BETWEEN SALT LAKE CITY CORPORATION  
AND THE REDEVELOPMENT AGENCY OF SALT LAKE CITY  
FOR PARTICIPATING IN THE PAYMENT OF DEBT  
SERVICE ON 2007A BONDS ISSUED BY THE CITY FOR  
THE CONSTRUCTION OF THE WESTSIDE RAILROAD  
REALIGNMENT PROJECT (GRANT TOWER)**

THIS AGREEMENT is made and entered into this \_\_\_ day of January, 2008, by and between SALT LAKE CITY CORPORATION, a Utah 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 “Agency”);

WITNESSETH:

WHEREAS, pursuant to the act entitled Community Development and Renewal Agencies, Title 17C, Chapter 1, Utah Code Annotated 1953, as amended (the “Redevelopment Act”), the Agency is authorized to use a portion of its tax increment revenues provided for in Section 17C-1-409(1), from its Depot District Project Area (the “Tax Increment Revenues”) for urban renewal within such project areas (the “Permitted Improvements”); and

WHEREAS, the Agency and the City are desirous that Permitted Improvements be made within the Agency's Depot District Project Area that are a part of the City's Westside Railroad Realignment Project (Grant Tower) (the “Project”); and

WHEREAS, pursuant to Section 17C-1-409(4) of the Redevelopment Act, the City may pay for the costs of the Project and the Agency may agree to reimburse the City for the costs thereof by making periodic payments over a period of years; and

WHEREAS, on July 10, 2007 the City issued its \$8,590,000 Salt Lake City, Utah Sales Tax Revenue Bonds, Series 2007A (the “Bonds”), a portion of the proceeds of which are being used to finance the construction of the Project; and

WHEREAS, the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Interlocal Act”), and Section 17C-1-207(1) of the Redevelopment Act permit the City and the Agency to cooperate to their mutual advantage, and this Agreement is made pursuant to that authority; and

WHEREAS, the City and the Agency are both beneficiaries of the direct and collateral benefits from the construction of the Project; and

WHEREAS, the Agency is willing to reimburse the City for an amount not to exceed \$3,100,000.00 of project-related expenditures plus interest, which is a portion of the debt service payments to be made by the City on the Bonds that have been allocated to improvements within the Depot District Project Area; and

WHEREAS, the Agency will pledge the Tax Increment Revenues for use with respect to the Project pursuant to this Agreement; and

WHEREAS, the City and the Agency have agreed that the Agency's obligation to the City under this Agreement will be junior and subordinate to contractual obligations involving the Gateway Development (with Gateway Associates, Ltd. as the contracting party) and the Homestead Suites Development (with Rio Grande Development LLC as the contracting party) that encumber Depot District Project Area Tax Increment Revenues; and

WHEREAS, under the applicable provisions of the Redevelopment Act, the Agency has incurred debt and from time to time may issue its bonds and incur debt (collectively, the "Agency Debt") payable from the Tax Increment Revenues; and

WHEREAS, all of the Agency Debt will be senior to the Agency's obligations to the City under this Interlocal Agreement; and

WHEREAS, both the Board of Directors of the Agency and the City Council of the City have adopted resolutions approving the execution and delivery of this Agreement and the transaction contemplated thereby;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties mutually agree and covenant as follows:

1. Definitions. Terms defined in the foregoing recitals shall have the same meaning when used herein.

2. Project Description. The Project shall consist of the acquiring and constructing of certain infrastructure improvements, including but not limited to relocation and modification of underground utilities, street improvements, track crossings, grading and draining construction, diversion of City Creek, the seeding of City corridors, and the creation of a railroad quiet zone that extends into the Depot District Project Area.

3. Agency Obligations.

(a) To the extent funds are available from the Depot District Project Area Tax Increment Revenues, and after payment of existing contractual obligations that encumber such Tax Increment Revenues, the Agency shall pay to or upon the order of the City (as reimbursement for amounts paid by the City to pay debt service on the Bonds) the amounts shown on Exhibit A. The Agency shall make each payment in the amount indicated on Exhibit A on or about October 1 and April 1 in the year indicated, all of which constitutes indebtedness on the part of the Agency. The Agency shall be obligated to make payments to the City only to the extent that the City has made the corresponding payment for debt service on the Bonds and in the event that the City fails to make such corresponding payment, the Agency's obligation under this Agreement shall be abated until such time as the City shall have made its payment with respect to the Bonds.

(b) Neither the debt service schedule, nor any of the material terms of the Agency's repayment obligation, shall change without prior approval of the Agency's Board of Directors.

(c) Funds not paid by the Agency in one year shall accrue and be due the following year, if available, and shall bear simple interest, calculated monthly, at the City's pooled investment interest rate from the due date until paid. Payments not made by the



Agency on or before the expiration of the Tax Increment Revenue funding in 2021 shall no longer be an obligation of the Agency, if the funds are legally unavailable for such purposes or payments.

(d) The parties mutually understand that the Agency shall pay the amounts due hereunder to the extent funds are available from the Depot District Project Area Tax Increment Revenues; however, the parties specifically acknowledge and understand that said payments are subordinate to and shall be made after payment of other Agency commitments, including the other Agency Debt related to the Depot District Project Area. Nothing contained herein shall in any way limit the ability of the Agency to issue or incur additional Agency Debt.

4. Term. This Agreement shall commence on the date of final execution by all parties and shall continue through October 31, 2021, unless changed by mutual agreement in writing by all parties. Notwithstanding the foregoing, the Agency shall be obligated to pay to the City all amounts shown on Exhibit A, including amounts, if any, shown as being due before the term of this Agreement commences.

5. Restriction on Use of Agency Funds.

(a) Use of Funds. The net proceeds from the City's issuance of the Bonds associated with the Agency's commitment of Depot District Project Area Tax Increment Revenues, shall be used only for improvements within the Depot District Project Area. If the cost of the improvements within the Depot District Project Area is less than \$3,100,000.00, the City shall make corresponding reductions to the amount to be paid by the Agency on Exhibit A. Within six months after the completion of the Project, but not later than December 31, 2008, the City shall provide to the Agency an accounting for the Project that will determine the Agency's actual portion of the cost of Project improvements. If necessary, the parties shall amend Exhibit A hereto to reflect changes in the cost of Project improvements and debt service on the Bonds.

(b) City Accounting. The City shall maintain an accounting system and accounting records that thoroughly track the receipt of all Agency contributions and the expenditure of money for improvements within the Depot District Project Area.

(c) Records. The City's records pertaining to the cost of the Project shall be made available to the Agency upon reasonable request for review or audit.

6. Indemnification. The parties recognize that each party is covered by the Utah Government Immunity Act (Chapter 30, Title 63, Utah Code Ann.) and nothing herein is intended to modify the provisions of that Act. The City agrees to indemnify and hold the Agency harmless from any and all losses, claims, suits, actions of any nature whatsoever (including all reasonable attorneys' fees and expenses), damages or other remedies (legal or equitable) sought by any person, corporation, partnership or other entity arising or in connection with the Project or the performance by the City of the terms and conditions of this Agreement or other City participation in the Project, including without limitation: (a) any injury to or the death of any person or the damage to any property in any manner growing out of or in connection with the Project; (b) the use of any motorized vehicle or equipment in connection with the Project; or (c) the condition of any sidewalk, street or other public area in connection with the Project.

7. Integrated Contracts. This Agreement, together with the exhibits hereto, contains the entire agreement of the parties and no statements, promises, or inducements made by any party or agents that are not contained in this Agreement shall be binding or valid. This Agreement may not be altered, or amended, except upon agreement of all parties and in writing executed by the parties hereto. Additions, deletions, or changes in the provisions of this Agreement that do not comply with this requirement shall not be binding on any party.

8. Severability.

(a) If any clause, sentence or paragraph of this Agreement, except Paragraph 3, is declared to be invalid by a court of competent jurisdiction, such declaration shall not affect the remaining portions.

(b) In the event that Paragraph 3, or the financial or property contribution of any party, is declared to be invalid, such paragraph or contribution is deemed a material element of this Agreement and the entire Agreement shall be invalid.

(c) No party shall take any action to invalidate this Agreement; provided however, any party may seek a declaratory judgment pertaining to the rights, obligations and responsibilities of the parties.

9. Notices. All notices required under this Agreement shall be sent as follows:

Salt Lake City: City Mayor  
451 South State Street, Room 306  
P.O. Box 145474  
Salt Lake City, Utah 84114-5474

with a copy to: Salt Lake City Attorney  
451 South State Street, Room 505  
P.O. Box 145478  
Salt Lake City, Utah 84114-5478

Salt Lake City Treasurer  
451 South State Street, Room 228  
P.O. Box 145462  
Salt Lake City, Utah 84114-5462

Redevelopment Agency of Salt Lake City: Executive Director  
451 South State Street, Room 418  
P.O. Box 145518  
Salt Lake City, Utah 84114-5518

Each party may designate further or different addresses or individuals to which subsequent notices shall be sent.

10. Interlocal Co-operation Act Requirements. In satisfaction of the requirements of the Interlocal Act in connection with this Agreement, the parties agree as follows:

(a) This Agreement shall be approved by the legislative body of each party, pursuant to §11-13-202.5 of the Interlocal Act;

(b) This Agreement shall be reviewed as to form and compliance with applicable law by a duly authorized attorney on behalf of each party, pursuant to §11-13-202.5 of the Interlocal Act;

(c) A duly executed original counterpart of this Agreement shall be filed with the keeper of records of each party, pursuant to §11-13-209 of the Interlocal 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. Pursuant to §11-13-207, 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 Executive Director of the Agency, acting as a joint board. No real or personal property shall be acquired jointly by the parties as a result of this Agreement. Unless otherwise provided for in this Agreement, to the extent that a party acquires, holds, and 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.

IN WITNESS WHEREOF: (A) the City by resolution duly adopted by the City Council has authorized this Agreement to be signed by its Mayor and attested to by its City Recorder and (B) the Redevelopment Agency of Salt Lake City by resolution duly adopted by

its Board has authorized this Agreement to be signed by its Chief Administrative Officer and its Executive Director all as of the day and year first above written.

SALT LAKE CITY CORPORATION

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Recorder

Approved as to form and compliance with  
applicable law:

\_\_\_\_\_  
Senior City Attorney

REDEVELOPMENT AGENCY OF  
SALT LAKE CITY

By: \_\_\_\_\_  
Chief Administrative Officer

By: \_\_\_\_\_  
Executive Director

Approved as to form and compliance with  
applicable law:

\_\_\_\_\_  
Agency Attorney

## EXHIBIT A

### Redevelopment Agency Payment Obligation Westside Railroad Re-alignment Project (Grant Tower) Excluding Costs of Issuance

<u>Date</u>	<u>Debt Service</u>	<u>RDA Obligation</u>
10/1/2007	\$352,715.25	\$213,442.81
4/1/2008	111,745.00	59,876.25
10/1/2008	356,745.00	219,876.25
4/1/2009	107,212.50	56,916.25
10/1/2009	362,212.50	221,916.25
4/1/2010	102,367.50	53,781.25
10/1/2010	367,367.50	223,781.25
4/1/2011	97,067.50	50,381.25
10/1/2011	377,067.50	230,381.25
4/1/2012	91,467.50	46,781.25
10/1/2012	376,467.50	231,781.25
4/1/2013	85,767.50	43,081.25
10/1/2013	385,767.50	238,081.25
4/1/2014	79,767.50	39,181.25
10/1/2014	389,767.50	239,181.25
4/1/2015	73,567.50	35,181.25
10/1/2015	398,567.50	245,181.25
4/1/2016	67,067.50	30,981.25
10/1/2016	407,067.50	250,981.25
4/1/2017	60,267.50	26,581.25
10/1/2017	410,267.50	251,581.25
4/1/2018	52,917.50	21,856.25
10/1/2018	412,917.50	251,856.25
4/1/2019	45,267.50	16,968.75
10/1/2019	425,267.50	261,968.75
4/1/2020	37,192.50	11,762.50
10/1/2020	437,192.50	271,762.50
4/1/2021	28,442.50	6,075.00
10/1/2021	443,442.50	276,075.00
4/1/2022	19,105.00	-
10/1/2022	174,105.00	-
4/1/2023	15,617.50	-
10/1/2023	175,617.50	-
4/1/2024	12,017.50	-
10/1/2024	182,017.50	-
4/1/2025	8,192.50	-
10/1/2025	183,192.50	-
4/1/2026	4,255.00	-
10/1/2026	189,255.00	-
	<u>\$7,906,325.25</u>	<u>\$4,127,252.81</u>