
M E M O R A N D U M

DATE: February 9, 2010
TO: City Council Members
FROM: Jennifer Bruno, Deputy Director
RE: Interlocal Agreement for County ownership interest in capital improvements funded by the County GO Bond at the Hogle Zoo

Attached is a resolution authorizing the Mayor to sign an interlocal agreement between Salt Lake City and Salt Lake County that allows the County to have an ownership interest in certain Hogle Zoo capital improvements funded by County-issued General Obligation Bonds.

KEY ELEMENTS

- A. In 2009 Salt Lake County voters approved a \$33 million bond to finance the improvement of facilities at the Hogle Zoo.
- B. In order to satisfy the statutory requirements of a general obligation bond, the County must acquire an ownership interest in the items funded by the bond.
- C. Because the City is the owner of the property developed as the Hogle Zoo, an interlocal agreement must be executed giving the County a certain ownership interest in the capital improvements funded by the bond.
- D. In 2009, the Council approved a resolution authorizing a similar interlocal agreement in relation to County GO-funded projects at the Tracy Aviary (a City-owned facility).
- E. Terms of the Agreement:
 1. The County will have a 40% ownership interest in only the improvements funded by the County-issued bond. The City will have a 60% ownership interest.
 2. The County's ownership interest will run for the life of the bond and any refinancing, not to exceed 21 years.
 3. At the termination of the County's ownership interest, the County will turn over any ownership interest to the City without any further consideration by the City.
- B. Bond proceeds will not be used to make *all* improvements identified in the Hogle Zoo's Master Plan. The terms as outlined above will only apply to improvements paid for with bond proceeds. Improvements identified for the initial phases:
 1. Animal Health Center improvements
 2. The Arctic Edge
 3. The Tembo Terrace
 4. Conservation Resource Center
 5. Design of Savannah 1 & 2 (construction to occur in Phase 2)

Note: Changes to the Interlocal Cooperation Act by the 2003 Legislature allow the Mayor to execute interlocal agreements without approval of the City Council except when the interlocal agreement includes any of the following:

- Acquisition or transfers real property
- Construction of a facility or improvements to real property
- Bonding
- Sharing taxes or other revenue
- Agreements that includes an out-of-state public agency
- Agreements that require budget adjustments to the City's current or future budgets
- Creation of an interlocal agency

RICHARD GRAHAM
PUBLIC SERVICES DIRECTOR

SALT LAKE CITY CORPORATION

DEPARTMENT OF PUBLIC SERVICES
DIRECTORS OFFICE

SCANNED TO: Mayor
SCANNED BY: [Signature]
DATE: RALPH BECKER
MAYOR 1/27/2010

CITY COUNCIL TRANSMITTAL

David Everitt, Chief of Staff



Date Received: By [Signature]
Date Sent to Council: 02/02/2010

TO: Salt Lake City Council
JT Martin, Chair

DATE: January 26, 2010

FROM: Rick Graham, Director [Signature]
Public Services Department

SUBJECT: Interlocal Agreement between Salt Lake City and Salt Lake County that allows Salt Lake County to have an ownership interest in Hogle Zoo capital improvements funded by a Salt Lake County issued General Obligation Bond.

STAFF CONTACT:

Rick Graham, Director Public Services Department	801-535-7774
Boyd Ferguson Senior City Attorney	801-535-7796
Craig Dinsmore, Executive Director Utah Zoological Society	801-584-1704

DOCUMENT TYPE: Resolution

RECOMMENDATION: It is recommended the City Council adopt the Resolution that authorizes Mayor Becker to sign the Interlocal Agreement.

BUDGET IMPACT: None. The project, if authorized and approved by the Salt Lake County Council, will be funded by a Bond Issue approved by Salt Lake County residents.

BACKGROUND and DISCUSSION: Salt Lake City owns the property that is developed as Hogle Zoo. The Utah Zoological Society (Zoo) has developed a multi-million dollar capital project plan for the purpose of making improvements and enhancements to the Zoo. In 2009, Salt Lake County residents voted to approve a \$33,000,000.00 bond to finance the acquisition, improvement and renovation of facilities

at the zoo. The City and the County will need to enter into an Interlocal Cooperation Agreement that would transfer an element of ownership in the Zoo property financed with the County's Bonds to the County necessary to satisfy State law requirements.

The City and the County have already entered into a similar agreement relative to County Bond financed Tracy Aviary capital improvements.

PUBLIC PROCESS:None, beyond the public bond election process conducted by the County.

RESOLUTION NO. _____ OF 2010

Authorizing the approval of an interlocal cooperation agreement
between Salt Lake County, Utah and Salt Lake City Corporation
relating to the Hogle Zoo bonds of Salt Lake County

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 cooperation agreement, effective on the date it is executed by both parties,
between Salt Lake County, Utah and Salt Lake City Corporation relating to the Hogle
Zoo bonds of Salt Lake County.

2. Ralph Becker, Mayor of Salt Lake City, Utah, or his designee, is hereby
authorized to approve, execute, and deliver said agreement on behalf of Salt Lake City
Corporation, in substantially the same form as now before the City Council and attached
hereto, subject to such minor changes which do not materially affect the rights and
obligations of the City thereunder as the Mayor on behalf of the City shall approve, his
execution thereof to constitute conclusive evidence of such approval.

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

_____, 2010.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:



SENIOR CITY ATTORNEY

HB_ATTYY-#11423-v1-Resolution_approving_interlocal_agreement_re_Hogle_Zoo_bonds_of_Salt_Lake_County.DOC

Salt Lake City Contract No. _____
County Contract No. _____

**INTERLOCAL COOPERATION AGREEMENT
BETWEEN
SALT LAKE CITY CORPORATION
AND
SALT LAKE COUNTY
[Hogle Zoo]**

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into the ____ day of _____, 2010, by and between SALT LAKE CITY CORPORATION, a municipal corporation of the State of Utah (the "City"), and SALT LAKE COUNTY, a body corporate and politic of the State of Utah (the "County").

WITNESSETH:

WHEREAS, the City owns certain real property within its jurisdiction, which property is leased to the Utah Zoological Society, a nonprofit corporation ("Society"), for the exclusive operation of a zoo known as the Utah's Hogle Zoo ("Hogle Zoo");

WHEREAS, the City has entered into an agreement dated July 12, 1991 ("Management Agreement"), with the Society whereby the Society agreed to continuously operate and manage the Hogle Zoo on said real property unless said agreement was otherwise terminated by the City or the Society;

WHEREAS, the Society requested that the County issue general obligation bonds ("Bonds") to finance the acquisition, improvement and renovation of facilities at the Hogle Zoo;

WHEREAS, the County placed the question of the issuance of the Bonds on the general election ballot for a vote by the voters in Salt Lake County in accordance with the requirements of the Local Government Bonding Act;

WHEREAS, the voters have approved the issuance of the Bonds and the County must acquire an ownership interest in the improvements financed with Bond proceeds in order to satisfy the statutory requirements for issuance of the Bonds;

WHEREAS, the City desires to acknowledge and agree that the County has or will have an ownership interest in the improvements to be made to the Hogle Zoo with the Bond proceeds;

NOW, THEREFORE, in consideration of the promises and covenants hereinafter contained, it is agreed by and between the parties as follows:

1. Project. The City acknowledges and agrees that the County has or will have an ownership interest in those improvements and projects proposed in the Hogle Zoo's renewal and revitalization projects (the "Project"), more particularly described in its Master Plan attached to this Agreement as Exhibit "A", and more specifically those improvements funded with the proceeds from the Bonds ("Improvements"). The City understands and acknowledges that the County and the Society contemplate that the renewal and revitalization projects at the Hogle Zoo will be completed in phases. The initial phase will include improvements to the Animal Health Center, the Arctic Edge, the Tembo Terrace and the Conservation Resource Center with completion of certain of these projects in the second phase. The initial phase will also include certain aspects of the design/engineering, bidding and commencement of construction for the Savannah 1 and Savannah 2, with construction and completion to occur in the second phase. The City further agrees to execute and deliver to the County such additional documents that do not materially adversely affect the City's rights or obligations, to satisfy the statutory requirements for issuance of the Bonds by the County. The City's obligation to grant the County this ownership interest and deliver appropriate recordable documentation will be enforceable upon the issuance of the Bonds.

The ownership interest will be as a tenant in common with the City only as to the Improvements to be made at the Hogle Zoo with the County's Bond proceeds. The County's interest as a tenant in common will be 40% as to the Improvements and the City's interest as a tenant in common will be 60% as to the Improvements. Further, the City will act as the County's agent as to the County's tenancy in common interest and said tenancy in common between the City and the County shall be for the term of the Bonds including any refinancing, but not to exceed 21 years from the latest issuance of the Bonds. Upon the termination of this Agreement and in consideration of the City's forgoing acknowledgment and agreement that the County has an ownership interest in the Improvements, the County shall convey all of its ownership interest in the Improvements to the City without additional consideration from the City.

To the extent that the ownership interest to be granted under Section 2 below to the County under this Agreement modifies the ownership interest or creates a shared ownership interest with the City in the Improvements, the City acknowledges and agrees to that modification. The City further acknowledges and agrees to cooperate with the Society for the renewal of the Management Agreement prior to its expiration in order to continue the management relationship between the City and the Society for the term of the Bonds being issued by County to fund the Improvements.

The City and the County also acknowledge the reversionary interests contained in the conveyance deeds delivering title to the City in the real property underlying the Hogle Zoo. The Parties acknowledge and agree to the execution and recording of a waiver of reversionary interest by the heirs to those reversionary rights in the real property underlying the Hogle Zoo.

2. Grant of Property Interest. If required for issuance of the Bonds, the City shall grant to the County an additional property interest in the Improvements for the term of the Bonds and the County will pay the City an annual payment of \$1.00 per year for the term of this Agreement.

3. Duration and Termination. This Agreement shall take effect upon execution by both Parties and shall terminate within 21 years of the last issuance of the Bonds or bonds issued to refund the Bonds or upon full retirement of the Bonds, whichever date is sooner.

4. Liability and Indemnification. Both parties are governmental entities under the Governmental Immunity Act of Utah, Utah Code Ann. § 63-30d-101, et seq. Consistent with the terms of this Act, it is mutually agreed that each party is responsible and liable for its own wrongful or negligent acts which it commits or which are committed by its agents, officials, or employees. Neither party waives any defenses otherwise available under the Governmental Immunity Act.

5. Interlocal Cooperation Act Requirements. In satisfaction of the requirements of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Act"), and in connection with this Agreement, the parties agree as follows

a. This Agreement shall be approved by each party pursuant to Section 11-13-202.5 of 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 mayors of the City and the County. 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.

6. Counterparts. This Agreement may be executed in counterparts by the City and the County.

7. County Ethical Standards. City represents that it has not: (a) provided an illegal gift or payoff to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or Salt Lake

County's Ethics Code, Chapter 2.07, Salt Lake County Code of Ordinances, 2001; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County ordinances.

8. Governing Law. This Agreement shall be governed by the laws of the State of Utah both as to interpretation and performance.

9. Entire Agreement. 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 for either party that are not contained in this written contract shall be binding or valid; and this Agreement may not be enlarged, modified, or altered except in writing, and signed by the parties.

10. Amount of the Bonds and Use of Proceeds. The County and City agree that the amount of the Bonds shall not exceed \$33.0 million and that the proceeds less the costs of issuance shall be used solely to finance the Improvements at the current location of the Hogle Zoo in Salt Lake City. The City acknowledges that the voters approved a general obligation bond issuance in the amount of \$33.0 million dollars, with the Bonds being issued only upon the Society raising matching funds in the amount of \$11.0 million. The County Council approved the issuance of the full amount of the Bonds upon the satisfactory report of the Society that it had raised the required matching funds. The Society has requested two issuances of Bonds: (1) in the amount of approximately \$22,000,000 in approximately February 2010; and (2) in the amount of approximately \$11,000,000 in approximately December 2011.

11. Society Agreement Not to Leave its Current Location. The Parties' obligations under this Agreement are conditioned on the Society having first entered into an agreement with the City substantially in the form of Exhibit "B" not to leave its current location in Salt Lake City during the term of the Bonds.

IN WITNESS WHEREOF, the Parties have subscribed their names and seals the day and year first above written.

SALT LAKE COUNTY

By _____
Mayor Peter Corroon or Designee

STATE OF UTAH)

:SS

County of Salt Lake)

On this _____ day of _____, 2010, personally appeared before me _____, who being by me duly sworn did say that (s)he is the _____ of the Salt Lake County, Office of the Mayor, and that the foregoing instrument was signed on behalf of the Salt Lake County, by authority of law.

[SEAL]

NOTARY PUBLIC
Residing in Salt Lake County, Utah

Approved as to Form and Legality:
Salt Lake County District Attorney

By _____
Deputy District Attorney
Date _____


SALT LAKE CITY CORPORATION

By _____
Mayor Ralph Becker

ATTEST:

City Recorder

APPROVED AS TO FORM AND LEGALITY:



Senior Salt Lake City Attorney
Date 1-15-10

rt.ward.hoglen@interlocal-finnal-01-14-10-jht