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# MEMORANDUM

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**DATE:** November 16, 2010  
**TO:** City Council Members  
**FROM:** Jennifer Bruno, Deputy Director  
**RE:** Interlocal Agreement between Salt Lake City and Salt Lake County to provide for the transfer of \$3.5 million to the North Temple Boulevard improvement project.

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***\*\*Note: This is scheduled to be written briefing only. Please let staff know if you have any questions prior to the Council work session, or let the chair know if you would like to ask questions during the formal meeting.\*\****

## Key Elements

- A. The Administration has forwarded a resolution for Council consideration that would authorize the Mayor to sign an interlocal agreement with Salt Lake County to provide for the transfer of \$3.5 million from the County to the North Temple Boulevard improvement project.
- B. This interlocal is on the Council's agenda for potential adoption in the formal meeting on November 16<sup>th</sup>. The County Council would also need to approve the interlocal agreement.
- C. In the 2010 State Legislative session, the State gave the County the authority to issue bonds using the County's Highway Fund (partially funded with the ¼ of 1% Sales Tax imposed in Salt Lake County) to finance certain transportation projects.
- D. The proposed interlocal would allow \$3.5 million of these bonds to be dedicated to the North Temple Boulevard project.
- E. The County is also using this legislative authority to issue bonds to pay for the following other projects:
  - \$2 million to pay for 2300 East in Salt Lake County
  - \$1.5 million to pay for 4800 South in Murray City
  - \$1.5 million to pay for 13400 South in Riverton City
- F. The cost of the north temple blvd project is currently estimated to be \$24,171,100. Sources to pay for these costs are as follows:

UTA Alliance Funds	\$ 10,000,000
State funds for Boulevard lights on State Property	\$ 386,200
UTA lighting cost sharing	\$ 261,000
Property Owner Assessments	\$ 1,181,800
CIP - Sales Tax Bonds	\$ 4,485,200
CIP - Previously Authorized	\$ 4,356,900
County Revenue Bonds	\$ 3,500,000
<b>Total</b>	<b>\$ 24,171,100</b>

- G. The interlocal states that if any funds from the County are unexpended, they shall be returned to the County.

FRANK B. GRAY  
DIRECTOR

# SALT LAKE CITY CORPORATION

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT  
OFFICE OF THE DIRECTOR

# RECEIVED

RALPH BECKER  
MAYOR

MARY DE LA MARE-SCHAEFER  
DEPUTY DIRECTOR

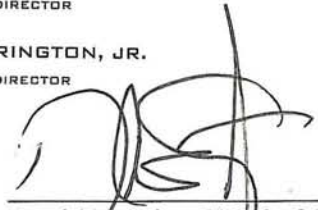
ROBERT FARRINGTON, JR.  
DEPUTY DIRECTOR

OCT 27 2010

## CITY COUNCIL TRANSMITTAL

Salt Lake City Mayor

SCANNED TO: Mayor  
SCANNED BY: 10/27/10

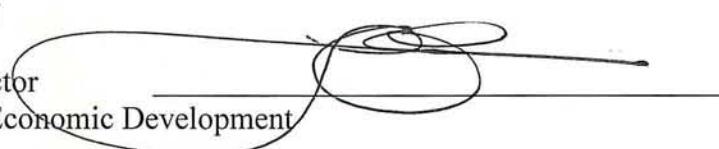
  
\_\_\_\_\_  
David Everitt, Chief of Staff

Date Received **DATE:** \_\_\_\_\_  
Date sent to Council: 10/28/2010

**TO:** Salt Lake City Council  
J.T. Martin, Chair

**DATE:** November 9, 2010

**FROM:** Frank Gray, Director  
Community and Economic Development



**SUBJECT:** Interlocal Cooperation Agreement between Salt Lake City and Salt Lake County

**STAFF CONTACT:** Rusty Vetter, Sr. City Attorney – 801-535-7633  
(rusty.vetter@slcgov.com)  
John Naser, P.E., City Engineer – 801-535-6240  
(john.naser@slcgov.com)

**DOCUMENT TYPE:** Resolution

**RECOMMENDATION:** That the City Council approve the proposed resolution authorizing the Mayor to enter into an Interlocal Agreement with Salt Lake County that provides for the transfer and use of \$3,500,000.00 of County revenue bond funds for construction of the North Temple Boulevard improvements.

**BUDGET IMPACT:** Funding for the proposed North Temple Boulevard improvements would be allocated from the Salt Lake City Capital Improvement Budget, North Temple Alliance funds established in the Salt Lake City – Utah Transit Authority Airport Interlocal Agreement, an allocation from State properties abutting North Temple, property owner assessments through a Special Assessment Area and this State Legislature-approved transfer of Salt Lake County revenue bond funds.

The estimated cost of the Boulevard from 600 West to Redwood Road, and limited improvements west of Redwood Road, is \$24,171,100. Funding for these improvements includes \$8,844,200 in City CIP funds, \$10,000,000 of Airport Light Rail Alliance funds, approximately \$386,200 of State funds for lighting improvements at State properties, \$261,000 of UTA cost sharing funds for the street light system, \$1,181,800 from property

owner assessments and the \$3,500,000 transfer of County revenue bonds. The above City CIP fund includes \$4,485,200 in possible sales tax bonds.

**BACKGROUND/DISCUSSION:** During the 2010 General Session, the State Legislature gave approval for Salt Lake County to issue bonds to finance certain transportation projects, including the improvements to North Temple. The County now desires to provide for the issuance of these revenue bonds to move the transportation projects forward.

To facilitate the bond process, the County and City must enter into an Interlocal Agreement, which provides for the transfer and City's use of \$3,500,000 in bond proceeds to pay for all or part of the costs of improvements.

The revenue bond proceeds and above-mentioned funding will be used to design and construct the Boulevard, which involves enhanced landscaping with street trees and expanded park strips, median island landscaping, enhanced light rail stations and bus stops, upgraded pedestrian and street lighting, burying of overhead power and communication lines, widened walkways to provide easier pedestrian movement, special walkway paving treatments, and public art.

**PUBLIC PROCESS:** Information concerning the North Temple Boulevard improvements has been presented at the North Temple Citizen Advisory Committee monthly meetings, neighbor community council meetings, local schools, open houses and with interested groups affected by the project. Several formal public hearings have been held before the City Council and City Planning Commission.

Resolution No. \_\_\_\_\_ of 2010

Authorizing the Approval of an  
Interlocal Cooperation Agreement  
Between Salt Lake City Corporation and  
Salt Lake City County

WHEREAS, the County and the City are public agencies as defined under the Interlocal Cooperation Act, UTAH CODE ANN. §§ 11-13-101, et seq., which provides that any two or more public agencies may enter into an agreement with one another for joint or cooperative action; and

WHEREAS, during the 2010 General Session, the State legislature amended UTAH CODE § 72-2-121 and enacted UTAH CODE §§ 72-2-121.3 and 72-2-121.4, which contemplate that the County will issue bonds to finance certain transportation projects within the County as designated in these statutes including improvements to North Temple, Salt Lake City; and

WHEREAS, pursuant to UTAH CODE § 59-12-502, the County has previously imposed a sales and use tax of  $\frac{1}{4}$  of 1% (the "Transportation Tax") to fund a fixed guideway and expanded public transportation system; and

WHEREAS, under UTAH CODE § 59-12-502(5), 20% of the Transportation Tax collected within counties of the first class (the "County Tax") must be deposited to the County of the First Class State Highway Projects Fund created by UTAH CODE § 72-2-121 (the "Highway Fund") along with other moneys deposited therein, including certain sales and use taxes, local option highway construction and transportation corridor preservation fees and voluntary contributions; and

WHEREAS, the County now desires to provide for the issuance by the County of revenue bonds (the "County Revenue Bonds") pursuant to a General Indenture of Trust as amended and supplemented from time to time, which bonds shall be secured by monies transferred into the 2010 Salt Lake County Revenue Bond Sinking Fund created by UTAH CODE § 72-2-121.3 from the Highway Fund; and

WHEREAS, in order to facilitate such bonding, the County and the City desire to enter into this Agreement to provide for the transfer and use of \$3,500,000.00 of the County Revenue Bond proceeds as prescribed by the Legislature to be used by the County or transferred to Salt Lake City to pay for all or part of the costs of improvements to North Temple; 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:

Interlocal Cooperation Agreement Between Salt Lake City  
Corporation and Salt Lake City County Concerning the Transfer of  
County Revenue Bond proceeds to pay for North Temple  
improvements.

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

3. Ralph E. Becker, 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 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.

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Passed by the City Council of Salt Lake City, Utah, this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

SALT LAKE CITY COUNCIL

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

ATTEST AND COUNTERSIGN:

\_\_\_\_\_  
CITY RECORDER

APPROVED AS TO FORM:

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

**INTERLOCAL COOPERATION AGREEMENT**  
**between**  
**SALT LAKE COUNTY**  
**and**  
**SALT LAKE CITY CORPORATION**

This Interlocal Cooperation Agreement (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between Salt Lake County, Utah (the "County") and Salt Lake City (the "City"). The County and the City are sometimes referred to collectively as the "Parties" and either may be referred to individually as a "Party," all as governed by the context in which such words are used.

**WITNESSETH:**

WHEREAS, the County and the City are public agencies as defined under the Interlocal Cooperation Act, UTAH CODE ANN. §§ 11-13-101, et seq., (the "Interlocal Act") which Interlocal Act provides that any two or more public agencies may enter into an agreement with one another for joint or cooperative action; and

WHEREAS, during the 2010 General Session, the State legislature amended UTAH CODE § 72-2-121 and enacted UTAH CODE §§ 72-2-121.3 and 72-2-121.4, which contemplate that the County will issue bonds to finance certain transportation projects within the County as designated in these statutes including improvements to North Temple, Salt Lake City; and

WHEREAS, pursuant to UTAH CODE § 59-12-502, the County has previously imposed a sales and use tax of ¼ of 1% (the "Transportation Tax") to fund a fixed guideway and expanded public transportation system; and

WHEREAS, under UTAH CODE § 59-12-502(5), 20% of the Transportation Tax collected within counties of the first class (the "County Tax") must be deposited to the County of the First Class State Highway Projects Fund created by UTAH CODE § 72-2-121 (the "Highway Fund") along with other moneys deposited therein, including certain sales and use taxes, local option highway construction and transportation corridor preservation fees and voluntary contributions (the "Highway Fund Revenues"); and

WHEREAS, the County and the State have previously agreed in an interlocal cooperation agreement entered into in 2003 that the County Tax would be used by the State in repayment of general obligation bonds issued by the State (the "State General Obligation Bonds") to finance projects set forth in UTAH CODE § 63B-11-502; and

WHEREAS, the County now desires to provide for the issuance by the County of revenue bonds (the "County Revenue Bonds") pursuant to a General Indenture of Trust as amended and supplemented from time to time (the "Indenture") which bonds shall be secured by

monies transferred into the 2010 Salt Lake County Revenue Bond Sinking Fund created by UTAH CODE § 72-2-121.3 (the "County Sinking Fund") from the Highway Fund; and

WHEREAS, in order to facilitate such bonding, the County and the City desire to enter into this Agreement to provide for the transfer and use of \$3,500,000.00 of the County Revenue Bond proceeds as prescribed by the Legislature to be used by the County or transferred to Salt Lake City to pay for all or part of the costs of improvements to North Temple, and to make certain covenants with regard thereto in accordance with the requirements of State law;

NOW, THEREFORE, in reliance on the stated recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the Parties to be derived herefrom, and for other valuable consideration, the receipt and sufficiency of which the Parties acknowledge, it is hereby agreed as follows:

1. Definitions. Terms defined in the foregoing recitals shall, to the extent used but not otherwise defined herein, be used as so defined.

2. Purpose. This Agreement is entered into by the Parties to accomplish the purposes set forth in the recitals.

3. Compliance with UTAH CODE § 72-2-121.4. As required by UTAH CODE § 72-2-121.4, the County and the City hereby agree as follows:

(a) The County hereby covenants that it shall (i) issue the County Revenue Bonds in an amount generating proceeds of at least \$77,000,000, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements, and secured by revenues in the County Sinking Fund, (ii) transfer at least \$68,500,000 of such bond proceeds to the State ("Utah Department of Transportation" – aka "UDOT") to be used for state highway projects as further described herein, (iii) use (or transfer to a municipality to use) \$8,500,000 of such bond proceeds to pay all or part of the costs of the following highway construction projects in the County in the following amounts: (a) \$2,000,000 to the County for 2300 East in the County, (b) \$3,500,000 to Salt Lake City for North Temple, (c) \$1,500,000 to Murray City for 4800 South, and (d) \$1,500,000 to Riverton City for 13400 South – 4000 West to 4570 West.

(b) The County shall transfer \$3,500,000.00 of the bond proceeds to Salt Lake City, pursuant to the authorizing statute, to be used by Salt Lake City for public improvements to North Temple in accordance with the provisions set forth in this Agreement.

(c) The City hereby covenants that it shall use the \$3,500,000.00 of bond proceeds transferred to the City by the County pursuant to subparagraphs 3(a)(iii)(b) and 3(b) above to pay all or a portion of the costs of the improvements to North Temple in Salt Lake City as further set forth in this Agreement.

4. Improvements to North Temple in Salt Lake City. The City shall prepare plans and specifications for the proposed improvements to North Temple and also a detailed cost breakdown for the expenditure of the bond proceeds to be transferred to the City to pay for all or a portion of said improvements. The City shall submit its plans and specifications for the improvements as well as the detailed cost breakdown for the expenditure of the bond proceeds to the County for its approval prior to the transfer of the designated bond proceeds to the City. The County acknowledges that the plans and specifications documents are voluminous and agrees to devote adequate resources in order to approve such documents timely. The County may elect to review summary documents (to the extent they exist) and base its approval on such summary documents. Upon the County Mayor's approval of the plans, specifications, and cost breakdown, which approval shall not be unreasonably withheld, the County shall transfer the designated bond proceeds of \$3,500,000.00 to the City for expenditure on the proposed improvements. The City and the County agree to work cooperatively to complete this review and approval process and transfer the designated bond proceeds within 90 days of the issuance of the County Revenue Bonds.

The City shall also provide a final reporting and accounting to the County of the expenditure of the bond proceeds received by the City upon completion of the improvements to North Temple. If the County requests the City to provide progress reports of the construction of the improvements and interim accounting of the expenditure of the bond proceeds transferred to the City, the City agrees to provide such interim reports.

5. Unexpended Bond Proceeds. If, upon completion of the construction of the improvements to North Temple as contemplated by the City and the County, any of the \$3,500,000.00 transferred to the City is unexpended, the City shall return to the County all such unexpended bond proceeds.

6. Liability and Indemnification. Both Parties are governmental entities under the Governmental Immunity Act of Utah, UTAH CODE § 63G-7-101, et seq. Consistent with the terms of the Governmental Immunity 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.

7. Interlocal Cooperation Act Requirements. In satisfaction of the requirements of the Interlocal 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 Interlocal 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 Interlocal 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 Interlocal Act;



(d) Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action taken pursuant to this Agreement, and for any financing of such costs;

(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; and

(f) As provided in Section 11-13-219 of the Interlocal Act, the Parties agree that a notice of this Agreement shall be published in the [Deseret News and the Salt Lake Tribune], which are hereby designated by the City and the County as the official newspapers for all publications made under the Interlocal Act. Any person in interest may contest the legality of this Agreement for thirty (30) days after the publication of the notice of Agreement. After the thirty (30) days have passed, no one may contest the regularity, formality, or legality of the Agreement or any action performed or instrument issued under the authority of this Agreement for any cause whatsoever.

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

9. Notices. Any notice required or permitted to be given hereunder shall be deemed sufficient if given by a communication in writing, and shall be deemed to have been received (a) upon personal delivery or actual receipt thereof, or (b) within three days after such notice is deposited in the United States mail, postage pre-paid, and certified and addressed as follows:

If to Salt Lake County:      County Mayor  
2001 South State, N2100  
Salt Lake City, Utah 84190

With a copy to:              Salt Lake District Attorney  
2001 South State, S-3500  
Salt Lake City, Utah 84190

If to the City:               Mayor  
Salt Lake City Corporation  
451 South State Street  
Salt Lake City, Utah 84111

With a copy to:              Salt Lake City Attorney  
451 South State Street, Rm. 505A  
Salt Lake City, Utah 84111

10. Ethical Standards. The Parties represent that they have not: (a) provided an illegal gift or payoff to any officer or employee, or former officer or employee, or to any relative or business entity of an officer or employee, or relative or business entity of a former officer or employee of the other party hereto; (b) retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, or 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 statutes, Chapter 2.44 of the Salt Lake City Code, 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 officer or employee or former officer or employee to breach any of the ethical standards set forth in State statutes, Salt Lake City Code, or Salt Lake County ordinances.

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

12. Resolution of Claims and Disputes. In any action brought to enforce the terms of this Agreement, the Parties agree that the appropriate venue shall be the Third Judicial District Court in and for Salt Lake County, Utah.

13. 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 Agreement shall be binding or valid.

14. Amendments. This Agreement may be amended, changed, modified or altered only by an instrument in writing which shall be (a) approved by the of the governing bodies of the County and the City, including the adoption of any necessary resolutions or ordinances by the County and the City authorizing the execution of any amendment, change, modification or alteration of this Agreement by the appropriate person or persons for the County and the City, respectively, (b) executed by a duly authorized official of each of the Parties, (c) submitted to an attorney for each Party that is authorized to represent said Party for review as to proper form and compliance with applicable law, pursuant to Section 11-13-202.5 of the Interlocal Act, and the execution by each respective attorney, and (d) filed with the keeper of records of each Party.

In addition, UTAH CODE § 72-2-121.3(4)(b) requires the Utah Attorney General to give an opinion on the validity and enforceability of the interlocal agreement between the State of Utah and the County (the "State-County Interlocal Agreement") as a condition to the County being able to issue bonds under UTAH CODE § 72-2-121.4. In that opinion, the Attorney General must ensure that in the State-County Interlocal Agreement, the County covenants to provide \$3,500,000.00 to the City for improvements to North Temple. Therefore, in addition to the conditions set forth in the immediately preceding paragraph of this Section 14 of the Agreement,

this Agreement between the County and the City may only be amended, changed, modified, or altered with the additional written consent of the Utah Attorney General.

15. Term of Agreement. This Agreement shall take effect immediately upon the completion of all of the following: (a) the approval of the Agreement by the governing bodies of the County and the City, including the adoption of any necessary resolutions or ordinances by the County and the City authorizing the execution of this Agreement by the appropriate person or persons for the County and the City, respectively, (b) the execution of this Agreement by a duly authorized official of each of the Parties, (c) the submission of this Agreement to an attorney for each Party that is authorized to represent said Party for review as to proper form and compliance with applicable law, pursuant to Section 11-13-202.5 of the Interlocal Act, and the approval of each respective attorney, (d) the filing of a copy of this Agreement with the keeper of records of each Party and (e) the execution and delivery of the written opinion from the Utah Attorney General required under UTAH CODE § 72-2-121.3. This Agreement shall terminate on the earlier of (i) the completion of the improvements to North Temple or (ii) within three years of the issuance of the bonds by the County. If within three (3) years of the issuance of the bonds by the County, the City has not completed the improvements to North Temple as contemplated by the Parties under this Agreement and as set forth in UTAH CODE § 72-2-121.4(2)(c)(iii), all unexpended bond proceeds transferred to the City under this Agreement will be returned to the County.

16. Termination. UTAH CODE § 72-2-121.3(4)(b) requires the Utah Attorney General to give an opinion on the validity and enforceability of the interlocal agreement between the State of Utah and the County (the "State-County Interlocal Agreement") as a condition to the County being able to issue bonds under UTAH CODE § 72-2-121.4. In that opinion, the Attorney General must ensure that in the State-County Interlocal Agreement, the County covenants to provide \$3,500,000.00 to the City for improvements to North Temple. This Agreement between the County and the City may therefore only be terminated by written consent of the County, the City, and the Utah Attorney General.

Upon termination of this Agreement, if any of the \$3,500,000.00 transferred to the City is unexpended, the City shall return to the County all such unexpended bond proceeds. The disposition of any other real or personal property shall be handled as set forth above in Section 7(e).

17. Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or paragraphs herein contained, shall not affect the remaining portions hereof, or any part thereof.

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 \_\_\_\_\_  
cw:\word\dl\Salt Lake City Interloc\North Temple\_Draft 3\_21May10.docx

SALT LAKE CITY CORPORATION

By: \_\_\_\_\_  
Mayor Ralph Becker

ATTEST:

\_\_\_\_\_  
City Recorder

Approved as to Form and Legality:

By: ERV  
Salt Lake City Attorney

Date 10/27/10