

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (the “Agreement”) is effective as of _____, 2020, by and between the Millcreek Community Reinvestment Agency (the “Agency”) and the Granite School District (the “Taxing Entity”) (collectively, the “Parties” and individually, a “Party”).

WHEREAS, the Agency is a redevelopment agency created and acting under the authority of Title 17C of the Utah Code (the “Limited Purpose Local Government Entities – Community Reinvestment Agency Act” or the “Reinvestment Act”) and predecessor statutes; and

WHEREAS, the Taxing Entity is a school district and a political subdivision of the state of Utah; and

WHEREAS, the governing board of the Agency adopted a resolution on April 13, 2020 authorizing the Agency to commence the process under the Reinvestment Act to create the MedTech Community Reinvestment Project Area (which includes parcels along both sides of 3900 South, between 1030 East to the west and 1380 East to the east, a map of which is attached hereto as Exhibit A, the “Project Area”). In accordance with Chapter 5 of the Reinvestment Act, the Agency and the City Council of Millcreek have prepared a proposed community reinvestment project area plan for the Project Area, (a copy of which is attached hereto as Exhibit B, the “Proposed Project Area Plan” and, once adopted, the “Project Area Plan”), pursuant to which the Agency plans to encourage and promote economic development in the Project Area and in the surrounding community (the “Project”); and

WHEREAS, § 17C-5-204 of the Reinvestment Act and Utah Code Title 11, Chapter 13 (the “Interlocal Act”) authorize the Agency and the Taxing Entity to enter into an interlocal agreement to provide for the payment of certain tax increment funds to the Agency; and

WHEREAS, the Taxing Entity consents, pursuant to § 17C-5-204 of the Reinvestment Act, to the Agency receiving a certain property tax increment from the Project Area to fund the Project; and

WHEREAS, the Agency and the Taxing Entity, in order to facilitate the purposes of the Reinvestment Act and to promote redevelopment of the Project Area, desire to enter into this Agreement.

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

1. Definitions. The following terms have the meanings and content set forth in this Section wherever used in this Agreement:
 - a. “Agency Portion” means the amount payable to the Agency in accordance with Section 2 of this Agreement, or 80%, which shall not exceed \$4,539,832 in the

aggregate over the term of the Project Area Funds Collection Period. The Agency Portion shall be calculated pursuant to § 17C-1-102(60).

b. “Base Taxable Value” means a property’s taxable value as shown upon the assessment roll last equalized during 2019, or \$150,218,100.

c. “Base Year” means 2019.

d. “MedTech CRA” means the Community Reinvestment Area (the Project Area described in Exhibit A of this Agreement) adopted or to be adopted by the Agency.

e. “MedTech Tax Increment” means all Tax Increment generated within the MedTech CRA.

f. “First Payment Year” is 2023 unless the Agency notifies in writing the Taxing Entity, the Salt Lake County Auditor, and the Salt Lake County Assessor that it has elected a later First Payment Year (but in no event shall the First Payment Year be after 2025).

g. “Project Area Funds Collection Period” is a 15-year period beginning with the First Payment Year and including the fifteenth year even if said MedTech Tax Increment is received by the Taxing Entity after the fifteenth year.

h. “Taxing Entity Portion” means the amount payable to the Taxing Entity in accordance with Section 2 of this Agreement, or 20%.

i. “Tax Increment” means the difference between (1) the amount of property tax revenue generated each year by the Taxing Entity within the MedTech CRA using the current assessed value of the property and (2) the amount of property tax revenue that would be generated from that same area using the 2019 taxable value of the property. The Agency shall not be entitled to any portion of tax revenue resulting from an increase in the Taxing Entity’s tax rate after the Effective Date.

2. Payment Obligations. The Agency and the Taxing Entity shall have the following payment obligations:

a. The Agency Portion is 80% of the MedTech Tax Increment. At least 10% of the Agency Portion shall be allocated for housing purposes as required by §17C-5-307 of the Reinvestment Act (but no more than 15% shall be allocated for housing purposes) and no more than 5% of the Agency Portion shall be allocated to the Agency’s administration as permitted by the Reinvestment Act.

b. The Taxing Entity Portion is 20% of the MedTech Tax Increment.

c. The Taxing Entity’s obligation to pay the Agency Portion begins with MedTech Tax Increment attributable to the First Payment Year. For example, if the First Payment Year is 2025, the Taxing Entity’s first payment to the Agency shall be the Agency Portion of MedTech Tax Increment generated during 2025.

d. It is the intent of the Parties that Salt Lake County pay the Agency Portion directly to the Agency and the Taxing Entity Portion directly to the Taxing Entity. If, however, that does not occur, and a Party receives any portion of the other Party’s Portion, that Party shall pay the other Party its portion pursuant to this Agreement within 30 days of the receipt thereof.

e. If the entire MedTech Tax Increment is initially remitted to the Taxing Entity, the Taxing Entity shall pay the Agency Portion to the Agency within 30 days of the Taxing Entity’s receipt of the MedTech Tax Increment.

f. Notwithstanding any other provision of this Agreement, the Agency's Portion shall be no more than \$4,539,832 in the aggregate, and the Taxing Entity shall be obligated to pay no more than and the Agency shall be entitled to receive any more than \$4,539,832 in the aggregate of MedTech Tax Increment to the Agency during the Project Area Funds Collection Period.

g. Other than as set forth herein, the Taxing Entity shall be entitled to all tax revenue before, during and after the Project Area Funds Collection Period.

3. Project Reporting. The Agency shall timely submit a report to the Taxing Entity as required by §17C-1-603 of the Reinvestment Act.

4. Restrictions on Project.

a. The Agency shall use its best efforts to ensure that the Project, and the use of the Agency Portion specifically, shall be directed towards increasing and maximizing long-term property tax revenue.

b. No portion of the MedTech Tax Increment may be used for a K-12 school that is not part of the Taxing Entity or for any other purpose that would violate this Agreement or Utah law.

5. Termination. Pursuant to § 11-13-206(1)(e) of the Interlocal Act, the Parties agree that this Agreement may only be terminated prior to the expiration of the term with cause, by the non-defaulting Party providing at least thirty (30) days prior written notice to the other Party and upon the other Party's failure within the said thirty (30) day period to cure the default. In the event of a failure by the defaulting party to cure within said thirty (30) day period, an accounting and equitable adjustment may be made of all property and funds, whether spent, unspent or encumbered, as of the effective date of termination provided.

6. Effective Date. The Effective date of this Agreement shall be the later of the date first set forth above and the effective date of the project area plan for the MedTech CRA pursuant to § 17C-5-110 of the Reinvestment Act.

7. Consent. The Taxing Entity hereby consents to the MedTech CRA Budget as set forth in Exhibit C.

8. Exhibits. All Exhibits to this Agreement and all Recitals are incorporated in this Agreement and made a part of this Agreement as if set forth in full, and are binding upon the Parties to this Agreement, including but not limited to Exhibit A (the "MedTech CRA Project Area"), Exhibit B (the "MedTech CRA Project Area Plan"), and Exhibit C (the "MedTech CRA Budget"). By executing this Agreement, Taxing Entity specifically approves the MedTech CRA Budget and the MedTech CRA Project Area Plan as required by the Reinvestment Act. Such approval shall extend to any amendments made during the process of adopting the MedTech CRA Budget and the MedTech CRA Project Area Plan by the Agency and/or West Valley City but only if such Amendment has the express written consent of the Taxing Entity.

9. Conflict of Interest. No official, employee, consultant or agent of the Agency shall have any personal interest, direct or indirect, in this Agreement or any development,

business or operation within the Project Area, nor shall any such official, employee, consultant or agent participate in any decision relating to this Agreement that affects the personal interests of such person or the interests of any corporation, partnership or association in which such person is directly or indirectly interested.

10. Relationship of the Parties. It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by the Parties. Nothing in this Agreement is intended to, or shall be deemed to establish any partnership or joint venture between any of the Parties, establish that any Party is the agent of another Party; or authorize any Party to make or enter into any commitments for or on behalf of any other Party. The Parties further agree that is Agreement does not create an interlocal entity pursuant to § 11-13-206(b) of the Interlocal Act.

11. No Personal Liability. No manager, member, shareholder, director, official, employee, consultant, agent or representative of any Party shall be personally liable to the other Party or any successor in interest in the event of any default or breach by the first Party for any amount that may become due to the other Party or their respective successor or on any obligations under the terms of this Agreement.

12. Notice. A notice or communication given under this Agreement by any Party to another Party shall be sufficient if in writing by personal service, express mail, FedEx, UPS, DHL or any other similar form of courier or delivery service, or mailing in the United States mail, postage prepaid, certified, return receipt requested and addressed to such other Party as follows:

For the Agency:

with a copy to:

For the Taxing Entity:

Granite School District
Business Administrator
2500 S. State Street
Salt Lake City, Utah 84115-3110

with a copy to:

Matthew L. Anderson
215 South State, Suite 1200
Salt Lake City, UT 84111

13. Attorneys' Fees. In the event of any litigation arising out of this Agreement, the substantially prevailing Party be entitled to recover reasonable costs and expenses of such litigation from the other Party, including, without limitation, reasonable attorneys' fees and expenses, whether incurred by in-house counsel or other counsel of record.

14. Entire Agreement. This Agreement, including all exhibits attached hereto and all other documents incorporated herein by reference, contains the entire, fully-integrated agreement between the Parties, and no statement, promise or inducements made by any Party or agents for any Party that are not contained in this written Agreement shall be binding or valid. This Agreement shall supersede all prior and contemporaneous negotiations, representations and agreements of the Parties with respect to the subject matter hereof.

15. Construction of Agreement. This Agreement is the result of the joint efforts and negotiations of the Parties, and no single Party is the author or drafter hereof. All of the Parties assume joint responsibility for the form and position of each and all of the contents of this Agreement, and the Parties agree that this Agreement shall be interpreted as though each of the Parties participated in the composition of this Agreement and each and every part thereof.

16. Laws to Apply. This Agreement shall be construed under and in accordance with the laws of the State of Utah, without giving effect to principles of conflicts of laws. Any dispute relating to this Agreement shall be heard in the state or federal courts of the State of Utah, and the Parties agree to jurisdiction and venue therein.

17. Amendment. No amendments, modifications, or alterations of the terms of this Agreement shall be binding unless the same be in writing and duly executed by the Parties.

18. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and to their respective successors-in-interest. This Agreement is not assignable by any Party.

19. No Third Party Beneficiaries. The execution, performance, and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties hereto, to any entity or party other than the Parties.

20. No Waiver. Failure on the part of a Party to enforce its rights or complain of any action or non-action on the part of the other Parties, no matter how long the same may continue, shall not be deemed to be a waiver by such Party of any of its rights hereunder. The consent or approval by a Party to or of any action of the other Parties requiring such consent or approval shall not be deemed to waive or render unnecessary such consent or approval to or of any subsequent similar act.

21. Time is of the Essence. Time is and shall be of the essence of this Agreement and of each term and provision hereof.

22. Counterparts and Electronic Signatures. This Agreement may be executed in counterparts, each of which when taken together shall constitute one complete agreement. Electronic signatures shall be acceptable as if originals, but the Parties agree to deliver an original signature to the other Parties within five (5) business days by reputable courier service.

23. Interpretation. Words of any gender used in this Agreement shall be held and construed to include any other gender. Words used as a singular shall be held to include the plural, unless the context otherwise requires. The captions or headings used in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing the provisions hereof if any question of intent should arise.

24. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any Party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to Parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

25. Further Assurances. The Parties shall execute and deliver all other appropriate supplemental or corrective agreements and other instruments, and take any other action necessary to make this Agreement fully and legally effective, binding, and enforceable as between them and as against third parties.

26. Authority. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of each Party's obligations hereunder have been duly authorized and that this Agreement is valid and legally binding on the Parties and enforceable in accordance with its terms.

27. Due Diligence. Each Party acknowledges that it has performed its own review, investigation, and due diligence regarding the relevant facts concerning the Project Area and the Project Area Plan and expected benefits for the community and the Parties, and each Party relies on its own understanding of the relevant facts and information, after having sufficient opportunity to conduct its own due diligence.

28. Interlocal Cooperation Act. In satisfaction of the requirements of the Interlocal Act in connection with this Agreement, the Parties agree as follows:

a. As necessary, this Agreement shall be authorized by a resolution of the legislative body of each Party pursuant to and in accordance with the provisions of § 11-13-202.5 of the Interlocal Act;

b. As necessary, 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 and in accordance with the § 11-13-202.5 of the Interlocal Act;

c. A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to § 11-13-209 of the Interlocal Act;

d. As its administrator for all purpose of the Interlocal act (§ 11-13-207), the Taxing Entity hereby designates its Business Administrator and the Agency hereby designates its City Council Chair; and

e. The term of this Agreement shall commence on the Effective Date and continue through the date that is 180 days after the last payment of Tax Increment pursuant to the terms and provisions of this Agreement; but in no event shall the Agency be able to receive the Tax Increment for a period longer than 15 tax years as set forth in this Agreement.

29. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

ENTERED INTO as of the Effective Date set forth above.

(Signatures follow)

MILLCREEK COMMUNITY REINVESTMENT AGENCY

By: _____
 Name: _____
 Its Chair

STATE OF _____)
) : ss.
 COUNTY OF _____)

On this _____ day of _____, 2020, personally appeared before me _____, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who affirmed that he or she is the [title] of _____ and that

this Agreement was signed by him or her on behalf of _____ by authority of its bylaws or of a Resolution of its Board of Directors, and he or she acknowledged to me that said Party executed the same.

ATTEST:

Secretary

APPROVED AS TO FORM

Agency Attorney

BOARD OF EDUCATION OF GRANITE SCHOOL DISTRICT, a body corporate and politic of the State of Utah

By: _____
Name: Karyn Winder
Its: President

By: _____
Name: David F. Garrett
Its: Business Administrator/Treasurer

STATE OF)
 : ss.
COUNTY OF)

On this day of , 2020, personally appeared before me , whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who affirmed that he or she is the [title] of Granite School District, a political subdivision of the state of Utah, and that this Agreement was signed by him or her on behalf of

Granite School District by authority of its bylaws or of a Resolution of its Board of Directors, and he or she acknowledged to me that said District executed the same.

Notary Public

STATE OF _____)
: ss.
COUNTY OF _____)

On this _____ day of _____, 2020, personally appeared before me _____, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who affirmed that he or she is the _____ [title] of Granite School District, a political subdivision of the state of Utah, and that this Agreement was signed by him or her on behalf of Granite School District by authority of its bylaws or of a Resolution of its Board of Directors, and he or she acknowledged to me that said District executed the same.

Notary Public

APPROVED AS TO FORM

Taxing Entity Attorney

**EXHIBIT A
MEDTECH CRA
PROJECT AREA**

**EXHIBIT B
MEDTECH CRA
PROPOSED PROJECT AREA PLAN**

**EXHIBIT C
MEDTECH CRA
PROJECT AREA BUDGET**

4851-5977-1592, v. 1

4851-5977-1592, v. 1