

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT (“**Agreement**”) is made and entered into this ____ day of _____, 2024, by and between the **REDEVELOPMENT AGENCY OF SOUTH WEBER CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “**Agency**”), and **DAVIS COUNTY SCHOOL DISTRICT**, a political subdivision of the State of Utah (the “**District**”) in contemplation of the following facts and circumstances:

- A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code Ann. (UCA) (the “**Act**”), and is authorized and empowered under the Act to undertake, among other things, various community development activities pursuant to the Act, including, among other things, assisting South Weber City (the “**City**”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, and improving the public health, safety and welfare of its residents; and
- B. **WHEREAS**, this Agreement is made pursuant to the provisions of the Act and the Interlocal Cooperation Act (UCA Title 11, Chapter 13) (the “**Cooperation Act**”); and
- C. **WHEREAS**, the Agency created the Old Fort Community Reinvestment Area (the “**Project Area**”) located at 546 East 6650 South and 108 East South Weber Drive, South Weber, Utah, as described in “**Exhibit A**” (the “**Property**”), through the adoption of the Old Fort Community Reinvestment Project Area Plan (the “**Project Area Plan**”), located within the City, which Project Area Plan is attached to this Agreement as “**Exhibit B.**” Copies of Exhibits A and B are attached hereto and incorporated herein by this reference; and
- D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a RV Sales and Service Center. The Agency has not yet entered into any participation or development agreements with developers, but anticipates that the City and/or the Agency may enter into one or more participation agreements with one or more developer(s) which will provide certain terms and conditions upon which the Project Area will be developed using, in part, “**Tax Increment**” (as that term is defined in the Act), generated from the Project Area; and
- E. **WHEREAS**, historically, the Project Area has generated a total of \$16,624 per year in property taxes for the various taxing entities, including the City, the County, Davis School District (the “**School District**”), and the other Special Districts and Special Service Districts, with \$10,446 being generated annually for the District; and
- F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Districts and Special Service Districts are projected to total approximately \$168,487 per year, with \$105,867 going to the District; and
- G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Districts and Special Service Districts to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for a specified period of time specified portions of the increased property tax (i.e., Tax Increment) which will be generated by the Project Area; and

- H. **WHEREAS**, the Agency has retained Zions Public Finance Inc., an independent financial consulting firm with substantial experience regarding community reinvestment projects and tax increment funding across the State of Utah, to prepare the Project Area Plan and Budget; and
- I. **WHEREAS**, the Agency has adopted the Old Fort Community Reinvestment Project Area Budget (the “**Project Area Budget**”), a draft copy of which is attached as “**Exhibit C**”, a copy of which is attached hereto and incorporated herein by reference, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area; and
- J. **WHEREAS**, the parties desire to set forth in writing their agreements regarding the nature and timing of such assistance;

NOW, THEREFORE, the parties agree as follows:

1. **Recitals**. The above recitals are hereby incorporated into this Agreement by reference.
2. **Additional Tax Revenue**. The County has determined that significant additional property tax revenue (i.e., Tax Increment, as defined by the Act) will likely be generated by the development of public amenities within the Project Area as described in further detail in the Project Area Plan and Project Area Budget. Each of the parties acknowledge, however, that the development activity required for the generation of the Tax Increment is not likely to occur within the foreseeable future or to the degree possible or desired without Tax Increment participation in order to induce and encourage such development activity.
3. **Offset of Development Costs and Expenses**. The District has determined that it is in the best interests of its residents to pay or distribute specified portions of its Tax Increment to the Agency in order for the Agency to support the construction of public amenities and other development-related costs needed to serve the Project Area, to the extent permitted by the Act, the Project Area Plan, and the Project Area Budget, each as adopted and amended from time to time.
4. **Base Year and Base Year Value**. The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2023, meaning the Base Taxable Value shall, to the extent and in the manner defined by the Act, be equal to the equalized taxable value shown on the 2023 Davis County School District assessment rolls for all property located within the Project Area.
5. **Agreement(s) with Developer(s)**. The Agency is authorized to enter into one or more participation agreements with one or more participants which may provide for the payment of certain amounts of Tax Increment (to the extent such Tax Increment is actually paid to and received by the Agency from year to year) to the participant(s) conditional upon the participant or participants meeting certain performance measures as outlined in said agreement. Such agreement shall be consistent with the terms and conditions of this Agreement, shall require as a condition of the payment to the participant(s) that each respective participant or its approved successors in title as owners of all current and subsequent parcels within the Project Area, shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable taxing entities in accordance with the laws of the

state of Utah applicable to such levies, and such other performance measures as the Agency may deem appropriate.

6. **Payment Trigger and Length of Tax Increment Collection Period.** The first year (“**Year One**”) of payment of Tax Increment from the District to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by November 1, 2024. Each subsequent year, beginning with the first year after Year one, shall be defined in sequence as Year Two through Year Ten. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County School District Clerk at the address specified in paragraph 13.
7. **Total Payment to Agency.** The District shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Ten, or until a cap of \$957,957, whichever comes first, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (e.g., buildings, land, and fixtures), personal, and centrally assessed property within the Project Area.
8. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County as the tax collection agency for the District. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the District, which is hereby expressly approved as being included in Tax Increment as required by Section 17C-1-407 of the Act. It is expressly understood that the Property Taxes which are the subject of this Agreement are only those Property Taxes actually collected by the County from the Project Area for the benefit of the District.
9. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6) of the Act, this Agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this paragraph by the amount of any direct expenditures the taxing entity makes within the Project Area for the benefit of the Project Area or the Agency.
10. **No Independent Duty.** The District shall be responsible to remit to the Agency only Tax Increment actually received by the District. The District shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the County on behalf of the District on an annual basis.
11. **Authority to Bind.** Each individual executing this Agreement represents and warrants that such person is authorized to do so, and that upon executing this Agreement, this Agreement shall be binding and enforceable in accordance with its terms upon the party for whom such person is acting.
12. **Further Documents and Acts.** Each party hereto agrees to cooperate in good faith with the other party, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.
13. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered to an officer or duly authorized representative of the other party in person or by Federal Express, private commercial delivery or courier service for next business day delivery, or by

United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

Davis County School District
Attn: Craig Carter
Davis School District Business Administrator
45 E. State Street
Farmington, UT 84025-0588
Phone: (801) 402-5258

Redevelopment Agency of South Weber City
Attn: David Larson
City Manger
1600 E South Weber Drive
South Weber, UT 84405
Phone: 801-479-3177

Any party may from time to time, by written notice to the other party as provided above, designate a different address which shall be substituted for that specified above. Notice sent by mail shall be deemed served or delivered seventy-two (72) hours after mailing. Notice by any other method shall be deemed served or delivered upon actual receipt at the address or facsimile number listed above. Delivery of courtesy copies shall be as a courtesy only and failure of any party to give or receive a courtesy copy shall not be deemed to be a failure to provide notice otherwise properly delivered to a party to this Agreement.

13. **Entire Agreement.** This Agreement is the final expression of and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligation hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto regarding the subject matter hereof, oral or written, express or implied, are hereby superseded and merged herein.
14. **No Third-Party Benefit.** The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. There are no intended third-party beneficiaries to this Agreement.
15. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. In the event the date on which any of the parties is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.
16. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than

those as to which it is held to be invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

17. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing executed by each of the parties hereto.
18. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
19. **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
20. **Governing Law.** This Agreement and the exhibits attached hereto shall be governed by and construed under the laws of the State of Utah. In the event of any dispute hereunder, it is agreed that the sole and exclusive venue shall be in a court of competent jurisdiction in Davis County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.
21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the District cannot pay and/or that the Agency cannot receive payments of the Tax Increment, declares that the Agency cannot pay the Tax Increment to developers, or takes any other action which has the effect of eliminating or reducing the payments of Tax Increment received by the Agency, the Agency's obligation to pay the Tax Increment to developers shall be reduced or eliminated accordingly, the Agency, and the District (at no out-of-pocket cost to the District) shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.
22. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.
23. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Ten or according to the capped amount of \$957,957, whichever comes first.
24. **Assignment.** No party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from the other party. Notwithstanding the foregoing, such consent shall not be unreasonably withheld or delayed so long as the assignee thereof shall be reasonably expected to be able to perform the duties and obligations being assigned and assumed.
25. **Termination.** Upon any termination of this Agreement resulting from the uncured default of any party, the order of any court of competent jurisdiction, or termination as a result of any legislative action requiring such termination, then any funds held by the Agency which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement shall be returned to the party originally remitting same to the Agency, and upon such return to the District this Agreement shall be deemed terminated and of no further force or effect.
26. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

- a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation 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 and in accordance with the provisions of Section 11-13-202.5(3) of the Cooperation Act;
- c. A duly executed original counterpart of this Agreement shall immediately be filed with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;
- d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act;
- e. Should a party to this Agreement desire to terminate this Agreement, in part or in whole, each party to the Agreement must adopt, by resolution, an amended Interlocal Cooperation Agreement stating the reasons for such termination and acknowledging the termination. Any such amended Interlocal Cooperation Agreement must be in harmony with any development/participation agreement(s) entered into by the Agency as described in this Agreement;
- f. Immediately after the execution of this Agreement by both Parties, the Agency shall, on behalf of both parties, cause to be published a notice regarding this Agreement pursuant to Section 11-13-219 of the Cooperation Act;
- g. This Agreement makes no provision for the parties acquiring, holding and disposing of real or personal property used in the joint undertaking as such action is not contemplated as part of this Agreement nor part of the undertaking. Any such provision would be outside the parameters of the current undertaking. However, to the extent that this Agreement may be construed as providing for the acquisition, holding or disposing of real and/or personal property, all such property shall be owned by the Agency upon termination of this Agreement; and
- h. Each Party will be responsible for financing its activities and for separately maintaining their respective budgets.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day specified above.

DAVIS COUNTY SCHOOL DISTRICT

By: _____
Mark C. Allen, Chairman

Camille Cook, Clerk

Approved as to form and compliance with applicable law:

Mark H. Anderson
Attorney for the District

Agency: REDEVELOPMENT AGENCY OF SOUTH WEBER CITY

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for the Agency

EXHIBIT A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

A PART OF THE NW 1/4 OF SEC 28, THE NE 1/4 OF SEC 29, THE SE 1/4 OF SEC 20 & THE SW 1/4 OF SEC 21-T5N-R1W, SLB&M, MORE PART'LY DESC AS FOLLOWS: BEG AT A PT ON THE N LINE OF THE NE 1/4 OF SD SEC 29, BEING LOC N 89°07'40" W 108.08 FT (BASIS OF BEARING BEING THE N LINE OF THE NE 1/4 OF SD SEC 29 WH BEARS N 89°07'40" W NAD 83 STATE PLANE GRID BEARING) FR THE NE 1/4 OF SD SEC, SD PT BEING ON THE E R/W LINE OF 475 EAST; RUN TH ALG SD R/W LINE N 0°29'39" E 31.52 FT; TH CONTINUING ALG SD R/W LINE N 10°30'37" E 550.17 FT TO THE S'LY R/W LINE OF INTERSTATE 84; TH ALG SD R/W LINE THE FOLLOWING FOUR (4) COURSES: (1) S 69°00'40" E 764.48 FT; (2) S 54°14'40" E 249.65 FT; (3) S 61°40'56" E 199.87 FT; (4) S 52°09'21" E 151.07 FT; TH S 82°57'31" W 196.36 FT; TH S 7°07'49" E 198.86 FT; TH S 50°41'10" E 22.70 FT; TH S 7°02'29" E 114.17 FT TO THE R/W LINE OF OLD FORT ROAD; TH ALG SD R/W THE FOLLOWING THREE (3) COURSES: (1) N 85°35'49" W 889.13 FT; (2) ALG THE ARC OF A CURVE TO THE RIGHT 466.96 FT, HAVING A RADIUS OF 311.00 FT, A CENTRAL ANGLE OF 86°01'41", & WH CHORD BEARS N 42°34'59" W 424.31 FT; (3) N 02°29'39" E 3.15 FT TO THE POB. CONT. 17.911 ACRES

AND, ALL OF LOT 3, PUBLIC WORKS SUBDIVISION 1ST AMENDMENT, CONTAINING 5.31 ACRES

Contains the following parcels: 133780001, 130070033, 133790003

EXHIBIT B
to
INTERLOCAL AGREEMENT

Project Area Plan

EXHIBIT C
to
INTERLOCAL AGREEMENT

Project Area Budget

4889-8829-2070, v. 3