DATE: October 3, 2019

TO: Community Development and Renewal Agency of Herriman

FROM: Heather Upshaw, Economic Development Manager

SUBJECT: Interlocal Agreement: Jordan Valley Water Conservancy District and Jordan School District

RECOMMENDATION:
Staff recommends approval of the interlocal agreement between the Community Development and Renewal Agency of Herriman, and the Jordan Valley Water Conservancy District; and the Jordan School District.

BACKGROUND:
The Herriman Innovation District Community Reinvestment Area (CRA) was approved by the City Council, and RDA on June 26, 2019. Staff is now requesting approval of the interlocal agreement with each agency. At this time, two interlocals are ready for review, and potential approval.

Jordan Valley Water Conservancy District Main Points:
15 year CRA, commencing between 2020-2022
75% tax increment, $340,977

Jordan School District Main Points:
15 year CRA, commencing between 2020-2022
100% tax increment, with 50% mitigation payment, $3,694,489

FISCAL IMPACT:
The fiscal impact to the City over 15 years is $348,933, which is 100% of the City’s property tax generated in the project area.
COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF HERRIMAN CITY
RESOLUTION NO. _______

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AND
RENEWAL AGENCY OF HERRIMAN CITY APPROVING AN
INTERLOCAL COOPERATIVE AGREEMENT WITH THE JORDAN
SCHOOL DISTRICT BOARD OF EDUCATION AND JORDAN VALLEY
WATER CONSERVANCY DISTRICT

WHEREAS, the Redevelopment Agency of Herriman City (the “Agency”) met in special
open and public meeting on October ___, 2019, to consider, among other things, approving an
interlocal cooperative agreement with the Jordan School District Board of Education and Jordan
Valley Water Conservancy District; and

WHEREAS, the Agency was created to transact the business and exercise all of the powers
provided for in the former Utah Redevelopment Agencies Act and the current Utah Community
Development and Renewal Agencies Act and any subsequent, replacement or amended law or
act (the “Act”); and

WHEREAS, pursuant to Section 17C-4-101 et seq. of the Act the Agency is authorized to
negotiate with a taxing entity for the Agency to receive all or a portion of the taxing entity tax
increment for the purpose of providing funds to carry out an adopted community development
project area plan; and

WHEREAS, the Board of Education Jordan School District and Jordan Valley Water
Conservancy District are taxing entity under the Act and the Agency has negotiated with Board
of Education Jordan School District and Jordan Valley Water Conservancy District to receive a
portion of property tax increment the terms of which are set forth in the attached interlocal
agreements (“Interlocals”).

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY OF HERRIMAN CITY that the Interlocals be approved, that the
Chairperson and Secretary are hereby authorized and directed to execute and deliver the same, and
that the Secretary is hereby authorized and directed provide notice as set forth in Section 17C-4-402
of the Act.

ADOPTED by the Board of Directors of the Redevelopment Agency of Herriman City,
this ___ day of October 2019.
HERRIMAN

ATTEST:

David Watts, Chairperson

Jackie Nstrom, MMC Secretary
LETTER OF TRANSMITTAL

To: Gordon Haight  
Assistant City Manager  
Herriman City  
5355 West Herriman Main St.  
Herriman, UT 84096

Date: September 18, 2019  
Subject: Interlocal Agreement

Attention: Gordon Haight

The following items are:  
( ) Requested  
( ) Enclosed

( ) Sent separately via:

<table>
<thead>
<tr>
<th>No. of Copies</th>
<th>Description</th>
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<tr>
<td>1</td>
<td>Interlocal Agreement between the Community Development and Renewal Agency of Herriman and the Jordan Valley Water Conservancy District</td>
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These data are submitted:  
( ) At your request  
( ) For your information  
( ) For your approval  
( ) For your action  
( ) For your review  
( ) For your files  
( ) Per our telephone conversation on:

Remarks: Please provide the needed signatures and return to Beverly Parry, 8215 South 1300 West, West Jordan, UT 84088. A fully executed copy will then be returned to you for your records.

JORDAN VALLEY WATER CONSERVANCY DISTRICT

By: [Signature]

Beverly Parry
Executive Assistant
Jordan Valley Water Conservancy District
8215 South 1300 West
West Jordan, UT 84088
(801) 565-4300 / fax (801) 565-4399
INTERLOCAL AGREEMENT
BETWEEN THE COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF HERRIMAN AND THE JORDAN VALLEY WATER CONSERVANCY DISTRICT

THIS INTERLOCAL AGREEMENT is entered into as of the __ day of ____, 2019, by and between the COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF HERRIMAN (the “Agency”) and the JORDAN VALLEY WATER CONSERVANCY DISTRICT (the “Taxing Entity”) (collectively, the “Parties”).

RECITALS

A. The Agency was created and continues to operate pursuant to the provisions of the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “Community Reinvestment Agency Act”) and its predecessor statutes, and is authorized thereunder to conduct urban renewal, economic development, community development, and community reinvestment activities within Herriman, Utah, as contemplated by the Community Reinvestment Agency Act; and

B. Pursuant to Resolution No. R2019-09 adopted by the Agency on June 26, 2019, and Ordinance No. 2019-16 adopted by Herriman City on June 26, 2019, the Agency established the Herriman Innovation District Community Reinvestment Project Area (the “Project Area”) through adoption of the proposed Project Area Plan, a copy of which is attached hereto as Exhibit “A” and incorporated herein by this reference (referred to in this Interlocal Agreement as the “Project Area Plan,” which includes the legal description and a map of the Project Area); and

C. The Agency desires to facilitate new development within the Project Area that includes the encouragement, promotion, or provision of business park development that brings good-paying jobs to the area; and

D. Pursuant to Resolution No. R2019-09, adopted by the Agency on June 26, 2019, the Agency adopted a Project Area Budget for the Project Area (the “Budget”), which sets forth the Agency’s estimates and projections for development and generation of property tax revenues for the Project Area; and

E. The Agency may issue one or more bonds, including bonds secured by tax increment revenues, to finance the construction of certain infrastructure improvements for the Project Area; and

F. The Taxing Entity has determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) in connection with the development of the Project Area; and

G. The Agency anticipates using tax increment (as defined in Utah Code Ann. § 17C-1-102(60) (hereinafter “Tax Increment”)) from the Project Area, to assist in the development of the Project Area and for funding the implementation of the Project Area Plan; and
H. Utah Code Ann. § 17C-5-204 authorizes the Taxing Entity to consent to the payment by Salt Lake County (the “County”) to the Agency of a portion of the Taxing Entity’s share of Tax Increment generated from the Project Area attributable to the Taxing Entity’s tax levy on property within the Project Area, for the purposes set forth herein and in accordance with the terms of this Agreement; and

I. Utah Code Ann. § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

J. In order to facilitate development of and in the Project Area and to provide funds to carry out the Project Area Plan, the Taxing Entity desires to consent that the Agency receive certain Tax Increment from the Project Area attributable to the Taxing Entity’s tax levy, in accordance with the terms of this Agreement; and

K. This Agreement is entered into by the Parties pursuant to the authority of applicable State law, including the Community Reinvestment Agency Act and the Interlocal Cooperation Act, Utah Code Ann. § 11-13-101 et seq., as amended (the “Cooperation Act”).

NOW THEREFORE, in consideration of 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. **Taxing Entity’s Consent.**

   a. The Parties agree that for purposes of calculation of the Taxing Entity’s share of Tax Increment from the Project Area to be paid by the County to the Agency pursuant to this Agreement, the base year shall be shall be 2018, and the base taxable value shall be $696,711, which base taxable value is subject to adjustment by law in accordance with the provisions of the Community Reinvestment Agency Act. Pursuant to Section 17C-5-204 of the Community Reinvestment Agency Act and Sections 11-13-202.5 and 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the project area funds collection period (the “Project Area Funds Collection Period”) shall be fifteen (15) years. During the Project Area Funds Collection Period, the Agency shall receive and be paid seventy-five percent (75%) of the tax increment attributable to the Taxing Entity’s tax levy on both real and personal property within the Project Area (the “Taxing Entity Share”), for the purpose of providing funds to the Agency to carry out the Project Area Plan. The Project Area Funds Collection Period shall commence with any tax year from 2020 through 2022 at the Agency’s election and determination as evidenced by written notice to the Taxing Entity and to the Salt Lake County Auditor and Assessor; provided, however, that the total amount of such Tax Increment attributable to the Taxing Entity’s tax levy that is paid to the Agency over the Project Area Funds Collection Period under this Agreement shall not exceed $340,977; and provided further, that any portion of the Taxing Entity’s taxes resulting from an increase in the Taxing Entity’s tax rate pursuant to applicable hearing procedures (truth in taxation), that occurs after the Effective Date (defined below) of this Agreement, shall not be paid to the Agency unless the Taxing Entity specifically so consents in writing pursuant to an amendment to this Agreement or in a separate agreement. During the Project Area Funds Collection Period described above, the remaining 25% of the Tax Increment attributable to the Taxing Entity’s tax levy on both real and
personal property within the Project Area shall be paid by Salt Lake County to the Taxing Entity. All tax increment from the Project Area attributable to the Taxing Entity’s tax levy for tax years beyond the Project Area Funds Collection Period shall be paid by Salt Lake County to the Taxing Entity. The calculation of the Taxing Entity’s portion of annual Tax Increment to be paid by the County to the Agency shall be made as required by Utah Code Ann. § 17C-1-102(60) (a), using the then current tax levy rate (subject to the limitation set forth above regarding increases in Herriman City’s tax rate pursuant to applicable hearing procedures).

b. Salt Lake County shall pay directly to the Agency the Taxing Entity Share in accordance with Utah Code Ann. § 17C-5-204 during the Project Area Funds Collection Period described in Section 1.a. above.

2. Consent to Budget. As required by Utah Code § 17C-5-301, the Taxing Entity hereby consents to the Budget as adopted by the Agency.

3. Authorized Uses of Tax Increment. The Parties agree that the Agency may use the Taxing Entity Share for any purposes authorized under the Project Area Plan or the Community Reinvestment Agency Act, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

4. Additional Conditions.

a. Notwithstanding anything to the contrary in this Agreement, the Project Area Plan, the Community Reinvestment Agency Act, or in the Cooperation Act, none of the Tax Increment paid by the Taxing Entity shall be used for environmental cleanup or remediation of water or aquifers or for the purchase or development of municipal and/or industrial water, including, but not limited to the purchase, treatment, storage, or conveyance of that water, excepting infrastructure owned and used by Herriman City in its delivery of water to the Project Area.

b. As a condition to any incentive or other payment offered to a developer or property owner within the Project Area pursuant to a written participation agreement as contemplated by Utah Code Section 17C-1-409(1)(a)(iii)(C), the Agency shall require that the Project Area conform to the water efficiency standards attached as Exhibit B.

c. The Agency shall submit landscaping and irrigation plans to the Taxing Entity for its review and approval prior to landscaping installation.

d. Section 4(b), above, shall not impose any requirement that would violate Herriman City ordinances, Herriman City approval requirements, or existing vested rights, and any failure to impose such requirements shall not constitute a breach of this Agreement.
5. **No Third Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the Parties to this Agreement, no person or entity is an intended third party beneficiary under this Agreement.

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

7. **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 Utah Code Ann. § 11-13-202.5;

   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 Utah Code Ann. § 11-13-202.5(3);

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

   d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Utah Code Ann. § 11-13-207;

   e. The term of this Agreement shall commence on the Effective Date and shall terminate on the date when all of the Taxing Entity Share has been paid to the Agency as provided for herein, or the date when the Agency ceases to receive such Tax Increment pursuant to Section 1 hereof;

   f. Following the execution of this Agreement by both Parties, the Agency, at its sole expense, shall cause a notice regarding this Agreement to be published on behalf of both of the Parties in accordance with Utah Code Ann. § 11-13-219 and on behalf of the Agency in accordance with § 17C-5-205;

   g. The Parties agree that they do not, by this Agreement, create an interlocal entity;

   h. There is no financial or joint or cooperative undertaking and no budget shall be established or maintained;

   i. No real or personal property will be acquired, held or disposed of or used in conjunction with a joint or cooperative undertaking.
8. **Modification and Amendment.** Any modification of or amendment to any provision contained herein shall be effective only if the modification or amendment is in writing and signed by both Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

9. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

10. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

11. **Interpretation.** The terms "include," "includes," "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

12. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

   a. such holding or action shall be strictly construed;

   b. such provision shall be fully severable;

   c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;

   d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement;

   e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid and enforceable provision that most nearly effects the Parties’ intent in entering into this Agreement.

13. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

14. **Incorporation of Exhibits.** The exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

15. **Effective Date.** This Agreement shall become effective upon the publication of the summary of this Agreement as provided by law.
16. **Entire Agreement.** 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, oral or written, express or implied, are hereby superseded and merged herein.

17. **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.

18. **Assignment.** No Party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from all Parties.

19. **Authorization.** Each of the Parties hereto represents and warrants to the other that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

20. **Counterparts.** This Agreement may be executed in duplicate originals, each of which shall be deemed an original.

ENTERED into as of the day and year first above written.

COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF HERRIMAN

By: ____________________________
    Chair

Attest:

By: ____________________________
    Secretary
Attorney Review for the Agency:

The undersigned, as counsel for the Community Development and Renewal Agency of Herriman, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Attorney for Community Development and Renewal Agency of Herriman
ADDITIONAL SIGNATURES TO INTERLOCAL AGREEMENT

JORDAN VALLEY WATER CONSERVANCY DISTRICT

By: [Signature]
Chairman, Board of Trustees

ATTEST:

[Signature]
Richard P. Bay, Clerk

Attorney Review for the Taxing Entity:

The undersigned, an attorney for the Jordan Valley Water Conservancy District, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

[Signature]
Attorney for Jordan Valley Water Conservancy District
Exhibit “A”

Project Area Plan
Exhibit “B”

Water Efficiency Requirements
WATER EFFICIENCY REQUIREMENTS

Purpose
The purpose of these Water Efficiency Requirements is to conserve the public's water resources by establishing water conservation standards for indoor plumbing fixtures and outdoor landscaping.

Applicability
The following standards shall be required for all developer/contractor installed residential, commercial, institutional, and industrial construction, as applicable.

Indoor Fixture Requirements
All new and future construction and future additions, remodels, or refurbishments shall have, at the minimum, fixtures that comply with the efficiency standards listed below:

A. Toilets shall be WaterSense labeled and use 1.28 gallons per flush or less;
B. Urinals shall be WaterSense labeled and use 0.5 gallons per flush or less;
C. Showerheads shall be WaterSense labeled and use 2.0 gallons per minute or less;
D. Kitchen faucets shall be WaterSense labeled and use 1.5 gallons per minute or less;
E. Bathroom faucets shall be WaterSense labeled and use 0.5 gallons per minute or less;
F. Commercial pre-rinse spray valves shall be WaterSense labeled and use 1.28 gallons per minute or less;
G. Clothes washers shall be ENERGY STAR certified and have an integrated water factor of 4.3 or less;
H. Dishwashers shall be ENERGY STAR certified and use 3.5 gallons per cycle or less;

Outdoor Landscaping Standards
All new and rehabilitated landscaping for public agency projects, private development projects, developer-installed landscaping in multi-family and single-family residential projects, and homeowner provided landscape improvements within the front, side, and rear yards of single and two-family dwellings shall comply with the landscaping standards below:

Definitions

A. Activity Zones: Portions of the landscape designed for recreation or function, such as storage areas, fire pits, vegetable gardens, and playgrounds.
B. Active Recreation Areas: Areas of the landscape dedicated to active play where Lawn may be used as the playing surface (ex. sports fields and play areas).
C. Central Open Shape: An unobstructed area that functions as the focal point of Localscapes and is designed in a shape that is geometric in nature.

D. Gathering Areas: Portions of the landscape that are dedicated to congregating, such as patios, gazebos, decks, and other seating areas.

E. Hardscape: Durable landscape materials, such as concrete, wood, pavers, stone, or compacted inorganic mulch.

F. Lawn: Ground that is covered with grass or turf that is regularly mowed.

G. Localscapes®: A landscaping approach designed to create locally adapted and sustainable landscapes through a basic 5-step approach (central open shape, gathering areas, activity zones, connecting pathways, and planting beds).

H. Mulch: Any material such as rock, bark, compost, wood chips or other materials left loose and applied to the soil.

I. Park Strip: A typically narrow landscaped area located between the back-of-curb and sidewalk.

J. Paths: Designed routes between landscape areas and features.

K. Planting Bed: Areas of the landscape that consist of plants, such as trees, ornamental grasses, shrubs, perennials, and other regionally appropriate plants.

L. Total Landscaped Area: Improved areas of the property that incorporate all of the completed features of the landscape. The landscape area does not include footprints of buildings or structures, sidewalks, driveways, and other non-irrigated areas intentionally left undeveloped.

Landscaping Requirements

A. All irrigation shall be appropriate for the designated plant material to achieve the highest water efficiency. Drip irrigation or bubblers shall be used except in turf areas. Drip irrigation systems shall be equipped with a pressure regulator, filter, flush-end assembly, and any other appropriate components.

B. Each irrigation valve shall irrigate landscaping with similar site, slope and soil conditions, and plant materials with similar watering needs. Lawn and Planting Beds shall be irrigated on separate irrigation valves. In addition, drip emitters and sprinklers shall be placed on separate irrigation valves.
C. Landscaped areas shall be provided with a WaterSense labeled smart irrigation controller which automatically adjusts the frequency and/or duration of irrigation events in response to changing weather conditions. All controllers shall be equipped with automatic rain delay or rain shut-off capabilities.

D. At least 3-4 inches of Mulch, permeable to air and water, shall be used in Planting Beds to control weeds and improve the appearance of the landscaping.

E. At maturity, landscapes shall have enough plant material (perennials and shrubs) to create at least 50% living plant cover at maturity at the ground plane, not including tree canopies.

F. Lawn shall not be installed in Park Strips, Paths, or on slopes greater than 25% or 4:1 grade, and be less than 8 feet wide at its narrowest point. To the extent reasonably practicable, Lawn shall be free from obstructions (trees, signs, posts, valve boxes, etc.).

G. In residential landscapes, the landscaping shall adhere to the following Localscapes requirements:
   
a. If size permits, the landscaped areas of the front yard and back yard shall include a designed Central Open Shape created by using Lawn, Hardscape, groundcover, gravel, or Mulch.
   
b. Gathering Areas shall be constructed of Hardscape and placed outside of the Central Open Shape. In a landscape without Lawn, Gathering Areas may function as the Central Open Shape.
   
c. Activity Zones shall be located outside of the Central Open Shape and shall be surfaced with materials other than Lawn.
   
d. Paths shall be made with materials that do not include Lawn, such as Hardscape, Mulch, or other groundcover.
   
e. Lawn areas shall not exceed 35% of the Total Landscaped Area.

H. In commercial, industrial and institutional landscapes, Lawn areas shall not exceed 20% of the Total Landscaped Area, outside of Active Recreation Areas.
INTERLOCAL AGREEMENT
BETWEEN THE COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF
HERRIMAN AND BOARD OF EDUCATION OF JORDAN SCHOOL DISTRICT

THIS INTERLOCAL AGREEMENT is entered into as of the ___ day of _____ 2019,
by and between the COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF
HERRIMAN (the “Agency”) and the BOARD OF EDUCATION OF JORDAN SCHOOL
DISTRICT (the “Taxing Entity”) (collectively, the “Parties”).

RECITALS

A. The Agency was created and continues to operate pursuant to the provisions of
the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title
17C of the Utah Code (the “Community Reinvestment Agency Act”) and its predecessor
statutes, and is authorized thereunder to conduct urban renewal, economic development,
community development, and community reinvestment activities within Herriman, Utah, as
contemplated by the Community Reinvestment Agency Act; and

B. Pursuant to Resolution No. R2019-09 adopted by the Agency on June 26, 2019,
and Ordinance No. 2019-16 adopted by Herriman City on June 26, 2019, the Agency established
the Herriman Innovation District Community Reinvestment Project Area (the “Project Area”)
through adoption of the Project Area Plan, a copy of which is attached hereto as Exhibit “A”
and incorporated herein by this reference (referred to in this Interlocal Agreement as the
“Project Area Plan,” which includes the legal description and a map of the Project Area); and

C. The Agency desires to facilitate new development within the Project Area that
includes the encouragement, promotion, or provision of business park development that brings
good-paying jobs to the area; and; and

D. Pursuant to Resolution No. R2019-09 adopted by the Agency on June 26, 2019,
the Agency adopted a Project Area Budget for the Project Area (the “Budget”), which sets forth
the Agency’s estimates and projections for development and generation of property tax revenues
for the Project Area; and

E. The Agency may issue one or more bonds, including bonds secured by tax
increment revenues, to finance the construction of certain infrastructure improvements for the
Project Area; and

F. The Taxing Entity has determined that it is in the best interests of the Taxing
Entity to provide certain financial assistance through the use of Tax Increment (as defined
below) in connection with the development of the Project Area; and

G. The Agency anticipates using tax increment (as defined in Utah Code Ann. §
17C-1-102(60) (hereinafter “Tax Increment”)) from the Project Area, to assist in the
development of the Project Area and for funding the implementation of the Project Area Plan; and
H. Utah Code Ann. § 17C-5-204 authorizes the Taxing Entity to consent to the payment by Salt Lake County (the "County") to the Agency of the Tax Increment generated from the Project Area attributable to the Taxing Entity’s tax levy on property within the Project Area, for the purposes set forth herein and in accordance with the terms of this Agreement; and

I. Utah Code Ann. § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

J. In order to facilitate development of and in the Project Area and to provide funds to carry out the Project Area Plan, the Taxing Entity desires to consent that the Agency receive certain Tax Increment from the Project Area attributable to the Taxing Entity’s tax levy, in accordance with the terms of this Agreement; and

K. This Agreement is entered into by the Parties pursuant to the authority of applicable State law, including the Community Reinvestment Agency Act and the Interlocal Cooperation Act, Utah Code Ann. § 11-13-101 et seq., as amended (the "Cooperation Act").

NOW THEREFORE, in consideration of 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. **Taxing Entity’s Consent.**

a. The Parties agree that for purposes of calculation of the Taxing Entity’s share of Tax Increment from the Project Area to be paid by the County to the Agency pursuant to this Agreement, the base year shall be 2018, and the base taxable value shall be $696,711, which base taxable value is subject to adjustment by law in accordance with the provisions of the Community Reinvestment Agency Act. Pursuant to Section 17C-5-204 of the Community Reinvestment Agency Act and Sections 11-13-202.5 and 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the project area funds collection period (the "Project Area Funds Collection Period") shall be fifteen (15) years. During the Project Area Funds Collection Period, the Agency shall receive and be paid one hundred percent (100%) of the tax increment attributable to the Taxing Entity’s tax levy on both real and personal property within the Project Area (the "Taxing Entity Share"), for the purpose of providing funds to the Agency to carry out the Project Area Plan. The Project Area Funds Collection Period shall commence with any tax year from 2020 through 2022 at the Agency’s election and determination as evidenced by written notice to the Taxing Entity and to the Salt Lake County Auditor and Assessor; provided, however, that the total amount of Taxing Entity Share that is paid to the Agency over the Project Area Funds Collection Period under this Agreement shall not exceed $7,388,978; and provided further, that any portion of the Taxing Entity’s taxes resulting from an increase in the Taxing Entity’s tax rate pursuant to applicable hearing procedures (truth in taxation), that occurs after the Effective Date (defined below) of this Agreement, shall not be paid to the Agency unless the Taxing Entity specifically so consents in writing pursuant to an amendment to this Agreement or in a separate agreement. All Tax Increment from the Project Area attributable to the Taxing Entity’s tax levy for tax years beyond the Project Area Funds Collection Period shall be paid by Salt Lake County to the Taxing Entity. The calculation of the Taxing Entity’s portion of annual Tax Increment to be paid by the County to the Agency shall be
made as required by Utah Code Ann. § 17C-1-102(60) (a), using the then current tax levy rate (subject to the limitation set forth above regarding increases in the Taxing Entity’s tax rate pursuant to applicable hearing procedures).

b. Notwithstanding Subsection 1(a), the Parties hereby agree that for each tax year during the Tax Increment Collection Period, the Agency shall transfer to the Taxing Entity an amount equal to fifty percent (50%) of any Taxing Entity Share it receives from the Salt Lake County Treasurer pursuant to this Agreement—that is, an amount equal to 50% of the Taxing Entity Share (the “Annual Rebate”). The Agency’s transfer of the Annual Rebate to the Taxing Entity each year shall occur no later than three months following the Agency’s receipt of Tax Increment from the Salt Lake County Treasurer. The amount equal to the Taxing Entity Share less the Annual Rebate is hereinafter referred to as the “Agency’s Share.” Thus, for the purposes of this Agreement, the Agency’s Share is generally equal to fifty percent of the Taxing Entity Share. The Parties agree that if the Annual Rebate is held to be invalid or unenforceable by a court of competent jurisdiction, or as a result of legislative or administrative action, or if the Taxing Entity provides written notice to the Agency requesting elimination of the Annual Rebate for any other reason, for the next tax year for which the Taxing Entity Share has not already been paid to the Agency the Taxing Entity Share shall be reduced to fifty percent (50%) of the Tax Increment generated within the Project Area for that particular year, the requirement to pay the Annual Rebate shall be eliminated, and the Salt Lake County Treasurer shall pay the remaining Tax Increment to the Taxing Entity.

b. Salt Lake County shall pay directly to the Agency the Taxing Entity Share in accordance with Utah Code Ann. § 17C-5-204 during the Project Area Funds Collection Period described in Section 1.a. above.

c. The Agency shall, throughout the period of development within the Project Area, ensure that no taxable land within the Project Area is developed for residential purposes.

2. Consent to Budget. As required by Utah Code § 17C-5-304, the Taxing Entity hereby consents to the Budget as adopted by the Agency.

3. Authorized Uses of Tax Increment. The Parties agree that the Agency may use the Agency Share for any purposes authorized under the Project Area Plan or the Community Reinvestment Agency Act, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, payments to the Agency not to exceed two and nine-tenths percent (2.9%) of the total Taxing Entity Share to reimburse itself for administrative costs, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

4. No Third-Party Beneficiary. Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the Parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.
5. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts concerning the Project Area and Project Area Plan and expected benefits to the community and to the Parties, and each of the Parties relies on its own understanding of the relevant facts and information, after having completed its own due diligence and investigation.

6. **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 Utah Code Ann. § 11-13-202.5;

   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 Utah Code Ann. § 11-13-202.5(3);

   c. A duly executed copy of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Utah Code Ann. § 11-13-209;

   d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Utah Code Ann. § 11-13-207;

   e. The term of this Agreement shall commence on the Effective Date and shall terminate on the date when all payments to the and from the Agency have been made as provided for herein;

   f. Following the execution of this Agreement by both Parties, the Agency, at its sole expense, shall cause a notice regarding this Agreement to be published on behalf of both Parties in accordance with Utah Code Ann. § 11-13-219 and on behalf of the Agency in accordance with § 17C-5-205;

   g. The Parties agree that they do not, by this Agreement, create an interlocal entity;

   h. There is no financial or joint or cooperative undertaking and no budget shall be established or maintained;

   i. No real or personal property will be acquired, held or disposed of or used in conjunction with a joint or cooperative undertaking.

7. **Modification and Amendment.** Any modification of or amendment to any provision contained herein shall be effective only if the modification or amendment is in writing and signed by both Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.
8. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

9. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

10. **Interpretation.** The terms “include,” “includes,” “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

11. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

   a. such holding or action shall be strictly construed;

   b. such provision shall be fully severable;

   c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;

   d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and

   e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid and enforceable provision that most nearly effects the Parties’ intent in entering into this Agreement.

12. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

13. **Incorporation of Exhibits.** The exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

14. **Effective Date.** This Agreement shall become effective upon the publication of the summary of this Agreement as provided by law.

15. **Entire Agreement.** 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, oral or written, express or implied, are hereby superseded and merged herein.
16. **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.

17. **Assignment.** No Party may assign its rights, duties or obligations under this Agreement without prior written consent first being obtained from all Parties.

18. **Authorization.** Each of the Parties hereto represents and warrants to the other that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

19. **Counterparts.** This Agreement may be executed in duplicate originals, each of which shall be deemed an original.

ENTERED into as of the day and year first above written.

COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF HERRIMAN

By: ________________________________

Chair

Attest:

By: ________________________________

Secretary

**Attorney Review for the Agency:**

The undersigned, as counsel for the Community Development and Renewal Agency of Herriman, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Attorney for Community Development and Renewal Agency of Herriman
ADDITIONAL SIGNATURES TO INTERLOCAL AGREEMENT

BOARD OF EDUCATION OF JORDAN SCHOOL DISTRICT

ATTEST:

[Signature]

Attorney Review for the Taxing Entity:

The undersigned, an attorney for the Board of Education of Jordan School District, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

[Signature]
Attorney for Board of Education of Jordan School District
Exhibit “A”

*Project Area Plan*