REDEVELOPMENT AGENCY OF CENTERVILLE CITY/DAVIS CENTER FOR THE PERFORMING ARTS ADMINSTRATIVE CONTROL BOARD MEETING AGENDA

NOTICE IS HEREBY GIVEN THAT THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY BOARD AND THE ADMINISTRATIVE CONTROL BOARD OF THE DAVIS CENTER FOR THE PERFORMING ARTS WILL HOLD A COMBINED PUBLIC MEETING AT 5:45 PM ON December 3, 2013 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Tentative Time: - The times shown below are tentative and are subject to change during the meeting.

5:45 PM **A. ROLL CALL**

B. NEW BUSINESS

1. Amendment No. 7 to the Lease Agreement for the Performing Arts Center

   This amendment changes the deadline for payment of Variable Rent, Minimum MRF Contributions, and the remaining Construction Cost Obligations; and change references to "quarterly" MRF contributions to "annual" contributions

2. Review Third Quarter 2013 Financial Report for CenterPoint Legacy Theatre

3. Review 2014 Budget for CenterPoint Legacy Theatre, inlcuding Facilities Maintenance Budget

C. RDA ONLY BUSINESS

4. Interlocal Cooperation Agreements between the Redevelopment Agency of Centerville City and various entities for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area

   a. Consideration of Resolution No. 2013-06, a Resolution approving an Amendment to Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Davis County for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area

   b. Consideration of Resolution No. 2013-07, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Davis County School District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area

   c. Consideration of Resolution No. 2013-08, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and South Davis Sewer District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area

   d. Consideration of Resolution No. 2013-09, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Mosquito Abatement District-Davis for the collection and remittance of incremental property taxes collected from property within the Barnard Creek

Community Development Project Area

e. Consideration of Resolution No. 2013-10, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and South Davis Recreation District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area

f. Consideration of Resolution No. 2013-11, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Weber Basin Water Conservancy District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area.

5. Land Rover Amended Participation Agreement

Consider amendments to Participation Agreement between Centerville Redevelopment Agency and Land Rover Centerville, Inc.

Note: If time runs out the RDA Board will continue its meeting following the regular City Council meeting

D. ADJOURNMENT

CENTERVILLE CITY COUNCIL

Staff Backup Report
12/3/2013

Item No. 1.

Short Title: Amendment No. 7 to the Lease Agreement for the Performing Arts Center

Initiated By:

Scheduled Time:

SUBJECT

This amendment changes the deadline for payment of Variable Rent, Minimum MRF Contributions, and the remaining Construction Cost Obligations; and change references to “quarterly” MRF contributions to “annual” contributions

RECOMMENDATION

The RDA Board should approve Amendment No. 7 to the Lease and Operating Agreement for the Davis Center for the Performing Arts.

BACKGROUND

The substance of this Amendment was discussed and conceptually approved at the September 3, 2013 meeting of the RDA/ACB, with the understanding the City Attorney would prepare a formal amendment for consideration at a later meeting. Amendment No. 7 revises the following four sections of the Lease and Operating Agreement:

Section 21--Annual Variable Rent. Changes the due date for Variable Rent from January 31st to June 30th of each year, to allow time for the Auditors to complete and issue their report of the prior year's operations.

Section 32--Maintenance Budgeting and Funding Priorities. Changes the requirement for minimum contributions into the Maintenance Reserve Fund from quarterly to annual.

Section 33--Minimum Maintenance Reserve Fund Contribution. Changes the due date for the annual minimum contribution into the MRF from May 1st to June 30th, to allow the Auditors to complete and issue their report of the prior year's operations.

Section 105--Construction Cost Obligation. Changes the due date for payment of the remainder of the $500,000 construction obligation of CenterPoint Legacy Theatre from March 31, 2013 to June 30, 2015. Currently the remaining amount owed is $56,000.

ATTACHMENTS:

Description

- Lease Amendment No. 7 - Performing Arts Center

AMENDMENT NO. 7 TO THE LEASE AND OPERATING AGREEMENT FOR THE DAVIS CENTER FOR THE PERFORMING ARTS

THIS AMENDMENT NO. 7 TO THE LEASE AND OPERATING AGREEMENT FOR THE DAVIS CENTER FOR THE PERFORMING ARTS ("Amendment") is entered into this _____ day of September, 2013, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY** ("RDA"), a community development and renewal agency and public body organized and existing under the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act of the State of Utah, with principal offices located at 250 North Main, Centerville, Utah 84014, and the **DAVIS PERFORMING ARTS ASSOCIATION, dba CENTERPOINT LEGACY THEATRE** ("Association"), a Utah nonprofit corporation, with principal offices located at 525 North 400 West, Centerville, Utah 84014.

RECITALS

WHEREAS, the RDA and the Association have previously entered into that certain Lease and Operating Agreement for the Davis Center for the Performing Arts dated May 5, 2009, regarding the lease and operation of a performing arts theatre on property located at approximately 525 North 400 West, Centerville, Utah, as amended by Amendment No. 1 through Amendment No. 6, adopted by the parties (collectively "Lease and Operating Agreement"); and

WHEREAS, the RDA and the Association desire to amend the Lease and Operating Agreement to revise the provisions regarding Annual Variable Rent, Maintenance Reserve Fund, and Construction Cost Obligation; and

WHEREAS, the RDA and the Association are willing to amend the Lease and Operating Agreement regarding Annual Variable Rent, Maintenance Reserve Fund, and Construction Cost Obligation as more particularly set forth in this Amendment;

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Amendment. The Lease and Operating Agreement is hereby amended to revise Section 21 regarding the Annual Variable Rent to read in its entirety as follows:

> **21. Annual Variable Rent.** In addition to the Base Rent, for the reasons set forth in Section 18 regarding the public funding and purpose of the Theatre, the Association shall pay to the RDA a variable annual rental and use fee in an amount equal to the Association's previous year's annual profits as more particularly provided herein

("Variable Rent"). For purposes of this Section, annual profits shall be defined as any and all revenue generated by the operation of the Theatre, including, but not limited to, ticket sales, sponsorship, concessionaires, gift shop sales, etc., less all operating and production costs, expenses, and authorized reserves for each calendar year ("Annual Profits"). Annual Profits shall also include donations except as otherwise provided in Section 27 regarding donations earmarked for specified purposes. For purposes of determining Variable Rent, the parties expressly agree that part of the operating and production costs and expenses may include reasonable and necessary reservation of funds for purposes of funding the Association's Operations Reserve Fund and Maintenance Reserve Fund as more particularly defined in Section 22 and Section 23. Variable Rent for the current year shall be calculated based on the Annual Profits of the Association for the immediately preceding calendar year. Subject to the waiver period provided herein, Variable Rent shall be due annually on June 30th ~~January 31st~~ of each calendar year. The Association shall be responsible for determining and calculating its Annual Profits in order to make timely payment of annual Variable Rent. Each annual Variable Rent payment shall be accompanied by a written statement, certified to be true, correct, and complete by an independent accountant or officer of the Association, showing for the previous calendar year the revenue, expenses, reserve funds and Annual Profit calculations. The parties acknowledge that the expenses and operating and maintenance costs will be difficult to estimate or predict for the first year of operation of the Theatre and until some experience and history of operations and financial data is available. It is further intended by the parties that the first year of any available revenue should be used to build up the Operations Reserve Fund and Maintenance Reserve Fund as more particularly defined in Section 22 and Section 23. For these reasons, the RDA agrees that the Variable Rent shall not be due and owing until June 30, ~~January 31,~~ 2013, accruing for the calendar year 2012 as more particularly provided herein. In consideration of the waiver of Variable Rent until 2013, the Association hereby agrees to use any excess revenues during the first year or partial years of operation to build up the fund balances in the Operations Reserve Fund and the Maintenance Reserve Fund in accordance with Sections 22 and 23 regarding reserve funds.

2. Amendment. The Lease and Operating Agreement is hereby amended to revise Section 32 regarding the Maintenance Budgeting and Funding Priorities to read in its entirety as follows:

32. Maintenance Budgeting and Funding Priorities. The Association shall be required to provide for current maintenance and repair obligations in its Annual Operating Budget, which allocations and budgeting shall be subject to the review and approval of the RDA in accordance with Section 28. The Association shall also be required to provide for known and unknown future and on-going maintenance and repair obligations in its annual Maintenance Reserve Fund budget, which allocations and budgeting shall be subject to the review and approval of the RDA in accordance with Section 28. The Association shall be required to actually transfer funds to the Maintenance Reserve Fund, including required minimum contributions set forth in Section 33, in accordance with the approved budget, on an annual ~~a quarterly~~ basis. The purpose of the annual ~~quarterly~~ funding of the Maintenance Reserve Fund is to ensure that sufficient funds are reserved to pay for known and unknown current, future and on-going maintenance and repair obligations as provided herein. All budgeting and allocations for maintenance and repairs shall be sufficient to meet the Association's obligations set forth in this Lease and Operating Agreement and shall be provided in accordance with the Maintenance Plan as approved by the RDA. As indicated in Section 26 regarding flow of funds, the funding of current maintenance obligations and the reservation of funds for future maintenance obligations is a priority of the parties and an express requirement of this Lease and Operating Agreement.

3. Amendment. The Lease and Operating Agreement is hereby amended to revise Section 33 regarding the Minimum Maintenance Reserve Fund Contribution to read in its entirety as follows:

33. Minimum Maintenance Reserve Fund Contribution. In order to ensure that maintenance spending is addressed on a continuous basis, rather than waiting until a problem occurs, the Association shall be required to contribute a minimum amount of funds to the Maintenance Reserve Fund on an annual basis as more particularly set forth herein. Starting in the calendar year 2012, and until and unless the maximum fund balance is met for the Maintenance Reserve Fund, the Association shall be required to contribute to the Maintenance Reserve Fund on an annual basis an amount equal to one percent (1%) of the Association's previous year's annual revenues ("Minimum MRF Contribution"). For purposes of this Section, annual revenue shall be defined as the gross revenues generated by the operation of the Theatre, including, but not limited to, ticket sales, sponsorship, concessions, gift shop sales, etc. ("Annual Revenues"). Annual Revenues shall also include donations except as otherwise provided in Section 27 regarding donations earmarked for specified purposes. The Minimum MRF Contribution shall be addressed in the budget and shall be paid annually on or by June 30th. ~~May 1st.~~ The Association shall be responsible for determining and calculating its Annual Revenues in order to make timely payment of the annual Minimum MRF Contributions to the Maintenance Reserve Fund.

4. Amendment. The Lease and Operating Agreement is hereby amended to revise Section 105 regarding Construction Cost Obligation to read in its entirety as follows:

105. Construction Cost Obligation. The Association shall pay FIVE HUNDRED THOUSAND DOLLARS ($500,000) to the RDA as a contribution to costs associated with the construction of the Theatre ("Construction Cost Obligation"). It is anticipated by the parties that the Association shall pay the Construction Cost Obligation to the RDA on an incremental basis as the funds and/or donations are available; provided, the Association shall pay the Construction Cost Obligation in full by June 30, 2015. ~~March 31, 2013.~~ A portion of the Construction Cost Obligation shall be paid by the Association with funds obtained through naming rights campaign donations in accordance with the provisions of Section 106. In-kind donations that the Association obtains for the Theatre that actually reduce construction costs may be credited towards the Construction Cost Obligation to the extent such credit is approved by the RDA.

5. **Full Force and Effect.** The terms of this Amendment are hereby incorporated as part of the Lease and Operating Agreement. All other terms and conditions of the Lease and Operating Agreement not modified by this Amendment shall remain the same and are hereby ratified and affirmed. To the extent the terms of this Amendment modify or conflict with any provisions of the Lease and Operating Agreement, the terms of this Amendment shall control.

6. **Binding Effect.** This Amendment shall inure to the benefit of and be binding upon the parties hereto and their respective officers, employees, representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

"RDA"
Redevelopment Agency of Centerville City

By: ___________________________________
Ronald G. Russell, Chair

ATTEST:

____
Executive Director

"Association"
Davis Performing Arts Association
dba Centerpoint Legacy Theatre

By: ____________________________________
Its: ____________________________________

ATTEST:

____
Secretary

Approved as to Form:

Administrative Control Board

By: _____________________________
Its: _____________________________

RDA ACKNOWLEDGMENT

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the ______ day of ___________________, 2013, personally appeared before me Ronald G. Russell, who being duly sworn by me did say that he is the Chairperson of the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY,** a community development and renewal agency and public body organized and existing under the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act of the State of Utah, and that the forgoing instrument was signed on behalf of said Agency by authority of its Board and said Chairperson acknowledged to me that said Agency executed the same.

____
Notary Public

My Commission Expires: Residing at:

______________________________ ____

ASSOCIATION ACKNOWLEDGMENT

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the ______ day of __________________, 2013, personally appeared before me ______________________________, who being duly sworn by me did say that (s)he is the _______________________________ of the **DAVIS PERFORMING ARTS ASSOCIATION, dba CENTERPOINT LEGACY THEATRE,** a Utah non-profit corporation, and that the forgoing instrument was signed on behalf of said non-profit corporation by authority of a resolution of its Board of Directors and that said non-profit corporation executed the same.

____
Notary Public

My Commission Expires: Residing at:

______________________________ ____

CENTERVILLE CITY COUNCIL

Staff Backup Report
12/3/2013

Item No. 2.

Short Title: Review Third Quarter 2013 Financial Report for CenterPoint Legacy Theatre

Initiated By: Staff

Scheduled Time:

SUBJECT

RECOMMENDATION

Review the 3rd Quarter Financial Report and ask questions of Jan Davis, CPT Executive Director, as desired.

BACKGROUND

The City Manager and Finance Director met with Jan Davis earlier in November to review this report. The numbers reflect a continuing positive trend for the CPT that should not only cover all O&M expenses this year, but also allow CPT to continue meeting their obligations to contribute into the reserve funds and pay their remaining Construction Cost Obligation.

ATTACHMENTS:

Description

- September 13, 2013 Financial Summary
- 3rd Qtr facilities detail 2013
- September Facilities Report

CenterPoint Legacy Theatre
Income Statement
Compared with Budget
As of 9/30/2013

	Actual	Year to Date Budget	Variance	2013 Budget	Actual as % of Budget
Revenues					
Season Ticket Sales	**$487,462**	$483,559	$3,902	**$579,033**	84%
Individual Ticket Sales	**267,523**	180,000	87,523	**240,000**	111%
Corporate Memberships	**9,000**	25,000	(16,000)	**87,000**	10%
Show Sponsorship	**55,000**	60,000	(5,000)	**70,000**	79%
Leishman Hall Revenue	**13,453**	24,000	(10,547)	**36,000**	37%
Academy	**80,726**	73,561	7,165	**107,000**	75%
Facility Rental	**16,678**	28,120	(11,442)	**10,000**	167%
Costume/Prop Rental	**12,012**	7,200	4,812	**9,600**	125%
Concessions	**34,474**	36,000	(1,526)	**48,000**	72%
Events	**76,539**	-	76,539		
Miscellaneous Income	**10,406**	6,000	4,406	**7,800**	981%
Total Revenues	**1,063,273**	**923,440**	**139,832**	**1,194,433**	**0.87%**
Expenses					
Barlow Theatre Expenses	**262,335**	272,524	(10,189)	**408,000**	64%
Leishman Hall Expenses	**19,636**	24,000	(4,364)		
Academy Expenses	**47,433**	50,163	(2,730)		
Facility Rental Expenses	**1,569**	1,570	(1)		
Costume Rental Expenses	**4,039**	2,700	1,339		
Prop Rental Expenses	**645**	1,800	(1,155)		
Concession Expenses	**20,318**	20,043	275		
Other Production Costs	**113,424**	128,360	(14,936)	**248,000**	46%
Marketing/Business Development Ex	**118,405**	104,859	13,546	**154,100**	77%
Box Office Expenses	**62,189**	63,357	(1,168)	**80,000**	78%
Administrative Expense	**56,725**	57,634	(909)	**111,000**	51%
Accounting Expense	**41,225**	28,884	12,340	**36,000**	115%
Facilities Expense	**224,570**	232,260	(7,690)	**289,000**	78%
Total Expenses	**972,512**	**988,153**	**(15,641)**	**1,326,100**	**73%**
Operating Income / (Loss)	**90,761**	**(64,713)**	**155,473**	**(131,667)**	-69%
Donations	**31,632**	31,750	(118)	**-**	
Grants	**30,000**	70,000	(40,000)	**132,500**	23%
Total Donations	**61,632**	101,750	(40,118)	**132,500**	47%
Income before amortization	**152,393**	**37,037**	**(115,355)**	**833**	
Amortization of def. const. expense*	**177,457**	-	177,457		
Net Income / (Loss)	**$(25,064)**	**$37,037**	**$(62,102)**		

* Deferred construction expense on the balance sheet is amortized to expense in equal amount to debt payments

CenterPoint Legacy Theatre

Balance Sheet

September 30, 2013

ASSETS

Current Assets		
Operating Account - Zions	$830,154	
Deferred Ticket Sales - Zions	10,257	
Donations-Checking Wells Fargo	197	
Donations-Savings-Wells Fargo	10,226	
Maintenance Reserve-Wells Fargo	92,781	
Operations Reserve-Wells Fargo	78,865	
Box Office/Concession Cash	800	
Prepaid Expenses	72,041	
Deferred Expenses	56,000	
Total Current Assets		$1,151,320
Property and Equipment		
Furniture & Fixtures	20,542	
Sound & Lighting Equipment	116,225	
Pianos	43,035	
Leasehold Improvements	7,000	
Accumulated Depreciation	(121,338)	
Total Property and Equipment		65,464
Total Assets		$1,216,785

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	$20,349	
Accounts Payable-Accrued	4,909	
Fed Taxes Payable	(571)	
State Tax Payable	1,849	
Note - Construction Obligation	56,000	
Deferred Season Ticket Sales	193,839	
Deferred Single Ticket Sales	32,963	
Deferred Childrens Tickets	380	
Deferred Season Tickets - LPH	449	
Deferred 2014 Season Tickets	604,178	
Deferred 2013 Matinee Package	223	
Gift Certificates	9,259	
Deferred Show Sponsorship	6,890	
Total Current Liabilities		$930,716
Total Long-Term Liabilities		-
Total Liabilities		930,716
Capital		
Retained Earnings	243,182	
Retained Earnings - Restricted	67,950	
Net Income	(25,064)	
Total Capital		286,068
Total Liabilities & Capital		$1,216,785

Unaudited - For Management Purposes Only

CenterPoint Legacy Theatre
Facilities General Ledger
For the Period From Jan 1, 2013 to Sep 30, 2013

Account ID	Account Description	Date	Reference	Trans Description	Debit Amt	Credit Amt	Balance
9250		1/1/13		Beginning Balance			
Contract Repairs & Maintenance		2/1/13		Beginning Balance			
		2/1/13	J27743	Carson Elevator, LLC - February elevator service	140.00		
		2/5/13	2299	Associated Building Services - Maintenance service contract - January	700.00		
		2/13/13	2319	Associated Building Services - February monthly maintenance	700.00		
				Current Period Change	1,540.00		1,540.00
		3/1/13		Beginning Balance			1,540.00
		4/1/13		Beginning Balance			1,540.00
		4/1/13	2411	Associated Building Services - March contract	700.00		
		4/30/13	J28678	Carson Elevator, LLC - May elevator service	140.00		
		4/30/13	04-30 Recla	Reclass Carson Elevator - Jan & Feb	280.00		
				Current Period Change	1,120.00		1,120.00
		5/1/13		Beginning Balance			2,660.00
		5/19/13	2525	Associated Building Services - April contract	700.00		
		5/29/13	J28360	Carson Elevator, LLC - April elevator service	140.00		
				Current Period Change	840.00		840.00
		6/1/13		Beginning Balance			3,500.00
		6/1/13	J28965	Carson Elevator, LLC - June service	140.00		
		6/1/13	2592	Associated Building Services - May contract	700.00		
				Current Period Change	840.00		840.00
		7/1/13		Beginning Balance			4,340.00
		7/1/13	J29282	Carson Elevator, LLC - July elevator service	140.00		
		7/1/13	2666	Associated Building Services - June Maintenance	700.00		
				Current Period Change	840.00		840.00
		8/1/13		Beginning Balance			5,180.00
		8/1/13	J29567	Carson Elevator, LLC - August elevator service	140.00		
		8/6/13	2717	Associated Building Services - July maintenance	700.00		
				Current Period Change	840.00		840.00
		9/1/13		Beginning Balance			6,020.00
		9/1/13	J29874	Carson Elevator, LLC - Elevator Service - September	140.00		
				Current Period Change	140.00		140.00
		9/30/13		**Ending Balance**			**6,160.00**
9260		1/1/13		Beginning Balance			
Repairs & Maintenance		1/17/13	J27742	Carson Elevator, LLC - January Elevator service	140.00		
		1/31/13	2159	Associated Building Services - Door repair/maintenance	243.64		
				Current Period Change	383.64		383.64
		2/1/13		Beginning Balance			383.64
		2/13/13	2319	Associated Building Services - Soap dispensers/keys	278.89		
		2/28/13	2358	Associated Building Services - HVAC repair	919.54		
				Current Period Change	1,198.43		1,198.43
		3/1/13		Beginning Balance			1,582.07
		3/1/13	J28047	Carson Elevator, LLC - March Elevator service	140.00		
				Current Period Change	140.00		140.00
		4/1/13		Beginning Balance			1,722.07
		4/1/13	2411	Associated Building Services - Soap dispensers	308.57		
		4/1/13	2411	Associated Building Services - Toilet repair	33.56		
		4/1/13	2411	Associated Building Services - Glycol refill, reset HVAC units	90.00		
		4/1/13	2411	Associated Building Services - Sink aerators	45.80		
		4/22/13	2407926	Colonial Building Supply - Velcro Tape - Parking signs	26.06		
		4/26/13	55064	Carr Printing - Parking signs	92.00		
		4/27/13	2409406	Colonial Building Supply - Lumber - Shelving	147.10		
		4/30/13	04-30 Recla	Reclass Carson Elevator - Jan & Feb		280.00	
				Current Period Change	743.09	280.00	463.09
		5/1/13		Beginning Balance			2,185.16
		5/19/13	2525	Associated Building Services - Water softner salt	360.00		
		5/19/13	2525	Associated Building Services - Clean drain floats	105.00		
		5/19/13	2525	Associated Building Services - Water softner salt	90.69		
		5/19/13	2525	Associated Building Services - Repair sewage ejector pump	337.50		
		5/19/13	2525	Associated Building Services - Repair boiler pressure switches & repipe	425.00		
				Current Period Change	1,318.19		1,318.19
		6/1/13		Beginning Balance			3,503.35
		6/1/13	2592	Associated Building Services - Plumbing repairs - p-trap primers	557.14		
		6/24/13	2425050	Colonial Building Supply - Lock	1.59		
		6/27/13	853343	Commercial Lighting Supply - Hatch transformer	625.70		
				Current Period Change	1,184.43		1,184.43
		7/1/13		Beginning Balance			4,687.78
		7/15/13	2430697	Colonial Building Supply - WD-40 - Maintenance	5.29		
		7/29/13	07-29-13	Jansen Davis - Walmart - hose	8.03		
				Current Period Change	13.32		13.32
		8/1/13		Beginning Balance			4,701.10
		8/5/13	385	Freedom LED LLC - Sign maintenance	271.88		
		8/6/13	2717	Associated Building Services - Electrical supplies	42.63		
		8/6/13	2717	Associated Building Services - Plumbing repairs - flush valve	155.39		
				Current Period Change	469.90		469.90
		9/1/13		Beginning Balance			5,171.00
		9/30/13		**Ending Balance**			**5,171.00**
9280		1/1/13		Beginning Balance			
Insurance Expense		2/1/13		Beginning Balance			

Account ID	Account Description	Date	Reference	Trans Description	Debit Amt	Credit Amt	Balance
		3/1/13		Beginning Balance			
		4/1/13		Beginning Balance			
		5/1/13		Beginning Balance			
		5/13/13	NDO155438	United States Liability Insura - Directors & Officers	844.00		
				Current Period Change	844.00		844.00
		6/1/13		Beginning Balance			844.00
		6/13/13	CBP883082	Colorado Casualty Insurance - Premium 901049640	5,638.00		
				Current Period Change	5,638.00		5,638.00
		7/1/13		Beginning Balance			6,482.00
		8/1/13		Beginning Balance			6,482.00
		8/6/13	08-06-2	Insurance refund		1,118.00	
				Current Period Change		1,118.00	-1,118.00
		9/1/13		Beginning Balance			5,364.00
		9/27/13	18360214	Wells Fargo Insurance Services - Special Event covereage-Fairy Tale	704.70		
				Current Period Change	704.70		704.70
		9/30/13		**Ending Balance**			**6,068.70**
9320		1/1/13		Beginning Balance			
	Janitorial Expense	1/25/13	45670	RBM Services, Inc - January janitorial	1,900.00		
				Current Period Change	1,900.00		1,900.00
		2/1/13		Beginning Balance			1,900.00
		2/25/13	46113	RBM Services, Inc - February janitorial	1,900.00		
				Current Period Change	1,900.00		1,900.00
		3/1/13		Beginning Balance			3,800.00
		3/25/13	46551	RBM Services, Inc - March janitorial	1,900.00		
				Current Period Change	1,900.00		1,900.00
		4/1/13		Beginning Balance			5,700.00
		4/25/13	47035	RBM Services, Inc - April Janitorial	1,900.00		
				Current Period Change	1,900.00		1,900.00
		5/1/13		Beginning Balance			7,600.00
		5/25/13	47541	RBM Services, Inc - May janitorial	1,900.00		
				Current Period Change	1,900.00		1,900.00
		6/1/13		Beginning Balance			9,500.00
		6/25/13	48088	RBM Services, Inc - June Janitorial	2,956.77		
				Current Period Change	2,956.77		2,956.77
		7/1/13		Beginning Balance			12,456.77
		7/25/13	48635	RBM Services, Inc - July janitorial	2,956.77		
				Current Period Change	2,956.77		2,956.77
		8/1/13		Beginning Balance			15,413.54
		8/25/13	49248	RBM Services, Inc - August janitorial	2,956.77		
		8/31/13	49568	RBM Services, Inc - Carpet Cleaning	2,661.90		
				Current Period Change	5,618.67		5,618.67
		9/1/13		Beginning Balance			21,032.21
		9/25/13	49840	RBM Services, Inc - September janitorial	2,956.77		
				Current Period Change	2,956.77		2,956.77
		9/30/13		**Ending Balance**			**23,988.98**
9325		1/1/13		Beginning Balance			
	Janitorial Supplies	2/1/13		Beginning Balance			
		2/2/13	3192139297	Staples Advantage - Janitorial supplies	607.41		
				Current Period Change	607.41		607.41
		3/1/13		Beginning Balance			607.41
		4/1/13		Beginning Balance			607.41
		4/10/13	3197104926	Staples Advantage - Janitorial supplies	324.51		
				Current Period Change	324.51		324.51
		5/1/13		Beginning Balance			931.92
		5/4/13	3199386196	Staples Advantage - Janitorial supplies	426.42		
		5/29/13	05-29-13	Brian Hahn - Costco - batteries - janitorial	13.85		
				Current Period Change	440.27		440.27
		6/1/13		Beginning Balance			1,372.19
		6/10/13	7101390177	Staples Advantage - Janitorial supplies	284.82		
				Current Period Change	284.82		284.82
		7/1/13		Beginning Balance			1,657.01
		8/1/13		Beginning Balance			1,657.01
		8/31/13	3208717295	Staples Advantage - Janitorial supplies	396.50		
				Current Period Change	396.50		396.50
		9/1/13		Beginning Balance			2,053.51
		9/30/13		**Ending Balance**			**2,053.51**
9360		1/1/13		Beginning Balance			
	Gas	1/1/13	5101981381	Questar Gas - 5101981381	2,457.00		
				Current Period Change	2,457.00		2,457.00
		2/1/13		Beginning Balance			2,457.00
		2/2/13	5101981381	Questar Gas - 5101981381 2	2,535.70		
				Current Period Change	2,535.70		2,535.70
		3/1/13		Beginning Balance			4,992.70
		3/1/13	5101981381	Questar Gas - 5101981381	1,629.74		
				Current Period Change	1,629.74		1,629.74
		4/1/13		Beginning Balance			6,622.44
		4/1/13	5101981381	Questar Gas - 5101981381	1,252.01		
				Current Period Change	1,252.01		1,252.01

CenterPoint Legacy Theatre
Facilities General Ledger
For the Period From Jan 1, 2013 to Sep 30, 2013

Account ID	Account Description	Date	Reference	Trans Description	Debit Amt	Credit Amt	Balance
		5/1/13		Beginning Balance			7,874.45
		5/1/13	5101981381	Questar Gas - 5101981381	1,381.82		
				Current Period Change	1,381.82		1,381.82
		6/1/13		Beginning Balance			9,256.27
		6/3/13	5101981381	Questar Gas - Account # 5181981381	1,153.72		
				Current Period Change	1,153.72		1,153.72
		7/1/13		Beginning Balance			10,409.99
		7/1/13	5101981381	Questar Gas - 5101981381	653.17		
				Current Period Change	653.17		653.17
		8/1/13		Beginning Balance			11,063.16
		8/2/13	5101981381	Questar Gas - 5101981381	228.00		
				Current Period Change	228.00		228.00
		9/1/13		Beginning Balance			11,291.16
		9/3/13	5101981381	Questar Gas - Gas service	256.53		
				Current Period Change	256.53		256.53
		9/30/13		**Ending Balance**			**11,547.69**
9380		1/1/13		Beginning Balance			
Electricity		1/31/13	26419395-0(	Rocky Mountain Power - 26419395-001 3	2,824.96		
				Current Period Change	2,824.96		2,824.96
		2/1/13		Beginning Balance			2,824.96
		2/28/13	26419395-0(	Rocky Mountain Power - 26419395-001 3	3,316.12		
				Current Period Change	3,316.12		3,316.12
		3/1/13		Beginning Balance			6,141.08
		3/31/13	26419395-0(	Rocky Mountain Power - 26419395-001 3	4,210.63		
				Current Period Change	4,210.63		4,210.63
		4/1/13		Beginning Balance			10,351.71
		4/30/13	27410305-0(	Rocky Mountain Power - 26419395-001 3	3,945.41		
				Current Period Change	3,945.41		3,945.41
		5/1/13		Beginning Balance			14,297.12
		5/30/13	26419395-0(	Rocky Mountain Power - 26419395-001 3	6,133.70		
				Current Period Change	6,133.70		6,133.70
		6/1/13		Beginning Balance			20,430.82
		6/28/13	26419395-0(	Rocky Mountain Power - 26419395-001 3	6,731.05		
				Current Period Change	6,731.05		6,731.05
		7/1/13		Beginning Balance			27,161.87
		7/31/13	26419395-0(	Rocky Mountain Power - 26419395-001 3	7,623.13		
				Current Period Change	7,623.13		7,623.13
		8/1/13		Beginning Balance			34,785.00
		8/22/13	26419395-0(	Rocky Mountain Power - 26149395-001 3	7,188.61		
				Current Period Change	7,188.61		7,188.61
		9/1/13		Beginning Balance			41,973.61
		9/30/13	26419395-0(	Rocky Mountain Power - 26419395-001 3	6,778.24		
				Current Period Change	6,778.24		6,778.24
		9/30/13		**Ending Balance**			**48,751.85**
9400		1/1/13		Beginning Balance			
HVAC		2/1/13		Beginning Balance			
		3/1/13		Beginning Balance			
		3/6/13	10421	Salmon HVAC LLC - Filter Maintenance	672.75		
				Current Period Change	672.75		672.75
		4/1/13		Beginning Balance			672.75
		5/1/13		Beginning Balance			672.75
		6/1/13		Beginning Balance			672.75
		6/1/13	2592	Associated Building Services - HVAC programming/testing	4,927.09		
				Current Period Change	4,927.09		4,927.09
		7/1/13		Beginning Balance			5,599.84
		7/1/13	2666	Associated Building Services - HVAC filters	272.00		
				Current Period Change	272.00		272.00
		8/1/13		Beginning Balance			5,871.84
		8/6/13	2717	Associated Building Services - Air handler repairs	1,485.00		
				Current Period Change	1,485.00		1,485.00
		9/1/13		Beginning Balance			7,356.84
		9/30/13		**Ending Balance**			**7,356.84**
9460		1/1/13		Beginning Balance			
Lamps/Ballast/Fixtures		1/8/13	840164-01	Commercial Lighting Supply - LED lights	306.44		
		1/15/13	840832-00	Commercial Lighting Supply - LED lights	4,792.32		
		1/15/13	840804-01	Commercial Lighting Supply - LED lights	468.79		
		1/25/13	23491	Commercial Lighting Supply - Lighting	306.00		
		1/29/13	842246	Commercial Lighting Supply - Lighting	244.24		
				Current Period Change	6,117.79		6,117.79
		2/1/13		Beginning Balance			6,117.79
		2/5/13	2299	Associated Building Services - Light replacement	1,670.98		
		2/13/13	2319	Associated Building Services - Lighting supplies	322.73		
		2/22/13	840851-01	Commercial Lighting Supply - Lights	129.36		
				Current Period Change	2,123.07		2,123.07
		3/1/13		Beginning Balance			8,240.86
		3/18/13	03/18/13	Lucille Leonard - Home Depot - Hallway lights	7.43		
		3/18/13	03/18/13	Lucille Leonard - Walmart - Hallway lights	7.16		
		3/23/13	03-23-13	Julie Nemelka - Home Depot - elevator lights	24.49		

CenterPoint Legacy Theatre
Facilities General Ledger
For the Period From Jan 1, 2013 to Sep 30, 2013

Account ID	Account Description	Date	Reference	Trans Description	Debit Amt	Credit Amt	Balance
		3/26/13	846320	Commercial Lighting Supply - Lighting supplies	44.34		
				Current Period Change	83.42		83.42
		4/1/13		Beginning Balance			8,324.28
		4/4/13	846708	Commercial Lighting Supply - Lighting	179.01		
				Current Period Change	179.01		179.01
		5/1/13		Beginning Balance			8,503.29
		5/8/13	848837-01	Commercial Lighting Supply - 18 w quad lamps	128.36		
		5/19/13	2525	Associated Building Services - Lighting supplies	280.77		
				Current Period Change	409.13		409.13
		6/1/13		Beginning Balance			8,912.42
		7/1/13		Beginning Balance			8,912.42
		7/9/13	853933	Commercial Lighting Supply - Lighting	302.60		
		7/15/13	854032-01	Commercial Lighting Supply - Lighting	235.58		
				Current Period Change	538.18		538.18
		8/1/13		Beginning Balance			9,450.60
		9/1/13		Beginning Balance			9,450.60
		9/3/13	857796	Commercial Lighting Supply - Lights	84.00		
				Current Period Change	84.00		84.00
		9/30/13		**Ending Balance**			**9,534.60**
9580		1/1/13		Beginning Balance			
	Seat & Paver Expenses	2/1/13		Beginning Balance			
		3/1/13		Beginning Balance			
		4/1/13		Beginning Balance			
		4/10/13	266752	Thomas & Sons - Brick paver and seat plaque engraving	102.60		
				Current Period Change	102.60		102.60
		5/1/13		Beginning Balance			102.60
		6/1/13		Beginning Balance			102.60
		7/1/13		Beginning Balance			102.60
		8/1/13		Beginning Balance			102.60
		9/1/13		Beginning Balance			102.60
		9/24/13	267134	Thomas & Sons - Paver/Seat engraving	50.00		
				Current Period Change	50.00		50.00
		9/30/13		**Ending Balance**			**152.60**
9640		1/1/13		Beginning Balance			
	Miscellaneous	2/1/13		Beginning Balance			
		3/1/13		Beginning Balance			
		4/1/13		Beginning Balance			
		5/1/13		Beginning Balance			
		5/24/13	05-24-13	Scott Van Dyke - Parking sign tie downs	8.52		
				Current Period Change	8.52		8.52
		6/1/13		Beginning Balance			8.52
		6/1/13	PO Box 62	U.S. Postal Service - Post office box rental	54.00		
		6/18/13	2423645	Colonial Building Supply - Safet vest - parking	30.58		
		6/21/13	2424599	Colonial Building Supply - Crossing sign	21.16		
		6/21/13	2424601	Colonial Building Supply - Washer, nuts - Crossing	0.42		
				Current Period Change	106.16		106.16
		7/1/13		Beginning Balance			114.68
		8/1/13		Beginning Balance			114.68
		9/1/13		Beginning Balance			114.68
		9/30/13		**Ending Balance**			**114.68**
9740		1/1/13		Beginning Balance			
	Grounds/Snow Removal/MTC	1/1/13	12-31 Lands	December landscaping expenses		952.21	
		1/12/13	2385484	Colonial Building Supply - Ice melt	73.16		
		1/24/13	2387872	Colonial Building Supply - Ice melt	36.58		
		1/24/13	2387873	Colonial Building Supply - Ice melt spreader	11.52		
		1/24/13	2388009	Colonial Building Supply - Ice melt & tools	139.73		
		1/24/13	2388057	Colonial Building Supply - Ice melt	59.90		
		1/31/13	02-13	Dayton West, LLC - Grounds maintenance - January	2,512.21		
				Current Period Change	2,833.10	952.21	1,880.89
		2/1/13		Beginning Balance			1,880.89
		2/21/13	02-21-13	Diana Jensen - Home Depot - Ice melt	9.56		
		2/28/13	03-13	Dayton West, LLC - Grounds maintenance	4,540.64		
				Current Period Change	4,550.20		4,550.20
		3/1/13		Beginning Balance			6,431.09
		4/1/13		Beginning Balance			6,431.09
		4/9/13	4-13	Dayton West, LLC - March landscaping/snow removal	1,841.07		
				Current Period Change	1,841.07		1,841.07
		5/1/13		Beginning Balance			8,272.16
		5/13/13	5-13	Dayton West, LLC - March grounds maintenance	3,258.36		
				Current Period Change	3,258.36		3,258.36
		6/1/13		Beginning Balance			11,530.52
		6/12/13	6-13	Dayton West, LLC - Grounds maintenance - April	9,803.04		
				Current Period Change	9,803.04		9,803.04
		7/1/13		Beginning Balance			21,333.56
		7/15/13	7-13	Dayton West, LLC - June Grounds	1,689.78		
				Current Period Change	1,689.78		1,689.78
		8/1/13		Beginning Balance			23,023.34
		8/9/13	8-13	Dayton West, LLC - July Maintenance	3,273.34		

CenterPoint Legacy Theatre
Facilities General Ledger
For the Period From Jan 1, 2013 to Sep 30, 2013

Account ID	Account Description	Date	Reference	Trans Description	Debit Amt	Credit Amt	Balance
				Current Period Change	3,273.34		3,273.34
		9/1/13		Beginning Balance			26,296.68
		9/12/13	9-13	Dayton West, LLC - Grounds maintenance	2,878.63		
				Current Period Change	2,878.63		2,878.63
		9/30/13		**Ending Balance**			**29,175.31**

CenterPoint Legacy Theatre

Year to Date Facility Expenses
Compared with Budget
September 30, 2013

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
EXPENSES						
Contract Repairs & Maintenance	140.00	840.00	(700.00)	6,160.00	13,560.00	(7,400.00)
Repairs & Maintenance	0.00	1,000.00	(1,000.00)	5,171.00	9,000.00	(3,829.00)
Insurance Expense	704.70	0.00	704.70	6,068.70	7,500.00	(1,431.30)
Janitorial Expense	2,956.77	3,100.00	(143.23)	23,988.98	25,500.00	(1,511.02)
Janitorial Supplies	0.00	400.00	(400.00)	2,053.51	3,600.00	(1,546.49)
Gas	256.53	1,600.00	(1,343.47)	11,547.69	17,600.00	(6,052.31)
Electricity	6,778.24	8,200.00	(1,421.76)	48,751.85	47,000.00	1,751.85
HVAC	0.00	700.00	(700.00)	7,356.84	4,400.00	2,956.84
Lamps/Ballast/Fixtures	84.00	100.00	(16.00)	9,534.60	9,300.00	234.60
Seat & Paver Expenses	50.00	0.00	50.00	152.60	0.00	152.60
Miscellaneous	0.00	0.00	0.00	114.68	0.00	114.68
Grounds/Snow Removal/MTC	2,878.63	2,000.00	878.63	29,175.31	23,300.00	5,875.31
Total Facilities Expenses	13,848.87	17,940.00	(4,091.13)	150,075.76	160,760.00	(10,684.24)

CENTERVILLE CITY COUNCIL

Staff Backup Report
12/3/2013

Item No. 3.

Short Title: Review 2014 Budget for CenterPoint Legacy Theatre, inlcuding Facilities Maintenance Budget

Initiated By: Jan Davis, CPT Executive Director, and City staff

Scheduled Time:

SUBJECT

RECOMMENDATION

Per Section 28 of the Lease and Operating Agreement for the performing arts center, the RDA/ACB is to review and comment on CPT's Budget for the next year, no later than December 10. The RDA Board is also to approve the facilities maintenance portion of CPT's Budget.

BACKGROUND

CPT's 2014 Budget and a detailed breakdown of the Facilities Maintenance section are attached. The City Manager and Finance Director reviewed and discussed these documents with Jan Davis, Executive Director, earlier in November. The Facilities Maintenance budget appears to be reasonable based upon current year's costs and anticipated needs next year.

ATTACHMENTS:

Description

- Budget Summary
- 2014 Facilities Budget

CenterPoint Legacy Theatre		2014 Summary		2013 Budget	
Season Ticket Show Revenue		715,228		579,033	
Single Show Ticket Revenue		327,000		240,000	
Encore Club Program		12,000		72,000	
Leishman Hall Revenue		33,140		36,000	
Gala - Fundraising		80,000			
Event - Concerts		11,500			
Misc. Revenue (play bill ads...)		9,600		7,800	
Concessions		48,000		48,000	
Show Sponsorships		70,000		70,000	
Board of Directors' contribution				15,000	
Academy		129,150		107,000	
Prop and Costume rental		16,800		9,600	
Facility Rental		16,000		10,000	
Total Revenue	**$**	**1,468,418**		**1,194,433**	
Direct Production Costs-Barlow		416,419		408,000	
Academy Expenses		99,885			Direct costs
Rental Expenses (Costume, Props, Facility)		10,200			Direct costs
Concessions		40,897			Direct costs
Leishman		33,140			Direct costs
Direct Costs-Other				108,000	
Production Overhead Costs		157,108		140,000	
Total Direct Costs	**$**	**757,649**		**656,000**	
Marketing and Development		168,799		154,100	
Technical Equipment		-		16,000	Moved to production overhead
Ticket office		97,299		80,000	
Administrative		164,908		80,000	
Depreciation		15,000		15,000	
Accounting		-		36,000	Moved to admin
Facilities and Maintenance		278,754		289,000	
Total Admin Expenses		**724,760**		**670,100**	
Total Expenses		**1,482,408**		**1,326,100**	
Net Income From Operations	**$**	**(13,990)**		**(131,667)**	
Other Non Operational Items:					
Foundations/Corporations/Grants		49,000		100,000	
Individuals (Leishman - $11,500)		23,500		32,500	
Net Income	**$**	**58,510**	**$**	**833**	

Other Items:

Debt Payment	**26,000**	
	32,510	
Maintenance reserve funding	**15,000**	Based on 1% of $1,500,000
Operation reserve funding	**15,000**	
Variable rent	**0**	
	2,510	

Facilities Budget 2014

	Account Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
1	Debt payment/deferred expense					11,500								11,500
2	Safety Expense	50			350			50			50			500
3	Computer & Software Equipment													-
4	Contract Repairs & Maintenar	840	840	840	840	840	840	840	840	840	840	840	840	10,080
5	Repairs & Maintenance	1,000	1,000	1,000	3,200	1,000	1,000	2,000	1,000	3,000	1,200	1,000	1,000	17,400
6	Dues & Subscriptions	moved to admin												-
7	Janitorial Expense	3,000	3,000	3,000	5,700	3,000	3,000	3,000	3,000	3,000	3,000	4,300	3,000	40,000
8	Janitorial Supplies	260	260	260	260	260	260	260	260	260	260	260	260	3,120
9	Gas	2,580	2,660	1,710	1,315	1,450	1,210	685	240	1,000	1,560	1,810	2,870	19,090
10	Electricity	3,065	2,970	3,480	4,420	4,140	6,440	7,069	7,550	8,575	7,625	4,455	4,155	63,944
11	HVAC	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
12	Lamps/Ballast/Fixtures	400	400	400	400	400	400	400	400	400	400	400	400	4,800
13	Equipment Expense													-
14	Seat & Paver Expenses													-
15	Facility Lease Expense	6,060	6,060	6,060	6,060	6,060	6,060	6,060	6,060	6,060	6,060	6,060	6,060	72,720
16	Miscellaneous	150	150	150	150	150	150	150	150	150	150	150	150	1,800
17	Grounds/Snow Removal/MTC	1,600	2,000	3,600	1,500	2,500	7,800	1,350	2,000	2,600	1,350	5,750	800	32,850
18	Department Allocations													-
	Total	20,005	20,340	21,500	25,195	32,300	28,160	22,864	22,500	26,885	23,495	26,025	20,535	289,804
														289,804.00

CENTERVILLE CITY COUNCIL

Staff Backup Report
12/3/2013

Item No. 4.

Short Title: Interlocal Cooperation Agreements between the Redevelopment Agency of Centerville City and various entities for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area

Initiated By: Blaine Lutz

Scheduled Time:

SUBJECT

a. Consideration of Resolution No. 2013-06, a Resolution approving an Amendment to Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Davis County for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area
b. Consideration of Resolution No. 2013-07, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Davis County School District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area
c. Consideration of Resolution No. 2013-08, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and South Davis Sewer District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area
d. Consideration of Resolution No. 2013-09, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Mosquito Abatement District-Davis for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area
e. Consideration of Resolution No. 2013-10, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and South Davis Recreation District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area
f. Consideration of Resolution No. 2013-11, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Weber Basin Water Conservancy District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area.

RECOMMENDATION

Approve Resolutions approving the interlocal agreements, or amendments, with the various taxing entities for the Barnard Creek Community Development Project Area.

BACKGROUND

The six attached agreements complete the actions needed with all of the taxing entities in the Barnard Creek CDA. The project area was well received by the other taxing entities. Staff appreciates the efforts of LYRB on behalf of the RDA for this project. Their staff attended one or more meetings with each agency, representing the RDA.

a) The RDA previously approved the interlocal agreement with Davis County; however, the approved agreement included the incorrect Base Year of 2013. The amendment corrects the Base Year to the intended 2012.

b) The Interlocal agreement with the School District differs from the other taxing districts in that the School District approved a provision that if any increment is generated from residential development within the Barnard Creek CDA, the School District would retain that increment (see Whereas D).

c) There are substantive differences in the Sewer District Agreement.

d) There are substantive differences in the Mosquito Abatement Agreement.

e) There are substantive differences in the South Davis Recreation District Agreement.

f) There are substantive differences in the Weber Basin Water District Agreement.

The substantive differences in the several agreements above will be explained at the RDA meeting.

ATTACHMENTS:

Description

- Davis County Resolution - 2013-6
- Davis County Amendment
- School District Resolution - 2013-7
- School District Agreement
- South Davis Sewer Resolution - 2013-8
- South Davis Sewer
- Mosquito Abatement Resolution - 2013-9
- Mosquito Abatement
- Recreation District Resolution - 2013-10
- Recreation District Interlocal
- Weber Basin Resoluton - 2013-11
- Weber Basin Interlocal

RDA RESOLUTION NO. 2013-06

RESOLUTION OF THE LEGISLATIVE BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY APPROVING AN AMENDMENT TO AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND DAVIS COUNTY.

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and the provisions of the Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended (the "CDRA Act"), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Redevelopment Agency of Centerville City, Utah (the "Agency") and Davis County (the "County") are "public agencies" for purposes of the Act; and

WHEREAS the parties previously entered into an Interlocal Cooperation Agreement dated August 6, 2013, which is labeled Davis County Contract No. 2013-443A; and

WHEREAS the Interlocal Cooperation Agreement erroneously provided that the base year, for purposes of calculation of the Base Taxable Value shall be 2013, when it was intended by the parties that the base year would be 2012; and

WHEREAS Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE LEGISLATIVE BODY OF THE AGENCY AS FOLLOWS:

1. The Agency hereby adopts the Amendment to Interlocal Cooperation Agreement between Davis County and Redevelopment Agency of Centerville City ("Amendment") as more particularly set forth in Exhibit A, attached hereto and incorporated herein by this reference, amending the base year to 2012.

2. Except to the extent specifically modified by the Amendment, the terms and conditions of the Interlocal Cooperation Agreement, shall remain in full force and effect.

3. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement and Amendment have been submitted to legal counsel of the Agency for review and approval as to form and legality.

4. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement and Amendment shall be filed immediately with the Secretary, the keeper of records of the Agency.

5. The Agency is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and make a copy of the Agreement available for public inspection and copying at the Agency's offices during regular business hours for a period of at least 30 days following publication of the notice.

6. The Amendment to the Agreement shall be effective immediately upon execution.

7. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the legislative body of the Redevelopment Agency of Centerville City, Utah this _____ day of_________________, 2013.

____
Chair, Redevelopment Agency of Centerville City

Attest:

____
Secretary

EXHIBIT A

AMENDMENT TO THE INTERLOCAL COOPERATION AGREEMENT

AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT BETWEEN DAVIS COUNTY AND REDEVELOPMENT AGENCY OF CENTERVILLE CITY

This Amendment is made and entered into this day by and between THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, a community development and renewal agency and political subdivision of the State of Utah (the "Agency") and DAVIS COUNTY, a political subdivision of the State of Utah (the "County").

This Amendment is made and entered into by and between the parties based, in part, upon the following recitals:

A, The parties previously entered into an Interlocal Cooperation Agreement dated August 6, 2013, which is labeled Davis County Contract No. 2013-443A.

B. The Interlocal Cooperation Agreement erroneously provided that the base year, for purposes of calculation of the Base Taxable Value shall be 2013, when it was intended by the parties that the base year would be 2012.

Now therefore in consideration of the terms set forth in this Amendment, the parties hereto do hereby agree as follows:

1. Paragraph 3 of the Interlocal Cooperation Agreement is amended to read:

The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be 2012, 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 2012 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be $15,525,163, but is subject to final adjustment and verification by the County and Agency).

2. Continuing Effect of Contract for Services

Except to the extent specifically modified by this Amendment, the terms and conditions of the Interlocal Cooperation Agreement, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment on the day specified below.

Dated this ______ day of __________________, 2013.

DAVIS COUNTY

____
John Petroff, Jr., Chairman
Davis County Board of County Commissioners

ATTEST:

____
Steven S. Rawlings
Davis County Clerk/Auditor

APPROVED AS TO FORM:

____
Attorney for Davis County

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE CITY

____
Ronald G. Russell
Chair

Attest:

____
Secretary

Approved as to form:

____
Attorney for Agency

RDA RESOLUTION NO. 2013-07

RESOLUTION OF THE LEGISLATIVE BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND DAVIS SCHOOL DISTRICT.

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and the provisions of the Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended (the "CDRA Act"), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Redevelopment Agency of Centerville City, Utah (the "Agency") and Davis School District (the "District") are "public agencies" for purposes of the Act; and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with the District whereby the District would remit to the Agency a portion of the property tax increment generated within the Barnard Creek Community Development Project Area, (the "Project Area") which would otherwise flow to the District, for the purpose of encouraging development activities through the payment for certain public infrastructure, land assembly, and other uses that directly benefit the Project Area; and

WHEREAS Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE LEGISLATIVE BODY OF THE AGENCY AS FOLLOWS:

1. The Interlocal Cooperation Agreement between the Agency and the District, substantially in the form attached hereto as Exhibit A (the "Agreement"), is approved in substantially final form and shall be executed for and on behalf of the Agency by the Chair and Secretary.

2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of the Agency for review and approval as to form and legality.

3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the Secretary, the keeper of records of the Agency.

4. The Agency is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and make a copy of the Agreement available for public inspection and copying at the Agency's offices during regular business hours for a period of at least 30 days following publication of the notice.

5. The Agreement shall be effective immediately upon execution.

6. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the legislative body of the Redevelopment Agency of Centerville City, Utah this _____ day of_________________, 2013.

____
Chair, Redevelopment Agency of Centerville City

Attest:

____
Secretary

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this 19th day of November, 2013, by and between **THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community development and renewal agency and political subdivision of the State of Utah (the "Agency"), and **DAVIS SCHOOL DISTRICT**, a political subdivision of the State of Utah (the "District") in contemplation of the following facts and circumstances:

A. **WHEREAS,** the Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated (**"UCA"**) §17A-2-1201 *et seq.* (2000), and continues to operate under the provisions of its extant successor statute, the Community Development and Renewal Agencies Act, Title 17C of the 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 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 which substantially benefit the City, creating economic benefits to the City, and improving the public health, safety and welfare of its citizens; 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 has created the Barnard Creek Community Development Project Area (the "Project Area"), through the adoption of the Barnard Creek Community Development Project Area Plan (the "Project Area Plan"), located within the City, which Project Area is described in Exhibit "A" attached hereto and incorporated herein by this reference; and

D. **WHEREAS,** the Project Area contains a significant amount of vacant and underutilized parcels, which are anticipated to be developed, with encouragement and planning by the Agency, into industrial/flex space and office uses. The City does not anticipate that any residential development will occur within the Project Area. However, if any portion of the Project Area is developed as residential, the full increment applicable to the School District on those portions will be retained by the School District. The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and the Agency may enter into one or more Development/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, increased property taxes, referred to as "Tax Increment" (as that term is defined in the Act), generated from the Project Area; and

E. **WHEREAS,** as explained further in the Plan, the City will incur significant costs and expenses to provide infrastructure improvements, including asphalt, sewer, sidewalk, curb and gutter, water, storm drain, and telecommunications; and the City may assemble land within the Project Area to incentivize development activity and to promote higher and more beneficial uses of land within the Project Area; and

F. **WHEREAS,** historically, the Project Area has generated a total of $216,452 per year in property taxes for the various taxing entities, including the City, Davis County (the "County"), Davis School District (the "School District"), and other Special Service Districts ("SSD"); and

G. **WHEREAS,** upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, and other SSDs are projected to total approximately $533,908 per year; and

H. **WHEREAS,** the Agency has requested the City, the County, the School District, and other taxing entities 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 which will be generated by the Project Area; and

I. **WHEREAS,** it is in the best interest of the District to remit such payments to the Agency in order to permit the Agency to provide assistance as an incentive for the construction of the Project Area; and

J. **WHEREAS,** the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community development and tax increment projects across the State of Utah, to prepare the Project Area Plan and to provide a report regarding the need and justification for the remittance of tax increment revenues within the Project Area. A copy of the report is included in the Project Area Plan attached as Exhibit "B"; and

K. **WHEREAS,** the Agency has also adopted the Barnard Creek Community Development Project Area Budget (the "Project Area Budget"), a copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

L. **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. **Additional Tax Revenue.** The City has determined that significant additional property tax revenue (*i.e.*, Tax Increment) will likely be generated by the development of 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.

2. **Offset of Development Costs and Expenses.** The District has determined that it is in its best interest to pay specified portions of the Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by the Agency in the construction and installation of infrastructure improvements and other development related costs needed to serve the Project Area, to the extent permitted by the Act, as amended from time to time.

3. **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 2012, 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 2012 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be $15,525,163, but is subject to final adjustment and verification by the County and Agency).

4. **Agreement with Developers.** The Agency is authorized to enter into one or more agreements with developers which may provide for the payment of certain amounts of Tax Increment to the Developer based upon the Developer's meeting of 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 Developer that the Developer, or its approved successors in title as owners of the Property, shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies.

5. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the District to the Agency shall be determined by the Agency, but shall be no later than 2020. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty.

6. **Total Payment to Agency.** The District shall remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, or until the total value of tax increment collected by the Agency reaches $4,402,272, 75% of the annual Tax Increment generated from the Project Area. The District is authorized and instructed to pay 75% of the Tax Increment to the Agency annually. The remaining 25% portion of the Tax Increment will remain with the District.

7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real and personal property taxes collected from the Project Area by the County acting as the tax collection agency for the District. Real and personal property taxes which are the subject of this Agreement shall not include taxes collected from the Project Area by the County, acting in its capacity as the tax collection agency for the District, which are to be paid to or utilized by abatement districts, special service or improvement districts or other entities for which the County acts as the tax collection agency, nor shall it include any component of real property taxes retained by the County as payment for costs incurred in the collection of real property taxes for itself or other applicable agencies. It is expressly understood that the real property taxes which are the subject of this Agreement are only those real and personal property taxes actually collected by the County from the Project Area.

8. **No Independent Duty.** The District shall be responsible to remit to the Agency only Tax Increment actually received by the County. The District shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the District on an annual basis from and including Year One through and including Year Twenty.

9. **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.

10. **Further Documents and Acts.** Each of the parties hereto agrees to cooperate in good faith with the others, 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.

11. **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:

If to District:
Davis School District
Attn: Board of Education
P.O. Box 588
Farmington, UT 84025-0588
Facsimile: (801) 402-5249

If to Agency:
Redevelopment Agency of Centerville City
Attn: Agency Board
250 N. Main Street
Centerville, UT 84014
Facsimile: (801) 292-8034

Any party may from time to time, by written notice to the others 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 noted above 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.

12. **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 obligations 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, oral or written, express or implied, are hereby superseded and merged herein.

13. **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.

14. **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.

15. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, 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 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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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 Project Area Property Tax, declares that the Agency cannot pay the Project Area Property Tax to developers, or takes any other action which has the effect of eliminating or reducing the payments of Project Area Property Tax received by the Agency, the Agency's obligation to pay the Project Property Tax Payments to developers shall be reduced or eliminated accordingly, the Agency, and the District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Property Tax to be declared invalid.

21. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

22. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty.

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

24. **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 and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, then such funds shall be returned to the party originally remitting same to the Agency and upon such return this Agreement shall be deemed terminated and of no further force or effect.

25. **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 be filed immediately 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; and

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. 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 execution of this Agreement by both Parties, each of the Parties shall cause to be published 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 and 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.

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

District: DAVIS SCHOOL DISTRICT BOARD

Attest:

By: Tamara A. Lowe
Tamara Lowe
Its: President

Business Administrator

Approved as to form:

Michelle Beus
Attorney for Davis School District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE CITY

Attest:

By: ______________________________
Ronald G. Russell
Its: Chair

____
Secretary

Approved as to form:

____
Attorney for Agency

EXHIBIT "A
to
INTERLOCAL AGREEMENT

Legal Description of Project

An entire tract of land being described for the Barnard Creek Community Development Area, situate in the NE1/4 of Section 12, and the SE1/4 of Section 1 all in T.2 N., R.1 W., S.L.B.& M., Davis County. The boundaries of said entire tract of land are described as follows:

Beginning at a point on the westerly right of way line of a railroad, said point is S. 89°58'05" W. 89.73 feet along the north line of said Section 12 from the northeast corner of said section, and running thence along said railroad right of way line S. 0°12'29" W. 1310.52 feet to the southeast corner of said entire tract; thence S. 89°49'20" W. 297.64 feet more or less to the extension of the centerline of 725 North Street; thence along said centerline S. 89°47'41" W. 1376.91 feet to the terminus of the centerline in the Excel Industrial Park Subdivision No. 2 as filed in the Davis County Recorder's Office; thence N. 89°53'30" W. 423.82 feet to the easterly right of way line of the former Denver and Rio Grande Railroad and the southwest corner of said entire tract; thence along said railroad right of way the following three (3) courses and distances (1) N. 9°00'33" E. 1330.93 feet; thence (2) N. 89°57'55" E. 52.82 feet; thence (3) N. 9°01'00" E. 1412.82 feet to the northerly right of way line of 1275 North Street and the northwest corner of said entire tract; thence S. 89°58'47" E. 1183.30 feet along said northerly right of way line and the extension thereof to the easterly right of way line of said 1275 North Street; thence along said easterly right of way line southerly 102.94 feet along the arc of a 1966.21-foot radius non-tangent curve to the right (Note: Chord to said curve bears S. 19°09'00" W. for a distance of 102.92 feet); thence S. 89°56'56" E. 475.63 feet to said westerly railroad right of way line; thence S. 0°12'29" W. 1296.28 feet along said railroad right of way line to the point of beginning.

The above described entire tract of land contains 114.67 acres more or less.

EXHIBIT “B”
To
INTERLOCAL AGREEMENT

Project Area Plan

EXHIBIT "C"
To
INTERLOCAL AGREEMENT

Project Area Budget

RDA RESOLUTION NO. 2013-08

RESOLUTION OF THE LEGISLATIVE BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND SOUTH DAVIS SEWER DISTRICT

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and the provisions of the Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended (the "CDRA Act"), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Redevelopment Agency of Centerville City, Utah (the "Agency") and South Davis Sewer District (the "District") are "public agencies" for purposes of the Act; and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with the District whereby the District would remit to the Agency a portion of the property tax increment generated within the Barnard Creek Community Development Project Area, (the "Project Area") which would otherwise flow to the District, for the purpose of encouraging development activities through the payment for certain public infrastructure, land assembly, and other uses that directly benefit the Project Area; and

WHEREAS Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE LEGISLATIVE BODY OF THE AGENCY AS FOLLOWS:

1. The Interlocal Cooperation Agreement between the Agency and the District, substantially in the form attached hereto as Exhibit A (the "Agreement"), is approved in substantially final form and shall be executed for and on behalf of the Agency by the Chair and Secretary.

2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of the Agency for review and approval as to form and legality.

3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the Secretary, the keeper of records of the Agency.

4. The Agency is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and make a copy of the Agreement available for public inspection and copying at the Agency's offices during regular business hours for a period of at least 30 days following publication of the notice.

5. The Agreement shall be effective immediately upon execution.

6. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the legislative body of the Redevelopment Agency of Centerville City, Utah this _____ day of_________________, 2013.

____
Chair, Redevelopment Agency of Centerville City

Attest:

____
Secretary

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of __________, 2013, by and between **THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community development and renewal agency and political subdivision of the State of Utah (the "Agency"), and **SOUTH DAVIS SEWER DISTRICT**, a political subdivision of the State of Utah (the "District") in contemplation of the following facts and circumstances:

A. **WHEREAS,** the Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated (**"UCA"**) §17A-2-1201 *et seq.* (2000), and continues to operate under the provisions of its extant successor statute, the Community Development and Renewal Agencies Act, Title 17C of the 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 Centerville 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 which substantially benefit the City, creating economic benefits to the City, and improving the public health, safety and welfare of its citizens; 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 has created the Barnard Creek Community Development Project Area (the "Project Area"), through the adoption of the Barnard Creek Community Development Project Area Plan (the "Project Area Plan"), located within the City, which Project Area is described in <u>Exhibit "A"</u> attached hereto and incorporated herein by this reference; and

D. **WHEREAS,** the Project Area contains a significant amount of vacant and underutilized parcels, which are anticipated to be developed, with encouragement and planning by the Agency, into industrial/flex space and office uses. The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and the Agency may enter into one or more Development/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, increased property taxes, referred to as "Tax Increment" (as that term is defined in the Act), generated from the Project Area; and

E. **WHEREAS,** as explained further in the Plan, the City will incur significant costs and expenses to provide infrastructure improvements, including asphalt, sewer, sidewalk, curb and gutter, water, storm drain, and telecommunications; and the City may assemble land within the Project Area to incentivize development activity and to promote higher and more beneficial uses of land within the Project Area; and

F. **WHEREAS,** historically, the Project Area has generated a total of $216,452 per year in property taxes for the various taxing entities, including the City, Davis County (the "County"), Davis County School District (the "School District"), and other taxing entities; and

G. **WHEREAS,** upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, and other taxing entities s are projected to total approximately $533,908 per year; and

H. **WHEREAS,** the Agency has requested the City, the County, the School District, and other taxing entities 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 which will be generated by the Project Area; and

I. **WHEREAS,** it is in the best interest of the District to remit such payments to the Agency in order to permit the Agency to provide assistance as an incentive for the construction of the Project Area; and

J. **WHEREAS,** the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community development and tax increment projects across the State of Utah, to prepare the Project Area Plan and to provide a report regarding the need and justification for the remittance of tax increment revenues within the Project Area. A copy of the report is included in the Project Area Plan attached as Exhibit "B"; and

K. **WHEREAS,** the Agency has also adopted the Barnard Creek Community Development Project Area Budget (the "Project Area Budget"), a copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

L. **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. **Additional Tax Revenue.** The City has determined that significant additional property tax revenue (*i.e.*, Tax Increment) will likely be generated by the development of 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.

2. **Offset of Development Costs and Expenses.** The District has determined that it is in its best interest to pay specified portions of the Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by the Agency in the construction and installation of infrastructure improvements and other development related costs needed to serve the Project Area, to the extent permitted by the Act, as amended from time to time.

3. **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 2012, 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 2012 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be $15,525,163, but is subject to final adjustment and verification by the County and Agency).

4. **Agreement with Developers.** The Agency is authorized to enter into one or more agreements with developers which may provide for the payment of certain amounts of Tax Increment to the Developer based upon the Developer's meeting of 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 Developer that the Developer, or its approved successors in title as owners of the Property, shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies.

5. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the District to the Agency shall be determined by the Agency, but shall be no later than 2020. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty.

6. **Total Payment to Agency.** The District shall remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, or until the total value of Tax Increment collected by the Agency reaches $4,402,272, 75% of the annual Tax Increment generated from the Project Area. The District is authorized and instructed to pay 75% of the Tax Increment to the Agency annually. The remaining 25% portion of the Tax Increment will remain with or be passed through to the District.

7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real and personal property taxes collected from the Project Area by the County acting as the tax collection agency for the District. Real and personal property taxes which are the subject of this Agreement shall not include taxes collected from the Project Area by the County, acting in its capacity as the tax collection agency for the District, which are to be paid to or utilized by abatement districts, special service or improvement districts or other entities for which the County acts as the tax collection agency, nor shall it include any component of real property taxes retained by the County as payment for costs incurred in the collection of real property taxes for itself or other applicable agencies. It is expressly understood that the real property taxes which are the subject of this Agreement are only those real and personal property taxes actually collected by the County from the Project Area.

8. **No Independent Duty.** The District shall be responsible to remit to the Agency only Tax Increment actually received by the County. The District shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the District on an annual basis from and including Year One through and including Year Twenty.

9. **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.

10. **Further Documents and Acts.** Each of the parties hereto agrees to cooperate in good faith with the others, 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.

11. **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:

If to District:
South Davis Sewer District
Attn: Chair
P.O. Box 140111
Salt Lake City, UT 84114-0111
Facsimile: (801) 295-3486

If to Agency:
Redevelopment Agency of Centerville City
Attn: Agency Board
250 N. Main Street
Centerville, UT 84014
Facsimile: (801) 292-8034

Any party may from time to time, by written notice to the others 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 noted above 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.

12. **Entire Agreement.** This Agreement, including the attached Exhibits, 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 obligations 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, oral or written, express or implied, are hereby superseded and merged herein.

13. **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.

14. **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.

15. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, 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 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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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 Project Area Property Tax, declares that the Agency cannot pay the Project Area Property Tax to developers, or takes any other action which has the effect of eliminating or reducing the payments of Project Area Property Tax received by the Agency, the Agency's obligation to pay the Project Property Tax Payments to developers shall be reduced or

eliminated accordingly, the Agency, and the District at the Agency's sole expense, shall take such steps as are reasonably required to not permit the payment and/or receipt of the Property Tax to be declared invalid.

21. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

22. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty, or after the total value of all Tax Increment remitted to the Agency reaches $4,402,272, whichever occurs first.

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

24. **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 and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, then such funds shall be returned to the party originally remitting same to the Agency and upon such return this Agreement shall be deemed terminated and of no further force or effect.

25. **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 be filed immediately 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; and

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. 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 execution of this Agreement by both Parties, each of the Parties shall cause to be published 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 and 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.

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

District: SOUTH DAVIS SEWER DISTRICT

Attest:

By: Dee C. Hansen

Its: Chair

Clerk

Approved as to form:

Attorney for South Davis Sewer District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE CITY

Attest:

By: ________________________

Ronald G. Russell
Its: Chair

____
Secretary

Approved as to form:

____
Attorney for Agency

EXHIBIT "A
to
INTERLOCAL AGREEMENT

Legal Description of Project

An entire tract of land being described for the Barnard Creek Community Development Area, situate in the NE1/4 of Section 12, and the SE1/4 of Section 1 all in T.2 N., R.1 W., S.L.B.& M., Davis County. The boundaries of said entire tract of land are described as follows:

Beginning at a point on the westerly right of way line of a railroad, said point is S. 89°58'05" W. 89.73 feet along the north line of said Section 12 from the northeast corner of said section, and running thence along said railroad right of way line S. 0°12'29" W. 1310.52 feet to the southeast corner of said entire tract; thence S. 89°49'20" W. 297.64 feet more or less to the extension of the centerline of 725 North Street; thence along said centerline S. 89°47'41" W. 1376.91 feet to the terminus of the centerline in the Excel Industrial Park Subdivision No. 2 as filed in the Davis County Recorder's Office; thence N. 89°53'30" W. 423.82 feet to the easterly right of way line of the former Denver and Rio Grande Railroad and the southwest corner of said entire tract; thence along said railroad right of way the following three (3) courses and distances (1) N. 9°00'33" E. 1330.93 feet; thence (2) N. 89°57'55" E. 52.82 feet; thence (3) N. 9°01'00" E. 1412.82 feet to the northerly right of way line of 1275 North Street and the northwest corner of said entire tract; thence S. 89°58'47" E. 1183.30 feet along said northerly right of way line and the extension thereof to the easterly right of way line of said 1275 North Street; thence along said easterly right of way line southerly 102.94 feet along the arc of a 1966.21-foot radius non-tangent curve to the right (Note: Chord to said curve bears S. 19°09'00" W. for a distance of 102.92 feet); thence S. 89°56'56" E. 475.63 feet to said westerly railroad right of way line; thence S. 0°12'29" W. 1296.28 feet along said railroad right of way line to the point of beginning.

The above described entire tract of land contains 114.67 acres more or less.

EXHIBIT "B"
To
INTERLOCAL AGREEMENT

Project Area Plan

EXHIBIT "C"
To
INTERLOCAL AGREEMENT

<u>Project Area Budget</u>

RDA RESOLUTION NO. 2013-09

RESOLUTION OF THE LEGISLATIVE BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND THE MOSQUITO ABATEMENT DISTRICT-DAVIS

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and the provisions of the Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended (the "CDRA Act"), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Redevelopment Agency of Centerville City, Utah (the "Agency") and the Mosquito Abatement District-Davis (the "District") are "public agencies" for purposes of the Act; and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with the District whereby the District would remit to the Agency a portion of the property tax increment generated within the Barnard Creek Community Development Project Area, (the "Project Area") which would otherwise flow to the District, for the purpose of encouraging development activities through the payment for certain public infrastructure, land assembly, and other uses that directly benefit the Project Area; and

WHEREAS Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE LEGISLATIVE BODY OF THE AGENCY AS FOLLOWS:

1. The Interlocal Cooperation Agreement between the Agency and the District, substantially in the form attached hereto as Exhibit A (the "Agreement"), is approved in substantially final form and shall be executed for and on behalf of the Agency by the Chair and Secretary.

2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of the Agency for review and approval as to form and legality.

3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the Secretary, the keeper of records of the Agency.

4. The Agency is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and make a copy of the Agreement available for public inspection and copying at the Agency's offices during regular business hours for a period of at least 30 days following publication of the notice.

5. The Agreement shall be effective immediately upon execution.

6. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the legislative body of the Redevelopment Agency of Centerville City, Utah this _____ day of_________________, 2013.

____
Chair, Redevelopment Agency of Centerville City

Attest:

____
Secretary

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of __________, 2013, by and between **THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community development and renewal agency and political subdivision of the State of Utah (the "Agency"), and the **MOSQUITO ABATEMENT DISTRICT-DAVIS**, a political subdivision of the State of Utah (the "District") in contemplation of the following facts and circumstances:

A. **WHEREAS,** the Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated (**"UCA"**) §17A-2-1201 *et seq.* (2000), and continues to operate under the provisions of its extant successor statute, the Community Development and Renewal Agencies Act, Title 17C of the 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 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 which substantially benefit the City, creating economic benefits to the City, and improving the public health, safety and welfare of its citizens; 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 has created the Barnard Creek Community Development Project Area (the "Project Area"), through the adoption of the Barnard Creek Community Development Project Area Plan (the "Project Area Plan"), located within the City, which Project Area is described in Exhibit "A" attached hereto and incorporated herein by this reference; and

D. **WHEREAS,** the Project Area contains a significant amount of vacant and underutilized parcels, which are anticipated to be developed, with encouragement and planning by the Agency, into industrial/flex space and office uses. The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and the Agency may enter into one or more Development/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, increased property taxes, referred to as "Tax Increment" (as that term is defined in the Act), generated from the Project Area; and

E. **WHEREAS,** as explained further in the Plan, the City will incur significant costs and expenses to provide infrastructure improvements, including asphalt, sewer, sidewalk, curb and gutter, water, storm drain, and telecommunications; and the City may assemble land within the Project Area to incentivize development activity and to promote higher and more beneficial uses of land within the Project Area; and

F. **WHEREAS,** historically, the Project Area has generated a total of $216,452 per year in property taxes for the various taxing entities, including the City, Davis County (the "County"), Davis County School District (the "School District"), and other Special Service Districts ("SSD"); and

G. **WHEREAS,** upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, and other SSDs are projected to total approximately $533,908 per year; and

H. **WHEREAS,** the Agency has requested the City, the County, the School District, and other taxing entities 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 which will be generated by the Project Area; and

I. **WHEREAS,** it is in the best interest of the District to remit such payments to the Agency in order to permit the Agency to provide assistance as an incentive for the construction of the Project Area; and

J. **WHEREAS,** the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community development and tax increment projects across the State of Utah, to prepare the Project Area Plan and to provide a report regarding the need and justification for the remittance of tax increment revenues within the Project Area. A copy of the report is included in the Project Area Plan attached as Exhibit "B"; and

K. **WHEREAS,** the Agency has also adopted the Barnard Creek Community Development Project Area Budget (the "Project Area Budget"), a copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

L. **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. **Additional Tax Revenue.** The City has determined that significant additional property tax revenue (*i.e.*, Tax Increment) will likely be generated by the development of 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.

2. **Offset of Development Costs and Expenses.** The District has determined that it is in its best interest to pay specified portions of the Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by the Agency in the construction and installation of infrastructure improvements and other development related costs needed to serve the Project Area, to the extent permitted by the Act, as amended from time to time.

3. **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 2012, 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 2012 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be $15,525,163, but is subject to final adjustment and verification by the County and Agency).

4. **Agreement with Developers.** The Agency is authorized to enter into one or more agreements with developers which may provide for the payment of certain amounts of Tax Increment to the Developer based upon the Developer's meeting of 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 Developer that the Developer, or its approved successors in title as owners of the Property, shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies.

5. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the District to the Agency shall be determined by the Agency, but shall be no later than 2020. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty.

6. **Total Payment to Agency.** The District shall remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, or until the total value of tax increment collected by the Agency reaches $4,402,272, 75% of the annual Tax Increment generated from the Project Area. The District is authorized and instructed to pay 75% of the Tax Increment to the Agency annually. The remaining 25% portion of the Tax Increment will remain with the District.

7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real and personal property taxes collected from the Project Area by the County acting as the tax collection agency for the District. Real and personal property taxes which are the subject of this Agreement shall not include taxes collected from the Project Area by the County, acting in its capacity as the tax collection agency for the District, which are to be paid to or utilized by abatement districts, special service or improvement districts or other entities for which the County acts as the tax collection agency, nor shall it include any component of real property taxes retained by the County as payment for costs incurred in the collection of real property taxes for itself or other applicable agencies. It is expressly understood that the real property taxes which are the subject of this Agreement are only those real and personal property taxes actually collected by the County from the Project Area.

8. **No Independent Duty.** The District shall be responsible to remit to the Agency only Tax Increment actually received by the County. The District shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the District on an annual basis from and including Year One through and including Year Twenty.

9. **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.

10. **Further Documents and Acts.** Each of the parties hereto agrees to cooperate in good faith with the others, 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.

11. **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:

If to District:
Mosquito Abatement District-Davis
Attn: Chair
85 North 600 West
Kaysville, UT 84037

If to Agency:
Redevelopment Agency of Centerville City
Attn: Agency Board
250 N. Main Street
Centerville, UT 84014
Facsimile: (801) 292-8034

Any party may from time to time, by written notice to the others 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 noted above 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.

12. **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 obligations 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, oral or written, express or implied, are hereby superseded and merged herein.

13. **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.

14. **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.

15. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, 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 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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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 Project Area Property Tax, declares that the Agency cannot pay the Project Area Property Tax to developers, or takes any other action which has the effect of eliminating or reducing the payments of Project Area Property Tax received by the Agency, the Agency's obligation to pay the Project Property Tax Payments to developers shall be reduced or eliminated accordingly, the Agency, and the District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Property Tax to be declared invalid.

21. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

22. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty.

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

24. **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 and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, then such funds shall be returned to the party originally remitting same to the Agency and upon such return this Agreement shall be deemed terminated and of no further force or effect.

25. **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 be filed immediately 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; and

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. 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 execution of this Agreement by both Parties, each of the Parties shall cause to be published 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 and 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.

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

District: MOSQUITO ABATEMENT DISTRICT-DAVIS

Attest:

By: ______________________________

Its: Chair

Shirley Cox

____
District Secretary

Approved as to form:

Felshaw King

____
Attorney for the Mosquito Abatement District-Davis

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE CITY

Attest:

By: ______________________________

Ronald G. Russell

Its: Chair

____
Secretary

Approved as to form:

____
Attorney for Agency

EXHIBIT "A
to
INTERLOCAL AGREEMENT

Legal Description of Project

An entire tract of land being described for the Barnard Creek Community Development Area, situate in the NE1/4 of Section 12, and the SE1/4 of Section 1 all in T.2 N., R.1 W., S.L.B.& M., Davis County. The boundaries of said entire tract of land are described as follows:

Beginning at a point on the westerly right of way line of a railroad, said point is S. 89°58'05" W. 89.73 feet along the north line of said Section 12 from the northeast corner of said section, and running thence along said railroad right of way line S. 0°12'29" W. 1310.52 feet to the southeast corner of said entire tract; thence S. 89°49'20" W. 297.64 feet more or less to the extension of the centerline of 725 North Street; thence along said centerline S. 89°47'41" W. 1376.91 feet to the terminus of the centerline in the Excel Industrial Park Subdivision No. 2 as filed in the Davis County Recorder's Office; thence N. 89°53'30" W. 423.82 feet to the easterly right of way line of the former Denver and Rio Grande Railroad and the southwest corner of said entire tract; thence along said railroad right of way the following three (3) courses and distances (1) N. 9°00'33" E. 1330.93 feet; thence (2) N. 89°57'55" E. 52.82 feet; thence (3) N. 9°01'00" E. 1412.82 feet to the northerly right of way line of 1275 North Street and the northwest corner of said entire tract; thence S. 89°58'47" E. 1183.30 feet along said northerly right of way line and the extension thereof to the easterly right of way line of said 1275 North Street; thence along said easterly right of way line southerly 102.94 feet along the arc of a 1966.21-foot radius non-tangent curve to the right (Note: Chord to said curve bears S. 19°09'00" W. for a distance of 102.92 feet); thence S. 89°56'56" E. 475.63 feet to said westerly railroad right of way line; thence S. 0°12'29" W. 1296.28 feet along said railroad right of way line to the point of beginning.

The above described entire tract of land contains 114.67 acres more or less.

EXHIBIT “B”
To
INTERLOCAL AGREEMENT

Project Area Plan

EXHIBIT “C”
To
INTERLOCAL AGREEMENT

Project Area Budget

RDA RESOLUTION NO. 2013-10

RESOLUTION OF THE LEGISLATIVE BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND SOUTH DAVIS RECREATION DISTRICT

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and the provisions of the Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended (the "CDRA Act"), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Redevelopment Agency of Centerville City, Utah (the "Agency") and South Davis Recreation District (the "District") are "public agencies" for purposes of the Act; and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with the District whereby the District would remit to the Agency a portion of the property tax increment generated within the Barnard Creek Community Development Project Area, (the "Project Area") which would otherwise flow to the District, for the purpose of encouraging development activities through the payment for certain public infrastructure, land assembly, and other uses that directly benefit the Project Area; and

WHEREAS Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE LEGISLATIVE BODY OF THE AGENCY AS FOLLOWS:

1. The Interlocal Cooperation Agreement between the Agency and the District, substantially in the form attached hereto as Exhibit A (the "Agreement"), is approved in substantially final form and shall be executed for and on behalf of the Agency by the Chair and Secretary.

2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of the Agency for review and approval as to form and legality.

3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the Secretary, the keeper of records of the Agency.

4. The Agency is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and make a copy of the Agreement available for public inspection and copying at the Agency's offices during regular business hours for a period of at least 30 days following publication of the notice.

5. The Agreement shall be effective immediately upon execution.

6. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the legislative body of the Redevelopment Agency of Centerville City, Utah this _____ day of_________________, 2013.

____

Chair, Redevelopment Agency of Centerville City

Attest:

____

Secretary

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this 16th day of September, 2013, by and between **THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community development and renewal agency and political subdivision of the State of Utah (the "Agency"), and **SOUTH DAVIS RECREATION DISTRICT**, a political subdivision of the State of Utah (the "District") in contemplation of the following facts and circumstances:

A. **WHEREAS,** the Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated (**"UCA"**) §17A-2-1201 *et seq.* (2000), and continues to operate under the provisions of its extant successor statute, the Community Development and Renewal Agencies Act, Title 17C of the 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 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 which substantially benefit the City, creating economic benefits to the City, and improving the public health, safety and welfare of its citizens; 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 has created the Barnard Creek Community Development Project Area (the "Project Area"), through the adoption of the Barnard Creek Community Development Project Area Plan (the "Project Area Plan"), located within the City, which Project Area is described in Exhibit "A" attached hereto and incorporated herein by this reference; and

D. **WHEREAS,** the Project Area contains a significant amount of vacant and underutilized parcels, which are anticipated to be developed, with encouragement and planning by the Agency, into industrial/flex space and office uses. The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and the Agency may enter into one or more Development/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, increased property taxes, referred to as "Tax Increment" (as that term is defined in the Act), generated from the Project Area; and

E. **WHEREAS,** as explained further in the Plan, the City will incur significant costs and expenses to provide infrastructure improvements, including asphalt, sewer, sidewalk, curb and gutter, water, storm drain, and telecommunications; and the City may assemble land within the Project Area to incentivize development activity and to promote higher and more beneficial uses of land within the Project Area; and

F. **WHEREAS,** historically, the Project Area has generated a total of $216,452 per year in property taxes for the various taxing entities, including the City, Davis County (the "County"), Davis County School District (the "School District"), and other Special Service Districts ("SSD"); and

G. **WHEREAS,** upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, and other SSDs are projected to total approximately $533,908 per year; and

H. **WHEREAS,** the Agency has requested the City, the County, the School District, and other taxing entities 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 which will be generated by the Project Area; and

I. **WHEREAS,** the District is willing to remit such payments to the Agency in order to permit the Agency to provide assistance as an incentive for the construction of the Project Area; and

J. **WHEREAS,** the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community development and tax increment projects across the State of Utah, to prepare the Project Area Plan and to provide a report regarding the need and justification for the remittance of tax increment revenues within the Project Area. A copy of the report is included in the Project Area Plan attached as Exhibit "B"; and

K. **WHEREAS,** the Agency has also adopted the Barnard Creek Community Development Project Area Budget (the "Project Area Budget"), a copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

L. **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. **Additional Tax Revenue.** The City has determined that significant additional property tax revenue (*i.e.*, Tax Increment) will likely be generated by the development of 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.

2. **Offset of Development Costs and Expenses.** The District is willing to pay specified portions of the Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by the Agency in the construction and installation of infrastructure improvements and other development related costs needed to serve the Project Area, to the extent permitted by the Act, as amended from time to time.

3. **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 2012, 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 2012 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be $15,525,163, but is subject to final adjustment and verification by the County and Agency).

4. **Agreement with Developers.** The Agency is authorized to enter into one or more agreements with developers which may provide for the payment of certain amounts of Tax Increment to the Developer based upon the Developer's meeting of 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 Developer that the Developer, or its approved successors in title as owners of the Property, shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies.

5. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the District to the Agency shall be determined by the Agency, but shall be no later than 2020. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty.

6. **Total Payment to Agency.** The District shall remit to the Agency 75% of the annual Tax Increment generated from the Project Area, beginning with property tax receipts in Year One, and continuing through Year Twenty, or until the total value of tax increment collected by the Agency from the District reaches the District's proportional share of $4,402,272. The District is authorized and instructed to pay 75% of the Tax Increment to the Agency annually. The remaining 25% portion of the Tax Increment will remain with the District.

7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real and personal property taxes collected from the Project Area by the County acting as the tax collection agency for the District. Real and personal property taxes which are the subject of this Agreement shall not include taxes collected from the Project Area by the County, acting in its capacity as the tax collection agency for the District, which are to be paid to or utilized by abatement districts, special service or improvement districts or other entities for which the County acts as the tax collection agency, nor shall it include any component of real property taxes retained by the County as payment for costs incurred in the collection of real property taxes for itself or other applicable agencies. It is expressly understood that the real property taxes which are the subject of this Agreement are only those real and personal property taxes actually collected by the County from the Project Area.

8. **No Independent Duty.** The District shall be responsible to remit to the Agency only Tax Increment actually received by the County. The District shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the District on an annual basis from and including Year One through and including Year Twenty.

9. **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.

10. **Further Documents and Acts.** Each of the parties hereto agrees to cooperate in good faith with the others, 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.

11. **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:

> If to District:
> South Davis Recreation District
> Attn: Executive Director
> 550 North 200 West
> Bountiful, UT 84010
>
> If to Agency:
> Redevelopment Agency of Centerville City
> Attn: Agency Board
> 250 N. Main Street
> Centerville, UT 84014
> Facsimile: (801) 292-8034

Any party may from time to time, by written notice to the others 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 noted above 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.

12. **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 obligations 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, oral or written, express or implied, are hereby superseded and merged herein.

13. **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.

14. **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.

15. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, 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 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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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 Project Area Property Tax, declares that the Agency cannot pay the Project Area Property Tax to developers, or takes any other action which has the effect of eliminating or reducing the payments of Project Area Property Tax received by the Agency, the Agency's obligation to pay the Project Property Tax Payments to developers shall be reduced or eliminated accordingly, the Agency, and the District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Property Tax to be declared invalid.

21. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

22. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty.

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

24. **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 and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, then such funds shall be returned to the party originally remitting same to the Agency and upon such return this Agreement shall be deemed terminated and of no further force or effect.

25. **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 be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;

d. The Chair of the Agency and the District Executive Director are hereby designated as a joint board to administer this Agreement and for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act; and

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. 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 execution of this Agreement by both Parties, each of the Parties shall cause to be published 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 and 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.

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

District: SOUTH DAVIS RECREATION DISTRICT

Attest:

By: ______________________________

Kent Parry
Its: Chair

____
Clerk

Approved as to form:

____
Attorney for South Davis Recreation District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE CITY

Attest:

By: ______________________________

Ronald G. Russell
Its: Chair

____
Secretary

Approved as to form:

____
Attorney for Agency

EXHIBIT "A
to
INTERLOCAL AGREEMENT

Legal Description of Project

An entire tract of land being described for the Barnard Creek Community Development Area, situate in the NE1/4 of Section 12, and the SE1/4 of Section 1 all in T.2 N., R.1 W., S.L.B.& M., Davis County. The boundaries of said entire tract of land are described as follows:

Beginning at a point on the westerly right of way line of a railroad, said point is S. 89°58'05" W. 89.73 feet along the north line of said Section 12 from the northeast corner of said section, and running thence along said railroad right of way line S. 0°12'29" W. 1310.52 feet to the southeast corner of said entire tract; thence S. 89°49'20" W. 297.64 feet more or less to the extension of the centerline of 725 North Street; thence along said centerline S. 89°47'41" W. 1376.91 feet to the terminus of the centerline in the Excel Industrial Park Subdivision No. 2 as filed in the Davis County Recorder's Office; thence N. 89°53'30" W. 423.82 feet to the easterly right of way line of the former Denver and Rio Grande Railroad and the southwest corner of said entire tract; thence along said railroad right of way the following three (3) courses and distances (1) N. 9°00'33" E. 1330.93 feet; thence (2) N. 89°57'55" E. 52.82 feet; thence (3) N. 9°01'00" E. 1412.82 feet to the northerly right of way line of 1275 North Street and the northwest corner of said entire tract; thence S. 89°58'47" E. 1183.30 feet along said northerly right of way line and the extension thereof to the easterly right of way line of said 1275 North Street; thence along said easterly right of way line southerly 102.94 feet along the arc of a 1966.21-foot radius non-tangent curve to the right (Note: Chord to said curve bears S. 19°09'00" W. for a distance of 102.92 feet); thence S. 89°56'56" E. 475.63 feet to said westerly railroad right of way line; thence S. 0°12'29" W. 1296.28 feet along said railroad right of way line to the point of beginning.

The above described entire tract of land contains 114.67 acres more or less.

EXHIBIT "B"
To
INTERLOCAL AGREEMENT

Project Area Plan

EXHIBIT "C"
To
INTERLOCAL AGREEMENT

Project Area Budget

RDA RESOLUTION NO. 2013-11

RESOLUTION OF THE LEGISLATIVE BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND WEBER BASIN WATER CONSERVANCY DISTRICT

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and the provisions of the Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended (the "CDRA Act"), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Redevelopment Agency of Centerville City, Utah (the "Agency") and Weber Basin Water Conservancy District (the "District") are "public agencies" for purposes of the Act; and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with the District whereby the District would remit to the Agency a portion of the property tax increment generated within the Barnard Creek Community Development Project Area, (the "Project Area") which would otherwise flow to the District, for the purpose of encouraging development activities through the payment for certain public infrastructure, land assembly, and other uses that directly benefit the Project Area; and

WHEREAS Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE LEGISLATIVE BODY OF THE AGENCY AS FOLLOWS:

1. The Interlocal Cooperation Agreement between the Agency and the District, substantially in the form attached hereto as Exhibit A (the "Agreement"), is approved in substantially final form and shall be executed for and on behalf of the Agency by the Chair and Secretary.

2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of the Agency for review and approval as to form and legality.

3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the Secretary, the keeper of records of the Agency.

4. The Agency is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and make a copy of the Agreement available for public inspection and copying at the Agency's offices during regular business hours for a period of at least 30 days following publication of the notice.

5. The Agreement shall be effective immediately upon execution.

6. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the legislative body of the Redevelopment Agency of Centerville City, Utah this _____ day of_________________, 2013.

____
Chair, Redevelopment Agency of Centerville City

Attest:

____
Secretary

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of __________, 2013, by and between **THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community development and renewal agency and political subdivision of the State of Utah (the "Agency"), and **WEBER BASIN WATER CONSERVANCY DISTRICT**, a political subdivision of the State of Utah (the "District") in contemplation of the following facts and circumstances:

A. **WHEREAS,** the Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated (**"UCA"**) §17A-2-1201 *et seq.* (2000), and continues to operate under the provisions of its extant successor statute, the Community Development and Renewal Agencies Act, Title 17C of the 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 Centerville 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 which substantially benefit the City, creating economic benefits to the City, and improving the public health, safety and welfare of its citizens; 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 has created the Barnard Creek Community Development Project Area (the "Project Area"), through the adoption of the Barnard Creek Community Development Project Area Plan (the "Project Area Plan"), located within the City, which Project Area is described in Exhibit "A" attached hereto and incorporated herein by this reference; and

D. **WHEREAS,** the Project Area contains a significant amount of vacant and underutilized parcels, which are anticipated to be developed, with encouragement and planning by the Agency, into industrial/flex space and office uses. The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and the Agency may enter into one or more Development/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, increased property taxes, referred to as "Tax Increment" (as that term is defined in the Act), generated from the Project Area; and

E. **WHEREAS,** as explained further in the Plan, the City will incur significant costs and expenses to provide infrastructure improvements, including asphalt, sewer, sidewalk, curb and gutter, water, storm drain, and telecommunications; and the City may assemble land within the Project Area to incentivize development activity and to promote higher and more beneficial uses of land within the Project Area; and

F. **WHEREAS,** historically, the Project Area has generated a total of $216,452 per year in property taxes for the various taxing entities, including the City, Davis County (the "County"), Davis County School District (the "School District"), and other Special Service Districts ("SSD"); and

G. **WHEREAS,** upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, and other SSDs are projected to total approximately $533,908 per year; and

H. **WHEREAS,** the Agency has requested the City, the County, the School District, and other taxing entities 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 which will be generated by the Project Area; and

I. **WHEREAS,** it is in the best interest of the District to remit such payments to the Agency in order to permit the Agency to provide assistance as an incentive for the construction of the Project Area; and

J. **WHEREAS,** the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community development and tax increment projects across the State of Utah, to prepare the Project Area Plan and to provide a report regarding the need and justification for the remittance of tax increment revenues within the Project Area. A copy of the report is included in the Project Area Plan attached as Exhibit "B"; and

K. **WHEREAS,** the Agency has also adopted the Barnard Creek Community Development Project Area Budget (the "Project Area Budget"), a copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

L. **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. **Additional Tax Revenue.** The City has determined that significant additional property tax revenue (*i.e.*, Tax Increment) will likely be generated by the development of 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.

2. **Offset of Development Costs and Expenses.** The District has determined that it is in its best interest to pay specified portions of the Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by the Agency in the construction and installation of infrastructure improvements and other development related costs needed to serve the Project Area, to the extent permitted by the Act, as amended from time to time.

3. **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 2012, 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 2012 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be $15,525,163, but is subject to final adjustment and verification by the County and Agency).

4. **Agreement with Developers.** The Agency is authorized to enter into one or more agreements with developers which may provide for the payment of certain amounts of Tax Increment to the Developer based upon the Developer's meeting of 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 Developer that the Developer, or its approved successors in title as owners of the subject property, shall pay any and all taxes and assessments which shall be assessed against such property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies.

5. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the District to the Agency shall be determined by the Agency, but shall be no later than 2020. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty.

6. **Total Payment to Agency.** The District shall remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, or until the total value of tax increment collected by the Agency reaches $4,402,272, 75% of the annual Tax Increment generated from the Project Area. The remaining 25% portion of the Tax Increment will remain with the District.

7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real and personal property taxes collected from the Project Area by the County acting as the tax collection agency for the District. Real and personal property taxes which are the subject of this Agreement shall not include taxes collected from the Project Area by the County, acting in its capacity as the tax collection agency for the District, which are to be paid to or utilized by abatement districts, special service or improvement districts or other entities for which the County acts as the tax collection agency, nor shall it include any component of real property taxes retained by the County as payment for costs incurred in the collection of real property taxes for itself or other applicable agencies. It is expressly understood that the real property taxes which are the subject of this Agreement are only those real and personal property taxes actually collected by the County from the Project Area.

8. **No Independent Duty.** The District shall be responsible to remit to the Agency only Tax Increment actually received by the County. The District shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the District on an annual basis from and including Year One through and including Year Twenty.

9. **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.

10. **Further Documents and Acts.** Each of the parties hereto agrees to cooperate in good faith with the others, 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.

11. **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:

If to District:
Weber Basin Water Conservancy District
Attn: Board Trustees
2837 East Highway 193
Layton, UT 84040
Facsimile: (801) 544-0103

If to Agency:
Redevelopment Agency of Centerville City
Attn: Agency Board
250 N. Main Street
Centerville, UT 84014
Facsimile: (801) 292-8034

Any party may from time to time, by written notice to the others 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 noted above 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.

12. **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 obligations 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, oral or written, express or implied, are hereby superseded and merged herein.

13. **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.

14. **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.

15. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, 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 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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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 Project Area Property Tax, declares that the Agency cannot pay the Project Area Property Tax to developers, or takes any other action which has the effect of eliminating or reducing the payments of Project Area Property Tax received by the Agency, the Agency's obligation to pay the Project Property Tax Payments to developers shall be reduced or eliminated accordingly, the Agency, and the District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Property Tax to be declared invalid.

21. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

22. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty.

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

24. **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 and for 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 this Agreement shall be deemed terminated and of no further force or effect.

25. **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 be filed immediately 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; and

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. 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 execution of this Agreement by both Parties, each of the Parties shall cause to be published 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 and 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.

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

District: WEBER BASIN WATER CONSERVANCY DISTRICT

Attest:

____
District Secretary

Approved as to form:

____
Attorney for Weber Basin Water Conservancy District

By: ______________________________________
Eric B. Storey
Its: Chair

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE CITY

Attest:

____
Secretary

Approved as to form:

____
Attorney for Agency

By: ______________________________________
Ronald G. Russell
Its: Chair

EXHIBIT "A
to
INTERLOCAL AGREEMENT

Legal Description of Project

An entire tract of land being described for the Barnard Creek Community Development Area, situate in the NE1/4 of Section 12, and the SE1/4 of Section 1 all in T.2 N., R.1 W., S.L.B.& M., Davis County. The boundaries of said entire tract of land are described as follows:

Beginning at a point on the westerly right of way line of a railroad, said point is S. 89°58'05" W. 89.73 feet along the north line of said Section 12 from the northeast corner of said section, and running thence along said railroad right of way line S. 0°12'29" W. 1310.52 feet to the southeast corner of said entire tract; thence S. 89°49'20" W. 297.64 feet more or less to the extension of the centerline of 725 North Street; thence along said centerline S. 89°47'41" W. 1376.91 feet to the terminus of the centerline in the Excel Industrial Park Subdivision No. 2 as filed in the Davis County Recorder's Office; thence N. 89°53'30" W. 423.82 feet to the easterly right of way line of the former Denver and Rio Grande Railroad and the southwest corner of said entire tract; thence along said railroad right of way the following three (3) courses and distances (1) N. 9°00'33" E. 1330.93 feet; thence (2) N. 89°57'55" E. 52.82 feet; thence (3) N. 9°01'00" E. 1412.82 feet to the northerly right of way line of 1275 North Street and the northwest corner of said entire tract; thence S. 89°58'47" E. 1183.30 feet along said northerly right of way line and the extension thereof to the easterly right of way line of said 1275 North Street; thence along said easterly right of way line southerly 102.94 feet along the arc of a 1966.21-foot radius non-tangent curve to the right (Note: Chord to said curve bears S. 19°09'00" W. for a distance of 102.92 feet); thence S. 89°56'56" E. 475.63 feet to said westerly railroad right of way line; thence S. 0°12'29" W. 1296.28 feet along said railroad right of way line to the point of beginning.

The above described entire tract of land contains 114.67 acres more or less.

EXHIBIT "B"
To
INTERLOCAL AGREEMENT

<u>Project Area Plan</u>

EXHIBIT "C"
To
INTERLOCAL AGREEMENT

Project Area Budget

CENTERVILLE CITY COUNCIL

Staff Backup Report
12/3/2013

Item No. 5.

Short Title: Land Rover Amended Participation Agreement

Initiated By: Blaine Lutz

Scheduled Time:

SUBJECT

Consider amendments to Participation Agreement between Centerville Redevelopment Agency and Land Rover Centerville, Inc.

RECOMMENDATION

Approve the Amended Participation Agreement with Land Rover Centerville, after further revisions recommended by staff prior to the RDA meeting.

(NOTE: Due to Blaine's absence from the office because of illness, the City Manager and City Attorney have not been able to discuss with Blaine a few additional revisions that would improve the clarity of the Amended Agreement. This discussion will hopefully occur on Monday, December 2, and a revision will be attached to the NovusAgenda online documents at that time.)

BACKGROUND

In October of 2011 the RDA entered into a Participation Agreement with Land Rover. At that time Land Rover was considering expansion of their business and line of products. At that time Land Rover maintained--and currently maintains--a dealership in Utah County and were considering the options of expanding the business in Centerville, expanding in Utah County and/or moving all operations to a location in south Salt Lake County. They were approached and considered a location in Draper/Sandy. After the RDA agreed to participate with tax increment, Land Rover decided to expand the business in Centerville. However, the progression of the project has encountered some delays and the new product lines have been slow to develop. Land Rover reps met with City staff and Jason Burningham, the RDA's financial consultant, earlier this year to propose amendments to the current Participation Agreement.

Even though the RDA does not have a legal obligation to amend the current Agreement, staff recommends an amended Agreement, as Land Rover acted in good faith, and Land Rover and the RDA have met the intended outcomes of the Agreement. Entering into the amended agreement is demonstrating the good faith, commitment, and partnerships of the RDA and Centerville businesses. Jason Burningham's recommendation is attached.

The intended outcome of the Agreement for the RDA was: 1) keep Land Rover in Centerville; 2) encourage expansion and long term commitment in Centerville; and 3) a "neutral" economic impact from the combined tax effects upon the City and the RDA. All of the outcomes have been accomplished, although the timeline and gross dollar amounts are different than anticipated.

The Participation Agreement states that the project expansion (Phase I) would be complete by December 31, 2012. It is substantially complete, and will be complete in the Spring of 2014. However, the amount of investment in Phase I is more than anticipated--increasing from $1,300,000 to a minimum of $2,200,000. The net tax implications actually favor the RDA/City when compared with the original agreement. This is summarized in the attached analysis and will be explained in more detail at the meeting.

The amended Agreement, in summary, changes the deadline for completion of the expansion from December 31, 2012 to July 1, 2014, and the benchmark of gross taxable sales from $18,000,000 to $14,733,333. Another change deletes references to Phase I and Phase II. The original Phase II is still a possibility, but does not have a timeline. Including Phase II in the original agreement was intended to cement Land Rover's investment and commitment to remain in Centerville. It is no longer relevant to the proposed amended Agreement.

ATTACHMENTS:

Description

- Jason Burningham Recomendation
- Tax analysis comparison
- Participation Agreement-clean
- Participation Agreement-redline

LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.
AN INDEPENDENT MUNICIPAL FINANCIAL ADVISORY
AND CONSULTING FIRM

November 22, 2013

CENTERVILLE CITY REDEVELOPMENT AGENCY
Boardmembers
c/o Blaine Lutz, Assistant City Manager/Finance Director
250 North Main Street
Centerville, Utah 84014

RE: AMENDMENT TO THE PARTICIPATION AGREEMENT FOR LAND ROVER CENTERVILLE INC.

Redevelopment Agency Boardmembers:

Acting in the capacity of the Redevelopment Agency's financial advisor, we have reviewed the request of Land Rover Centerville Inc. (the "Company") to amend a certain Participation Agreement between the Centerville City Redevelopment Agency (the "Agency") and the Company.

Previously, the Agency and Company entered into a Participation Agreement (the "Agreement") whereby the Agency agreed to provide "Available Tax Increment", as defined in the Agreement to the Company as an inducement to have the Company and its Land Rover Dealership remain within the City, expand its show-room space and service facility, and increase gross taxable sales. The Agreement outlined certain Performance Requirements, including: i) complete construction of Phase I of a building expansion *(estimated at $1.36M)* by no later than December 31, 2012, and ii) a) complete construction of a Phase II no later than December 31, 2014, or b) maintain gross taxable sales in the amount of $18M annually.

The Company is in the process of completing the construction of Phase I in an amount of approximately $2.3M, which is in excess of the original agreement and will be completed no later than July 1, 2014. Additionally, the gross taxable sales have increased above the level previous to the economic slow-down and have created "net incremental increase" in sales tax to the City.

The Company desires to modify the Agreement in the following ways. First, it is the desire of the Company to have the construction of Phase I completed on or prior to July 1, 2014 in an amount greater than the original value in the Agreement. Second, it is the intent of the Company to clarify the minimum gross taxable sales amount *(as the Agreement erroneously included a number that was not verified)* required by the Company to be $14,733,333.

Based on the aforementioned facts and circumstances and our review of the financial impact and benefit received by the Agency and City, it is our opinion that the amendment to the Agreement is necessary and beneficial to the Agency and is consistent with the desire of the Agency and City, which was to retain the Land Rover Dealership in Centerville City.

Respectfully,

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

Jason W.

Jason W. Burningham
Principal

GATEWAY PLAZA BUILDING
41 NORTH RIO GRANDE, SUITE 101
SALT LAKE CITY, UTAH 84101
TELEPHONE 801.596.0700
TOLL FREE 800.581.1100
FAX 801.596.2800
WWW.LEWISYOUNG.COM

Land Rover Participation Agreement

Original Agreement

	Increment existing building (est.)	New ($1.3 m)	Increased Benefit Centerville City "haircut" from new	Increased Benefit Centerville City Increased sales benefit
2012	$ 24,987	$ 12,037	$ 1,444	
2013	$ 24,987	$ 11,574	$ 1,389	$ 32,677
2014	$ 24,987	$ 11,152	$ 1,338	$ 32,677
2015	$ 24,987	$ 10,984	$ 1,318	$ 32,677
2016	$ 24,987	$ 10,731	$ 1,288	$ 32,677
2017	$ 24,987	$ 10,520	$ 1,683	$ 32,677
2018	$ 24,987	$ 8,801	$ 1,408	$ 32,677
2019	$ 24,987	$ 8,584	$ 1,373	$ 32,677
2020	$ 24,987	$ 8,223	$ 1,316	$ 32,677
2021	$ 24,987	$ 7,862	$ 1,258	$ 32,677
Total to Land Rover	$ 249,870	$ 100,468	$ 13,816	$ 294,093

Total combined additional benefit **$ 58,039**

(increase sales, less increment , plus haircut)

Sales tax base	$	147,333
Increase	$	180,000
Gross difference	$	32,667
% Gross		22.17%
Projected net	$	26,787

Amended Agreement

	Increment existing building (est.)	New ($2.2m)	Increased Benefit Centerville City "haircut" from new	Increased Benefit Centerville City Increased sales benefit
(actual) 2012	$ 24,083			
2013	$ 24,083			$ 27,463
2014	$ 24,083	$ 27,817	$ 2,890	$ 27,463
2015	$ 24,083	$ 26,704	$ 2,890	$ 27,463
2016	$ 24,083	$ 25,636	$ 2,890	$ 27,463
2017	$ 24,083	$ 24,611	$ 3,853	$ 27,463
2018	$ 24,083	$ 23,626	$ 3,853	$ 27,463
2019	$ 24,083	$ 22,681	$ 3,853	$ 27,463
2020	$ 24,083	$ 21,774	$ 3,853	$ 27,463
2021	$ 24,083	$ 20,903	$ 3,853	$ 27,463
Total to Land Rover	$ 192,664	$ 193,751	$ 27,936	$ 247,167
Retained by RDA	$ 48,166			

Total combined additional benefit **$ 82,439**

(increase sales, less increment , plus haircut)

Sales tax	$	119,870
Increase	$	147,333
Gross difference	$	27,463
% Gross		22.91%
Projected net	$	22,520

AMENDED PARTICIPATION AGREEMENT

Between
Centerville City Redevelopment Agency
and
Land Rover Centerville Inc.

This Amended Participation Agreement (the "Agreement") is entered into as of this _____ day of December 2013, by and between **Land Rover Centerville Inc.** (the "Company"), as the owner of certain real property located in Centerville City, Davis County, Utah, on which it proposes an expansion of the Company's Land Rover and Range Rover Store, a project known as the Hadley Auto Company Land Rover Expansion ("Land Rover Expansion" or "Expansion") located within Centerville City, and the **CENTERVILLE CITY REDEVELOPMENT AGENCY**, a redevelopment agency created under Utah law (the "Agency") in contemplation of the following facts and circumstances:

A. **WHEREAS** the original Participation Agreement ("Prior Agreement") was previously entered into by and between the Company, the City and the Agency, dated October 1, 2011, and the intent of this Agreement is to amend and replace in its entirety the Prior Agreement;

B. **WHEREAS** the Company owns approximately 3.94 acres of real property with 11,819 square feet of building improvements known as the Land Rover Dealership located within the City (the " Original Project"), as more fully depicted in Exhibit "A", attached hereto and desires to develop and expand the Original Project;

C. **WHEREAS** the Company has constructed or will construct improvements to the Original Project (as more fully depicted and attached in Exhibit "B") to be approximately two million two hundred thousand dollars ($2,200,000), which includes the expansion of the existing building with an additional 11,000 square feet of building and site improvements, 6 new service bays, 3 new detailing bays, new administrative offices, expanded parts and service capacities, and a .25 acre used car area (collectively referred to hereafter as the "Land Rover Expansion" or "Expansion"), and when completed as presently anticipated, will produce an additional taxable property value of approximately $2,200,000;

D. **WHEREAS** the Company has presented to the Agency and its representatives the possibility of potentially developing the remaining 0.45 undeveloped acres on the site to create an additional showroom and ancillary facility to sell additional retail vehicle brands separate from the Land Rover and Range Rover product lines.

E. **WHEREAS** the Company has also presented to the Agency and its representatives a projected conservative sales growth scenario comprised of both vehicle sales and parts/repairs sales as a result of the Expansion which conservative sales for the first full year after the date of completion is projected at $14,733,333 in gross taxable sales;

F. **WHEREAS** the Agency has heretofore created a Parrish Gateway Redevelopment Project Area ("Project Area") in the year 1989 that is comprised of the properties that includes the Original

Project, which authorizes the Agency to use all tax increment as allowed in the Community Development & Renewal Agency Act, Utah Code Annotated ("UCA") 17C (the "Act");

G. **WHEREAS** the Agency has heretofore adopted and authorized the Parrish Gateway Redevelopment Project Area Plan and Budget that provides the Agency the ability to negotiate participation and tax increment agreements with developers and property owners;

H. **WHEREAS** the Original Project due to its location within the Project Area generates incremental property tax revenues to the Agency;

I. **WHEREAS** the Company's Expansion project will generate additional incremental property tax revenues and sales tax revenues to the Agency and Centerville City, respectively;

AGREEMENT:

NOW THEREFORE, in consideration of the mutual covenants, conditions, and considerations as more fully set forth below, the parties hereby agree as follows:

1. **Tax Increment Financing Incentive**. The Agency agrees to contribute to the Company an economic incentive based on meeting certain performance requirements more fully described in section 2 below:

   a. 100% of Original Project Tax Increment *(Original Project Tax Increment shall mean the amount of property tax revenue received by the Agency pursuant to the Parrish Gateway Redevelopment Plan and Budget related to the Company's Original Project)* commencing on the next succeeding tax year after the Performance Date until the Project Area sunsets in 2021; and

   b. 100% of Expansion Tax Increment (*Expansion Tax Increment shall mean the amount of property tax revenue received by the Agency pursuant to the Parrish Gateway Redevelopment Plan and Budget related to the Company's Expansion Project)* commencing on the next succeeding tax year after the Performance Date until the Project Area sunsets in 2021.

Collectively the Original Project Tax Increment and Expansion Tax Increment shall be known hereafter as the Available Tax Increment ("Available Tax Increment").

2. **Performance Requirements.** Prior to the Agency distributing any Available Tax Increment, the Company shall be required to demonstrate in writing that it has complied with the following requirements:

   a. Complete construction of the Expansion no later than July 1, 2014 (*estimated private investment of $2,200,000*); and

   b. Maintain a minimum gross taxable sales amount of $14,733,333 annually from the Original Project.

The Performance Date shall be defined as the date, on which the performance requirements in this section are met by the Company.

3. **Timing of Tax Increment.** Upon acceptance and acknowledgement by the Agency that the Company has met the performance requirements, the Agency shall commence payment of Available Tax Increment outlined in section 1 (a) and 1 (b) to the Company beginning with the first tax year next succeeding the Performance Date. For example, if the Performance Date is November 15, 2014, then the first payment due to the Company would be received in March or April of 2015, depending on timing of payment from Davis County to the Agency. It is further agreed that the condition of payment related to Available Tax Increment is subject to receipt of said monies from Davis County.

4. **Remedies for Non-Performance.** To the extent that the Company has met the requirement outlined in section 2 (a) above prior to July 1, 2014, and has also initially met the requirement outlined in section 2 (b) above and subsequently annual gross taxable sales has decreased less than 10% below the $14,733,333, the Company shall be entitled to the participation outlined under section 1 above. However, to the extent the annual gross taxable sales decreases more than 10% below the $14,733,333, the Company shall have the right to remedy the non-performance and provided that within two (2) years from the event of non-performance the Company again increases annual gross taxable sales to within 10% of the $14,733,333, the Company shall be entitled to receive the Available Tax Increment outlined in section 1 above. If within two (2) years from the event of non-performance the Company is not able to remedy the non-performance, the Company shall not be entitled to the Available Tax Increment outlined in section 1 above and the remedy period shall be considered expired for this Agreement and none of the obligations outlined in section 1 related to the Agency will continue.

5. **Successors and Assigns.** This Agreement may not be assigned by the Company without the expressed prior written consent of the Agency, said consent not to be unreasonably withheld.

6. **Amendments.** Except as otherwise provided herein, this Agreement may be modified or amended by, and only by, a written instrument duly authorized and executed by the Company and the Agency.

7. **Governing Law and Interpretation.** This Agreement shall be governed by the laws of the State of Utah, and any action pertaining hereto shall be brought in the applicable state or federal court having jurisdiction in Davis County, Utah.

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THIS AGREEMENT IS EXECUTED to be effective as of the day and year first above written.

COMPANY: LAND ROVER CENTERVILLE INC.
a Utah company

By: ____________________________
Sharif Hadley, Owner

AGENCY: CENTERVILLE CITY REDEVELOPMENT AGENCY
a municipal agency of the State of Utah

By: ___________________________________
Ron Russell, Agency Board Chair

Attest:

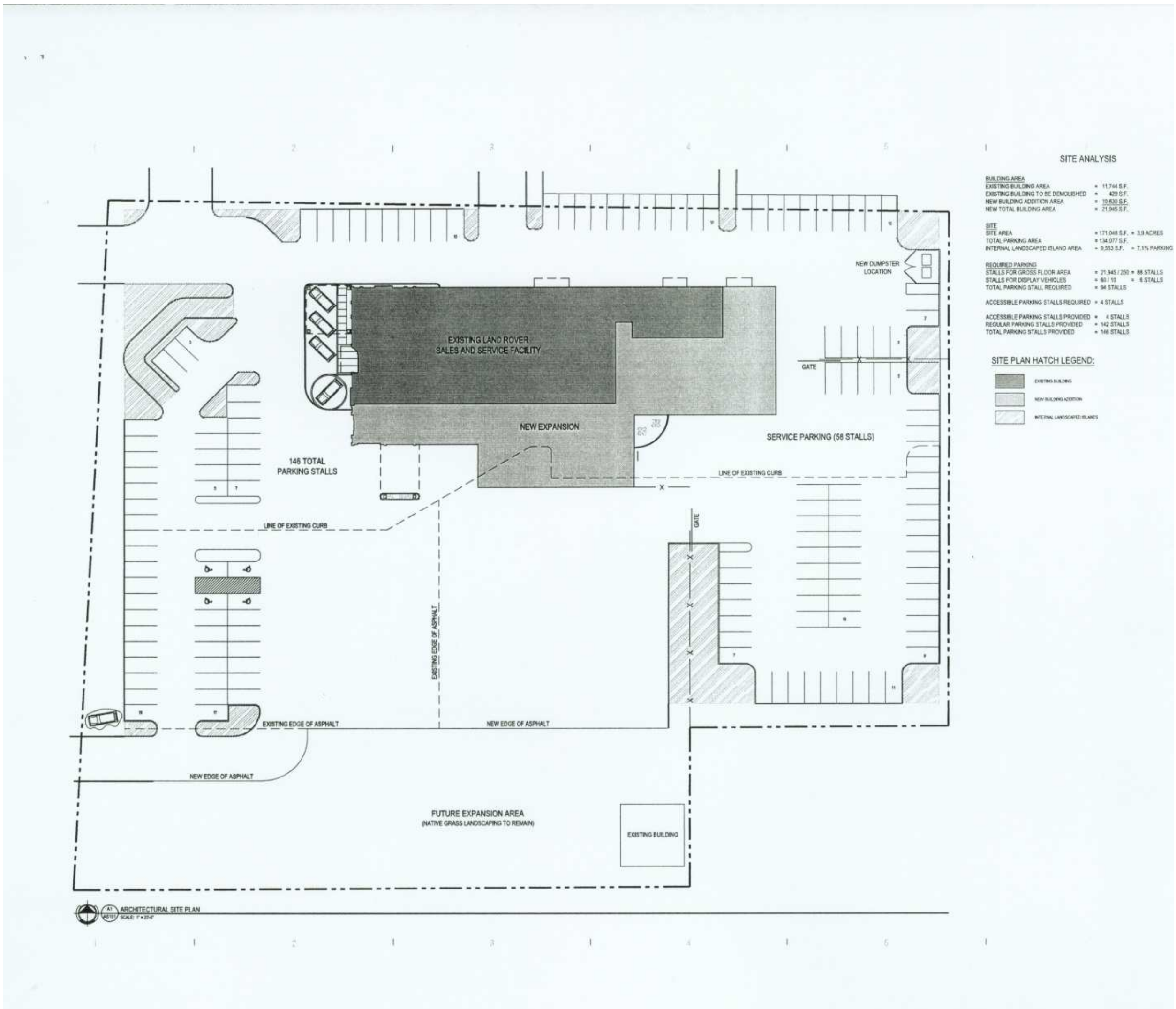
____
Agency Recorder

EXHIBIT “A”
(Land Rover Dealership -- Original Project)

CENTERVILLE LAND ROVER DEALERSHIP

- Existing facilities located at 155 South Frontage Road.
- 3.94 acres of real property with 11,819 square feet of building improvements.
- Taxable value as of 1/1/2011 - $2,813,010.

EXHIBIT "B"
(Land Rover Expansion Project)



LAND ROVER EXPANSION PROJECT

- ❖ Expansion of the existing building with an additional 11,000 square feet of building and site improvements.
- ❖ Including, but not limited to - 6 new service bays, new administrative offices, expanded parts and service capacities, and a .25 acre used car exterior surface lot area.
- ❖ The Expansion is anticipated to require an additional $2,200,000 capital investment from Company.

AMENDED PARTICIPATION AGREEMENT

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Between
Centerville City Redevelopment Agency
and
Land Rover Centerville Inc.

This Amended Participation Agreement (the “Agreement”) is entered into as of this _____ day of ~~November~~December ~~October~~ 2013~~1~~, by and between **Land Rover Centerville Inc.** (the “Company”), as the owner of certain real property located in Centerville City, Davis County, Utah, on which it proposes an ~~two phased development and~~ expansion of the Company’s Land Rover and Range Rover Store, a project known as the Hadley Auto Company Land Rover Expansion (“Land Rover Expansion” or “Expansion”) located within Centerville City, ~~**CENTERVILLE CITY**, a municipal corporation duly created and existing within the State of Utah (the “City”),~~ and the **CENTERVILLE CITY REDEVELOPMENT AGENCY**, a redevelopment agency created under Utah law (the “Agency” ~~or the “Agency”~~) in contemplation of the following facts and circumstances:

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A. **WHEREAS** the original Participation Agreement (“Prior Agreement”) was previously entered into by and between the Company, the City and the Agency, dated —October 1—— ,2011, and the intent of this Agreement is to amend and replace in its entirety the Prior Agreement;

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~~A.~~B. **WHEREAS** the Company owns approximately 3.94 acres of real property with 11,819 square feet of building improvements known as the Land Rover Dealership located within ~~in~~ the City ~~of Centerville, Davis County, Utah,~~ (the “ Original Project”), as more fully depicted in~~as~~ Exhibit “A~~,~~”, attached hereto and desires to develop and expand the Original Project~~, which expansion is anticipated to have two potential phases: Phase I of the Land Rover Expansion consists of expansion of the existing building and Phase II is the construction of an additional building that will be used as a showroom for additional automobile sales and or service~~;

~~B.~~C. **WHEREAS** the Company has constructed or will construct ~~presented to the Agency, City and its representatives the estimated value of the proposed~~ improvements to the Original Project ~~in Phase I~~ (as more fully depicted and attached in Exhibit “B”) to be approximately two ~~one~~ million two~~three~~ hundred ~~and sixty~~ thousand dollars ($~~1,360,000~~2,200,000), which includes the expansion of the existing building with an additional 11,000 square feet of building and site improvements, ~~4~~ 6 new service bays, 3 new detailing bays, new administrative offices, expanded parts and service capacities, and a .25 acre used car area (collectively referred to hereafter as the “Land Rover Expansion” or “Expansion”), and when completed as presently anticipated, will produce an additional taxable property value of approximately $~~1,360,000~~2,200,000;

~~C.~~D. **WHEREAS** the Company has presented to the Agency~~, City~~ and its representatives the possibility of potentially developing the remaining 0.45 undeveloped acres on the site to create an additional showroom and ancillary facility to sell additional retail vehicle brands separate from the Land Rover and Range Rover product lines.

~~D.~~E. **WHEREAS** the Company has also presented to the Agency~~, City~~ and its representatives a projected conservative sales growth scenario comprised of both vehicle sales and parts/repairs sales as a result of ~~Phase I,~~ the ~~E~~expansion which conservative sales for the first full year after the date of completion ~~of Phase I~~ is projected at $14,733,333 in gross taxable sales;

~~E.~~F. **WHEREAS** the Agency has heretofore created a Parrish Gateway Redevelopment Project Area ("Project Area") in the year 1989 that is comprised of the properties that includes the Original Project~~Property~~, which authorizes the Agency to use all tax increment as allowed in the Community Development & Renewal Agency Act, Utah Code Annotated ("UCA") 17C (the "Act");

~~F.~~G. **WHEREAS** the Agency has heretofore adopted and authorized the Parrish Gateway Redevelopment Project Area Plan and Budget that provides the Agency the ability to negotiate participation and tax increment agreements with developers and property owners;

~~G.~~H. **WHEREAS** the Original Project due to its location within the Project Area generates incremental property tax revenues to the Agency;

~~H.~~I. **WHEREAS** the Company's ~~Phase I and potential Phase II~~ Expansion projects~~-~~ will generate additional incremental property tax revenues and sales tax revenues to the Agency and ~~-~~the Centerville~~-~~ City, respectively;

AGREEMENT:

NOW THEREFORE, in consideration of the mutual covenants, conditions, and considerations as more fully set forth below, the parties hereby agree ~~to the Participation Agreement~~ as follows:

1. **Tax Increment Financing Incentive**. The Agency agrees to contribute to the Company an economic incentive based on meeting certain performance requirements more fully described in section 2 below:

a. 100% of Original Project Tax Increment *(Original Project Tax Increment shall mean the amount of property tax revenue received by the Agency pursuant to the Parrish Gateway Redevelopment Plan and Budget related to the Company's Original Project)* commencing on the next succeeding tax year after the Performance Date until the Project Area sunsets in 2021; and

b. 100% of ~~Phase I~~Expansion Tax Increment (*~~Phase I~~Expansion Tax Increment shall mean the amount of property tax revenue received by the Agency pursuant to the Parrish Gateway Redevelopment Plan and Budget related to the Company's ~~Phase I~~ Expansion Project)* commencing on the next succeeding tax year after the Performance Date until the Project Area sunsets in 2021.

Collectively the Original Project Tax Increment and ~~Phase I~~Expansion Tax Increment shall be known hereafter as the Available Tax Increment ("Available Tax Increment").

2. **Performance Requirements.** Prior to the Agency distributing any Available Tax Increment, the Company shall be required to demonstrate in writing that it has complied with the following requirements:

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a. Complete construction of ~~Phase I~~ the Expansion no later than July 1, 2014 ~~December 31, 2012~~ (*estimated private investment of $2,200,000~~1, 360,000~~*); and

b. ~~Meeting one of the following two Benchmarks:~~ Maintain a minimum gross taxable sales amount of $14,733,333- annually from the Original Project-.

i. ~~**Benchmark 1:** Complete construction of Phase II (as described in Exhibit C) no later than December 31, 2014; or~~

ii. ~~**Benchmark 2**: Maintain a minimum gross taxable sales amount of $~~14,733,333~~18, 000,000 annually from the Original Project and Phase I.~~

The Performance Date shall be defined as the date, on which the performance requirements in this section are met by the Company,

3. **Timing of Tax Increment.** Upon acceptance and acknowledgement by the Agency that the Company has met the performance requirements, the Agency shall commence payment of Available Tax Increment outlined in section 1 (a) and 1 (b) ~~above~~ to the Company beginning with the first tax year next succeeding the Performance Date. For example, if the Performance Date is November 15, 201~~2~~4, then the first payment due to the Company would be received in March or April of 201~~3~~5, depending on timing of payment from Davis County to the Agency. It is further agreed that the condition of payment related to Available Tax Increment is subject to receipt of said monies from Davis County.

4. **Remedies for Non-Performance.** To the extent that the Company has ~~not~~ met the requirement outlined in section 2 (a) above~~Benchmark 1 requirement above~~ prior to ~~December 31, 2014~~July 1, 2014, and ~~but~~ has also initially met the requirement outlined in section 2 (b) above~~Benchmark 2 requirement above~~ and subsequently annual gross taxable sales has decreased less than 10% below the $~~18,000,000~~14,733,333, the Company shall be entitled to the participation outlined under s~~S~~ection 1 above. However, to the extent the annual gross taxable sales decreases more than 10% below the $~~18,000,000~~14,733,333, the Company shall have the right to remedy the non-performance and provided that within two (2) years from the event of non-performance the Company again increases annual gross taxable sales to within 10% of the $~~18,000,000~~14,733,333, the Company shall be entitled to receive the tax increment outlined in s~~S~~ection 1 above. If within two (2) years from the event of non-performance the Company is not able to remedy the non-performance, the Company shall not be entitled to the tax increment participation outlined in s~~S~~ection 1 above and the remedy period shall be considered expired for this Agreement and none of obligations outlined in s~~S~~ection 1 related to the Agency will continue.

5. **Successors and Assigns.** This Agreement may not be assigned by the Company without the expressed prior written consent of the Agency~~ and City~~, said consent not to be unreasonably withheld.

6. **Amendments.** Except as otherwise provided herein, this Agreement may be modified or amended by, and only by, a written instrument duly authorized and executed by the Company and~~,~~ the Agency~~ and the City~~.

7. **Governing Law and Interpretation.** This Agreement shall be governed by the laws of the

State of Utah, and any action pertaining hereto shall be brought in the applicable state or federal court having jurisdiction in Davis County, Utah.

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THIS ~~PARTICIPATION~~ AGREEMENT IS EXECUTED to be effective as of the day and year first above written.

COMPANY: Land Rover Centerville Inc.
a Utah company

By: ______________________________
Sharif Hadley, Owner

~~CITY: CENTERVILLE CITY,~~
~~a municipal corporation~~

~~Attest:~~ ~~By: ______________________________~~
~~Ron Russell, Mayor~~

____
~~City Recorder~~

~~AGENCY: CENTERVILLE CITY REDEVELOPMENT AGENCY,~~
~~a municipal agency of the state of Utah~~

Attest: By: ______________________________
Ron Russell, Agency Board Chair

____
Agency Recorder

EXHIBIT "A"
(Land Rover Dealership -- Original Project)

CENTERVILLE LAND ROVER DEALERSHIP

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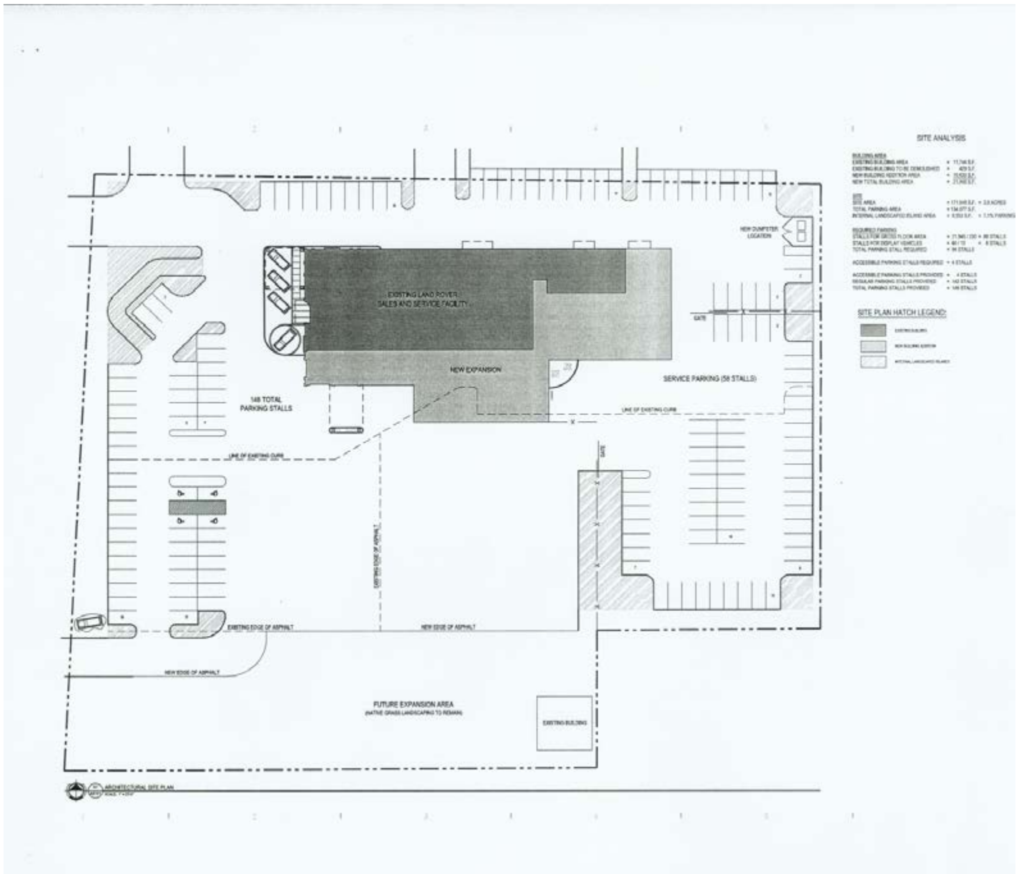
EXHIBIT “B”

(Land Rover Expansion Project)



LAND ROVER EXPANSION PROJECT

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- Including, but not limited to - ~~4~~6 new service bays, new administrative offices, expanded parts and service capacities, and a .25 acre used car exterior surface lot area. ~~Phase I~~
- The Expansion is anticipated to require an additional $~~1,360,000~~ 2,200,000 capital investment from Company.

~~EXHIBIT "C"~~

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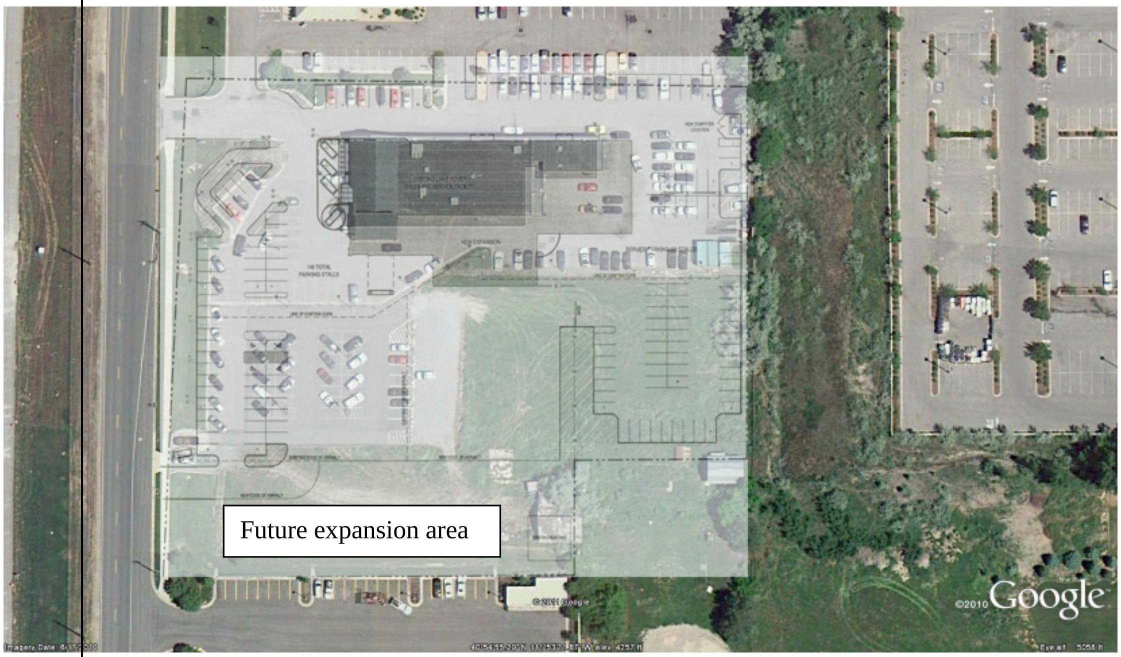

~~Phase II – Potential Expansion on approximately .44 acres of property. Phase II is anticipated to include additional showroom and ancillary facilities. Improvements and value of improvements are to be completed acceptable to the RDA. The RDA shall not unreasonably withhold approval of the improvements for purposes of this Agreement.~~