



# SANDY CITY ECONOMIC DEVELOPMENT

MONICA ZOLTANSKI  
MAYOR

SHANE PACE  
CHIEF ADMINISTRATIVE OFFICER

KASEY DUNLAVY  
ECONOMIC DEVELOPMENT DIRECTOR

## MEMORANDUM

To: Sandy City Council  
From: Kasey Dunlavy, Sandy City Economic Development Director  
Date: December 3, 2025  
RE: Interlocal Agreement between Governor’s Office of Economic Opportunity and Sandy City

---

### **Purpose of Agreement**

The Interlocal Cooperation Agreement, effective upon execution, is between Sandy City and the Governor’s Office of Economic Opportunity (“GOEO”) on behalf of the State of Utah. The Agreement allows the City to receive and utilize transient room tax–related revenues (“Allocated Taxes”) pursuant to Utah Code §63N-3-403 and related statutes. These funds function as a pass-through to the Larry H. Miller Company (“LHM”) for future stadium and infrastructure improvements. As the stadium approaches 20 years of use, LHM intends to apply the funding toward the design, renovation, and construction of necessary upgrades. State law authorizes the use of these Allocated Taxes for specified development purposes, and staff has verified LHM’s proposed use of these funds complies with statutory requirements and provides a long-term, public benefit to the City.

### **Background**

Utah Code §59-28-103(5) authorizes an additional 0.25% Transient Room Tax, which is deposited into the State Transient Room Tax Fund. These revenues are restricted by statute and may only be allocated for specific purposes and only to certain qualifying cities. Accordingly, under Utah Code §63N-3-403(3)(a), from the Agreement’s effective date through June 30, 2027, GOEO may pledge or expend these funds for the benefit of counties of the first class to support convention centers, visitor attractions, related facilities and infrastructure, sports and recreation facilities and other authorized purposes. During this pre-July 2027 period, GOEO will transfer to the City all Allocated Taxes attributable to Sandy City for use on such eligible projects.

Beginning July 1, 2027, statute restricts the use of Allocated Taxes to benefiting a first-class city with a convention center that is not a capital city. GOEO has determined that Sandy City qualifies, and the intended uses are consistent with legislative requirements.

### **Key Provisions**

#### **1. Transfer of Funds**

GOEO will transfer Allocated Taxes to the City starting upon the Agreement’s effective date and continuing monthly through June 30, 2047. From July 1, 2027 onward, GOEO’s pledge to transfer all Allocated Taxes is irrevocable for the entire period.

2. Use of Funds

The City may spend Allocated Taxes only for purposes authorized under Utah Code, more specifically, as a pass through to LHM for a sports and recreation facility as per §17-78-702.

3. Oversight, Reporting and Audit

**City Oversight:** The City must track and document all expenditures and maintain complete records.

**GOEO Oversight:** GOEO will monitor expenditures for compliance with statute and the Agreement.

**Quarterly Reports:** The City must submit quarterly written reports detailing expenditures, project progress, and compliance. Staff will work with LHM to meet this requirement.

**Audit Access:** GOEO and the State Auditor may review or audit all records related to use of Allocated Taxes.

4. **Duration**

The Agreement becomes effective upon execution and remains in force until all Allocated Taxes have been transferred through June 30, 2047.

**Summary**

The Interlocal Agreement establishes a dedicated, statutorily restricted revenue stream that functions as pass-through funding to support future recreation and stadium improvements within Sandy City. It ensures that Sandy receives these funds before July 1, 2027. If approved, the City will enter into an MoU with LHM, to ensure both parties can comply with State law and carry out the intentions and purposes of the Agreement, as authorized by State statute.