

Resolution No. 17-42-C

A RESOLUTION OF THE SANDY CITY COUNCIL APPROVING AN INTERLOCAL COOPERATION AGREEMENT WITH THE REDEVELOPMENT AGENCY OF SANDY CITY, WHICH AGREEMENT PROVIDES, GENERALLY, FOR THE CONVEYANCE OF ABOUT 2.49 ACRES OF SURPLUS PROPERTY, LOCATED BETWEEN MONROE STREET AND I-15, JUST SOUTH OF SEGO LILY DR., FROM THE CITY TO THE AGENCY, WITH THE INTENT FOR THE AGENCY TO SELL THAT PROPERTY, ALONG WITH NEIGHBORING AGENCY-OWNED PROPERTY, AS A SINGLE UNIT TO A PRIVATE DEVELOPER.

WHEREAS the Redevelopment Agency of Sandy City (the “Agency”) has been created by the Sandy City Council to transact the business and exercise all the powers provided for by Title 17C of the Utah Code Annotated, known as the “Limited Purpose Local Government Entities — Community Reinvestment Agency Act” (the “RDA Act”);

WHEREAS under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Interlocal Act”), public agencies, such as the City and the Agency, are authorized to enter agreements for joint and cooperative actions, including the sharing of tax and other revenues;

WHEREAS, the City desires to enter into an Interlocal Cooperation Agreement (the “Agreement”), substantially in the form attached hereto as **Exhibit B**, with the Agency; and

WHEREAS, the Agreement provides, generally, for the disposition of real property (the “City Land” as depicted on the map attached hereto as **Exhibit A**) by the City to the Agency, with the intent for the Agency to sell the City Land, assembled together with neighboring Agency-owned land, to a private developer:

WHEREAS, the City provided public notice of the intended disposition of the City Land by, at least fourteen days in advance, having the notice published in the newspaper, and the City provided members of the public with an opportunity to comment on the proposed disposition of the City Land as surplus property;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATIVE BODY OF SANDY CITY:

1. The City Land is no longer needed for current and projected needs of the City and therefore is undesirable for use or retention by the City. The City Land is therefore considered to be surplus property and the City desires to dispose of the City Land as provided in the Agreement.

2. The Agreement in substantially the form attached hereto and incorporated herein as **Exhibit A** is approved, and the Mayor is authorized to execute the Agreement for and on behalf of the City. The Mayor may approve any minor modifications, amendments, or revisions

to the Agreement as may be in the City's best interest and in harmony with the intent and purpose of the Agreement as substantially set forth in the attached **Exhibit A**.

3. This resolution takes effect upon adoption.

THIS RESOLUTION IS APPROVED AND ADOPTED on August 29, 2017.

Chris McCandless, Chairman
Sandy City Council

Attest:

Molly Spira, *City Recorder*

Exhibit A

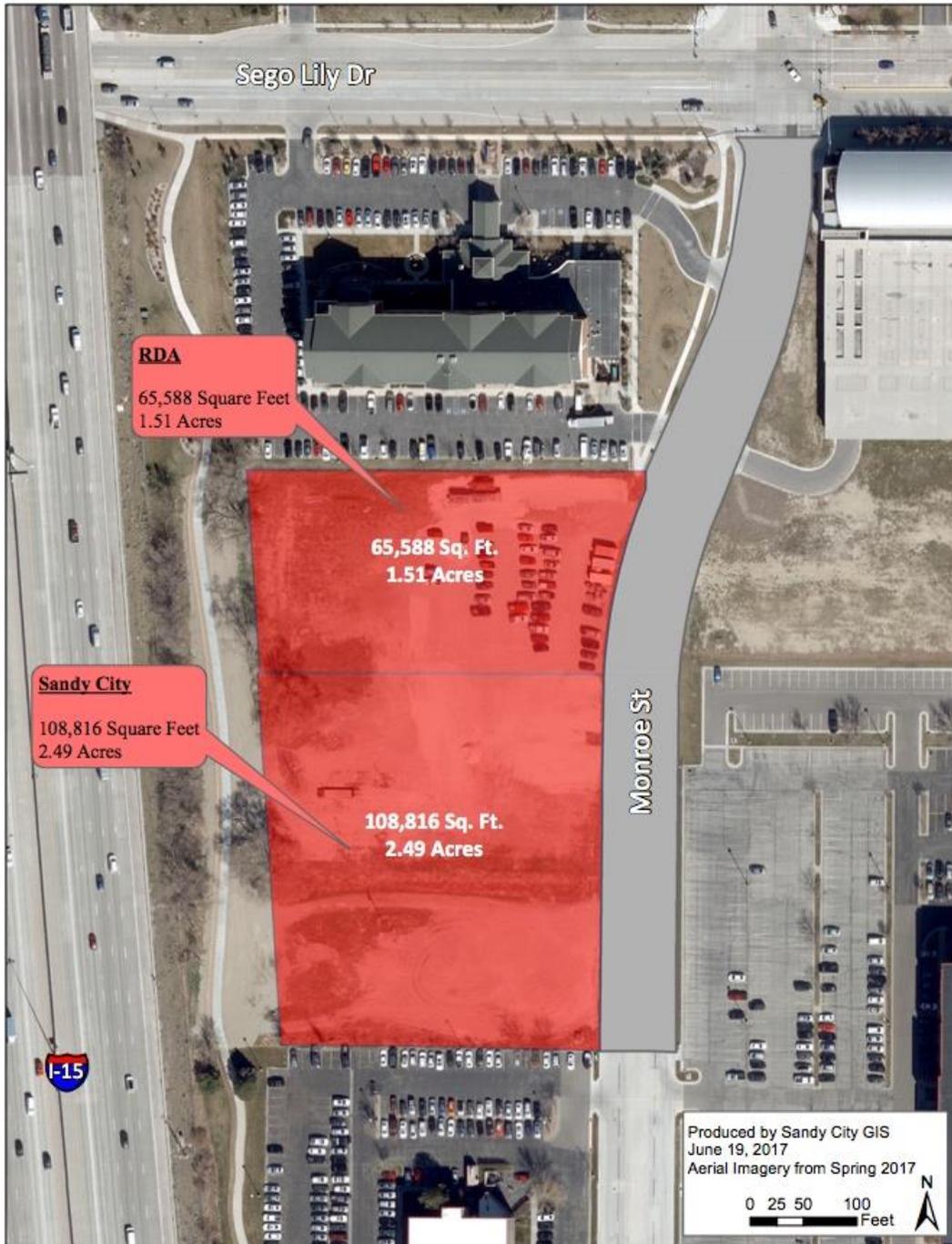


Exhibit B
Form of Interlocal Cooperation Agreement

Interlocal Cooperation Agreement

THIS INTERLOCAL COOPERATION AGREEMENT (this “**Agreement**”) is entered as of August 29, 2017 (the “**Effective Date**”), by and between the **REDEVELOPMENT AGENCY OF SANDY CITY**, a Utah political subdivision (the “**Agency**”) and **SANDY CITY**, a Utah municipal corporation (the “**City**”) (collectively, the “**Parties**”).

A. WHEREAS, the Agency was created and continues to operate under the provisions of the Limited Purpose Local Government Entities — Community Reinvestment Agency Act, Title 17C of the Utah Code, and/or its predecessor statutes (the “**Act**”);

B. WHEREAS, pursuant to the Act and the Interlocal Cooperation Act, Title 11, Chapter 13 of the Utah Code (the “**Cooperation Act**”), the Agency and City entered into an Interlocal Cooperation Agreement dated December 4, 2012 (the “**2012 ILA**”), pursuant to which the City loaned funds to the Agency (the “**Loan**”) for the Agency’s use in acquiring certain real property in or near the Civic Center North Redevelopment Project Area, known generally as Lot 7, Sandy City Centre (“**Lot 7**” as more particularly described in the attached **Exhibit A**); and

C. WHEREAS, contemporaneous with the Agency’s acquisition of Lot 7, the City purchased neighboring property (the “**City Land**” as particularly described in the attached **Exhibit B**, and together with Lot 7, the “**Property**”). A depiction, for illustration only, of the approximate location of Lot 7 and of the City Land is shown in the attached **Exhibit C**;

D. WHEREAS, the Agency and the City desire to now memorialize an understanding relating to the anticipated sale of the Property, with the intent that the Agency will contract with a third party for the sale and development of the Property as a single project; and

E. WHEREAS, for information purposes, the Agency and the City also entered into an Interlocal Cooperation Agreement dated June 7, 2016 (the “**2016 ILA**”) relating to a restructuring of the Loan, under which 2016 ILA the Agency pledged to the City for repayment of the Loan the proceeds from the sale of Lot 7 (among other things), and which 2016 ILA superseded and replaced the 2012 ILA; and the Agency has now, before the execution of this Agreement, fully satisfied all of its Loan obligations to the City;

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

1. **Property Sale.** The Agency is authorized to market and contract for the sale of the Property, including Lot 7 and the City Land, together as a single unit, to one or more private developers, for encouraging the development of a single project on the Property. Contemporaneous with the closing of any such sales transaction entered by the Agency, the City will convey the City Land to the Agency by Warranty Deed, and the Agency will then convey the entire Property, as a single contiguous tract, to the purchaser, on commercially reasonable

terms and conditions negotiated and agreed to by the Agency in the Agency's discretion, so long as the terms require the purchaser to pay at least appraised value for the Property.

2. **Division of Net Sales Proceeds.** The Agency will first pay from the gross sales proceeds received by the Agency, from the sale of the Property, all costs relating to and arising out of the closing or the underlying sales contract. Then, the remaining net sales proceeds received by the Agency will be divided and paid as follows (based on an allocation of value under an appraisal provided by J. Philip Cook LLC with an effective date of April 25, 2017):

- a. The Agency will retain 38% of the net sales proceeds as consideration for the sale of Lot 7; and
- b. The remaining 62% balance of the net sales proceeds, the Agency will promptly transfer to the City as consideration for the sale of the City Land.

3. **Property Repurchase.** Given the strategic location of the Property within the City's Cairns District, the City and the Agency both desire to see a unique and prompt development occur on the Property. For that reason, among other things, the Agency intends to sell the Property subject to certain development and construction obligations of the purchaser, and the Agency intends to retain the right to repurchase the Property if those development and construction obligations are not timely met. If the Agency exercises a right to repurchase the City Land at any time within five years after the Effective Date, the City will pay to the Agency an amount equal to the 62% of the repurchase price for the entire Property, and the Agency will pay the remaining 38% of the repurchase price. The Agency's reasonable acquisition and closing/transaction costs will be included as part of the "repurchase price" for purposes of this paragraph. Upon acquisition of the City Land by repurchase, and upon demand by the City, the Agency will promptly convey the City Land back to the City by warranty deed.

4. **No Third-Party Beneficiary.** Nothing in this Agreement creates or may be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except as otherwise specifically provided herein, no person or entity is an intended third-party beneficiary under this Agreement.

5. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based and each of the Parties relies on its own understanding of the relevant facts, information, and representations, after having completed its own due diligence and investigation.

6. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act as relates to this Agreement, the Parties agree as follows:

a. This Agreement must 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 must be reviewed as to proper form and compliance

with applicable law by a duly authorized attorney in behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act;

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

d. This Agreement does not create an interlocal entity. The Redevelopment Director of the Agency is hereby designated the administrator for all purposes of this Agreement and the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act;

e. The term of this Agreement will commence on the Effective Date and will remain in full force and effect until either (i) the Property is sold by the Agency to a third party, (ii) the Agency at any time, for any reason determined by the Agency's board of directors, gives the City notice that the Agency has elected not to sell the Property, or (iii) the City at any time before (but in no event after) the Agency has entered into a contract for the sale of the Property to a third party, the City, for any reason determined by the City Council, gives the Agency notice that the City has elected to retain the City Property and terminate this Agreement. Notwithstanding the previous sentence, as required by Section 11-13-216 of the Cooperation Act, this Agreement will terminate no later than 50 years after its Effective Date.

f. Notwithstanding anything in the immediately preceding subsection 5.e. to the contrary, the effectiveness and enforceability of all obligations of the City under this Agreement are conditional upon the City first complying with all applicable state and local law, including, without limitation, the City's compliance with Section 11-1-24 of the Sandy City Municipal Code (relating to surplus property disposition and related procedures).

g. Immediately after execution of this Agreement by both Parties, the Agency may publish a joint notice, regarding this Agreement pursuant to Section 11-13-219 of the Cooperation Act.

h. It is not anticipated that either party will acquire any new property in connection with this Agreement; however, the purchaser of any property acquired in connection with this Agreement will be entitled to keep such property upon the termination of this Agreement.

7. **Modification and Amendment.** Any modification of or amendment to any provision contained herein will be effective only if the modification or amendment is in writing and signed by the Parties. Any oral representation or modification concerning this Agreement will be of no force or effect.

8. **Further Assurance.** Each of the Parties agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or

appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

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

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

- a. such holding or action will be strictly construed;
- b. such provision will be fully severable;
- c. this Agreement will be construed and enforced as if such provision had never comprised a part hereof;
- d. the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and
- e. in lieu of such illegal, invalid, or unenforceable provision, the Parties must use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

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

12. **Incorporation of Recitals and Exhibits.** Except to the extent they may conflict with any of the express provisions of the body of this Agreement, the recitals set forth above are hereby incorporated by reference as part of this Agreement. All exhibits and/or attachments hereto are incorporated herein.

[Remainder of Page Intentionally Blank – Signature Pages to Follow]

~ SIGNATURES TO INTERLOCAL COOPERATION AGREEMENT ~

REDEVELOPMENT AGENCY OF SANDY CITY

Chairman

ATTEST:

Secretary

Attorney Review for Redevelopment Agency:

The undersigned, as counsel for the Redevelopment Agency of Sandy City, has reviewed the foregoing Interlocal Cooperation Agreement and finds it to be in proper form and in compliance with applicable state law.

Attorney for the Agency

[Signatures continue on next page.]

~ ADDITIONAL SIGNATURES TO INTERLOCAL COOPERATION
AGREEMENT ~

SANDY CITY

By: _____
Mayor

ATTEST:

City Recorder

Attorney Review for City:

The undersigned, as attorney for Sandy City, has reviewed the foregoing Interlocal Cooperation Agreement and finds it to be in proper form and in compliance with applicable state law.

City Attorney

Exhibit A
Description of Lot 7

**Lot 7, SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED
REMAINDER DESCRIPTION**

A parcel of land, being the remainder portion of Lot 7, SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED according to the official plat thereof which was recorded October 27, 2004 as Entry No. 9207823 in Book 2004P of plats at Page 315 in the office of the Salt Lake County Recorder, located in the Southeast Quarter of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian, in the City of Sandy, Salt Lake County, Utah described by metes and bounds as follows:

Beginning the northwest corner of Lot 7, SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED according to the official plat thereof which was recorded October 27, 2004 as Entry No. 9207823 in Book 2004P of plats at Page 315 in the office of the Salt Lake County Recorder, said point lies North 89°51'37" East 92.36 feet to a monument marking the centerline of State Street, North 0°08'34" West along the monument line in State Street, 1296.656 feet, South 89°56'30" West 2309.469 feet to the northwest corner of said SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED and South 3°49'28" East 313.06 feet along the westerly boundary of said SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED from the Southeast Corner of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian; thence along the lot line common to Lots 7 and 8 of said SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED, North 89°56'30" East 373.78 feet to the northeast corner of said Lot 7; thence along the easterly line of said Lot 7, South 0°00'36" West 14.26 feet to intersect the westerly right-of-way line of Monroe Street; thence along said westerly right-of-way line the following two (2) courses: (1) South 21°12'47" West 7.84 feet to a point of curvature; (2) Southwesterly 173.520 feet along the arc of a tangent 545.50 foot radius curve to the left whose center bears South 68°47'13" East 545.50 feet, has a central angle of 18°13'32" and a chord bearing and length of South 12°06'01" West 172.790 feet; thence along the southerly line of said Lot 7, West 322.01 feet to the southwest corner of said Lot 7; thence along the westerly line of said Lot 7, North 3°49'28" West 190.56 feet to the point of beginning.

The above described parcel contains approximately 65,588 square feet in area or 1.506 acres.

Exhibit B
Description of City Land

Parcel No. 27-12-453-006 REMAINDER DESCRIPTION

A parcel of land, being the remainder portion of Parcel No. 27-12-453-006, located in the Southeast Quarter of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian, in the City of Sandy, Salt Lake County, Utah described by metes and bounds as follows:

Beginning at a point which lies North 89°51'37" East 92.36 feet to a monument marking the centerline of State Street, North 0°08'34" West along the monument line in State Street, 1296.656 feet, South 89°56'30" West 2309.468 feet, South 3°49'28" East 503.616 feet to the southwest corner of Lot 7, SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED according to the official plat thereof which was recorded October 27, 2004 as Entry No. 9207823 in Book 2004P of plats at Page 315 in the office of the Salt Lake County Recorder and South 3°32'28" East 114.22 feet from the Southeast Corner of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian; thence East 313.99 feet to the westerly right-of-way line of Monroe Street; thence along said westerly right-of-way line, South 0°08'41" West 119.50 feet; thence West 306.30 feet to the easterly right-of-way line of Frontage Road No. 5, State Road Project No. I-15-7 (3) 289; thence along said easterly right-of-way line, North 3°32'28" West 119.73 feet to the point of beginning.

The above described parcel contains approximately 37,063 square feet in area or 0.851 acre.

Parcel No. 27-12-453-007 REMAINDER DESCRIPTION

A parcel of land, being the remainder portion of Parcel No. 27-12-453-007, located in the Southeast Quarter of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian, in the City of Sandy, Salt Lake County, Utah described by metes and bounds as follows:

Beginning at a point which lies North 89°51'37" East 92.36 feet to a monument marking the centerline of State Street, North 0°08'34" West along the monument line in State Street, 1296.656 feet, South 89°56'30" West 2309.468 feet, South 3°49'28" East 503.616 feet to the southwest corner of Lot 7, SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED according to the official plat thereof which was recorded October 27, 2004 as Entry No. 9207823 in Book 2004P of plats at Page 315 in the office of the Salt Lake County Recorder and South 3°32'28" East 233.95 feet from the Southeast Corner of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian; thence East 306.30 feet to the westerly right-of-way line of Monroe Street; thence along said westerly right-of-way line, South 0°08'41" West 102.816 feet; thence North 89°51'19" West 299.72 feet to the easterly right-of-way line of Frontage Road No. 5, State Road Project No. I-15-7 (3) 289; thence along said easterly right-of-way line, North 3°32'28" West 102.25 feet to the point of beginning.

The above described parcel contains approximately 31,037 square feet in area or 0.713 acre.

Parcel No. 27-12-453-009 REMAINDER DESCRIPTION

A parcel of land, being the remainder portion of Parcel No. 27-12-453-009, located in the Southeast Quarter of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian, in the City of Sandy, Salt Lake County, Utah described by metes and bounds as follows:

Beginning at the southwest corner of Lot 7, SANDY CITY CENTRE FINAL PLAT FIRST AMENDMENT AND EXTENDED according to the official plat thereof which was recorded October 27, 2004 as Entry No. 9207823 in Book 2004P of plats at Page 315 in the office of the Salt Lake County Recorder, said point lies North $89^{\circ}51'37''$ East 92.36 feet to a monument marking the centerline of State Street, North $0^{\circ}08'34''$ West along the monument line in State Street, 1296.656 feet, South $89^{\circ}56'30''$ West 2309.468 feet and South $3^{\circ}49'28''$ East 503.616 feet from the Southeast Corner of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian; thence along the southerly line of said Lot 7, East 322.01 feet to the westerly right-of-way line of Monroe Street; thence along said westerly right-of-way line the following two (2) courses: (1) Southwesterly 27.065 feet along the arc of a 545.00 foot radius non-tangent curve to the left whose center bears South $87^{\circ}00'45''$ East 545.00 feet, has a central angle of $2^{\circ}50'34''$ and a chord bearing and length South $1^{\circ}33'58''$ West 27.062 feet; (2) South $0^{\circ}08'41''$ West 86.95 feet; thence West 313.99 feet to the easterly right-of-way line of Frontage Road No. 5, State Road Project No. I-15-7 (3) 289; thence along said easterly right-of-way line, North $3^{\circ}32'29''$ West 114.22 feet to the point of beginning.

The above described parcel contains approximately 36,221 square feet in area or 0.831 acre.

Parcel No. 27-12-453-014 REMAINDER DESCRIPTION

A parcel of land, being the remainder portion of Parcel No. 27-12-453-014, located in the Southeast Quarter of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian, in the City of Sandy, Salt Lake County, Utah described by metes and bounds as follows:

Beginning at a point on the westerly right-of-way line of Monroe Street which lies North $89^{\circ}51'19''$ West along the section line 546.20 feet, North $0^{\circ}08'41''$ East 433.80 feet and North $88^{\circ}47'44''$ West 1.24 feet from the Southeast Corner of the Southwest Quarter of the Southeast Quarter of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian, said corner being North $89^{\circ}51'19''$ West along the section line 1319.96 feet from the Southeast Corner of said Section 12; thence North $88^{\circ}47'44''$ West 149.92 feet; thence North $89^{\circ}44'24''$ West 148.84 feet to the east right-of-way line of the I-15 frontage road; thence North $3^{\circ}53'15''$ West along said east right-of-way line 14.14 feet; thence South $89^{\circ}51'19''$ East 299.72 feet to said westerly right-of-way line of Monroe Street; thence along said westerly right-of-way line, South $0^{\circ}08'41''$ West 17.18 feet to the point of beginning.

The above described parcel contains approximately 4,496 square feet in area or 0.103 acre.

Exhibit C
Depiction of approximate location of City Land & Lot 7
(for illustration purposes only)

