

AMENDED INTERLOCAL AGREEMENT

THIS AMENDED INTERLOCAL AGREEMENT (the “Agreement”) is entered into as of the ___ day of _____ 2023, by and between the REDEVELOPMENT AGENCY OF THE CITY OF ST. GEORGE (the “Agency”) and the SOUTHWEST MOSQUITO ABATEMENT DISTRICT (the “Taxing Entity”). The foregoing are sometimes referred to herein individually as a “Party” and collectively as the “Parties”.

WHEREAS, the Agency has been created and organized for the purposes provided in the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C, Chapters 1 through 5, Utah Code Annotated 1953, as amended , and any successor law or act (the “Community Reinvestment Agency Act”, or “CRA Act”) and is authorized and empowered to undertake various activities and actions pursuant to the CRA Act; and

WHEREAS, the Agency originally established the St. George Airport CDA and later amended to the St. George Airport CDA to be called the Tech Ridge Community Development Project Area (the “Amended Project Area”) through adoption of the Amended Tech Ridge CDA Project Area Plan (the “Amended Project Area Plan”, which is attached hereto as **Appendix A** and incorporated into this Agreement by this reference); and

WHEREAS, the CRA Act authorizes funding of community development, reinvestment and economic - project areas and plans pursuant to Interlocal Agreements with Taxing Entities, such as the Amended Project Area and related Amended Project Area Plan, with Tax Increment pursuant to an adopted Amended Tech Ridge CDA Project Area Budget (the “Amended Project Area Budget”, which is attached hereto as **Appendix B** and incorporated into this Agreement by this reference); and

WHEREAS, the Agency is willing to use certain property Tax Increment from the Amended Project Area attributable to the Taxing Entity’s tax levy, and the Taxing Entity is willing to consent that certain property Tax Increment from the Amended Project Area attributable to the Taxing Entity’s tax levy be used, to fund the Amended Project Area Plan; and

WHEREAS, Sections 17C-4-201 of the CRA Act authorizes a Taxing Entity to “consent to the Agency receiving the Taxing Entity’s... Tax Increment... for the purpose of providing funds to carry out a proposed or amended community development project area plan;” and

WHEREAS, Section 11-13-215, Utah Code Annotated also authorizes a Taxing Entity to share its tax and other revenues with other governmental agencies; and

WHEREAS, for the purpose of providing funds to carry out the Amended Project Area Plan and Amended Project Area Budget, the Taxing Entity desires to consent that the Agency receive certain Tax Increment from the Amended Project Area attributable to the Taxing Entity’s tax levy in accordance with the terms of this Agreement; and

WHEREAS, this Agreement is entered into by the Parties pursuant to the authority of applicable State law, including the CRA Act, and the Interlocal Cooperation Act, Title 11,

Chapter 13, Utah Code Annotated, as amended (the “**Cooperation Act**”).

NOW, THEREFORE, for 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. Base Year and Base Taxable Value; Payment of Tax Increment to Agency by Washington County. The Parties agree that for purposes of calculation of the Taxing Entity’s share of Tax Increment from the Amended Project Area to be paid by Washington County to the Agency pursuant to this Agreement, the base year shall be 2008, and the base taxable value shall be the 2008 assessed taxable value of all real and personal property within the Amended Project Area. Based upon review of the Washington County records, the Parties agree that the 2008 base taxable value of the Amended Project Area is \$1,941,120. The increase in the property tax revenues attributable to the Taxing Entity’s tax levy on both real and personal property within the Amended Project Area, over and above the property tax revenues attributable to Taxing Entity’s tax levy on the base taxable value, or in other words the Tax Increment attributable to the Taxing Entity’s tax levy (the “**Tax Increment**”), in accordance with Section 17C-4-203(2) of the Act shall be paid by Washington County to the Agency for the period of time as provided and set forth in Section 2 below.

2. Taxing Entity’s Consent. The Taxing Entity, pursuant to Section 17C-4-201 of the CRA Act and Section 11-13-215 of the Cooperation Act, hereby agrees and consents to the following:

- a. For purposes of this Agreement, “Tax Year” is defined as January 1 – December 31 of said calendar year (*i.e. Tax Year 2023 would be January 1, 2023 – December 31, 2023*). “Payment Year” is defined as the year in which the Agency receives the Tax Increment and is based upon property taxes assessed and collected on the prior Tax Year (*i.e. Payment Year 2024 would be related to taxes collected for Tax Year 2023*). The first Payment Year (“Year One”) of Tax Increment from the Taxing Entity to the Agency is anticipated to be Payment Year 2024 based upon the incremental assessed value for Tax Year 2023. This Agreement provides that the Agency may trigger up to three “tranches” for collection and receipt of Tax Increment based on market and development timing within the Amended Project Area. Each “tranche” shall be determined by the Agency and the Agency shall trigger each tranche at its discretion and timing. Each tranche will have a collection period of up to 26 years, subject to subsections b and c below. The Agency, for a maximum of thirty-two (32) Tax Years, beginning with the year the Agency begins to draw the Tax Increment from the first tranche, shall receive 75% of the Tax Increment attributable to the Taxing Entity’s tax levy on both real and personal property within the Amended Project Area, for the purpose of providing funds to the Agency to carry out the Plan;
- b. Regardless of each tranche’s trigger date, the Amended Project Area may only collect Tax Increment for a period of 32 years. This 32-year period will commence on January 1, 2024, and conclude on December 31, 2055.
- c. The Taxing Entity approves the budget for the Amended Project Area (as amended in accordance with the CRA Act), the “Amended Project Area Budget”, that includes administration of the CDA and the expenditure of a principal amount not-to-exceed \$50

million (\$50,000,000) in **Net Present Value** for one or more of the following: public infrastructure improvements, developer related incentives and reimbursements, on-site improvements, and land and job-oriented incentives. This is outlined in this Agreement and the adopted Amended Project Area Budget, as included in **Appendix B** attached to the Agreement. In the event there is more Tax Increment generated above the \$50 million NPV, the Agency agrees to allow this additional Tax Increment to be remitted back to the Taxing Entity by Washington County.

d. In addition to payment of the Tax Increment from the Amended Project Area, the Taxing Entity agrees to allow the Agency to use Tax Increment generated within the Amended Project Area for construction of public infrastructure outside of the Amended Project Area, which has a benefit to the Amended Project Area. The Agency shall be required to notify the Taxing Entity of these expenditures and provide information on how they have benefited the Amended Project Area. In no event shall these expenditures exceed the adopted Amended Budget.

e. **ADDITIONALLY** the Agency is entitled to receive a portion of the Taxing Entities taxes resulting from an increase in the Taxing Entity's tax rate that occurs after the Taxing Entity approves this Agreement. Tax Increment attributable to the Taxing Entity's tax levy for Tax Years beyond the collection period shall be paid by Washington County to the Taxing Entity. However, in no event shall the Agency trigger any of the tranches any later than:

- i. For tranche one Tax Year 2026
- ii. For tranche two Tax Year 2029
- iii. For tranche three Tax Year 2032

f. The Taxing Entity agrees that the Amended Project Area includes 355 acres of property and approves the Amended Project Area Plan (as included in **Appendix A**) and adopted by the Agency and City for the Amended Project Area.

3. No Third-Party Beneficiary. Nothing in this Agreement shall be deemed or considered to create any obligation in favor of or rights in any person or entity not a party to this Agreement. No person or entity is an intended third-party beneficiary of this Agreement. Any obligation of the Agency to make any payments to a developer, business or any person or entity is to be set forth in written Agreements between the Agency and the person or entity, in accordance with terms and requirements satisfactory to the Agency.

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

5. 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 by a 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 Section 11-13-202.5 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 as the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act; and
- e. The term of this Agreement shall commence on the date of full execution of this Agreement by the Parties and continue through the date that is 180 days after the last payment of Tax Increment by the County to the Agency pursuant to the terms and provisions of this Agreement; but in no event shall the Agency be able to receive the Tax Increment for a period longer than thirty five (32) years as defined in this Agreement, or beyond the date of December 31, 2055.
- f. This Agreement does not create a separate entity.

6. Publication of Notice. Immediately after execution of this Agreement by the Parties, each of the Parties shall cause to be published a notice regarding this Agreement as provided and allowed pursuant to Section 11-13-219 of the Cooperation Act and in accordance with 17C-4-202. For purposes of the notice required under 17C-4-202, the Agency shall cause a notice to be published that sets forth a summary of this Agreement and includes a statement that the resolution or Interlocal Agreement is available for general inspection and the hours of inspection.

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

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

9. Further Assurances. The Parties agree to execute such additional documents and take further actions as may become necessary or desirable to fully carry out each of the provisions and the intent of this Agreement including (a) the development and redevelopment of the Amended Project Area and (b) adjustment of any provision of this Agreement if, and to the extent necessary, to bring it into compliance with all applicable governmental requirements without diminishing the rights and authority granted to Agency under this Agreement.

10. Severability. Whenever possible, each provision of this Agreement and every related document shall be interpreted in such a manner as to be consistent and valid under applicable law; but if any provision of any of the foregoing shall be invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition, without invalidating the remainder of such provisions or the remaining provisions of this Agreement or said documents.

11. Entire Agreement. This Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the Parties and supersedes and cancels all prior Agreements between the Parties with respect to the subject matter hereof.

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

REDEVELOPMENT AGENCY OF THE CITY OF ST.
GEORGE

By: _____
Chairman

ATTEST

By: _____
Agency Secretary

Attorney Review for Redevelopment Agency:

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

Attorney for
Redevelopment Agency of the City of St. George

Southwest Mosquito Abatement District

By: _____

ATTEST:

Attorney Review for Taxing Entity:

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

Attorney for Southwest Mosquito
Abatement District

Appendix A:
Amended Project Area Plan

Appendix B:
Amended Project Area Budget