

RESOLUTION No. 11-05-2010

A RESOLUTION TO ENTER INTO AN INTERLOCAL COOPERATION AGREEMENT WITH THE UTAH TRANSIT AUTHORITY

WHEREAS, pursuant to Utah Code Ann. Section 17B-1-403 on July 21, 2010, the City Council of the City adopted a resolution authorizing the annexation of the City into the public transit district and delivered said resolution to the UTA Board of Trustees (the "UTA Board");

WHEREAS, pursuant to Utah Code Ann. Section 17B-1-409(1), the UTA Board held a public hearing on September 23, 2010 on the proposed annexation of the City into the public transit district and the proposed enactment of a sales and use tax (the "Annexation and Sales Tax Proposal"), after providing public notice as required by statute;

WHEREAS, pursuant to Utah Code Ann. Section 17B-1-412(3), the UTA Board held an election on the Annexation and Sales Tax Proposal;

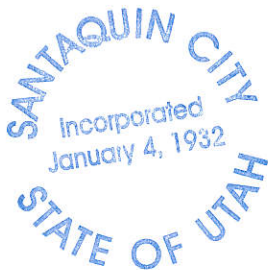
WHEREAS, a majority of the voters of the City approved the Annexation and Sales Tax Proposal;

WHEREAS, UTA and City desire to work cooperatively towards the funding, construction, operation and maintenance of a system for public transit, with the understanding that such public transit services may be limited (the "Transit System");

NOW THEREFORE, BE IT RESOLVED by the City Council of Santaquin, Utah, to enter into an Interlocal agreement with the Utah Transit Authority as follows:

(See attached)

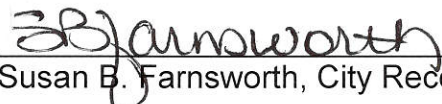
ADOPTED AND PASSED by the City Council of Santaquin City, Utah, this 17th day of November, 2010.



SANTAQUIN CITY


James E. DeGraffenried, Mayor

Attest


Susan B. Farnsworth, City Recorder

INTERLOCAL COOPERATION AGREEMENT

Between
UTAH TRANSIT AUTHORITY
And
SANTAQUIN CITY

[Sales Tax Revenues Transfer for Transit System]

THIS INTERLOCAL COOPERATION AGREEMENT (“Agreement”) is made and entered into this 17th day of November, 2010, by and between the UTAH TRANSIT AUTHORITY, a public transit district organized pursuant to Title 17B, Chapter 2A, Part 8 of the Utah Code Ann. (“UTA”), and SANTAQUIN CITY, a body corporate and politic of the State of Utah (“City”). UTA and City are sometimes referred to as the “Parties.”

WITNESSETH:

WHEREAS, pursuant to Utah Code Ann. Section 17B-1-403 on or about July 21, 2010, the City Council of the City adopted a resolution authorizing the annexation of the City into the public transit district and delivered said resolution to the UTA Board of Trustees (the “UTA Board”);

WHEREAS, pursuant to Utah Code Ann. Section 17B-1-409(1), the UTA Board held a public hearing on September 23, 2010 on the proposed annexation of the City into the public transit district and the proposed enactment of a sales and use tax (the “Annexation and Sales Tax Proposal”), after providing public notice as required by statute;

WHEREAS, pursuant to Utah Code Ann. Section 17B-1-412(3), the UTA Board held an election on the Annexation and Sales Tax Proposal;

WHEREAS, a majority of the voters of the City approved the Annexation and Sales Tax Proposal;

WHEREAS, pursuant to Utah Code Ann. Section 59-12-2213, the Board of City Commissioners of the City enacted a sales and use tax of .25% upon the retail sales and uses in the City as such sales and uses are described in Utah Code Ann. Section 59-12-103(1), subject to the exemptions under Section 59-12-104, the exceptions in Section 59-12-107(1)(b) to fund a public transportation system located within the City;

WHEREAS, in accordance with Section 59-12-2213, the percentage of the sales and use taxes that the City may impose under Utah Code Ann. Section 59-12-2213 is .25% and the City has adopted an ordinance imposing said sales and use tax at the rate of .25% (the tax referred to in said Section 59-12-501 is herein referred to as the “Transit Tax”);

WHEREAS, UTA and City desire to work cooperatively towards the funding, construction, operation and maintenance of a system for public transit, with the understanding that such public transit services may be limited (the “Transit System”);

WHEREAS, UTA and City are public agencies as defined by the Utah Interlocal Cooperation Act, Utah Code Ann. Section 11-13-101, et seq. (the "Interlocal Act"), and are authorized to enter into this Agreement to act jointly and cooperatively to achieve the purposes for the use of these sales and use tax revenues;

NOW, THEREFORE, the UTA and City, in consideration of the promises and covenants contained in this Agreement, the receipt of which is hereby acknowledged, covenant and agree as follows:

1. Imposition of Transit Taxes. The City agrees to impose Transit Tax within the City and to notify the Utah State Tax Commission of such before December 31, 2010. The City hereby covenants and agrees to: (i) impose the Transit Tax at a rate of at least .25% within the City; (ii) transfer the Transit Tax to UTA; and (iii) continue to provide the revenues received from the Transit Tax directly to UTA for its use in funding the Transit System.

It is further agreed by the Parties that UTA has and may continue to utilize the Transit Taxes for purposes of issuing bonds and incurring obligations to fund the construction, operation and maintenance of the Transit System and pledge the Transit Tax to the payment of said bonds, and the Transit Tax may be combined with other taxes and/or revenues received by UTA in a combined pledge for the payment of any or all of UTA's bonds.

2. Direct Transfer. The City hereby agrees to direct the Utah State Tax Commission to transfer the Transit Tax (less the administrative fees retained by the Commission pursuant to law) directly to UTA to be utilized by UTA for funding UTA's Transit System as provided herein (including the payment of debt service on bonds issued by UTA for such purpose).

3. Pledge of Transit Taxes. The City and UTA understand that UTA has and may from time to time issue bonds and incur obligations backed, in whole or in part, by a pledge of the Transit Tax. In furtherance thereof, the Parties agree that while any of such bonds or other obligations (including obligations to continue to operate and maintain UTA's Transit System) remain outstanding and unpaid, the ordinance, resolution or other enactment of the City imposing the Transit Tax and pursuant to which said taxes are being collected and the obligation of the City to continue to levy, collect, and allocate such taxes, and to apply the Transit Tax in accordance with the provisions of this Agreement, shall be irrevocable until such bonds and obligations have been paid in full as to both principal and interest, and said ordinance, resolution or other enactment and this Agreement are not subject to amendment in any manner which would impair the rights of the holders of such bonds or other obligations which would in any way jeopardize the timely payment of principal or interest when due.

4. Duration and Termination. The City and UTA intend that the Transit Tax shall provide a permanent funding source for UTA's Transit System. As permitted by Utah Code Ann. Section 11-13-216, this Agreement shall take effect upon execution by both Parties and terminate on December 31, 2060. To the extent permitted by law, the Parties

intend that the dedication of the Transit Tax to UTA's Transit System continue thereafter and agree to work cooperatively towards that end.

5. Initial Transit Services. UTA agrees to provide initial transit services to the City ("Initial Transit Services"), substantially as reflected in Exhibit "A," attached hereto and incorporated herein by this reference.

6. Liability and Indemnification. Both parties are governmental entities under the Governmental Immunity Act of Utah, Utah Code Ann. Sections 63-30d-101, *et seq.* Consistent with the terms of the Governmental Immunity Act, it is mutually agreed that each party is responsible and liable for its own wrongful or negligent acts which it commits or which are committed by its agents, officials, or employees. Neither party waives any defenses otherwise available under the Governmental Immunity Act.

7. Interlocal Cooperation Act Requirements. In satisfaction of the requirements of the Interlocal Act, and in connection with this agreement, the parties agree as follows:

a. This Agreement shall be authorized by resolution of the governing body of each party pursuant to Section 11-13-202.5 of the Interlocal 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 Section 11-13-202.5 of the Interlocal Act;

c. A duly executed original counterpart of this Agreement shall be filed with keeper of records of each party, pursuant to Section 11-13-209 of the Interlocal Act;

d. Except as otherwise specifically provided herein, each party shall be responsible for its own costs of any action done pursuant to this Agreement, and for any financing of such costs;

e. No separate legal entity is created by the terms of this Agreement. To the extent that this Agreement requires administration other than as set forth herein, it shall be administered by the City Council of the City and the General Manager of UTA. No real or personal property shall be acquired jointly by the parties as a result of this Agreement. To the extent that a party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such party shall do so in the same manner that it deals with other property of such party; and

f. As provided in Section 11-13-219 of the Interlocal Act, the Parties agree that a notice of this Agreement shall be published in the Daily Herald, which is designated by the City as an official newspaper for publications made under the Interlocal Act. Any person in interest may contest the legality of this Agreement for 30 days after the publication of the notice of agreement. After the 30 days have passed, no one may contest the legality of the Agreement or any action performed or instrument issued under the authority of this Agreement for any cause whatsoever.

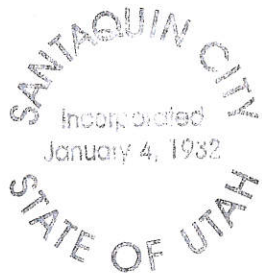
8. Counterparts. This Agreement may be executed in counterparts by UTA and the City. In such event, a duly executed original counterpart shall be filed with the keeper of records of each party pursuant to the Interlocal Act.

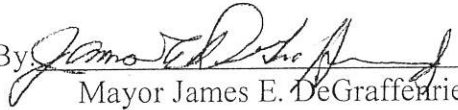
9. Governing Law. This Agreement shall be governed by the laws of the State of Utah both as to interpretation and performance.

10. Entire Agreement. This Agreement contains the entire agreement between the Parties, with respect to the subject matter hereof, and no statements, promises, or inducements made by either party or agents for either party that are not contained in this written contract shall be binding or valid; and this agreement may not be enlarged, modified, or altered except in writing, and signed by the parties.

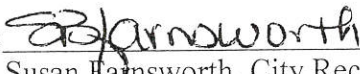
IN WITNESS WHEREOF, the Parties have subscribed their names and seals the day and year first above written.

SANTAQUIN CITY




By: 
Mayor James E. DeGraffened

Attest:

By: 
Susan Harmsworth, City Recorder

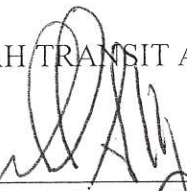
Approved as to Form and Legality:

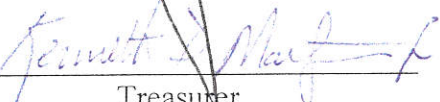
City Attorney

By: 
Brett Rich, City Attorney

Date 11-17-10

UTAH TRANSIT AUTHORITY

By: 
General Manager

By: 
Treasurer

APPROVED AS TO FORM AND LEGALITY

By: 
UTA Legal Counsel

Date: 12/20/10

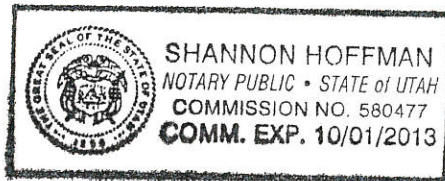
STATE OF UTAH)

:SS

City of Santaquin)

On this 17 day of November, 2010, personally appeared before me James E DeGraffenried the Chair of the City Council of the City and Susan B Farnsworth the City Clerk/Auditor and that the foregoing instrument was signed on behalf of Santaquin City, by authority of law.

[SEAL]



Shannon Hoffman
NOTARY PUBLIC
Residing in Santaquin, Utah

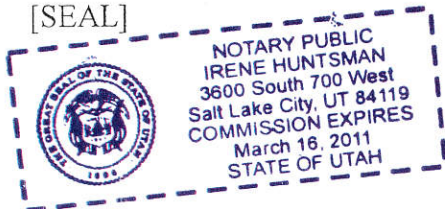
STATE OF UTAH)

:SS

City of Salt Lake)

On this 21st day of December, 2008, personally appeared before me Michael A. Allegra, the General Manager and Kenneth C. Montague, the Treasurer of Utah Transit Authority and that the foregoing instrument was signed on behalf of the Utah Transit Authority, by authority of law.

[SEAL]



Irene Huntsman
NOTARY PUBLIC
Residing in Salt Lake, Utah

Exhibit A

INITIAL TRANSIT SERVICES

Initial transit services to Santaquin City under this Agreement will be in accordance with the following:

1. Any service provided to Santaquin City under this Agreement will await the receipt of sales tax revenues from Santaquin City sufficient to pay the fully allocated expenses for such services, or will await the availability of other funds, such as grants or funds from other sources that might become available.
2. Initial service to Santaquin City will be either an extension of local service from existing lines currently serving Payson City or an extension of express service currently serving Payson City or some combination.
3. Route times and frequency of such extensions of service will be determined cooperatively with Santaquin City and UTA as funds become available.
4. In the future, transit service to Santaquin City may be changed from time to time based on local and regional transit usage patterns, population and demographic changes as well as changes in available funding.