

**Resolution #04-2010**

A RESOLUTION APPROVING AMENDMENT #1 TO THE INTERLOCAL AGREEMENT FOR THE JOINT FINANCING OF A RECREATION CENTER COMPLEX

**WHEREAS** GCRSSD and the City entered into an Interlocal Agreement for the Joint Financing of Recreation Center Complex in October, 2008; and

**WHEREAS**, said Agreement contemplated specific timeframes for construction and subsequent operation of the Recreation Center Complex; and

**WHEREAS**, schedules in the Agreement for financial contributions were based on the timeframes for construction and subsequent operation of the Recreation Center Complex; and

**WHEREAS**, said timeframes and schedules need to be clarified and restated to reflect existing circumstances.

NOW THEREFORE, we, the Governing Body of the City of Moab do hereby approve Amendment #1 to the Interlocal Agreement for the Joint Financing of a Recreation Center Complex and authorize the appropriate officials to execute said Amendment

Passed and adopted by action of the Governing Body of the City of Moab in open session this 26th day of January, 2010.

SIGNED:

\_\_\_\_\_  
David L. Sakrison, Mayor

ATTEST:

\_\_\_\_\_  
Rachel Ellison, Recorder

**INTERLOCAL AGREEMENT FOR THE JOINT FINANCING OF A  
RECREATION CENTER COMPLEX  
Amendment Number One**

**THIS AMENDMENT NUMBER ONE TO THE INTERLOCAL AGREEMENT FOR THE JOINT FINANCING OF A RECREATION CENTER COMPLEX** is entered into as of this \_\_\_ day of \_\_\_ 2010, by and between the **GRAND COUNTY RECREATION SPECIAL SERVICE DISTRICT**, a body politic and corporate and quasi-municipal public corporation of the State of Utah (“GCRSSD”), and **THE CITY OF MOAB**, a body corporate and politic of the State of Utah (the “City”) (collectively, the “Parties”).

**A. WHEREAS** GCRSSD and the City entered into an Interlocal Agreement for the Joint Financing of Recreation Center Complex in October, 2008; and

**B. WHEREAS**, said Agreement contemplated specific timeframes for construction and subsequent operation of the Recreation Center Complex; and

**C. WHEREAS**, said timeframes need to be clarified and restated to reflect existing circumstances.

**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, the parties agree that Section 1(a) and Section 1(f) of the Agreement shall be amended to read as follows:

**1. GCRSSD’s Consent.**

**a.** GCRSSD, pursuant to Section 11-13-215 of the Interlocal Cooperation Act, hereby agrees and consents that the City shall be paid certain Mineral Lease revenues, as they become available to GCRSSD. From the proceeds of Mineral Lease Revenues actually received by the GCRSSD, the following funds are pledged to the City to be used by the City to finance the Recreation Center Project:

**i.** A sum not to exceed one hundred ninety thousand dollars (\$190,000.00) payable annually for years 2010 through 2034, inclusive, to be disbursed as specified herein, and which shall be referred to as the Annual Capital Pledge. These monies will be used by the City as pledged revenues to secure the financing of the new Recreation Center, as set forth in Section Two; and

**ii.** A maximum of twenty five thousand dollars (\$25,000.00) annually for years 2010 through 2034, inclusive, to be disbursed as specified herein, and shall be referred to as the Operations & Maintenance Pledge. These monies shall be used by the City, along with other monies contributed by the City as described the Operational Budget in Exhibit B, to fund the on-going operational and maintenance expenses of the Recreation Complex. Said Operations and Maintenance Pledge, in the amount provided for herein, shall be shown as a recurring expense in the GCRSSD annual budget. The parties agree that upon the end of five full years of operation of the Recreation Center, and any subsequent year, if the City’s subsidy of the Recreation Center is less than \$165,000.00 for at least two full years, then GCRSSD shall not be required to pay to the City said Operations and Maintenance Pledge. The City subsidy shall be calculated by subtracting Recreation Center Department Expenses from Recreation Center Revenues. The elimination of the Operations and Maintenance Pledge shall be formalized by written agreement of the City and GCRSSD;

f. GCRSSD agrees that the Annual Capital Pledge and the Operations and Maintenance Pledge as provided for herein supersede, and shall take precedence over other existing informal financial obligations undertaken by GCRSSD, and all future financial obligations undertaken by the District after the date of this agreement. GCRSSD further grants and assigns to the City a security interest in the Annual Capital Pledge, pursuant to U.C.A. § 11-14-501, which shall be superior to the claims or interests of all other persons, and which shall be applied solely towards repayment of the sales tax revenue bonds to be issued by the City for Recreation Center improvements, as specified in Section Two, below, and toward operations and maintenance expenses as specified in this Agreement. GCRSSD hereby warrants to the City, and authorizes the City to publish to bondholders, that the Annual Capital Pledge is irrevocable until such time as the bonds are paid in full. Consistent with the nonimpairment provisions of U.C.A. § 11-14-308, GCRSSD shall enact a resolution providing that until such time as the bonds of the City are paid in full, or until the year 2034, whichever first occurs, that the Annual Capital Pledge shall be irrevocable. GCRSSD agrees that the Annual Capital Pledge and the Operations and Maintenance Pledge shall be paid to the City prior to any other financial obligations undertaken by GCRSSD after the date of this Agreement and any informal obligations GCRSSD may have.

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

CITY OF MOAB

By: \_\_\_\_\_  
Mayor David L. Sakrison

ATTEST:

By: \_\_\_\_\_  
Rachel Ellison, City Recorder

GRAND COUNTY RECREATION SPECIAL  
SERVICE DISTRICT

By: \_\_\_\_\_  
Mike Steele, Chair

ATTEST:

\_\_\_\_\_  
Secretary