

RESOLUTION NO. 10 OF 2007
(Settlement of Property Dispute with North Salt Lake)

WHEREAS, North Salt Lake City ("North Salt Lake") is the owner of a certain parcel of land of approximately 80 acres located in Salt Lake City described in Appendix A (the "Subject Property");

WHEREAS, on or about October 22, 2002, North Salt Lake sent Salt Lake City a request for a boundary adjustment that would transfer municipal jurisdiction over the Subject Property from Salt Lake City to North Salt Lake;

WHEREAS, on December 14, 2004, the City Council of Salt Lake City adopted a motion denying North Salt Lake's request for the boundary adjustment;

WHEREAS, on or about February 4, 2005, North Salt Lake sent Salt Lake City a copy of North Salt Lake's Resolution No. 05-2R (adopted February 1, 2005) requesting disconnection of the Subject Property;

WHEREAS, on May 31, 2005 the City Council of Salt Lake City adopted Resolution No. 29 of 2005 denying North Salt Lake's request for disconnection of the Subject Property;

WHEREAS, on June 29, 2005, North Salt Lake filed a petition seeking disconnection of the Subject Property, North Salt Lake v. Salt Lake City Corporation, Civil No. 050700335 (2d Dist. Utah) (the "Disconnection Action");

WHEREAS, on June 30, 2005, Salt Lake City filed an eminent domain action seeking to acquire approximately 12 acres of the Subject Property and on May 12, 2006 filed an amended complaint seeking to acquire the Subject Property in its entirety, Salt Lake City Corporation v. City of North Salt Lake, Case No. 050911549 (3rd Dist. Utah) (the "Condemnation Action");

WHEREAS, in the Condemnation Action, Salt Lake City has submitted an expert appraisal report valuing the Subject Property at \$2,830,000 as stated therein and North Salt Lake has submitted an expert appraisal report valuing the Subject Property at \$10,940,000 as stated therein, and the parties acknowledge that the outcome on valuation of the Subject Property at trial is unknown;

WHEREAS, on February 12, 2007, the County Council adopted a motion approving payment up to \$1,750,000 towards amicable resolution of the dispute between North Salt Lake and Salt Lake City concerning the Subject Property, as stated in said motion; and

WHEREAS, settlement of this dispute has been proposed;

THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of Salt Lake City, Utah, as follows:

That the Mayor is authorized to enter into a settlement agreement with North Salt Lake in substantially the form as the attached Exhibit B, and that it is the intent of the City Council, following the execution of the settlement agreement, to implement in good faith and with reasonable diligence such legislative actions as described in the settlement agreement .

PASSED by the City Council of Salt Lake City, Utah, this 15th day of February, 2007.

SALT LAKE CITY COUNCIL

By: *Van Blave Turner*
CHAIRPERSON

ATTEST AND COUNTERSIGN:

Beverly Jones
~~CHIEF~~ DEPUTY CITY RECORDER



APPROVED AS TO FORM:

[Signature]
SALT LAKE CITY ATTORNEY

Term Sheet

SLC VIEW	
Property Descriptions:	<p>The Settlement would involve three separate parcels of Property:</p> <ol style="list-style-type: none">1. The "Boundary Adjusted Property", approximately 21 acres at the north end of the Subject Property north of the salient and the wetlands consisting of approximately 13 acres of developable property and approximately 7 acres of undevelopable property at the eastern end (the "Steep Slope Property").2. The "Tunnel Springs Property," a small [one to two acres?] parcel surrounding the Tunnel Springs water source, Water Right No. 57-71, with size based on State separation requirements.3. The "Natural Open Space Property", the remainder of the Subject Property located south and east of "Boundary Adjusted Property", excluding the Tunnel Springs Property, Water Right No. 57-71. The Natural Open Space Property will be approximately 57 acres.
Price:	<p>Salt Lake City/Salt Lake County will pay \$3.5 million to North Salt Lake on the closing date (described below) for the property rights and interests described below (and agree to the boundary adjustment described below).</p>

Jurisdiction:	<ol style="list-style-type: none"> 1. The cities will adjust their respective boundaries to include the Boundary Adjusted Property in North Salt Lake pursuant to and in compliance with (notice, hearings, etc.) Utah Code Ann. § 10-2-419 (boundary adjustment) [SLCounty approval of boundary adjustment not required] 2. The Natural Open Space Property will remain in Salt Lake City. 3. To be determined for the Tunnel Springs Property. If the Tunnel Springs Property remains in SLC, NSL access will be protected by a perpetual easement for access and water transfer.
Property Interests Transferred:	<ol style="list-style-type: none"> 1. NSL conveys fee simple title to the Natural Open Space Property to Salt Lake City/Salt Lake County. 2. NSL retains "Natural Open Space Preservation Rights" (as defined below) in the Natural Open Space Property. 3. NSL conveys Natural Open Space Preservation Rights in the Steep Slope Property portion of the Boundary Adjusted Property <ul style="list-style-type: none"> --no part of the Steep Slope Property may be included as part of any property sold for residential development --NSL shall make the Steep Slope Property available for relocation of the Bonneville Shoreline Trail

Natural Open Space Preservation Rights:	<p>The precise legal structure is to be determined- - conservation easement? restrictive covenant? other? The intent is that neither NSL, nor SLC, nor Salt Lake County, nor NSL and SLC or NSL and Salt Lake County or SLC and Salt Lake County acting together can take any actions that would permit any development inconsistent with preservation of the Natural Open Space Property in its pristine natural condition with the exception of an unimproved trail or trails, appropriate signage, doggie bags, and means of disposal.</p>
Transferability:	<ol style="list-style-type: none"> 1. Salt Lake City/Salt Lake County may transfer their rights in the Natural Open Space Property in whole or in part to one or more third parties without the consent of North Salt Lake for the purposes of preserving the property in its pristine, natural condition. 2. Salt Lake City/Salt Lake County may grant Natural Open Space Preservation Rights in the Natural Open Space Property to other third parties in addition to North Salt Lake without the consent of North Salt Lake for the purposes of preserving the property in its pristine, natural condition. 3. North Salt Lake may transfer its rights in the Natural Open Space Property in whole or in part to one or more parties without the consent of Salt Lake City/Salt Lake County for the purposes of preserving the property in its pristine, natural condition.

Closing Date:	To be agreed upon, but to be as soon as possible considering applicable statutory timelines for a mutual boundary adjustment. [Is June 1 possible?]
Water Source:	North Salt Lake retains title to the Tunnel Springs Property. Easements granted by SLC/SLCo for existing infrastructure located on the Natural Open Space Property. [Existing infrastructure to be identified.] No water tower/tank on the Natural Open Space Property and/or the Tunnel Springs Property. Reclamation restrictions for any disturbance to the Natural Open Space Property and/or the Tunnel Springs Property.
Litigation:	NSL and SLC will file joint motions to dismiss the disconnection action and the condemnation action with prejudice, with each party bearing its own expenses, including attorney's fees and costs.
Legislation:	SB 130 and any legislation that would impair SLC's ability to acquire or condemn property for open space abandoned.

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