

1989

Smith v. Redevelopment Agency of Murray City : Unknown

Utah Supreme Court

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Geoffrey J. Butler.

Unknown.

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November 27, 1990

890119

FILED

NOV 27 1990

Clerk, Supreme Court, Utah

Geoffrey J. Butler, Esq.
Supreme Court Clerk
332 State Capitol Building
Salt Lake City, UT 84114

Re: Appellants' Post-Hearing Submission of
Supplemental Information in regard to Bonds.
Supreme Court No. 890119.

Dear Mr. Butler:

Pursuant to Rule 24 (j) of the Utah Rules of Appellate Procedure, appellants (the "Smiths") hereby submit the following supplemental information for the court's assistance:

At the time of oral argument in the above matter on November 13, 1990, members of the Court made a number of inquiries and comments regarding the status and effect of this action upon the redevelopment bonds applicable to the project area. Following the hearing, the Smiths obtained complete copies of the documents underlying the two bonds and herewith submit relevant portions thereof for the Court's information.

No. 1: Series 1982 - \$1,500,000 (final year of maturity is 1996). The bonds are secured by the entire 384 acre redevelopment project area. A copy of the Official Statement for the bonds is attached. The 1982 bonds are insured. Copies of the insurance documents are attached.

No. 2: Series 1985 - \$3,325,000 (final year of maturity is 2000). The bonds are secured only by the 100 acre tax increment parcel. The 100 acre tax increment parcel only includes the two commercial properties of appellant Hazelgren and does not include those of the other appellants. A copy of the Official Statement for the bonds is attached together with a copy of the page showing the 100 acre parcel. The 1985 bonds are not insured.

The documents supporting the bonds are voluminous but will be furnished to the Court upon request.

Very truly yours,

Walter P. Faber, Jr.

WALTER P. FABER, JR.
Attorney for the Smiths

WPF:bwt
Enclosures

CERTIFICATE OF MAILING

I hereby certify that I mailed a copy of the foregoing to WILLIAM D. OSWALD, 57 West 200 South, Suite 400, Salt Lake City, UT 84145; HAROLD A. HINTZE, 525 East 100 South, Suite 200, Salt Lake City, UT 84102, and H. CRAIG HALL, 5025 South State, Murray, UT 84107, postage prepaid, this 27th day of November, 1990.

Walter P. Faber, Jr.

Rating: Standard and Poor's: AAA (AMBAC Insured)

NEW ISSUE

In the opinion of Bond Counsel, interest on the 1982 Bonds is exempt from present Federal income taxes under presently existing laws, regulations, decisions and interpretations. It is further the opinion of the Bond Counsel that interest on the 1982 Bonds is exempt from individual income taxes and corporate franchise taxation in the State Utah.

\$1,500,000

REDEVELOPMENT AGENCY OF MURRAY CITY
MURRAY CITY, SALT LAKE COUNTY, UTAH
CBD NEIGHBORHOOD REDEVELOPMENT TAX ALLOCATION BONDS
SERIES 1982

Dated March 1, 1982

Due: March 1, 1984, as shown below:

The 1982 Bonds are special obligations of the Redevelopment Agency of the Murray City and neither the full faith and credit nor the taxing power of the City is pledged for their payment.

<u>Due March 1 of the year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
1984	\$ 50,000	14.00%	9.50%
1985	55,000	14.00	10.00
1986	65,000	14.00	10.50
1987	75,000	14.00	11.00
1988	90,000	14.00	11.50
1989	105,000	13.25	11.75
1990	120,000	12.50	12.00
1991	135,000	12.50	12.25
1992	155,000	12.50	12.50
1993	180,000	12.75	12.75
1994	205,000	13.00	13.00
1995	235,000	13.25	13.25
1996	30,000	13.25	13.25

(accrued interest to be added)

Principal and semiannual interest (commencing March 1, 1983 and each March 1 and September 1, thereafter) are payable at the corporate trust office of First Security Bank of Utah, N A , in Salt Lake City, Utah, Trustee. The 1982 Bonds will be issued as coupon bonds in the denomination of \$5,000, are not registerable as to principal and interest

The 1982 Bonds are subject to redemption prior to maturity, as described herein.

The 1982 Bonds are offered when, as and if issued and received by the Underwriter, and subject to the approval of their legality by Fox, Edwards and Gardiner, Salt Lake City, Utah. It is expected that the 1982 Bonds in definitive form will be available for delivery in Salt Lake City, Utah, on or about March 16, 1982.

The American Municipal Bond Assurance Corporation, a New York insurance corporation, has issued its Municipal Bond Insurance Policy No 606 with respect to the payments due for principal of and interest on this bond to the United States Trust Company, New York, New York, as the Insurance Trustee under said Policy. Said Policy is on file and available for inspection at the principal office of said Insurance Trustee and copy thereof may be secured from said Redevelopment Agency or said Insurance Trustee

This Official Statement is dated March 1, 1982 and the information herein speaks only as of that date.

BURROWS, SMITH AND COMPANY
Division of Bache Halsey Stuart Shields Incorporated

AMBAC

American Municipal Bond Assurance Corporation

a subsidiary of MGIC Investment Corporation
MGIC Plaza, P.O. Box 488
Milwaukee, Wisconsin 53201

Municipal Bond Insurance Policy

Issuer: **Redevelopment Agency of Murray City
Murray City, Salt Lake County, Utah**

Policy Number: **409**

Bonds: **\$1,500,000 CBD Neighborhood Redevelopment Tax Allocation
Bonds, Series 1981 dated March 1, 1982 and due serially
March 1, 1984 through March 1, 1996 inclusive. The paying
agent is First Security Bank N.A., Salt Lake City, Utah**

Premium: **\$35,151.61**

**AMERICAN MUNICIPAL BOND ASSURANCE CORPORATION
(AMBAC)
A New York Stock Insurance Company**

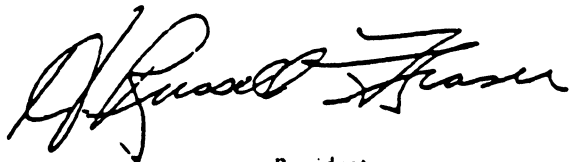
in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to the United States Trust Company of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of Bondholders, that portion of the principal of and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

AMBAC will make such payments to the Insurance Trustee within 10 days following notification to AMBAC of Nonpayment. Upon a Bondholder's presentation and surrender to the Insurance Trustee of such unpaid Bonds or appurtenant coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, AMBAC shall become the owner of the surrendered Bonds and coupons and shall be fully subrogated to all of the Bondholder's rights to payment.

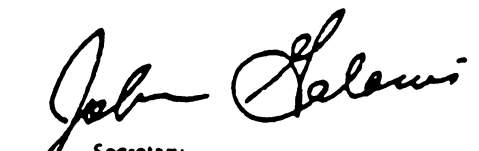
As used herein, the term "Bondholder" means any person other than the Issuer, who, at the time of Nonpayment, is the owner of a Bond or of a coupon appertaining to a Bond "Due for Payment," when referring to the principal of Bonds, is when the stated maturity date has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption, acceleration or other advancement of maturity; and when referring to interest on the Bonds, is when the stated date for payment of interest has been reached. "Nonpayment" means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all principal of and interest on the Bonds which are Due for Payment.

This Policy is noncancelable for any reason. The premium on this Policy is not refundable for any reason, including payment of the Bonds prior to maturity. This Policy does not insure against loss of any redemption, prepayment or acceleration premium which at any time may become due in respect of any Bond, nor against any risk other than Nonpayment.

In witness whereof AMBAC has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective and binding upon AMBAC by virtue of the signature of its duly authorized officer.


President

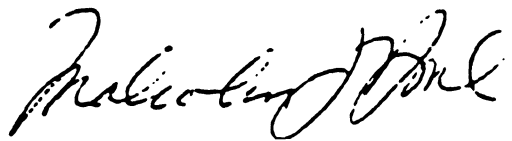



Secretary

Effective Date: **March 16, 1982**

/s/ Frederick Letzeisen
Authorized Officer

UNITED STATES TRUST COMPANY OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this policy.



Endorsement

Policy issued to: **REDEVELOPMENT AGENCY OF MURRAY CITY, MURRAY CITY,
SALT LAKE COUNTY, UTAH**

Attached to and forming part of

Policy No. 409

Effective date of endorsement

March 16, 1982

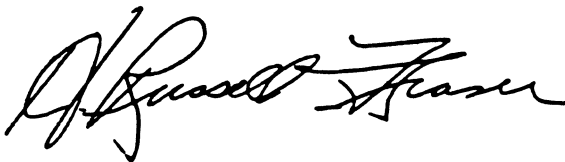
**This Endorsement attached to Policy No. 409 changes the Series
from Series 1981 to 1982.**

COPY

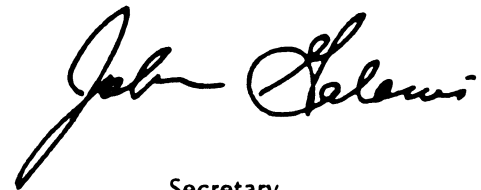
Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy other than as above stated.

In Witness Whereof, The Company has caused its Corporate Seal to be hereto affixed and these presents to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding on the Company by virtue of countersignature by its duly authorized agent.

AMERICAN MUNICIPAL BOND ASSURANCE CORPORATION



President



Secretary

By

/s/ Joan R. Perry
Authorized Representative

NEW ISSUE

Not Rated

In the opinion of Bond Counsel, interest on the Bonds is exempt from present Federal income taxes under presently existing laws, regulations, decisions and interpretations. It is further the opinion of Bond Counsel that interest on the Bonds is exempt from individual income taxes in the State of Utah.

\$3,325,000

**REDEVELOPMENT AGENCY OF
MURRAY CITY**

MURRAY CITY, SALT LAKE COUNTY, UTAH

**C.B.D. NEIGHBORHOOD REDEVELOPMENT PROJECT TAX ALLOCATION BONDS
Series 1985**

Dated: October 1, 1985

Due: October 1, as shown below:

The Bonds are special obligations of the Redevelopment Agency of Murray City and neither the full faith and credit nor the taxing power of Murray City is pledged for their payment. Principal of, and premium, if any, and interest on, the Bonds are payable from certain Tax Revenues from a 100-acre portion of the C.B.D. Neighborhood Redevelopment Project Area, subject to payment in certain circumstances first of certain outstanding tax allocation bonds of the Agency, all as described herein.

<u>Due October 1 of the year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
1986	\$ 15,000	6.75%	100%
1987	35,000	7.25	100
1988	205,000	7.75	100
1989	185,000	8.25	100
1990	200,000	8.75	100
1991	220,000	9.00	100
1992	125,000	9.25	100
1993	140,000	9.50	100
1994	155,000	9.75	100
1995	175,000	10.00	100
1996	190,000	10.10	100
1997	270,000	10.20	100
1998	305,000	10.35	100
1999	310,000	10.50	100
2000	795,000	10.50	100

(accrued interest to be added)

Principal and premium, if any, are payable at the principal corporate trust office of Zions First National Bank, in Salt Lake City, Utah, as Paying Agent. Semiannual interest (payable on April 1, 1986 and on each October 1 and April 1 thereafter) on the Bonds is payable by check or draft of the Paying Agent mailed on each interest payment date to the registered owners thereof as of the Record Date as described herein. The Bonds will be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Bonds are subject to redemption prior to maturity, as described herein.

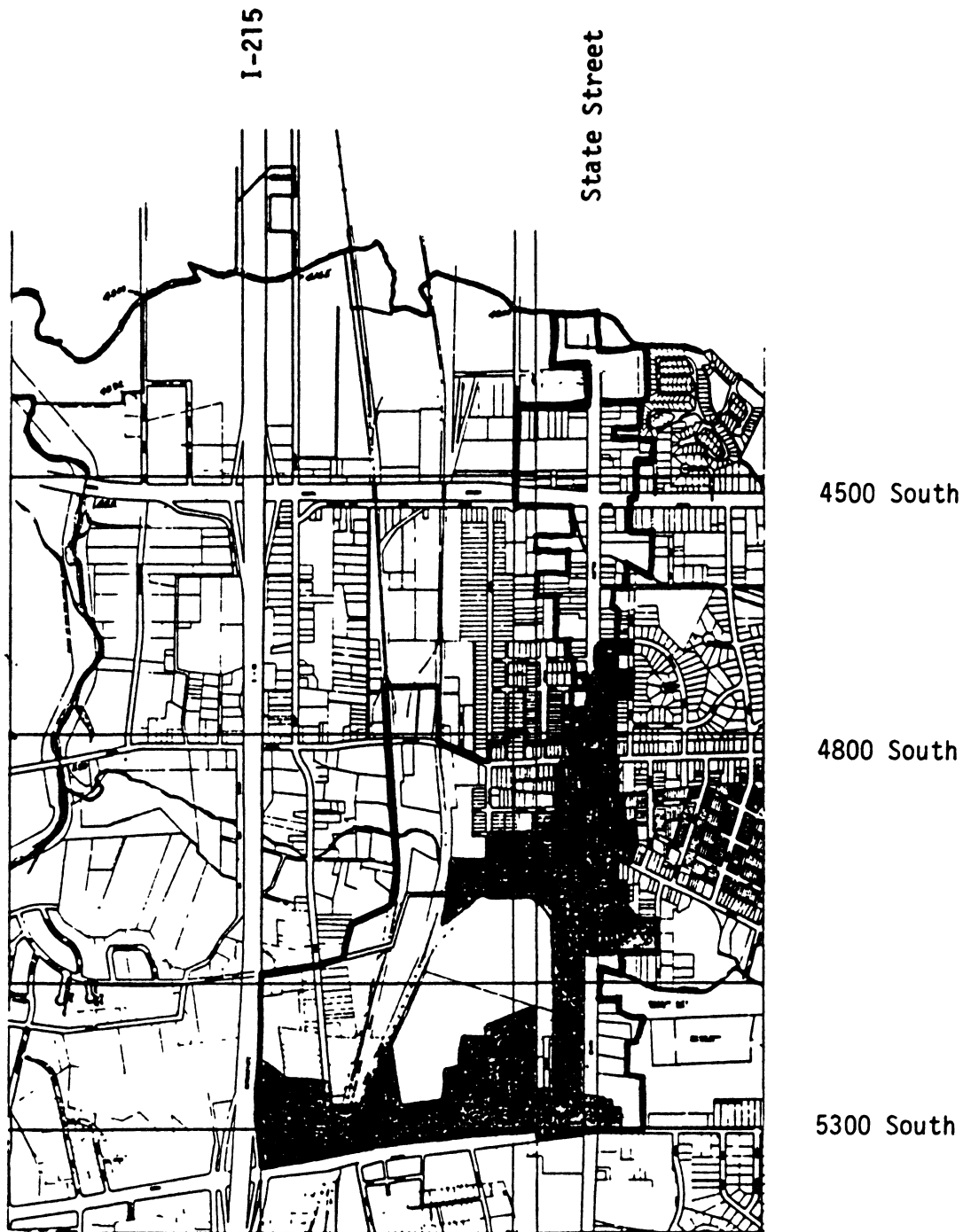
The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval of legality by Holme Roberts & Owen, as Bond Counsel, and certain other conditions. It is expected that the Bonds in definitive form will be available for delivery in Salt Lake City, Utah on or about October 22, 1985.

This Official Statement is dated October 1, 1985 and the information herein speaks only as of that date.

Prudential-Bache

APPENDIX I

MAP OF THE C.B.D. NEIGHBORHOOD REDEVELOPMENT PROJECT AREA



**The
Redevelopment
Agency of
Murray
City**

Original Project Area ———
100-Acre Project Area ■■■■