

**Tooele City Council and  
Joint Tooele City Redevelopment Agency  
Business Meeting Minutes**

Date: Wednesday, November 2, 2011  
Time: 7:00 p.m.  
Place: Tooele City Hall, Council Chambers  
90 North Main Street, Tooele Utah

**Council Members Present:**

Scott Wardle, Chair  
Steve Pruden  
Dave McCall  
Shawn Milne  
Mike Johnson

**City Employees Present:**

Mayor Patrick Dunlavy  
Roger Baker, City Attorney  
Glenn Caldwell, Finance Director  
Michelle Pitt, City Recorder  
Lisa Carpenter, Deputy Recorder  
Chief Ron Kirby, Chief of Police  
Paul Hansen, City Engineer  
Cary Campbell, Public Works Director  
Rachelle Custer, City Planner  
Jaclynn Sagers, Communities that Care Director  
Randy Sant, Redevelopment Agency Consultant

Chairman Wardle called the meeting to order at 7:00 p.m. Councilman Wardle encouraged everyone to vote next Tuesday, November 8, 2011.

Minutes prepared by Elisa Jenkins

**1. Pledge of Allegiance**

The Pledge of Allegiance was led by Councilman Pruden.

**2. Roll Call**

Councilman Pruden, Present  
Councilman McCall, Present  
Councilman Milne, Present  
Councilman Johnson, Present  
Chairman Wardle, Present

### **3. Mayor's Recognition Awards**

Presented by Mayor Patrick Dunlavy, Jaclynn Sagers and Chief Ron Kirby

Mayor Dunlavy thanked everyone for coming to support these students. He feels that it is very important to recognize the youth in the community. He explained that these students are recognized for the role they play in their schools, their neighborhoods and their churches. He thanked the parents for what they do in raising these fine young people. He said that the police department plays an important role in the programs that are presented to the students in school. The Communities that Care program helps students deal with the problems that they face every day. He then introduced Ms. Sagers, the Communities that Care Director.

Ms. Sagers also thanked everyone who came to support these students. She said that within the Communities that Care program there are many programs that promote skills that produce healthy behaviors. Chief Kirby and his officers support a program in the 6<sup>th</sup> grade called Lions Quest where they teach the drug and alcohol unit. There are programs in secondary schools as well called Life Skills Training. There is also a parenting program called Guiding Good Choices, for parents. She encouraged anyone interested in the Guiding Good Choices program to contact her. She explained that each student will receive a bag with goodies from various businesses in the community. Each student will also receive a certificate signed by the Mayor. She thanked all the community partners for their contributions.

Ms. Sagers then presented the Mayor's Community Recognition awards to the following students:

Anabelle Baxter, East Elementary  
Rachel Henriksen, Overlake Elementary  
Kayden Were, Settlement Canyon Elementary  
James Miles, Middle Canyon Elementary  
Blake Hervat, West Elementary  
Jaiden Louderback, Harris Elementary  
Logan Gustafson, Copper Canyon Elementary

Ms. Sagers congratulated these students and thanked everyone again. She thanked the teachers that had come to the meeting for their support of the Communities that Care program.

Mayor Dunlavy congratulated all the students again and he thanked them for their hard work. He said that these students are very special and he hopes that this small minute means as much to them as it does to the Council and himself. He stated that these students are the future leaders of Tooele and thanked everyone for coming and their support.

A short break was taken for a picture with the Mayor and the recipients of this award.

### **4. Open Forum for Public Comment**

Chairman Wardle invited anyone from the public who would like to come forward and address the Council to do so. No one came forward.

Chairman Wardle closed the open forum at 7:26 p.m.

**5. MOTION on Final Plat Approval for Overpass Point Subdivision Lots 2 and 3 Amended. A 6.96 Acre Two Lot Subdivision located at 1600 N Pine Canyon Road by UEC Theatre.**

Presented by Rachelle Custer

Ms. Custer explained that Tooele Cinema 6 has been purchased by United Entertainment Corporation (UEC). UEC is changing the existing theaters to stadium seating and in the spring they would like to add three more theaters. They have purchased approximately one acre to the north of the building for additional parking. The proposed subdivision will change the existing lot lines in order to incorporate the new property into lot 3. New curb and gutter and sidewalk will be installed on Pine Canyon Rd as part of the addition. They will also be installing a storm water retention basin. Staff recommends approval and Planning Commission made a favorable recommendation on October 12, 2011.

Chairman Pruden asked if they are going to fix their drainage problem as part of the subdivision.

Ms. Custer said “yes”, this will clean out the existing system and adding a storm water detention system. They are also being required to construct curb, gutter and side will on Pine Canyon Road.

**Councilman Pruden moved to approve the final plat for Overpass Point Subdivision Lots 2 and 3 Amended. A 6.96 Acre Two Lot Subdivision located at 1600 N Pine Canyon Road.**

Councilman Milne seconded the motion. The vote was as follows: Councilman McCall, “Aye”, Councilman Johnson, “Aye”, Councilman Milne, “Aye”, Councilman Pruden “Aye”, and Chairman Wardle, “Aye”.

**6. Resolution 2011-55 & RDA Resolution 2011-06 A Joint Resolution of the Tooele City Council and the Board of the Redevelopment Agency of Tooele City, Utah, (RDA) Approving Interlocal and Lease Agreements Necessary for the Construction of the Tooele Applied Technology College.**

Presented by Roger Baker

Mr. Baker said that it is a pleasure to introduce this resolution. He explained that this resolution is to approve the various agreements between Tooele City and the Tooele RDA as well as Utah State University (USU), and the Tooele Applied Technology College (TATC) which will allow the construction of the TATC in Tooele City. This is a \$15 million project which is funded from a combination of funds from the state of Utah and the Tooele RDA. Tooele RDA’s portion is a bond for up to \$5 million which will be paid with an interlocal agreement between Tooele City and the Tooele RDA. He said that there are three agreements before the Council and he is asking

that they approve all three. He said in discussions as recently as today between all parties they think it may be possible to simplify the transaction without having a ground lease agreement between Tooele City, USU and TATC. All the ground lease arrangements would be between USU and TATC. Tooele City will own a 1/3 interest in the TATC building until the bonds are paid off after which the City's interest would be released. The campus President of TATC, Scott Snelson and the Dean of the Tooele Regional Campus of USU, Gary Straquadine were present at the meeting. The TATC Board has meet and approved the Interlocal Agreement that is before the City Council, as well as the Interlocal Agreement between TATC and USU. This resolution involves a lot of parties between the state funding agencies, the state construction agencies, USU, TATC, and the City. The bond will be a 20 year bond with the annual payment estimated to be about \$350,000 a year.

Councilman Johnson noted that in the first interlocal agreement between Tooele City, Tooele RDA and TATC that the City will own 1/3 of the building but not the RDA.

Mr. Baker said that is correct. It is a City Bond issuance with an arrangement for the Tooele RDA to reimburse Tooele City (by paying the debt service on the City bond).

Councilman Johnson asked if Tooele City is going to receive any rights to use the building?

Mr. Baker said that main two purposes for the City's 1/3 ownership of the building is to provide security for the City's funding of 1/3 of the building construction. But also to demonstrate that the City is receiving value in exchange for its gift of construction money.

Chairman Wardle explained that in the event that the state of Utah had to liquidate assets and needed to liquidate this building the City's 1/3 ownership would allow the bond to be paid back because they have ownership in the building versus it being sold and the City receiving nothing because of a land lease agreement.

Mr. Baker said he feels that is a correct statement. It is a contractual interest not a recorded real property interest.

Councilman Johnson noted that the City does not get any time to use the building. It is ownership without use.

Chairman Wardle said that the City had something similar with the eight acres that were donated to the school district for the Community Learning Center. The school district has given the City use of their building without having to rent it. Mr. Snelson has offered the City use of his building as well. The City's purpose is economic development not education.

Councilman Johnson noted that this agreement goes out 50 years.

Mr. Baker stated that the intention of the agreement is not to provide the City a 1/3 possession or usage along with the 1/3 ownership interest; it is more intended to provide security for the life of the bond.

Councilman Johnson noted that in paragraph 10 of the agreement it states, *“This agreement may be amended, changed, modified or altered only by an instrument in writing which shall be (a) approved by the Mayor of the City, by the Chairman of the Agency....”* Councilman Johnson said that contractual amendments cannot be approved by the Mayor or the Chairman of the RDA without formal approval of the City Council or the RDA Board.

Mr. Baker suggested changing that to read approved by the City Council or RDA Board and signed by the Mayor. He said that the drafts are substantively finalized but there were a few questions and minor points they were answering as recently as the date of this meeting. He would like as part of the Council’s motion the ability as a staff to make those non-substantive amendments. He would also like all three agreements approved with the understanding that the administration will make the determination for the lease agreement between USU and Tooele City for one acre of ground, which is exhibit C, might not be necessary.

Councilman Johnson asked why they were doing the site lease between Tooele City and USU (Exhibit C).

Mr. Baker said that it was felt that it offered greater security for the bonds and the financial arrangement. Tooele City owned a little over one acre on the northern end of the parcel and conveyed it at no cost to USU earlier this year. The City asked them to donate it back to the City and the City would ground lease it back to USU and they would sub-lease it to TATC. It is a mechanism that would work but as they have been discussing it they feel that it is a mechanism that may not be necessary and may complicate things.

Councilman Johnson noted in the second interlocal agreement between Tooele City and Tooele RDA in Section 3.1 is states *“The Agency hereby agrees to pay Tax Increment Revenues to the City to reimburse its expenditures with respect to the Project in an amount of up to five million dollars.”* He asked which project area? All of them?

Mr. Sant said that the City will have first lien on all increment that they create as a Redevelopment Agency to make sure the debt service is paid.

Councilman Johnson noted the agreement says the City is taking first lien on any and all revenue. He thought that most of the revenue had already been committed?

Mr. Sant said “no”. He said the commercial redevelopment project area has almost \$800,000 of non-committed revenue. He said there was some committed when the lawsuit was settled with Grantsville. He stated that there are also three new projects coming on-line in the next two years which will produce another \$100,000 million worth of assessed value. He said a portion is committed back to the tenant but there is 50% or more that the RDA keeps. There should see additional increment that is non-committed to make the bond payment.

Councilman Johnson was concerned about the language.

Mr. Baker suggested inserting the language of “non-committed” tax increment.

Councilman Johnson noted that the RDA is paying for this and asked why the City is involved at all?

Mr. Sant said that the City's security of being able to issue a sales tax bond is a much more secure than doing a tax increment. The City's financial advisor looked at the existing sales tax bonds in the 202 and 205 series and decided that if the City were to refinance those they would receive significant savings. That is why it is being done through a sales tax bond. The Tooele RDA is ultimately making the debt service payment on the \$5 million portion. The City will be making the debt service payment on the other \$6 million which is the refinanced portion.

Chairman Wardle said that by going through a sales tax revenue source the City is able to receive a better interest rate, receive a greater savings over time and it is the best financial move to finance these projects.

Mr. Sant said that was correct. Mr. Sant said that they just got done with a bond rating trip and they were very impressed with how the City has done over the last five years.

Councilman Johnson said that the Tooele RDA is paying \$5million for a building that they will not have possession of, because they are doing it for economic development purposes. He asked him to explain why he feels this is a wise economic investment.

Mr. Sant stated that when you look at the five or six top criteria that a company looks at when they relocate into a community, one of the top five criteria is an educated work force. Also they want to have training available for that company; they can work out a program with a local applied technology college to do a "Custom Fit Training". He said that they have lost projects in the past because they have not had the ability to provide what an applied technology college can. He also stated as Tooele will be going through a transition with the closing of the nerve gas plant, there will be a number of employees who will be looking for new jobs who will be looking for training. They will be training an additional work force that will be readily available in the community. This is why it is an economic development project. The Tooele RDA also has great plans for the Commercial Park and to have the TATC building and the USU campus at this location they will have a similar technology campus as to the one in Logan. He envisions that they will have a different type of job set here that will provide much higher wage.

Councilman Johnson said that it is his understanding that the State of Utah would not have funded this or would not have funded it for a number of years if they had not committed the \$5 million.

Mr. Sant said that Tooele has set precedence. The State of Utah is going to take into consideration when they look at funding any building to see what the local involvement is. Because of the foresight of the Council and their commitment they were able to do this project.

Chairman Wardle noted for the public that they are seeing the result of a great economic development consultant. Tooele City has changed the policy in the State of Utah. There is no other City in the State that has done this. The investment they are making is an investment in the community and families. This investment will pay itself back several times over because of the

vision on Mayor, RDA Board, Gary Snelson and Gary Straquadine and he appreciates the efforts of everyone. He also thanked Mr. Baker and Mr. Sant as well.

Councilman Johnson had some questions on the third agreement that Mr. Baker said might not be necessary.

Mr. Sant said that as they went through the rating they feel at the very minimum that this will be a double A- bond. He said that is pretty secure baking so adding an additional level of security is not really necessary. It would also have one property owner leasing the property and not two.

Councilman Johnson recalled that they have lowered their annual payment.

Mr. Sant said they are not going to increase the payments. He said that the debt service payment will decrease slightly. The RDA will be paying approximately \$350,000 and Tooele City will be about \$500,000.

Councilman Pruden asked Mr. Sant to explain where this building is on the overhead map.

Mr. Sant showed the layout on the overhead map of where the buildings will sit. Mr. Sant said this sits within the Tooele City Commercial Park, it is 8.43 acres. This is a clean site and it is ready to start developing. This should be out for bid in January and breaking ground in March 2012 and taking occupancy in May 2013.

**Councilman McCall moved to approve Resolution 2011-55, and RDA Resolution 2011-06 with the following amendments 1) Exhibit A, paragraph 10; change contractual amendments must be approved by the City Council or the RDA Board 2) Exhibit B, Section 3.1; insert the wording non-committed tax increment; and, 3) other non-substantive revisions deemed necessary by staff.** Councilman Milne seconded the motion.

The vote was as follows: Councilman McCall, "Aye", Councilman Johnson, "Aye", Councilman Milne, "Aye", Councilman Pruden "Aye", and Chairman Wardle, "Aye".

Chairman Wardle turned the meeting over to Councilman Pruden, Chairman of the RDA Board to approve this resolution as an RDA Board.

**RDA Board Member Milne moved to approve Resolution 2011-55, and RDA Resolution 2011-06 with the following amendments 1) Exhibit A, paragraph 10; change contractual amendments must be approved by the City Council or the RDA Board 2) Exhibit B, Section 3.1; insert the wording non-committed tax increment; and, 3) other non-substantive revisions deemed necessary by staff.** Board Member McCall seconded the motion. The vote was as follows: Board Member McCall, "Aye", Board Member Johnson, "Aye", Board Member Milne, "Aye", Board Member Pruden "Aye", and Board Member Wardle, "Aye".

RDA Board Chairman Pruden turned the remainder of the meeting back over the City Council Chairman Wardle.

**7. Resolution 2011-53 A Resolution of the Tooele City Council Authorizing the Mayor to Sign a Joint funding Agreement with the U.S. Geological Survey for Operation and Maintenance of the Faust Creek Gage during the 2012 Water Year.**

Presented by Paul Hansen

Mr. Hansen said that this contract is required by the State Division of Water Rights and the State Engineer to complete each year in order to protect the water rights at the Vernon sod farm. The reason that the U.S. Geological Survey (USG) is performing the monitoring is for an independent opinion. The total cost of this contract on an annual basis is \$15,600. USG will participate in the amount of \$7,020 which leaves the City's portion at \$8,580.00.

Councilman Johnson stated that he doesn't have any problem with the resolution but he asked what the latest is in respect to their lease at the Vernon Sod Farm and what plans the City has.

Mr. Hansen did not have an update at this time.

**Councilman Johnson moved to approve Resolution 2011-53.** Councilman McCall seconded the motion. The vote was as follows: Councilman McCall, "Aye", Councilman Johnson, "Aye", Councilman Milne, "Aye", Councilman Pruden "Aye", and Chairman Wardle, "Aye".

**8. Resolution 2011-54 A Resolution of the Tooele City Council Authorizing a Change Order to the Existing contract with Staker and Parsons Company for the 2011 Roadway Improvement Project for Additional Slurry Seal Work.**

Presented by Paul Hansen

Mr. Hansen explained that earlier this year the City signed a contract with various contractors to do different types of pavement management within the City. Staker and Parsons submitted bids on two of the road maintenance projects one was a slurry seal and one was a chip seal. Both were being completed by separate subsidiary companies of Staker and Parsons, which the City has a contract with. The slurry seal work has been exceptional, that portion of the contract is what he is discussing at this meeting. The City has not been satisfied with the chip seal and the contractor has not been paid for that work. The City will re-evaluate the chip seal in the spring when conditions are appropriate. Even though it is the same parent company they are two separate parts of the contract. They are not addressing any increase to the chip seal only to the slurry seal. The reason for the increase is as the work is done the City has the opportunity to talk with various developers who have an obligation when they build a new subdivision to apply a slurry seal. When this work was in progress they had three developers who expressed a willingness to participate with the City because of cost savings and efficiency. Those subdivisions were Copper Canyon, Canyon Rim, and Nelson Fish plant. These developers have paid the City \$47,782.80 for slurry seal to be applied to their subdivisions. They are asking that money be transferred to the Road C fund so that it can be added to the contract for that slurry seal work to be done on their behalf.

Councilman Johnson verified that the City is not going to pay for the chip seal until it is fixed.

Mr. Hansen said that is the City's intent.

Councilman Pruden stated that he is amazed how many streets have been redone and how nice they look. He thanked Mr. Hansen for all his work.

**Councilman Pruden moved to approve Resolution 2011-54.** Councilman Milne seconded the motion. The vote was as follows: Councilman McCall, "Aye", Councilman Johnson, "Aye", Councilman Milne, "Aye", Councilman Pruden "Aye", and Chairman Wardle, "Aye".

**9. Resolution 2011-56 A Resolution of the Tooele City Council Approving and Ratifying an Equipment Procurement Proposal from Ozonia North America to Provide Ultra Violet disinfection Equipment for the Phase 1B Expansion and Upgrade of the Existing Wastewater Treatment Plant**

Presented by Paul Hansen

Mr. Hansen introduced this agenda item and the next agenda item together. He explained that this resolution item is for equipment and the next resolution is for installation. Mr. Hansen stated that when the Tooele City built the current Waste Water Treatment Plant that opened in 2000 all the facilities were sized to a design capacity of 2.1 million gallons water treatment per day. This Council has funded a couple of expansions over the last several years that have increased the capacity from 2.1 to 3.4 million gallons water treatment per day. They have the treatment capacity but the disinfection process is still at the 2.1 million gallon capacity level. When the phase I expansion process (solar drying) was put out for bid they also put out for bid the disinfection process which would replace the existing chlorine system with an ultra violet system which is much more health safe and more efficient. At that time the City did not have the funding to be able to accept that part of the work. The contract was awarded to Alder Construction for the solar drying and the City withdrew the UV portion. Since that time additional funding has been made available which will allow the City to put that work back into the project and bring the disinfection up to par with the other treatment and disinfection of the plant. Resolution 2011-56 is a contract to purchase equipment from Ozonia North America, their contract price which they have held for over a year with no increase is \$352,726.17 staff is asking form the Council's support on this resolution.

Councilman Johnson asked Mr. Hansen if he was confident that if this was rebid they would not get a better price?

Mr. Hansen said that they would get a higher price. There are limited manufactures of the equipment. When they bid this there were four manufactures that they evaluated. They also looked at maintenance and Ozonia was by far the best of the four who produce this product.

**Councilman Pruden moved to approve Resolution 2011-56.** Councilman Milne seconded the motion. The vote was as follows: Councilman McCall, "Aye", Councilman Johnson, "Aye", Councilman Milne, "Aye", Councilman Pruden "Aye", and Chairman Wardle, "Aye".

**10. Resolution 2011-57 A Resolution of the Tooele City Council Approving & Ratifying a Change Order with Alder Construction Company to Construct the Ultra Violet Disinfection Facility for Phase 1B Expansion and Upgrade of the Existing Wastewater Treatment Plant**

Presented by Paul Hansen

Mr. Hansen said that this resolution is for the same contractor, Alder Construction. Their price has gone up by about \$50,000 from the original time it was bid about 5 months ago. Part of that is from changed conditions but even with cost increase they are still less than the other bidders. Administration feels that if they bid it again separately the bids would come in higher. Alder Construction is already on site with the equipment and they can add it to their current contract.

Councilman Johnson said that the reason the price went up is because of one of Alder Construction's electrical sub-contractors raised his bid. He asked why Alder did not go get another electrical sub? He would like to see this re-bid.

Mr. Hansen said plain and simple the electrical sub-contractor missed his bid. He said that the administration looked at other electrical sub-contractors that had submitted bids on the same project and the price he has corrected is in line with the other electrical sub bids. He said that if they would have awarded the bid five months ago he would have been stuck with his bid.

Councilman Johnson asked if some of the local contractors bid on this.

Mr. Hansen said that some of them did.

**Councilman Pruden moved to approve Resolution 2011-57.** Councilman Milne seconded the motion. The vote was as follows: Councilman McCall, "Aye", Councilman Johnson, "Aye", Councilman Milne, "Aye", Councilman Pruden "Aye", and Chairman Wardle, "Aye".

**11. Minutes: October 19, 2011; Business Meeting**

**Councilman Milne moved to approve the minutes as presented.** Councilman Pruden seconded the motion. The vote was as follows: Councilman McCall, "Aye", Councilman Milne, "Aye", Councilman Pruden, "Aye", and Chairman Wardle, "Aye". Councilman Johnson abstained, because he was not present at the meeting.

**12. Invoices**

Presented by Michelle Pitt

Ms. Pitt presented the following invoice for payment:

- Nickerson Company Inc. for repairs to pump from well #12 in the amount of \$31,071.00.
- Time Clock Plus/Data Management Inc. for a time clock system in the amount of \$18,719.19.

**Councilman Milne moved to approve the invoices as presented by Ms. Pitt.** Councilman Johnson seconded the Motion. The vote was as follows: Councilman McCall, “Aye”, Councilman Johnson, “Aye”, Councilman Milne, “Aye”, Councilman Pruden “Aye”, and Chairman Wardle, “Aye”.

### **13. Adjourn**

**Councilman Milne moved to adjourn the meeting.** Councilman Pruden seconded the motion. The vote was as follows: Councilman McCall, “Aye”, Councilman Johnson, “Aye”, Councilman Milne, “Aye”, Councilman Pruden “Aye”, and Chairman Wardle, “Aye”.  
The meeting adjourned at 8:06 p.m.

Approved this 7<sup>th</sup> day of December 2011

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Chairman Scott Wardle