

**Tooele City Redevelopment Agency  
Business Meeting Minutes**

Date: Wednesday, June 21, 2006  
Time: 6:00 P.M.  
Place: Tooele City Hall Council Chambers  
90 North Main Street, Tooele, Utah

**RDA Board Members Present:**

Mayor Patrick Dunlavy, Executive Director  
Michael Johnson  
Steven Pruden  
John Hansen  
Steve Bevan  
Scott Wardle

**City Employees Present:**

Roger Baker, City Attorney  
Randy Sant, RDA Consultant  
Doug Redmond, Economic Development Specialist  
Glenn Caldwell, Director of Finance  
Cary Campbell, Community Development Director  
Paul Hansen, Contract City Engineer  
Lisa Carpenter, Deputy Recorder/City Council Liaison

Minutes prepared by Andrea Cahoon

The meeting was called to order by Chairman Bevan at 6:05 p.m.

1. **PUBLIC HEARING: Resolution 2006-02 A Resolution of the Redevelopment Agency of Tooele, City, Utah, ("RDA") Adopting the Budget of the Tooele City Redevelopment Agency for the Fiscal Year Beginning July 1, 2006 and Ending June 30, 2007**

Presented by Randy Sant

Mr. Sant said the Board had been given copies of the proposed budget that they went over in the work session last week. There are a couple of things he wanted to highlight and have included in the minutes because there seem to be some questions as to things they do.

In the 75-Depot RDA Fund we have increased the property tax increment to one million dollars due to the fact that there are several projects coming on the tax rolls this year. Carlisle Syntec Phases 1 and 2 are coming on, and Detroit Diesel will come on at 100 percent of the assessed value as our ten-year participation term with them is over. We should see a significant increase from those projects. In the agreements with Carlisle, we have a \$198,000 per year obligation to be paid to UID to help cover the cost of the infrastructure that they fronted. That will be for eight years. We also made a commitment of additional write down of \$500,000 on the property for the phase 2 building. We have five years to pay that off. We have those two obligations and those are reflected in the contract services line items.

If you go down to the expense portion of the budget, you will notice that there are property tax refunds of private and also a Contract Services account. In the Contract services account, we have budgeted \$650,000. That money accounts for the money that is transferred over from the RDA to the City to help pay for the bond. The question has come up, is that bond really economic development? The answer is, "Yes." We made the decision some years ago to build a new municipal building and a new library, and to help with the golf course. Those are quality of life projects. The latest survey that was done by site consultants showed what they are looking for when they evaluate a site, and quality of life rated number four in the top ten. We need quality of life things such as parks, libraries, city halls, and golf courses for recreation. Us participating in this is economic development. We hope that one day the revenues of the City will become substantial enough that perhaps the City can use another fund to take over that. There have been a lot of questions about that and where is the contract for that transfer. There doesn't need to be a contract for that transfer. When you approve this budget and the transfer of those funds, you create that contract. We have done that for the last seven years.

We also have \$60,000 for administrative funds. Mr. Sant stated that he suggested to the Mayor that we review that. If anything it is short. The RDA transfers \$60,000 over to the City to help cover costs that if the RDA were its own business, they would have to pay. That includes police services, fire services, Recorder's Office services, Finance Department services, Community Development Department services, etc. Instead of going out to hire people to do all of that, we think it is cheaper for us to contract that with the City employees and it helps by compensating the City. That has been justified in the past. We did this in 1993, and 1996 or 1997, but haven't done it since. It is time to look at that. He was sure the costs have increased to the City and that should be reevaluated. He wanted to clarify that when you adopt this budget, you approve those transfers. This money is coming off of interest money that they receive off of the 10 million dollars that we received from the sale of assets at the Tooele Army Depot. That is what we do with these two items, and he wanted that included in the minutes.

Mr. Johnson asked about the Professional and Technical line item. Mr. Sant said that is for his services as well as any services that they need to hire such as engineering and other things. We also pay the Economic Development Corporation of Utah for services out of this line item. It is not just Randy Sant's services.

Chairman Bevan stated that this was a public hearing. No one from the public came forward.

**Mr. Hansen moved to close the public hearing.** Mr. Wardle seconded the motion. All members present voted, "Aye." The meeting closed at 6:15 p.m.

Mr. Sant said the Commercial Park, which is the 76 Fund, pays the Tooele Chamber of Commerce to pay for land that we purchased from them. Then there is another fund that we will receive \$125,000 in land sales, but he felt when it was all done, it would be higher than that. They also approved a land purchase of \$250,000-260,000 for another 9 acres. That will be paid over a two-year time period. We will see payments come in on that twice a year for two years, so we should see some revenue coming in there. With the sale tonight, that leaves only 1 acre left to sell in phase 3 of the industrial park.

In the 75 Fund, or downtown fund, there is \$50,000 for projects. There was a discussion during the work session that the Board may want to transfer some of the fund balance out. There is about \$350,000 in the fund balance, and we don't want to go below \$200,000 in the fund balance. You may exceed that \$50,000, but anything you do that exceeds that will come out of the fund balance.

Mr. Wardle asked about the legal expenses line item. Is that for the lawsuit that Grantsville brought against us? Mr. Sant said that was correct. One-hundred percent of that is for the Grantsville lawsuit.

**2. Motion on Resolution 2006-02**

**Mr. Wardle moved to adopt Resolution 2006-02.** Mr. Pruden seconded the motion. All members present voted, "Aye."

**3. Tooele City Commercial Park Ph. III - Intent to Purchase Lot #306**

Presented by Randy Sant

Mr. Sant indicated that there was a letter in their packets from All-Tech Electrical, Incorporated. It is offering to purchase Lot 306 in the Tooele City Commercial Park Phase 3. This is a 3.5581 acre parcel. The Board's position has been if it is a local business, we will sell the property at \$30,000 an acre, which is what our cost was for the improvements. They have offered us a price of \$30,000 per acre, which amount totals \$106,743. This will be cash paid at closing. He asked them to move to authorize and consummate that sale.

**Mr. Johnson moved to approve the purchase of Lot 306.** Mr. Hansen seconded the motion. All members present voted, "Aye."

**4. RDA Revolving Loan Discussion for Premier Athletics**

Presented by Randy Sant

Mr. Sant thanked Doug Redmond for his position paper regarding this. In 2001 they approved a loan for \$10,000 for renovation and roofing of the Premier Athletic building. At that time the owner brought in an invoice for repairs in the amount of \$60,000. We only had \$10,000 at that time for that loan and we told him that if we got more money at a future time, they could ask for it. The guideline for the program was a 3 to 1 match. The business has given us invoices and justification that he spent \$60,000, and under the program he would be entitled to \$20,000. He has already received \$10,000. Mr. Sant said he did commit to him that when the fund had more money, he could get more. Mr. Johnson asked why he would want to come back? Is it cheaper money? Mr. Sant answered, "Yes." He paid for the improvements with credit cards and other things, and the RDA provides this at a 3% interest rate. It is a loan. Doug Redmond said it is cheaper money for him to pay back.

Mr. Sant said that was a commitment from me. I made the commitment that if we had the money he could certainly come back because at the time he qualified for \$20,000 but the City didn't have it. Mr. Sant said that Mr. Caldwell told him they had about \$22,000 in that revolving fund. Chairman Bevan stated that he had no problem with it, but the Mayor was the one who would be signing the contract.

Mayor Dunlavy said he had no problem with it because a commitment was made. Mr. Johnson asked if it was an unsecured loan of if they had a lien? Mr. Sant said they take a lien on the building, and they will just increase the amount of that lien to secure the loan. Mayor Dunlavy said he is totally current on his payments on the first loan. He felt they would get paid back.

Mr. Sant said he was looking at proposing block grant money or something to increase the revolving loan account for next year. Mr. Hansen thought they should approve this.

Mr. Johnson said if they had a lot of demand for this loan, he would be against it, but there is not a lot of demand for it.

**Mr. Hansen moved to approve the RDA revolving loan for Premier Athletics.** Mr. Pruden seconded the motion. All members present voted, “Aye.”

## **5. Invoices**

Presented by Randy Sant

Mr. Sant presented the following invoice for consideration:

- \$25,000 for Utah Fabrication (UID)

Mayor Dunlavy presented the following invoice:

- \$50,000 to R.S. Consultants

Mayor Dunlavy said he was not sure why this wasn't presented earlier. He felt it was appropriate for R.S. Consultants to be paid for services rendered long ago. Mr. Johnson asked what happens if we don't get the grant? Mayor Dunlavy said the grant is approved, it is on the record. The only reason we don't have it yet is because the project is on hold. Mr. Johnson thought that the concern was expressed that we were in jeopardy of losing that money. Mr. Sant said that was taken care of. Mayor Dunlavy said that this is for services that have been rendered. Mr. Johnson asked why it hadn't been paid four years ago? Mayor Dunlavy answered because they were waiting for the funding, and R.S. Consultants didn't demand it. Mr. Johnson asked if we were confident the money was going to be there as soon as the grants get done? Mr. Sant said two weeks ago it was still there, it never was returned. We made sure there is congressional intent language in there that it would always go to us, no matter what. If it was returned, we'd get it back. The money is there in UDOT's coffers. UDOT delayed it and they acknowledge it. It has not gone back.

Mr. Johnson asked where they were at in the process (getting the road built)? Mr. Sant said he had asked Paul Hansen that who indicated that the environmental assessment should be done in September. Mr. Sant felt we would be ready to go next spring. Mr. Johnson asked what happened? Mr. Sant said the federal government has a new highway administrator. After the problems with the Legacy Highway, we did two environmentals on this already. They felt that given what had happened, they should go through another one. If we want their money, we play their game. Mr. Sant summarized what they look at with the environmental study. He stated he was going after another 1.5 million from the EDA as well.

**Mr. Pruden moved to approve the invoices.** Mr. Johnson seconded the motion. All members present voted, “Aye.”

## **6. Review and Approval of Facade Grant for Dave's Drug**

Presented by Doug Redmond

Mr. Redmond said Dave's Drug is really two buildings. He was not sure which of the two buildings was approved last time, but they only approved one building. They need the grant approved for both buildings. This will be \$20,000, which is \$10,000 for each building. The actual cost will be \$60,000. Mr. Johnson asked if there was enough money for this? Mr. Redmond answered, "Yes."

**Mr. Pruden moved to approve the facade grant application for Bickmore Properties.** Mr. Wardle seconded the motion. All members present voted, "Aye."

## **7. Review and Approval of Facade Grant for Stowe's Family Music**

Presented by Doug Redmond

Mr. Redmond stated this is also a facade grant. They want to add an awning to the old Ogden's Carpet building. Stowe's is moving here from the Merc. There will be three awnings on the front of the building. As a tenant they can apply for the grant, but they must sign a 2-year lease agreement and have the building owner sign off on the grant application. This was taken to the Downtown Alliance and they approved it. We will give them \$1,900.

**Mr. Johnson moved to approve the facade grant for Stowe's Family Music.** Mr. Pruden seconded the motion. All members present voted, "Aye."

The RDA Board thanked Doug Redmond for the position papers he provided them.

## **8. Report on New Orleans Conference**

Presented by Doug Redmond

Mr. Redmond reported that two weeks ago he went to New Orleans to a Main Street National Conference. It consisted of main street programs throughout nation. He reported on the conference and entertained their questions.

Mr. Johnson asked what he has done since the conference as a result of what he learned? Mr. Redmond said he has been collecting more information, including books, and is working on improving their marketing. Mr. Pruden said they also got information of how they could tweak the ideas they have. This conference was scheduled before the hurricane hit last year, but they decided to go ahead and hold it there. They wanted to give economic support to the city.

## **9. Economic Development Update**

Presented by Doug Redmond

Mr. Redmond reported that Apollo Burger was in for predevelopment. They are looking at the Scott's Auto property. He also provided information for a company that builds hybrid vehicles. The third company he worked with is looking for a 20-25 seat call center, and may want to sublease the City's incubator site. The representative liked that property a lot.

Mr. Sant reported that they had seven inquiries they responded to last month. They held the Conestoga ground breaking, and met with another company this morning, "Steely Dan." "Steely Dan" is a steel manufacturer that would provide 225 jobs. They want 50 acres next to Carlisle. They will put in all of their own infrastructure. They just don't like land carrying costs.

Mr. Sant stated that we need to have a discussion and meet with UID. We need to decide what roads will become public right of ways. He distributed a map that contained the roads that the City would accept outlined on the map. There are some UID thinks the City should accept as well. They need to hold a work session to determine it. We also need to concentrate on the infrastructure plan. The roads outlined in yellow are Paul Hansen and Randy Sant's suggestions to be taken over by the City. Mr. Johnson asked if he had seen anything from them? Mr. Sant said they received some information today. That will be part of the work session.

**10. Minutes May 17, 2006**

**Mr. Johnson moved to approve the minutes.** Mr. Pruden seconded the motion. All members present voted, "Aye."

**11. Adjourn to Discussion Item**

**Mr. Hansen moved to adjourn the meeting.** Mr. Wardle seconded the motion. All members present voted, "Aye." The meeting adjourned at 6:48 p.m.

**Discussion Item:**

**1. Creating New RDA Project Areas**

No Minutes were taken on this item.

Approved this 19<sup>th</sup> day of July 2006