

**Tooele City Redevelopment Agency
Business Meeting Minutes**

Date: Wednesday, May 17, 2006
Time: 6:00 P.M.
Place: Tooele City Hall Council Chambers
90 North Main, Tooele, Utah

RDA Board Members Present:

Steve Bevan, Chairman
Steven Pruden
Scott Wardle
John Hansen
Michael Johnson

City Employees Present:

Patrick Dunlavy, Mayor
Randy Sant, RDA Consultant
Lisa Carpenter, Deputy Recorder/City Council Liaison
Roger Baker, City Attorney
Glenn Caldwell, Director of Finance
Cary Campbell, Public Works Director
Susan Howard, Administrative Office Supervisor

Minutes prepared by Susan Howard

Meeting was called to order by Chairman Bevan at 6:09 p.m.

1. Review and Discussion on Site Agreement for Conestoga Wood.

Presented by Randy Sant:

Mr. Sant stated that there are some changes in the Conestoga Wood agreement.

Paragraph two - It states there will be 125,000 square foot facility. That included some warehousing that will not be on site. The facility is actually 115,000 square feet in size.

Under section one, "Obligations of the City and the Agency", they would like to include that Conestoga Wood is not responsible for any broker fee. His conversation with them today and Mark Smith is that the Agency and Conestoga Wood not be responsible for any broker fee. Mike Farmer did work with Conestoga, Mark Smith said he should pay the broker fee, and that's ok with us.

Another item under “Obligations and the City and the Agency”, third paragraph is that we put a March 1, 2007 deadline for construction and we based that on some information they had given us. They asked that we extend that to the end of the year, December 31, 2007. I am comfortable with that, that’s not a big deal to us. I know they have a commitment with Kraftmaid that they have to be in operation by January 1, 2008 so I’m not concerned with that.

In the second paragraph there is some language that they would like us to look at. As they look at that they don’t have a problem with the idea that in the event they go in and ask for a reduce in the asset valuation and make up the difference between the asset valuation and what we come up with in on our schedule of payback. What’s the bottom line, where do they have to be with that payment. Based on our calculations, they will be paying this incentive back over five years, with interest, needs to be not less than \$15,000,000.00 in asset value. So we will add a provision value that if it goes below the \$15,000,000.00 in asset value, the company will be responsible and need to pay back in five years.

They find everything else to be acceptable. He told them that we would going to adopt this this evening by resolution. He would ask that as part of this resolution that you allow Roger Baker, City Attorney, and he to be flexible to make minor adjustments as necessary.

Mr. Johnson stated that we usually ask for a commitment of the number of employees and the wages they will be making.

Mr. Sant stated that we don’t necessarily have that in the agreement. We can put that in there that the company has to hire at least 100 employees by December 31st. If they don’t then the company has to reimburse the agency off the top. According to the IAF application, I believe they have to hire 85, I will check it out and make this the same. Also with the IAF application, they have to provide a wage above 120% of the County media. That’s an agreement between them and the State, not with us. This agreement is simply the incentives that the City is willing to offer. That is the purchase of the property, public safety fee, building permit fee, which is about \$36,000.00. The RDA will reimburse the City.

Mr. Wardle asked if the ground breaking will be at the end of this month?

Mr. Sant stated that each of them should have received an invitation to that, he believes May 31, at 10:00 a.m. Mr. Sant will verify it, email Lisa, and she can pass it on to each of you.

Mr. Wardle stated that last week in Planning Commission they had a beautiful rendition. Mr. Sant stated that Conestoga Wood is committed to the community. Everything is contingent upon a formal letter to the mayor stating they are coming. There will be no money paid out until that letter is received. He received the title company paperwork today at 4:00 p.m.

2. Resolution 2006-01 A Resolution of the Redevelopment Agency of Tooele City, Utah, Approving a Site Agreement with Conestoga Wood Specialists Incorporate

Mr. Johnson made the motion to approve Resolution 2006-01 with the amendments that they hire at least the 85 personnel or agreed number with the IAF agreement and that Mr. Baker, Mr. Sant, and the Mayor be allowed to make minor changes as necessary. Mr. Hansen seconded the motion. All members present voted, "Aye".

3. Review and Approval of Facade Grant for Dave's Drug.

Presented by Randy Sant

Mr. Sant stated that we have received an application from Dave's Drug in the estimate of 25,000.00 to redo the facade. Under the application requirements, the Agency has the right to refund up to 50% not to exceed \$10,000.00. The Agency has the funds to do this. In your package you have a drawing of what they are proposing to do. The facade agreement outlines some things that have to agree to. One of things Mr. Sant did not notice earlier is the lack of check marks on the back of the checklist. From reading the letter of what they propose to do, they appear to meet most of those rules. Mr. Sant asks for approval on this..

Mr. Pruden stated that the downtown committee is aware of this. Mr. Sant stated that he recommends approval of this and that they work with the downtown alliance and that they comply with all the terms and conditions of the grant. Mr. Sant also clarified that the north side of the building is the area that will be redone.

Mr. Baker voiced a concern that this does nothing for the street side only the parking lot side. Mr. Pruden stated that the downtown alliance did not address this, but will discuss it with the applicant. Mr. Wardle stated that with Al & Lid vacating the area, it might make this area look more attractive. The Mayor stated that the applicant has improved the parking lot lights on the north side and that's why he is doing the north side.

Mr. Sant stated that if they be so moved to go forward with this that approval be subject to downtown alliance and that page two of the application be completed. Mr. Pruden clarified to approve the full \$10,000.00. It also states up to \$2,000.00 for sign and awning improvements. Mr. Sant stated that the application only states improvements for the facade only, not fixing any of the signs or awnings. If they so choose to improve the signs and awnings, they can apply for those on a separate application.

Mr. Johnson moved to the Approval of Facade Grant for Dave's Drug with the condition that they continue to work with the downtown alliance committee and complete the second page of the application. Mr. Pruden seconded the motion. All members present voted, "Aye".

4. Appointment of RDA/Economic Development Specialist.

Presented by Steve Pruden.

Mr. Pruden stated that he, Steve Bevan, Kami Perkins, Human Resource Director, Randy Sant, and the Mayor has interviewed and the decision was made to select Doug Redmond. Doug has graciously accepted. He will be starting Monday, May 22nd.

Mr. Hansen moved to approve the appointment of the RDA/Economic Development Specialist. Mr. Wardle seconded the motion. All members present voted, "Aye".

5. Review of RDA Work Plan for FY 2007.

Presented by Randy Sant

Mr. Sant welcomed Mr. Redmond on board and stated that he is excited with this decision.

Mr. Sant handed out a draft copy. (Exhibit "A"). Mr. Sant stated that he takes this document pretty seriously as it is the plan for the upcoming year, to put the budget in place, and accomplish the list during the year.

Mr. Sant recapped the objectives:
see exhibit "A". On Objective 3, he will change it to read "Downtown Alliance", not Main Street Association.

Mr. Sant reviewed each of the objectives going over the strategies.

Objective 1 strategy: "Initiate opportunities for face-to-face contact with corporate decision makers involved in business location/relocation efforts. That would mean site consultants, EDCU, visiting trade shows and working some of those booths.

Strategy 4: Economic Development Corporation has a lot of programs where they bring in site consultants. That might mean we will need to step up to the plate and give some money to bring in some consultants of which we will be able to go and visit with them to get some ideas for us and our area. Mr. Sant has discussed with Mark Smith (UID) about entertaining some of these consultants by bringing them into our community for a couple days, staying in our hotels, eating in our restaurants, spending some time getting to know the area. The big box users will not come in and speak with us, they deal with the brokers. We need to get brokers familiar with Tooele, maybe put on a luncheon with the Chamber and the County.

Mr. Johnson addressed strategy 4 in suggesting that we attend some county meetings and also coordinate and include this with #1. There was a gentleman from the county present that agreed with working together and Mr. Sant's suggestions. Mr. Johnson stated concern of keeping the Main Street Alliance involved and retain existing retail. Mr. Baker stated that #5 deals with the retention. Mr. Sant suggested to add another objective, #6, Implementation of Business Expansion and Retention Program. Mr. Sant will address in more detail with so many visits per month, put a worksheet together to address some tasks and needs. Maybe have the Chamber go with us on the visits.

Objective #2 strategy: "Develop a marketing program for Tooele City." #1 Rather than us going out to purchase software and developing everything. We contract with EDCU and they will update in which we will have available to us at all times. #2 Most important is to market Tooele City for it's best, be a member of the board. Also work on development of Tooele City. Tooele City is there, we need to market it.

Mr. Johnson questioned about adding the task of graffiti/ ordinance enforcement, in which will have others be more encouraged to come here. Work with Tooele City abatement program. Mr. Sant noted he will add this.

Objective #3 strategy: "To coordinate, assist, and provide funding to assist the Tooele Main Street Association with the implementation of their revitalization efforts." Mr. Sant stated he will correct the name to Tooele Downtown Alliance.

Mr. Sant stated that the key word here is "buy-in". It is very key before we invest, we need to make sure everybody is committed. This is where Doug (Redmond) will be very key player here and will be his primary focus. We won't bring anything to you unless we have "buy-in" already, it is supported. We have accomplished one goal already by hiring a Main Street Coordinator. Mr. Sant and Mr. Redmond have already discussed some ideas on being active, let's let them come to us and tell us what they want and make sure they have buy-in before we fund it. That will be a big challenge.

Mr. Pruden would like the Chamber to be involved in this. Debbie with the Chamber was present and stated that they are looking at renting the old Al & Lid place and the County has come to them stating it might be up for sale. The Chamber is looking into it. Mr. Sant feels as the committee will help develop and fund projects like this. Mayor stated that he supports the alliance, support RDA, but we need to be as strong as possible in supporting the property owners. Mr. Sant stated that on the buy-in we need to focus on the property owners.

Objective #4 strategy: "To coordinate and enhance public/private partnership essential to meeting the needs of existing and new businesses." Mr. Sant stated that we could include the

retention in there but would prefer to keep it separate. The important thing here is to develop key relationships that assist us in our development. We should ask ourselves, “why are we participating, funding, what is the return to us for participating?” He meets every month with EDCU in which Mark Smith is involved with. We need to tell EDCU where we are at and not have them tell us. Mr. Sant suggested that some of the board members and staff attend some of the EDCU meetings. The mayor is a director already and attends.

Mr. Johnson mentioned to include private members such as Larry Miller and suggests that the County take the lead on some of this so that we can get better support on the Mid-Valley Highway. It was questioned if it be possible to ask Larry Miller to help encourage the development of the highway. Mr. Sant stated that maybe we should add private sector who will now or will in the future benefit from it. Debbie from the Chamber stated that on a tour she was able to go on at the Miller Sports Park, they are telling people there will be a highway. Mr. Sant

mentioned this is a Federal-State project not the County or City. The best thing that could happen is to get a second access onto I-80. He agrees to bring in the private sector.

Objective #5 strategy: “Tooele City RDA will serve as a catalyst for the development and enhancement of capital investment, which will result in economic gain to the City” Mr. Sant stated the key words here are “that will result” . Our mind sets need to be spending money on companies that will contribute to our economic value. If they will not we need to ask ourselves “why are we doing this?”

Mr. Sant mentioned item 1 is a City project, but they can contribute to some of it, let’s get it done. Item 3 has water right, impact fees, and other issues we can take over. Item 5 is a significant area. He will be addressing ICSC Sunday morning. They are looking at a trust company to purchase vacant large properties. One of the properties Mr. Sant would like to take to them is the Tooele City Industrial Park.

Mr. Sant stated the way he foresees these tasks broken out, of which he has not had a chance to discuss this with the Mayor and make sure he agrees with it. Item 1 will be Randy, Item 2 Doug, Item 3 Doug, Item 4 Everyone, Item 5 Randy, Item 6 Randy and Doug after proper training.

Objective 4 item 5 will change to meet with public sector.

Mr. Sant stated that when they adopt the budget it is important the this be included. Mr. Wardle thanked Mr. Sant for this direction in which we are heading.

6. Economic Update

Presented by Randy Sant

Mr. Sant stated that it has been a very busy month. He has had in the last three weeks, six site visits all at various stages with three pretty significant.

One is a manufacturer of coils, relocating from the San Francisco area. They have it limited down to Barstow or us, it is a 95,000 square foot facility and they would like to establish in a visible area along SR112. They will be back next month for another visit of which the Mayor and Steve will be invited to go along.

One is looking at going next to Carlisle about 50 acres. They have said they will need welders. About 250,000 square foot user with about 250 employees. They have been out twice in the last two weeks. Their concern is being able to get the welders they need.

We have had another one, a call center financial similar to American Express. They do not want to be on the Wasatch front, but close to it so they can draw from there if needed. They will rely on the USU will play an important part of it. They are looking at 90,000 square feet.

There has also been a couple of warehouse type users that we have met with.

Last count about 33 requests in the past six weeks of which have all been responded to and another four more this morning he has not yet got to.

Mr. Sant received a letter from an individual would like to purchase in the Tooele City Industrial Park 8.33 acres on the east side. It is a local truss company. They have made two proposals, one with an initial purchase of 4.33 acres with the extension later to the south out of the park.. The other is the 8.33 acres at \$30,000.00/acre with \$15,000.00 down and the balance over the next three years with interest of prime plus one percent.

Mr. Pruden asked how this would impact the sale of the park. Mr. Sant stated that we are willing to sell the park just as fast as we can but this will be discussed at that time. We might be getting these asset sold of about \$250,000.00 plus we would make interest on it. They would make bi-annual payments on it. A prior decision was made to sell it to locals for \$30,000.00/acre and outside at \$35,000.00/acre. The truss company would have two to five trucks per day with trusses on them and lumber delivery one to trucks per week and connector plates one to two trucks per month. They would start with about 5 employees in the office, 8-12 in the manufacturing area with full employment of about 35 with the production wage starting at \$10.00/hour up to \$20.00 per hour.

Mr. Johnson stated that we need to make sure all documents are properly filled out and signed.

Mr. Johnson requested that Mr. Redmond put together an updated list of businesses coming to town, maintain it, and keep them posted.

Mr. Redmond thanked the council for the opportunity of this position and stated he looks forward to helping businesses coming to Tooele.

7. Approval of Minutes

Mr. Pruden made the motion to approve the May 3, 2006 minutes as presented. Mr. Wardle seconded the motion. All members present voted, "Aye."

8. Adjourn

Mr. Pruden moved to adjourn the meeting. Mr. Wardle seconded the motion. All members present voted, "Aye". The meeting was adjourned at 7:02 p.m.

Approve this 21 day of June 2006

Steve Bevan, Chairman