

**Tooele City Redevelopment Agency
Business Meeting Minutes**

Date: Wednesday, November 7, 2007
Time: 6:00 p.m.
Place: Tooele City Hall Council Chambers
90 North Main Street, Tooele, Utah

RDA Board Members Present:

John Hansen, Chair
Scott Wardle
Mike Johnson
Steve Bevan
Steve Pruden
John Hansen

City Employees Present:

Mayor Patrick Dunlavy
Randy Sant, RDA Consultant
Paul Hansen, Contract City Engineer
Glenn Caldwell, Finance Director
Sharon Dawson, City Recorder
Lisa Carpenter, Deputy Recorder
Roger Baker, City Attorney

Others Present:

Debbie Winn, Chamber of Commerce

Minutes prepared by Elisa Jenkins

The meeting was called to order by Chairman Hansen at 6:04 p.m.

1. **Resolution 2007-05 A Resolution of the Redevelopment Agency of Tooele City, Utah, (RDA) Approving Amendment #1 to the Memorandum of Understanding (MOU) Regarding Central Elementary School Condominium Project, and Approving a New Guarantee Agreement.**

Presented by Roger Baker

Mr. Baker explained that Mr. Arbshay is requesting that the loan guarantee that the RDA currently has of \$500,000 be increased to a loan guarantee of \$750,000. This is not a loan from the RDA, this is a guarantee from the RDA for a loan from the bank. The current loan guarantee is fully collateralized. If the guarantee is increased to \$750,000 it will remain fully collateralized. It is also recommended to extend the term of the loan guarantee six months. This would extend the guarantee from February 2008 to August 2008. This does not mean that Mr. Arbshay would need the six months to finish the

construction, this way he would not need to come back and ask for additional time. Mr. Arbshay has anticipated the costs needed to complete the third floor to be \$300,000. This way prospective buyers and realtors can begin to view the project in its completed state as they work on the rest of the project. The third floor is anticipated to be finished by the first of the year. This loan guarantee increase will allow Mr. Arbshay to continue construction while he secures additional funding to complete construction of the first and second floors. This money is not necessary to finish the project but it is necessary to continue the project (i.e., short-term). Mr. Baker told the board that Mr. Arbshay is here if they have questions of him.

Councilman Johnson stated that he represents Mr. Arbshay and Rancho Development and will abstain from the vote.

Councilman Wardle stated that he has discussed this property in detail with Mr. Sant and Mr. Arbshay. If this property defaults he does not want the City to be held responsible. He understands that previous councils have put financial dollars to this project. Councilman Wardle stated that he does not have a sentimental attachment to this school. He is concerned that if the project doesn't get finished it will become an eyesore to the community. This project is more than just condos. He understands that it is a historic preservation and is important to the citizens of Tooele. He is concerned about the financial liability of the project to tax payers and the RDA board. He does not want to give any more money to Mr. Arbshay after this resolution tonight.

Mr. Arbshay addressed the board. He stated that this project of saving the Central School does not get the credit it deserves. He purchased this property seven years ago it was for some profit and to preserve the school. This project has become lengthy because of the economy and of his illness. He stated that Tooele City and the people have been good to him. He stands to lose about one million dollars on this project. He feels that this will be a landmark in Tooele and it will be good for Tooele. He feels that the other projects that he has done in Tooele such as the condos in Deer Hollow have been very successful. The other homes he has built in Tooele have been good quality homes and have been able to sell for much more than they were bought for. At the time he did his first loan the RDA did a loan guarantee of \$500,000 so he could get started on this project. He wants to finish the third floor so he can start showing and selling. The city is well collateralized. He appreciated the time he spent talking to Councilman Wardle and showing him the building. He does not want there to be any doubt on this project and he wants the board to feel good about this project. This is a great addition to Tooele.

Councilman Pruden moved to approve RDA Resolution 2007-05. Councilman Wardle seconded the motion. All members present voted "Aye".

Councilman Johnson abstained from the vote.

2. Land Trade Between Tooele City RDA and Rion and Steve Sundloff

Presented by Randy Sant

Mr. Sant reported that the board has received a proposal from Rion and Steve Sundloff to exchange property with RDA/ Tooele City. The property is located in the Tooele City Commercial Park (Lot 2 in exchange for Lot 8.) The purpose the RDA/Tooele City is looking for a trade is because Syracuse Casting that has moved to Tooele is looking to expand in the future and with the trade of this lot it would be possible for them to expand. In order for the exchange to occur the Sundloff's have asked for the following:

1. The same amount of fencing in lot 8 that lot 2 already has. It is a chain link fence. Mr. Sant feels that this is a reasonable request. It would cost them approximately \$7,200.
2. The foundation removed on lot 8. Mr. Sant stated that the foundation needs to be removed it was put on this property illegally. The city's crew could remove it or they have credit with Dave Hamilton and they could have him remove it.
3. A rough grade following the civil engineers platt within 1 ¼" for a final grade in Lot 8. Mr. Sant stated that is a little tight he is not comfortable with that number. They will remove the foundation and fill the hole and do some grating so it will look nice and clean.
4. Tooele City to provide a water right. If he is required to do landscaping he will need water rights. Mr. Sant does not feel that the city should give them water rights. Mr. Sundloff could purchase water rights from the city. Mr. Sant has a problem with landscaping in the Industrial Park he would like to work with the planning department to make that not a requirement.
5. Tooele City and Tooele City RDA will allow the buildings on lot 8 to be 30' from the front of the property line if landscaping is not required. Mr. Sant stated that would not be a problem because the property next to this lot is empty.
6. They will not be required to bring in sidewalks or extending main roads. They would try to equalize it out. If the city requires it on his existing lot then they would be required on this lot.
7. 3' of wainscoat on one side of the building facing the main road only. Mr. Sant stated that in the protective covenants that would be acceptable.
8. Tooele City and the Tooele City RDA agree to allow storage units in the Tooele City Commercial Park.

Mr. Sant reminded the Board that they will sell this lot to Syracuse Casting and they will make money from it

Chairman Hansen stated that the current zoning allows storage units, but storage units do not bring jobs to Tooele which is the purpose of the Commercial Park. He feels that the Council needs to discuss this concept further. He does not want to set precedence in the Industrial Park with storage units. He is not against this. He just doesn't want to see a lot of storage units built in this area.

Mr. Sant stated that storage units are a permitted use in a Light Industrial Zone. Mr. Sant stated that the council should discuss if they want storage units in a Light Industrial Zone as a permitted use or if they should get a CUP so the Planning Commission can look at. Mr. Sant also stated that once this trade is done there is no more land in Phase 1. There is some opportunity in Phase 3. The zoning does allow storage units.

Councilman Wardle stated that the purpose of the development of the UID is they want to bring jobs to Tooele. The reason this trade is taking place is so Syracuse Casting will be able to expand. Mr. Sant agreed this trade will eventually bring another 50-70 jobs to Tooele. This is a unique situation. Mr. Sant agrees with Chairman Hansen that he doesn't want the UID to be full of storage units. Mayor Dunlavy stated that the RDA has the final say.

Mr. Sant stated that the Redevelopment plan says that in the event that there is a conflict between the planning commission plan that the RDA Board would have the final say. The RDA Board has protective covenants and that protects them. They do not have final say on the use. The CC&R's are clear on outside storage.

Chairman Hansen believes that this should be a future discussion for the council.

Mr. Sant stated that they want to do a turn key, they want to be fair the Sundloff's lot is a little bigger than the City's lot. There are things that might be a turn key and might not.

Councilman Pruden would like to see this go forward to help Syracuse Casting.

Councilman Johnson also noted that one of the Sundloff's requests is that "No office building is required for the storage units on Lot 8. Mr. Sant stated that there is nothing that requires that. If it is not allowed on the current lot you can't do it on the turnkey lot.

Mr. Sant stated that they will come back with a formal agreement and the deed. The deed will be approved for each lot. Then there will be a deed with Syracuse Casting and there will be a clause that if Syracuse Casting doesn't build on the lot it would revert back to the city. He just needs the board approval to move forward.

Chairman Hansen told Mr. Sant to move forward with this trade.

Councilman Johnson stated that he feels the council should have a discussion regarding this issue.

Mayor Dunlavy stated that they will make some recommendations in a strategy session to the council.

3. Approval of Façade Grant for Jake Johnson's Property

Presented by Randy Sant

Mr. Sant reported that he received an application from Jake Johnson to award a façade grant. He is proposing to make the building look nice. Mr. Sant recommends rewarding the façade grant (there are funds in the budget.) The grant would be for \$10,000 subject to the following conditions:

1. The program requires that the Tooele Downtown Alliance review the application and give its approval.
2. City staff will inspect the site to verify that the building is structurally sound and safe.
3. They need another bid from Mr. Johnson. The application requires two bids.
4. The grant will be awarded on a reimbursement basis only after the applicant demonstrates full compliance with the grant award conditions.

Councilman Pruden agrees with the conditions. He is very pleased that Mr. Johnson is helping an eyesore that is downtown. This building will be a nice addition.

Councilman Johnson moved to approve the Façade Grant for Jake Johnson's property with the conditions set forth above by Mr. Sant. Councilman Wardle seconded the motion. All members present voted "Aye".

4. Economic Update

Presented by Randy Sant

Mr. Sant stated that he is still in discussion with Mr. Brockbank about purchasing property or trading property. He has submitted his payback agreement to the city. If anything happens they will be reimbursed for his costs associated with the road. Mr. Sant is waiting for one more bid to decide whether to sell or develop the ground. He will bring that to the next meeting.

Mr. Sant also stated that as the Board is aware there was a period of time that the UID was in process of trying to sell the Industrial Park. The buyer that was negotiating with them decided not to purchase at this time so there was a freeze on the property. The freeze was taken off about 45 days ago and they have responded to five requests from the state.

Mr. Sant also stated that they lost a few projects that relocated to Ogden. They also lost a few projects that relocated out of the state.

5. Minutes; September 19,2007

Councilman Pruden moved to approve the minutes of the September 19, 2007 RDA Meeting as presented. Councilman Bevan seconded the motion. All members present voted "Aye".

6. Invoices

There were no invoices.

7. **Adjourn**

Councilman Wardle moved to adjourn the meeting. Councilman Bevan seconded the motion. All members present voted “Aye”. The meeting adjourned at 6:50 p.m.

Approved this 6th day of February 2008

Chairman Hansen