

**Tooele City Redevelopment Agency  
Business Meeting Minutes**

Date: Wednesday, June 18, 2008  
Time: 6:30 p.m.  
Place: Tooele City Hall Council Chambers  
90 North Main Street, Tooele, Utah

**RDA Board Members Present:**

John Hansen, Chair  
Scott Wardle  
Steve Pruden  
Dave McCall  
Mike Johnson

**City Employees Present:**

Mayor Patrick Dunlavy  
Glen Caldwell, Finance Director  
Doug Baylay, Assistant City Attorney  
Sharon Dawson, City Recorder  
Lisa Carpenter, City Council Liaison/Deputy Recorder  
Rachelle Custer, City Planner  
Cary Campbell, Public Works Director  
Randy Sant, RDA Consultant

Minutes prepared by Elisa Jenkins

Chairman Hansen called the meeting to order at 6:33 p.m.

1. **PUBLIC HEARING & MOTION on Resolution 2008-01 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, 2008 and Ending June 20, 2009.**

Presented by Randy Sant

Mr. Sant stated that he reviewed in detail the budget with the Board at the June 4, 2008 RDA meeting and nothing has changed since then. The budget has been available for public inspection and the public has been notified of this public hearing. The two big items in the budget is money that has been set aside for the downtown area and the Depot.

Chairman Hansen stated that this is a public hearing if anyone would like to come forward and address the budget. No one came forward.

**Councilman Wardle moved to close the public hearing.** Councilman Pruden seconded the motion. All members present voted *ōAyeō*. The public hearing closed at 6:35 p.m.

**Councilman Pruden moved to adopt RDA Resolution 2008-01.** Councilman Wardle seconded the motion. The vote was as follows:

Chairman Hansen, *ōAyeō*  
Councilman Pruden, *ōAyeō*  
Councilman Wardle, *ōAyeō*  
Councilman McCall, *ōAyeō*  
Councilman Johnson, *ōNayō*

## **2. Invoices**

Presented by Sharon Dawson

Ms. Dawson presented the following invoice for payment:

- RS Contract Management Services for 1000 North Project creation and UID Capital Facilities Plan in the amount of \$21,000.00.

**Councilman Pruden moved to pay the invoice.** Councilman Wardle seconded the motion. All members present voted *ōAyeō*.

## **Sostanza Update**

Mr. Sant received an e-mail from Terry Ellsworth saying that they have their financing in place. They need a letter indicating that the City would agree to a third position on their loan. They are going through SBA financing. The bank would take the 1<sup>st</sup>, SBA would take 2<sup>nd</sup> and the City would take the 3<sup>rd</sup>. SBA does not normally put a lien on the property. He has asked Mr. Ellsworth for some clarification. Given the worst case scenario he doesn't see a problem with the City taking a 3<sup>rd</sup> position on the loan. He did want to bring it to the Board's attention. Usually the City tries to be in 2<sup>nd</sup> position, but on this particular loan they might be in 3<sup>rd</sup> position.

Councilman Wardle asked how much the loan would be for.

Mr. Sant said that the full loan is \$900,000, which includes the purchase price and the remodel price. The appraisal has been done, and that needs to be at least the same amount as what they are borrowing. The City should be receiving a copy of the appraisal. Mr. Sant also said that 3<sup>rd</sup> position means that if they default the City would most likely not get their money back. Some things could be put in the development agreement that would help protect the City's position.

Councilman Wardle asked what the City would lose if the loan defaulted.

Mr. Sant stated that it would be \$130,000. That amount is the amount being used to remodel.

Chairman Pruden stated that the City is putting up a \$130,000 gamble that this company will be successful.

Mr. Sant stated that they have an agreement that they have to be there for five years and there is a requirement to pay back the funds.

Chairman Pruden said that the City's money is being used for remodeling, which could benefit another tenant and would allow the City to recoup some of the investment.

Mr. Sant still needs to get additional clarification on the funding.

Councilman Wardle asked when Ms. Ellsworth needs the letter.

Mr. Sant stated A.S.A.P. He will do everything he can to protect the City's investment. The development agreement could give them additional protection. They could lien the equipment and they might be in first position in that.

Councilman Wardle stated that there is some risk involved in this investment. He would like Mr. Sant to get the assurances that he has discussed in the development agreement to help protect the City's investment.

### **Economic Update**

Mr. Sant stated that the City has been working on a project over the past few months known as "Project Flashö. This is a 700,000 sq ft distribution center that would eventually expand to one million sq ft. This is a significant capital investment of about half a billion dollars. They are down to two sites the City's site and another site. Emerald Rd was going to be dedicated to the City as a public road, but to accommodate this development not all of the road would be dedicated to the City. The road would be part of the project's development to get them the dimensions they need. If things move quickly on this project a special meeting might need to be held to discuss incentives. "Project Flashö would create 150 jobs.

Mr. Sant stated that there was another company that came to City about six months ago but because of the water usage the City decided not to move forward. If there was a company that came to Tooele and made a billion dollar investment that would provide plenty of increment to develop a water source to that site. Mr. Sant has notified the EDCU that the City is interested in the project which is known as "Project Cannonballö. "Project Cannonballö will be a project that will start with a billion dollar investment. It would create 400 jobs.

Mr. Sant wanted the board to know that the City is interested in these two companies.

Councilman Johnson asked if he has heard from Mr. Petersen.

Mr. Sant stated that Mr. Petersen has sent the City a letter outlining what he would like to do in the development agreement. Mr. Petersen is still moving forward.

Mr. Sant also stated that they need a little bit more time on the 1000 N update. He will have ready to present in two weeks.

**3. Adjourn**

**Councilman McCall moved to adjourn the meeting.** Councilman Wardle seconded the motion. All members present voted ðAyeö. The meeting adjourned at 6:45 p.m.

Approved this 3<sup>rd</sup> day of September 2008

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Chairman Hansen