

**SMITHFIELD CITY REDEVELOPMENT AGENCY**

**MARCH 11, 2015**

The Smithfield City Redevelopment Agency Board met for their regular board meeting at 96 South Main, Smithfield, Utah on Wednesday, March 11, 2015. Board Member Dennis Watkins was in the chair.

The following board members were in attendance: Dennis Watkins, Barbara Kent, Kris Monson, Jeff Barnes and Brent Buttars.

Executive Director James Gass and Secretary Justin Lewis were also in attendance.

Chairman Darrell G. Simmons was excused.

The meeting started at 7:58 P.M.

**APPROVAL OF THE RDA MEETING MINUTES FROM FEBRUARY 25, 2015**

\*\*\*A motion to approve the February 25, 2015 RDA meeting minutes was made by Barbara, seconded by Jeff and the vote was unanimous.\*\*\*

Yes Vote: Watkins, Kent, Monson, Barnes, Buttars

No Vote: None

**INITIAL DISCUSSION ON THE FINANCIAL ASSISTANCE APPLICATION BY BRENT LAWYER AND ALLEN BURNINGHAM FOR PROPERTY LOCATED AT APPROXIMATELY 800 SOUTH 50 WEST.**

Dennis informed the board that Allen Burningham, Brent Lawyer and Jeff Jackson have submitted an application to the RDA asking for financial assistance on a commercial development at approximately 800 South and 50 to 100 West. The project will be introduced at the RDA meeting in March and then if the board chooses to consider the grant request a public hearing would be held in April and after the public hearing the board would have the opportunity to vote on the request.

Brent Lawyer informed the board that the business he works for is located in the north building owned by Nan and Lode King on the east side of Lee's Marketplace. Paragon Tool used to be in the building until they built their new facility. The company Brent works for makes cell phone and tablet screen protectors as well as tablet and phone cases. The business has reached the point it is time for more space and the business would like to build a new building at approximately 800 South 50 West.

Dennis had provided the contact information to Brent Lawyer for the owner of the parcel where they would like to build. The parcel was owned by the Thornley family.

Brent Lawyer explained the layout of their property is not very efficient for development as for his new building the entire width of the property is not needed.

Brent Lawyer informed the council that Jeff Jackson had made an offer for the property on the west side of their property and the two of them want to team up to make a nice commercial development on the two parcels.

The intent is for Brent Lawyer and Allen Burningham to build their new building on Lot 7 and keep Lot 8 for future expansion. The rest of the lots would be sold to other commercial business users.

Brent Lawyer stated the request for financial assistance was to help pay for the infrastructure work that will be required for both parcels and in turn bring more commercial businesses to the city.

Kris asked what type of businesses would locate in this new development area? Jeff Jackson informed the board he is constantly getting requests from interested parties looking for land to build a 2,000 to 3,000 square foot retail sales area with a larger warehouse type area on the back of the building. Most of the inquiries are from companies that have a small amount of retail sales but the majority of the sales are on-line. Jeff Jackson stated people are looking for places to build and most of the parcels they find are five acres or larger and they are too expensive to purchase and the buyer does not need that much land so smaller commercial lots will fit their need.

Jeff Jackson explained the Saxton property he is purchasing is not wide enough for building lots on both sides of the new road that would go from 800 South to 700 South but if he combines his acreage with some of the Thornley property a subdivision with nice sized lots can be accomplished.

Jeff Jackson informed the board the lots would vary in size from about  $\frac{1}{2}$  acre to  $\frac{3}{4}$  of an acre.

Jeff Jackson provided documentation to the board showing the costs of putting in all of the infrastructure improvements for the project would be \$474,159. With the cost of the land and the improvements the price per square foot of the lots would be more expensive than in Logan and North Logan so there would not be an incentive for buyers to want to locate in Smithfield. Logan prices range from \$4.00 to \$4.50 per square foot and to be viable in Smithfield the building lots need to be priced from \$3.00 to \$3.25 per square foot.

Dennis explained the parcels are in the gateway area and warehousing and light manufacturing would be allowed on the parcels.

Dennis asked if the project was approved would all of the infrastructure and road work be completed at the same time or in phases? Jeff Jackson stated all of the work would be completed at the same time.

Jeff Jackson explained to the board where the parcels are in the gateway zone it will add approximately \$40,000 to \$50,000 to each building to meet the gateway zone requirements and that cost is not factored into the infrastructure estimate as it would be an issue for each lot buyer.

Dennis explained to the board the proposal was unique in the fact the developer is asking for assistance on the project beforehand rather than after the project is complete. The RDA has two main purposes but this request would actually accomplish three things. Any blight issues in the area would be resolved. Second, the property tax revenue in the area would increase substantially. Third and important to the city is some storm water issues could be resolved as the city has to eventually get storm water further west and further south of these parcels.

Dennis mentioned the request to the board was for a grant in the amount of \$285,000 of the total infrastructure cost of \$474,159. Dennis asked for clarification on how the \$285,000 was calculated. Jeff Jackson explained at the current cost the price per square foot of the building lots would be around \$4.25 and the price is too high for Smithfield as the same amount can be spent and purchase a lot in the Logan area. A grant of \$285,000 would reduce the cost of the lots approximately \$0.80 per square foot as there is around 350,000 square feet of developable space.

Jeff Barnes asked Jeff Jackson how confident he was in the project as the majority of the smaller buildings by Lee's Marketplace were already vacant and have been for a period of time? Jeff Jackson replied these businesses would all be owner occupied buildings as businesses want to build their own building and build equity while interest rates are low. Brent Lawyer stated the Lee's Marketplace area is for full retail businesses where this new development would be for minor retail and mostly warehousing and on-line sales.

Barbara asked if a partial loan and grant would help on the project? Jeff Jackson replied a loan would only help if terms were such that the RDA would be repaid only when a building lot was sold. The main reason for the request is to drive the price per square foot down so buyers will want to buy in the area and not in Logan or elsewhere.

Allen Burningham informed the board they had started the business 6 ½ years ago in a house. For a couple of years the business was located in Logan and then relocated to Smithfield. The quality of life is better in Smithfield; therefore, Allen wants his new building to be built in Smithfield.

Jeff Barnes asked if the total project cost was \$474,000? Dennis stated that was correct and the request to the board is for grant in the amount of \$285,000.

Brent Buttars commented the plan would include a new road to 700 South and asked how far south would the road go? Jeff Jackson replied the south portion of the road would go to approximately 825 South which is the property line.

Allen Burningham reminded the board that O'Reilly Auto Parts will be building their new building this spring on the lot just east of the Thornley property he had just acquired.

Dennis reminded the board the RDA had contributed approximately \$64,000 to the 800 South project in 2014 in assistance to the Pitcher Family. Jim remarked the city staff ran the water and sewer lines and then paid for the improvements at the intersection.

Dennis asked Jim to explain the infrastructure help this project could provide. Jim stated the storm water system has challenges as a project needs to be done to get the storm water west to 1200 West and then to 1000 South. All of the storm water needs to eventually drain there and this project would help extend the project south towards 900 South before it starts going further west.

Jeff Barnes asked if the Saxton parcel was the parcel with the runoff problem from years ago? Jim stated that particular issue was from the livestock auction ground on the north side of 700 South where the water ran off of the property and then into the road and down to several of the local businesses.

Jeff Barnes asked if the Saxton property has irrigation water available for the land? Dennis Thornley stated he has farmed the land and there is pressurized irrigation water available. Dennis Thornley informed the council there is a 15 inch irrigation main line that runs through the property that was installed about 28 years ago and caution needs to be taken not to damage the line.

Jeff Barnes asked if the irrigation water would be used on the new project? Brent Lawyer stated it would be used to water the landscaping on the lots.

Dennis Thornley asked if the Saxton property had been sold? Jeff Jackson stated he was currently working with Jeff Saxton to finalize the land purchase. The transaction on the Thornley property has already been completed.

Dennis Watkins thanked Allen, Brent and Jeff for attending the meeting and explaining the project. If the board wants to consider the request the next step would be to have a public hearing at the April RDA board meeting and then the board could consider negotiating terms at that point.

The consensus of the board was to have the public hearing in April and consider the request for assistance.

Dennis mentioned the Thornley property is quite small and actually hard to farm. Kris mentioned the area is surrounded by businesses and buildings and a natural fit for commercial development. Dennis agreed and mentioned the future city plans designate that area being developed for commercial use.

Dennis asked how much was available in the RDA fund to contribute to future projects? Justin responded there is currently over \$900,000 available and the amount will increase by approximately \$240,000 when the current year increment is received later this spring. Jim stated if the grant was approved as currently requested the cash account would not diminish by much with the increase from the current increment still to come.

Dennis expressed support for the project as it would make the 800 South area a viable commercial area and help to work on the city storm water infrastructure issues.

Brent Buttars commented he felt by stubbing the water and sewer lines to the Thornley property it helped to spur the purchase of the Thornley property by Allen Burningham.

Jim stated storm water is an issue and will have to be dealt with. Barbara agreed the city will have to deal with the storm water issue whether this area is developed or not.

Jim informed the board there will be a rather large sized detention pond for this project and the pond may take up one entire building lot.

Jeff Barnes asked if an outlet for the storm water would need to be supplied by the city? Jim explained that is the challenge as the storm water needs to get taken to 200 West.

Jeff Barnes asked if taking the storm water to 200 West is a city cost or developer cost? Jim stated the developer had not included that cost in their cost estimate. Jeff responded he did not see the cost of the detention pond listed on the cost estimate either. Jim mentioned the cost of the detention pond will most likely be the loss of a building lot.

Brent Buttars remarked he would like to see some of these types of businesses on the Cantwell Lumber property and since the property is in the boundaries of the RDA the board could possibly help out on some projects on the property.

Jim mentioned that Jeff Jackson's statement about the Saxton parcel not being wide enough for the road and lots on both sides of the new road is correct. Dennis agreed and commented both landowners working together is a benefit to them and the city.

Jim informed the board 700 South on the south side of the road would be upgraded with curb and gutter as part of this project. The developer would have to install curb and gutter the width of their parcels touching 700 South.

## **BOARD MEMBER REPORTS**

Kelly Anderson asked for time to speak to the board about the proposed Cantwell Lumber rezone request. Kelly stated "assisted living" is a very broad term and can mean anything from offering a room for people to stay to helping those that need constant care with issues such as Alzheimer. There are many different options for assisted living. Some people can keep and operate a car and other won't be able to.

Kelly expressed concern an assisted living center will mean more calls of service for the local EMS department. When a person falls at the assisted living center or is hurt the EMS department or police department will be required to respond even if it just to get the person off of the ground and back into bed.

Kelly stated in his opinion it is not possible for a 20 to 22 room assisted living center to be viable economically and be able to make money. Kris asked Kelly how he would know if the business was viable or not? Kelly responded he is a licensed nurse and has a background in health care,

social work and case management and has assisted people in making the transition to an assisted living center.

Barbara asked Kelly if he thought an assisted living center should be located in a commercial zone or residential area? Kelly responded every hospital is on a major road for easy access for people as well as emergency personnel. Comparing hospital access to assisted living home access is not a fair comparison. The number of caregivers in an assisted living center is significantly less than in an hospital. Kelly suggested keeping an assisted living center away from a main road or highway as the patrons of the facility will get out and wander the city sidewalks and roads. Family members want their family members in quiet areas and not along a busy noisy highway. Twenty-two beds is just not a viable financial option. The center will be run by nurses' aides with one registered nurse on site or available if an emergency arises. The medical knowledge of those working at an assisted living center is lower than at a hospital.

Kris thanked Kelly for his insight and the information he provided.

*\*\*\*A motion to adjourn at 8:44 P.M. was made by Kris.\*\*\**

**SMITHFIELD CITY CENTRAL BUSINESS  
DISTRICT REDEVELOPMENT AGENCY**

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Darrell G. Simmons, Chairman

**ATTEST:**

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Justin B. Lewis, Secretary

**SMITHFIELD CITY REDEVELOPMENT AGENCY**  
**96 South Main**  
**Smithfield, Utah 84335**

**AGENDA**

Public Notice is given that the Smithfield City Redevelopment Agency Board will meet in a regularly scheduled meeting at 96 South Main, Smithfield, Utah on Wednesday, **March 11, 2015**. The meeting will begin no sooner than 7:30 P.M.

1. Approval of the RDA meeting minutes from February 25, 2015.
2. Initial discussion on the financial assistance application by Brent Lawyer and Allan Burningham for property located at approximately 800 South 50 West.
3. Board Member reports.

Adjournment

**Items on the agenda may be considered earlier than shown on the agenda.**

In accordance with the Americans with Disabilities Act, individuals needed special accommodation for this meeting should contact the City Recorder at (435) 792-7990, at least (3) days before the date of this meeting.

Prepared, posted in the City Office and library, emailed to each Council Member, emailed to the Herald Journal, Smithfield Sun, and forwarded to be posted on the City Web Site on 03/09/15, and the Utah Public Meeting Notice website.