

SMITHFIELD CITY REDEVELOPMENT AGENCY

OCTOBER 8, 2014

The Smithfield City Redevelopment Agency Board met for their regularly scheduled monthly meeting at 96 South Main, Smithfield, Utah on Wednesday, October 8, 2014. Chairman Darrell G. Simmons 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.

The meeting started at 8:30 P.M.

APPROVAL OF THE RDA MEETING MINUTES FROM SEPTEMBER 24, 2014

A motion to approve the September 24, 2014 RDA meeting minutes was made by Barbara, seconded by Dennis and the vote was unanimous.

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

No Vote: None

CONTINUED DISCUSSION AND POSSIBLE VOTE ON REAL ESTATE PURCHASE OFFER FOR PROPERTY LOCATED AT 84 SOUTH MAIN AND OWNED BY THE RDA. PARCEL# 08-071-0003.

Dennis informed the board he had talked to Bruce Leishman about the offer on the vacant lot and he would not commit to a timeline of when a building would be built there. Mr. Leishman had talked to a sandwich shop that may have an interest but had not found anyone to lease the office space on the second floor at this time. Until the new building is rented; the building would not be built.

Chairman Simmons asked if the offer on the property was still valid? Dennis remarked the offer still stood. The RDA can sale property under certain conditions which must meet the goals of the RDA. Eliminating blight and enhancing the area would be a couple of the goals that would be met.

Chairman Simmons asked if the offer was \$40,000? Dennis stated that was correct and the offer is good through October 30th.

Chairman Simmons remarked after looking at some comparables and the offer; the offer is a good offer. Dennis stated he had talked to Tom Singleton who is an appraiser and he thought the offer was fair as well.

Chairman Simmons asked if an appraisal would be required? Dennis stated an appraisal was not needed and there did not need to be a public bid for the property since it had been listed for sale previously.

Chairman Simmons remarked Russ Elwood was in attendance and wanted to see a park there but the board was looking at the potential sale as a way to raise money for the RDA. Dennis mentioned it would not be easy to put a park there. The RDA owns the property and the premise of having the property was to raise funds by selling the property. The RDA is responsible to the school district, city and mosquito abatement district as well as some others entities.

Dennis learned the RDA could declare the vacant lot as taxable and felt it would be appropriate on this parcel to do so if a reasonable offer for the property was refused. Chairman Simmons remarked the sale of any land owned by the RDA is bound by the rules of the RDA and the city, school district and others follow under the guidance of the sale of the property.

Brent remarked he thought the offer was too low and wondered what other comparables had been considered? Chairman Simmons remarked he looked at some property on 600 South, the Cantwell property and some property across the street from Firehouse Pizzeria. Justin stated the county property tax roll had the property valued at \$23,522.

Brent felt the buyer was actually getting twice as much property as listed because of the parking lot.

Brent asked if there would be a fee paid by the buyer regarding the parking lot? Chairman Simmons commented the parking lot use would be above and beyond the purchase price of the lot. The maintenance fee would be based on the number of parking spaces used according to Chairman Simmons. Jim mentioned the buyer would pay a yearly cost for landscaping, parking lot maintenance and snow removal of the sidewalk and parking lot.

Brent asked if that needed to be stipulated in the sale of the property? Jim stated the parking lot fee would not be considered until a building was put on the property and parking spaces were needed.

Brent asked how the parking lot would be addressed after being sold? Chairman Simmons remarked it is part of the due diligence of the buyer to research the issue and have it clarified. Dennis mentioned he had not talked to the buyer about the parking lot or maintenance cost.

Brent remarked the buyer cannot buy the lot without having any parking. Dennis remarked the logical assumption by anyone would be there will be available parking with the purchase. Brent remarked he thought it would be appropriate to have this discussion up front rather than later. Jim stated it would be hard to determine an amount until the required number of parking spots is determined. The price would be set at that time. Dennis stated the parking lot agreement would be between the buyer and the city since the city owns the parking lot. Jim agreed with the Dennis; the city would be paid for the parking lot maintenance not the RDA.

Chairman Simmons remarked there is a condition in the purchase agreement about getting access from UDOT and Smithfield City but he did not know what that meant. Dennis stated he was unsure as well. Jim remarked there has to be access through the city owned parking lot just to get to the property.

Dennis mentioned the buyer had asked for highway access as well. Jim stated the only highway access would come from the Ye Olde Winn Mill access as UDOT will not grant a new access and it would require the buyer to purchase that property and it is not for sale at this time.

Chairman Simmons remarked the offer is conditional. Barbara asked if the board approved the sale of the lot would it be final? Chairman Simmons stated the buyer would have until October 30th to determine if he can meet the required conditions and if not, he could rescind his offer up to that point.

Russ Elwood felt the city should receive this small lot as well since the RDA had already gifted the land for the city office, parking lot and police station. The area would then never be built on and there would not be any parking lot issues to deal with in the future. Dennis reminded Russ the city does not own the vacant lot; the RDA does. Russ remarked the city could own the lot if the RDA gave it to the city. Dennis reminded Russ the RDA had already given up a significant amount of property to the city and now the request was to give up more property that a legitimate offer had been made on and would bring property tax and sales tax revenue to the city.

Russ remarked the board needed to represent the citizens of Smithfield City. Dennis stated that was incorrect; the board needs to represent the RDA, the residents of the city, the school district, the mosquito abatement district and others in this decision.

Russ remarked 100 North has an eye sore on it that needs to be addressed. Dennis reminded Russ that was not part of this discussion and is another issue. Russ stated the mess needed to be cleaned up.

Russ stated he thought putting a grassy area on the vacant lot would help to beautify the city office building. Dennis reminded Russ the RDA has a legitimate offer for the parcel and Russ just wanted to give it away but there was more parties involved than just the city. Russ remarked the RDA could beautify the lot. Dennis stated the RDA has guidelines that must be followed and the decision of the board needs to make economic sense for all of the parties involved.

Jim asked Russ if he owned the vacant lot; would he give it away if he could sell it for \$40,000? Russ remarked the city was only looking at the money part of the issue.

A motion to accept the real estate purchase offer from Bruce Leishman of \$40,000.00 to acquire Parcel# 08-071-0003, located at 84 South Main, from the RDA was made by Dennis, seconded by Brent and the vote was unanimous.

Yes Vote: Watkins, Kent, Monson, Barnes, Buttars
No Vote: None

Brent remarked he came to the meeting planning to vote against the land sale but after the discussion felt it was appropriate to sale the property. Jeff remarked he wanted to see grass cover the area but that would not meet the goal of the RDA and the sale was appropriate. Kris mentioned she felt it was better to sale the property than give another gift to the city. Barbara

remarked it would be nice to see grass in the area but the RDA must meet the goals and obligations of the RDA and a building being there would benefit all involved parties.

DICUSSION AND POSSIBLE VOTE ON A REQUEST BY JOYCE PITCHER AND NANETTE KING REGARDING POSSIBLE FUNDING FOR THE CONSTRUCTION AND EXTENSION OF 800 SOUTH.

Nanette (Nan) King gave a summation of the property owned by Joyce and John Pitcher at 800 South Main. The property had been listed for sale for approximately five years. The Pitchers knew that eventually some water, sewer and storm water infrastructure work would be required. A previous offer had been made on the property but the buyer backed out when he found out his daughter had leukemia. UDOT required the 800 South road to be installed for access to the two building lots. John is currently in a wheelchair and cannot walk or talk. The south building lot was sold at the end of January and an offer was made on the north building lot in February. Both buyers wanted restricted covenants. Nan and Joyce did not know who the buyer was for the north lot but later found out it was another auto parts store and did not accept the offer as they did not feel it was appropriate to have two auto parts stores side by side; it would not be fair to either buyer. O'Reilly Auto Parts purchased the south building lot.

Nan stated after getting all of the engineering done and determining exactly what had to be done with UDOT, as well as moving three light poles, a traffic box and a data box owned by the cable company the estimate from Staker & Parson Company was \$94,371.75 plus another \$2,200 to the cable company to relocate their utility box. The total bid is \$96,571.75 for the work. If the road cannot be properly completed this year due to the weather there will be an additional cost of \$12,070.00 to put in a temporary material until the correct material can be put down in the spring. The total cost of the project at that point would be \$106,441.75 plus the \$2,200 to the cable company.

Nan asked if the RDA would be willing to participate in the infrastructure costs that Joyce would have to pay? A new road would be installed on 800 South with curb and gutter and new asphalt. The barns would be removed and the area would look better and that should be a consideration in the matter according to Nan.

Nan explained part of the purchase agreement with O'Reilly Auto Parts is the road work must be completed and paid for by Joyce Pitcher and done within the next 90 days. Joyce remarked the road and curb and gutter has to be completed within 90 days after she was paid and she has been paid. Nan responded this caused Joyce to have to put almost \$100,000 in an escrow account for this project.

Brent asked for clarification of which lot was going to be built on by O'Reilly Auto Parts? Joyce stated it is the south lot and the north lot is still for sale.

Nan remarked she had previously talked to the owner of the Dollar Tree store about doing cross feeds between the parking lots. Brent asked if UDOT would allow that? Nan remarked that is an agreement between property owners and UDOT would not be involved. Brent remarked he was told different at a meeting in the spring he attended. Jim remarked the comments by UDOT

at the meeting were that no new accesses would be granted onto the highway and that UDOT wanted to see cross property lot agreements.

Nan remarked that O'Reilly Auto Parts would enter their parking lot off of 800 South not the highway. The Pitchers are having a hard time paying for all of the infrastructure work where they only have two building lots to split the cost over rather than several. Potentially there are a couple of more building lots to the west on the Thornley property and even more to the west on the Saxton property.

Jim reminded the board the storm water project would be going south from 800 South to 1000 South. Nan asked why not pay the Saxton's to have it extend through their property? Jim remarked it did not work out to do that.

Barbara asked how much financial assistance Joyce was looking for? Nan responded any amount would be great as they have around \$100,000 in expenses they will be incurring.

Chairman Simmons asked how much the lot was sold to O'Reilly Auto Parts for? Nan responded for \$290,000.

Chairman Simmons asked how big the building lot is? Nan responded it is 0.81 acres.

Chairman Simmons asked if they needed a loan from the RDA until the north lot sold? Joyce remarked she had previously met with Jim and Dennis and Dennis had remarked the RDA would probably be able to give some assistance on the project.

Dennis informed Joyce and Nan that an important part of the request had been missed. An application is required for financial assistance requests. Financials will be required, why the request is being made and exactly how much is being asked for is all part of the required process. After the application is received the board will then review the application. Right now only an oral general request had been made and an official application with details is required. Nan responded she had talked to Jim and he recommended getting on the agenda to start the discussion. Nan would fill out an application and come to the board at the November board meeting. The costs of the road have been astronomical and the deceleration lane is now being required by UDOT and was not in the past according to Nan. Jim stated that was incorrect; a deceleration lane was required in front of the Apple Creek development across the road and the RDA had paid for it.

Chairman Simmons asked Nan or Joyce to fill out an application with a specific request and come before the board again at the November meeting.

Russ Elwood asked if 800 South would just dead end? Nan responded at this point it would until the property to the west is developed.

BOARD REVIEW AND DISCUSSION ON MINOR ITEMS WITH DECISIONS AS NECESSARY.

No additional items were discussed.

A motion to adjourn at 9:17 P.M. was made by Jeff.

SMITHFIELD CITY CENTRAL BUSINESS DISTRICT REDEVELOPMENT AGENCY

Darrell G. Simmons, Chairman

ATTEST:

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 will meet in a regularly scheduled meeting at 96 South Main, Smithfield, Utah on Wednesday, **October 8, 2014**. The meeting will begin no sooner than 7:00 P.M.

1. Approval of the RDA meeting minutes from September 24, 2014.
2. Continued discussion and possible vote on real estate purchase offer for property located at 84 South Main and owned by the RDA. Parcel# 08-071-0003.
3. Discussion and possible vote on a request by Joyce Pitcher and Nanette King regarding possible funding for the construction and extension of 800 South.
4. Board review and discussion on minor items with decisions as necessary.

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 10/06/14, and the Utah Public Meeting Notice website.