

PUBLIC NOTICE

Notice is Hereby Given that the Tooele City Redevelopment Agency of Tooele City, Utah, will meet in a Business Meeting, on Wednesday, October 17, 2018 at Approximately 7:30 p.m. or soon Thereafter. The Meeting will be Held in the Tooele City Hall Council Room Located at 90 North Main Street, Tooele, Utah.

1. Open RDA Meeting
2. Roll Call
3. Discussion:
 - Economic Development & Project Update
Presented by Randy Sant
4. Minutes
 - August 1, 2018
5. Invoices
6. Adjourn to Closed
 - Property Acquisition
 - Personnel

Michelle Y. Pitt
Tooele City Recorder/RDA Secretary

Pursuant to the Americans with Disabilities Act, Individuals Needing Special Accommodations Should Notify Michelle Y. Pitt, Tooele City Recorder, at 843-2110 or michellep@tooelecity.org, Prior to the Meeting.

**Tooele City Redevelopment Agency of Tooele City, Utah
Business Meeting Minutes**

Date: Wednesday, August 1, 2018

Time: 7:31 p.m.

Place: Tooele City Hall, Council Chambers
90 North Main Street, Tooele, Utah

Board Members Present:

Brad Pratt, Chairman
Dave McCall
Melodi Gochis
Steve Pruden
Scott Wardle

City Employees Present:

Mayor Debra E. Winn
Ron Kirby, Police Department Chief
Glenn Caldwell, Finance Director
Michelle Pitt, City Recorder
Lisa Carpenter, Deputy City Recorder
Jim Bolser, Community Development and Public Works Director
Roger Baker, City Attorney
Randy Sant, Economic Development Consultant
Paul Hansen, City Engineer
Braxton Roberts, Information Systems (IT)

Minutes prepared by Amanda Graf

Chairman Pratt called the meeting to order at 7:31 p.m.

1. Open RDA Meeting

The meeting was called to order by Chairman Pratt

2. Roll Call

Brad Pratt, Present
Dave McCall, Present
Melodi Gochis, Present
Steve Pruden, Present
Scott Wardle, Present

3. Discussion

Presented by Randy Sant

--Approval of Addendum to the REPC, between the Tooele City RDA and M-53 Associates for the Purchase of Property at 1000 North Main Street

Tooele City is currently under a purchase contract for a property on 1000 North and Main Street which consists of 38 acres adjacent to the Wendy's and Denny's establishments. The developer is in the process of trying to close on the leases with some of the potential tenants. The developer is currently working on some additional access requirements made necessary by the Utah Department of Transportation off of 1000 North. The developer has requested the RDA consider an addendum to the purchase contract that would extend the due diligence period to October 15, 2018 with a closing on or before November 1, 2018. It is recommended that the contract is extended with those dates as outlined.

Chairman Pratt asked Mr. Sant if the developer is still anticipating closing on the entire property at that time; Mr. Sant responded in the affirmative. Mr. Sant stated that the purchase price of the property is 4.2 million.

Board Member Wardle moved to approve the addendum to the Real Estate Purchase Contract extending the due diligence and closing deadlines. Board Member Pruden seconded the motion. The vote was as follows: Board Member McCall, "Aye," Board Member Wardle, "Aye," Board Member Pruden, "Aye," Board Member Gochis, "Aye," Chairman Pratt, "Aye." The motion passed.

Mr. Sant stated that the agreement requires a commission agreement that will need to be signed by the RDA. The commission that has been negotiated for the sale of the property is 4% of the purchase price. The original purchase price that was set included a 6% commission as part of the purchase price, which means the RDA will receive more money than originally anticipated. The 4.2 million purchase price includes the 4% commission. The commission agreement will also need to be signed by the RDA.

Mr. Baker asked Mr. Sant to disclose the recipient of the commission. Mr. Sant stated that the commission will be paid to Stuart Thain of Colliers International.

--Review and Discussion Regarding Incentive Request from LQK for the Development of Land at Ninigret Depot

There is a company that has been looking at purchasing a 50 acre property at the Ninigret Depot on the west side of West Loop Road across from Cabelas. The company is a Fortune 100 company. They purchase cars that have been totaled in car accidents, take them to a warehouse, and salvage the parts off of the vehicles at which point they market those parts to auto dealers or for purchase online. This operation is currently located in Springville; they are looking to relocate to Tooele to build a larger facility. The facility would be 70,000 square feet with 30 acres of the property used for storage of the vehicles. When the company is finished with the cars another company takes them to a recycling plant.

The company is proposing an investment of approximately 14.3 million dollars. They are proposing to hire 45 employees, with approximately 10 of those employees being relocated from their current facility.

Tooele City has an adopted property tax incentive policy. When the company generates property taxes the RDA collects a portion of the tax, which is then used as an incentive for the company. The incentive policy requires the RDA to look at capital investment and the job creation. The jobs to be created have to meet 110% of the county average wage. The county average wage at the end of 2017 was \$3335/month or \$40,020/year. 110% of this wage rate would mean that the RDA would consider an incentive for any job that paid more than \$44,422.

The capital investment is significant for the amount of jobs the company will create. However, the average wage rate does not meet the \$44,422 threshold; the company's average wage rate is \$40,543. Because the company falls short on the wage threshold, but meets the job creation threshold, it is recommended that 25% of the tax increment that is received is given back to company for a period not to exceed three years, or to a cap of \$100,000.

If the company accepts the incentive a participation agreement will be put in place that will require that the company has to make a capital investment and hire employees at the wages outlined in their proposal. Failure to do so constitutes a loss of the incentive meaning that the company has to build the facility, make all of the improvements, and hire the employees before the incentive is given to the company. A letter needs to be sent to the company offering the incentive from the RDA.

Board Member Pruden stated that he feels the incentive sounds reasonable.

Mr. Sant stated that if those 10 relocated jobs had been originated in Tooele the average job wage would have been \$51,000 and the company would have met the 110% threshold, but those jobs have to be discounted since they are being relocated.

Chairman Pratt expressed his concern that the company might get the incentive and only stay for three year incentive period, then relocate after they have received the incentive. Mr. Sant stated that even if the company leaves the building will remain on the property and someone will have to pay property taxes on that. However, the company could come to Tooele, leave, and then dispute the assessed value of the vacant building which would result in a loss to Tooele City.

Mr. Sant recommended having a discussion with outside legal counsel regarding that matter. There's a constitutional provision that states that a City can't prevent a business from disputing their assessed tax value, but a provision might be able to be put in the agreement that if the company relocates after the incentive time period they lose part of the incentive. They might also be able to put in a provision stating that for every year the company receives an incentive they have to remain in Tooele after the incentive has been given. It will take about 5.5 years for the company to remain in Tooele for Tooele to recoup the offered incentive.

Board Member Pruden moved to approve the tax incentive for the company. Board Member McCall seconded the motion. The vote was as follows: Board Member McCall, "Aye," Board Member Wardle,

"Aye," Board Member Pruden, "Aye," Board Member Gochis, "Aye," Chairman Pratt, "Aye." The motion passed.

--Project Update

This agenda item was tabled.

4. Minutes—July 18, 2018

Chairman Pratt asked the Board if they had any concerns or comments about the minutes dated July 18, 2018; there weren't any.

Board Member Gochis moved to approve the minutes from the meetings dated July 18, 2018. Board Member McCall seconded the motion. The vote was as follows: Board Member McCall, "Aye," Board Member Wardle, "Aye," Board Member Pruden, "Aye," Board Member Gochis, "Aye," Chairman Pratt, "Aye." The motion passed.

5. Adjourn

Board Member Pruden moved to adjourn the meeting. Board Member Wardle seconded the motion. The vote was as follows: Board Member McCall, "Aye," Board Member Wardle, "Aye," Board Member Pruden, "Aye," Board Member Gochis, "Aye," Chairman Pratt, "Aye." The motion passed.

The meeting adjourned at 7:46 p.m.

The content of the minutes is not intended, nor are they submitted, as a verbatim transcription of the meeting. These minutes are a brief overview of what occurred at the meeting.

Approved this ____ day of _____, 2018

Brad Pratt, RDA Chair