

SMITHFIELD CITY REDEVELOPMENT AGENCY

JANUARY 23, 2019

The Smithfield City Redevelopment Agency Board met for a specially scheduled board meeting at 96 South Main, Smithfield, Utah on Wednesday, January 23, 2019. Chairman Jeffrey H. Barnes was in the chair.

The following board members were in attendance: Deon Hunsaker, Jamie Anderson, Wade Campbell and Curtis Wall.

Bart Caley was excused.

Executive Director Craig Giles and Secretary Justin Lewis were also in attendance.

The meeting opened at 7:40 P.M.

APPROVAL OF THE RDA MEETING MINUTES FROM JANUARY 9, 2019

A motion to approve the January 9, 2019 RDA meeting minutes was made by Jamie, seconded by Wade and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall

No Vote: None

Absent: Caley

DISCUSSION AND POSSIBLE VOTE ON THE REQUEST BY BRUCE LEISHMAN, AGENT FOR OLD GRIST MILL SMITHFIELD, LLC TO EXTEND THE PURCHASE DEADLINE ON HIS FINANCIAL APPLICATION REQUEST FROM FEBRUARY 28, 2019 TO MARCH 31, 2019.

Chairman Barnes mentioned the original application was tabled and allowed for the purchase of the 7-Eleven parcel to be completed no later than February 28, 2019.

Jamie asked for an update on the purchase of the parcel. Bruce Leishman replied the purchase agreement cannot be completed until the lease between the property owner and 7-Eleven is terminated.

Bruce stated he was not sure when the purchase agreement would be completed since the existing lease has not been terminated.

Bruce asked the board to consider approving the grant application now which was previously tabled. Jamie stated the funds were set aside as the application was tabled. Once the purchase agreement is completed the application will be considered by the board for approval.

Bruce stated he wanted the board to approve the request now as he was concerned he and Curtis Hebdon could purchase the building and the RDA board could deny the request.

Chairman Barnes asked how long the lease agreement is in place with 7-Eleven? Bruce replied 7-Eleven has the property leased through November 30, 2019.

Chairman Barnes asked if 7-Eleven is willing to terminate the lease? Curtis Hebdon stated the property owner stated he would like to terminate the lease but 7-Eleven has yet to make the request.

Jamie mentioned to Bruce he could request to have the timeline extended until November 30th. Curtis Wall mentioned Curtis Hebdon and Bruce want to make sure they have an approved RDA application before they complete the purchase. Jamie replied the board cannot make that commitment at this time. Bruce replied it affects whether or not they purchase the 7-Eleven parcel.

Bruce stated he cannot afford to own the 84 South Main parcel as well as the 7-Eleven parcel without a commitment from the RDA.

Bruce asked the board why they won't consider approving the application now as he did not want to wait for approval at a future meeting. Jamie replied the initial request before the board was favorable but a commitment cannot be made until the property is purchased.

Bruce asked why the application cannot be approved now? Jamie replied because the board tabled the application until the parcel was purchased.

Bruce asked why the application cannot be approved subject to approval of the purchase of the parcel? Jamie replied he was not comfortable setting that type of precedent for the future.

Craig mentioned he consulted with legal counsel and a purchase agreement is considered a legal binding document. The board specifically stated when the application was made they wanted the purchase agreement completed before they would consider voting on the request so they tabled the application until then.

Jamie stated the board is in support of the project and wants to see a business on the parcel.

Chairman Barnes mentioned the original application has been tabled and the funds are being set aside until the request is approved or denied.

Wade mentioned the funds have been specifically set aside for this project and won't be allocated elsewhere until this application is approved or denied.

Bruce stated his and Curtis Hebdon's position is they do not want to complete the purchase agreement if there are not approved funds from the RDA already in place.

Curtis Hebdon asked for the deadline to be extended for a longer period of time on the purchase agreement. Jamie replied Curtis Hebdon is now asking for the deadline to be extended until the lease agreement is over or lease terminated.

Curtis Wall mentioned the board could table the request for an additional 90 days if needed. Jamie replied Bruce and Curtis Hebdon are looking for approval of their application along with an extension on the timeline to complete the purchase agreement.

Curtis Wall stated the property owner has no sense of urgency to sell the parcel as he gets paid by 7-Eleven through the end of November no matter what happens with the building. Curtis Hebdon agreed and stated 7-Eleven is such a large corporation they have not even tried to terminate the lease agreement.

Curtis Wall stated he understood why the funds were being applied for and why the request is being made. Jamie mentioned it is in the best interest of the city to have the building occupied with a business in it. Bruce replied it is better than having a vacant lot.

Jamie mentioned to Bruce and Curtis Hebdon the board has to treat them the same as everyone else. The property needs to be owned by them before the application is considered for approval.

Bruce replied a purchase contract is in place so the board could approve the request now. Jamie replied the funds have been set aside until a final decision is made on the application.

Curtis Hebdon stated other RDA's will approve projects before purchase agreements are completed. Jamie replied he would not commit to the project until the purchase agreement is completed. The funds are being held until the application is approved or denied.

Bruce asked what happens to the funds if the building is not purchased? Jamie replied the application is then cancelled and the funds are then available for other applicants to apply for.

Bruce stated he needed a guarantee from the board the application would be approved as he could not afford to own two parcels.

Wade stated he did not want to have this same type of request from every applicant as well. Jamie agreed and stated the funds for this project have been set aside and won't be allocated elsewhere until the application is approved or denied.

Wade stated he was in support of the project once the purchase agreement is complete. Jamie replied he was as well and did not want to set a precedent for the future by granting the request now before the parcel has been purchased.

Bruce asked the board to contact legal counsel to have them review the request as he felt it was appropriate to have the request voted on now.

Curtis Hebdon stated a purchase agreement is the same thing as owning the parcel. Even the owner of the property signed the RDA application which was submitted. Craig replied legal counsel had already informed the staff a purchase agreement is a legal binding document.

Jamie mentioned the request to approve the application is not on the agenda as well. The only item which can be voted on is extending the deadline to purchase the property.

A motion to approve amending the purchase agreement deadline for Old Grist Mill Smithfield, LLC from February 28, 2019 to March 31, 2019 was made by Deon, seconded by Wade and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall

No Vote: None

Absent: Caley

Bruce asked the board to contact legal counsel to see if their application could be considered before the March 31st deadline.

Chairman Barnes mentioned if the purchase agreement is completed in February the application could be voted on at the February 27th board meeting.

Craig mentioned legal counsel reviewed the RDA documents. The rules are not straightforward. Legal counsel suggested putting some guidelines in place for the future if the board wanted. A guideline would be something such as a parcel must be owned by an applicant before an application can be submitted. The rules of this RDA are old and vague. Some bylaws could be put in place. Chairman Barnes replied he was not sure if additional guidelines are needed where the RDA closes in a year.

Jamie replied the current application has been tabled where it could have been denied. The funds are held until the purchase agreement is completed and then the application voted on by the board.

Jamie asked for a reminder of why another application by a different party was not heard by the board. Craig replied the applicant did not submit a purchase agreement with the application. Bruce submitted a purchase agreement with his application.

Wade asked if it would be appropriate for the board to work with the parcel owner in trying to contact 7-Eleven to help in the process of terminating the lease agreement. Curtis Wall replied that is a great suggestion and could help the process move along. Craig replied at what point does the board decide to help or not help an applicant in the process. Everyone must be treated the same. It is cleaner and easier to accept an application and have the board review and then approve or deny the application.

Curtis Wall expressed concern this issue could continue to drag on as the current owner has no sense of urgency to sell the parcel while he is continuing to get a monthly rent check.

Curtis Wall mentioned he was aware of other vacant commercial buildings where lease payments were being made for as long as an additional three years after the business had been closed down.

Chairman Barnes mentioned he used to work at the USDA (United States Department of Agriculture) and they considered a purchase agreement as ownership.

****A motion to adjourn at 8:05 P.M. was made by Wade.****

**SMITHFIELD CITY CENTRAL BUSINESS
DISTRICT REDEVELOPMENT AGENCY**

Jeffrey H. Barnes, 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 Board will meet in a scheduled meeting at 96 South Main, Smithfield, Utah on Wednesday, **January 23, 2019**. The meeting will begin no sooner than 7:00 P.M.

1. Approval of the RDA meeting minutes from January 9, 2019.
2. Discussion and possible vote on the request by Bruce Leishman, agent for Old Grist Mill Smithfield, LLC to extend the purchase deadline on his financial grant application request from February 28, 2019 to March 31, 2019.

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.