

**SMITHFIELD CITY REDEVELOPMENT AGENCY**

**MAY 10, 2017**

The Smithfield City Redevelopment Agency Board met for their regular monthly board meeting at 96 South Main, Smithfield, Utah on Wednesday, May 10, 2017. Chairman Darrell G. Simmons was in the chair.

The following board members were in attendance: Deon Hunsaker, Barbara Kent, Kris Monson, Jeff Barnes and Curtis Wall.

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

The meeting opened at 8:02 P.M.

**APPROVAL OF THE RDA MEETING MINUTES FROM APRIL 12, 2017**

\*\*\*A motion to approve the April 12, 2017 RDA meeting minutes was made by Barbara, seconded by Kris and the vote was unanimous.\*\*\*

Yes Vote: Hunsaker, Kent, Monson, Barnes, Wall

No Vote: None

**DISCUSSION AND POSSIBLE VOTE ON THE GRANT REQUEST BY DOODLEBUG ACADEMY, LLC**

Mike Jones informed the board the requested two bids for the project had been obtained and submitted. The lower of the two bids is from Ironwood Construction in the amount of \$211,623.13.

Mike stated any assistance the board is willing to offer is appreciated.

Chairman Simmons asked Mike if they were ready to start construction on the project? Mike stated that is correct as the bank cannot finalize their portion of the project until it is known what the RDA board may or may not approve on the grant request.

Chairman Simmons asked Justin to provide an update on other proposed projects in the area. Justin stated the next item on the agenda is for a new building that will allow for up to three businesses in the building. One of the businesses would be a Domino's Pizza and it would be located in the unit closest to the highway. The proposed building would be built directly north of O'Reilly Auto Parts on 800 South.

Chairman Simmons asked if the city engineer had reviewed the Doodlebug building and project? Craig replied that does not happen until the plans are officially submitted.

Kris asked what the total cost of the project is estimated at? Mike replied approximately \$2,150,000.

Barbara asked Mike if he has any concern about the new daycare and preschool facility being built on the north end of town? Mike replied that he is aware of the business. It is an existing business going in a new building. There is a great need in the market for this service and Mike was not concerned about the other business in town.

Jeff asked if the bids he was provided were accurate. The first bid from Ironwood Construction for \$211,623.13 and the second bid from Cameron's Excavating for \$215,958.00? Mike stated that is correct and the request to the RDA was for the bid provided by Ironwood.

Barbara asked if Ironwood was a local company? Curtis stated that is correct. Ironwood is owned by Jeff Jackson who also owns Visionary Homes.

Deon stated he had some concerns on the request. Deon prefers a loan being made as opposed to a grant. Kris asked if a recent precedent had been set by approving grants rather than loans in the past? Craig stated the board needs to decide what the goal of the RDA is. Craig reminded the board the RDA comes to a close at the end of 2019. The amount paid back on a yearly basis on a loan would not be enough to give another applicant very much money for a new project.

Chairman Simmons stated the project is in an area the board wants to see developed. The business will offer a service the community needs filled.

Curtis mentioned he worked with Mike and Amy in the past and they have a passion for children and will bring a much needed business to the city and surrounding area.

\*\*\*A motion to approve the grant request by Doodlebug Academy, LLC (Michael & Amy Jones) in the amount of \$211,623.13 was made by Curtis, seconded by Jeff and the motion passed by a vote of 4-1.\*\*\*

Yes Vote: Kent, Monson, Barnes, Wall

No Vote: Hunsaker

**PUBLIC HEARING ON A GRANT REQUEST BY AGJ ENTERPRISES, LLC FOR INFRASTRUCTURE ASSISTANCE ON A PROJECT LOCATED AT 795 SOUTH MAIN STREET.**

Justin informed the board an application had been submitted by AGJ Enterprises, LLC which is owned by Adam Howes and Jon Beadles. Neither Adam nor Jon was able to attend the meeting as Adam was to meetings in Nebraska and Jon was to training in California.

Jon and Adam want to build a miniature strip mall at 795 South Main on the parcel north of O'Reilly Auto Parts. The building would house up to three businesses.

Jon and Adam asked for the application to be considered even though they were not in attendance as they want to start the project as quickly as possible.

Jon and Adam have already purchased the parcel.

The building plans have been submitted for review and all building fees have been paid to the city.

The intent is to start the project in the month of May, if all of the permits are approved soon.

Jon owns several Domino's Pizza franchises and intends to put a Domino's Pizza business in the east part of the building closest to the highway.

Adam is the general contractor for the construction of the building.

Financing is in place for the project to proceed. Total project cost is in the area of \$1,100,000 to \$1,500,000. The applicants are putting in \$250,000 of their own funds. The request before the RDA is a grant request in the amount of \$120,000.

Two bid packages were submitted. The three lowest bids total \$205,084 and the applicants have requested a grant in the amount of \$120,000 towards this cost.

Of the \$205,084 bid; local contractor Staker & Parson Companies amount is \$168,349 so the majority of the work would be completed by a local contractor.

Both landscape and electrical contractor bids were from local contractors as well.

Barbara asked if the proposed business would be on the vacant lot south of the Pitcher home and north of O'Reilly Auto Parts? Justin stated that is correct.

Curtis asked how the building would be accessed? Justin replied access from the highway was not granted by UDOT so 800 South would be utilized.

*\*\*\*The public hearing was opened at 8:17 P.M.\*\*\**

There were not comments or questions.

*\*\*\*The public hearing closed at 8:18 P.M.\*\*\**

<b>DISCUSSION AND POSSIBLE VOTE ON THE GRANT REQUEST BY AGJ ENTERPRISES, LLC.</b>
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Chairman Simmons mentioned the request is for a grant in the amount of \$120,000 not a loan.

Deon stated he felt more comfortable with this request than the last one as this one would generate sales tax revenue for the city. The total amount requested was also not the total amount of the bids. It was quite a bit less than the total of the bids.

Curtis mentioned the building would look very nice and be good on the highway specifically on a corner lot coming into town.

Jeff felt there were no negatives to the request.

Curtis mentioned the other two areas of the building will eventually have businesses in them as well which could generate sales tax revenue as well.

Jeff asked why the request was in the amount of \$120,000 not the entire amount of the bids? Justin replied the applicants had reviewed other approvals of the RDA board and where they could not attend the meeting they felt this was in line with similar requests. The applicants want to start the project immediately so they were hopeful the project would be approved where the amount was similar to other requests from the past. They did not want to delay the start of the project by asking for a higher amount than previous approvals.

Craig mentioned another positive is the amount of new traffic at the intersection coming from the west would help to qualify for a signal light on the highway in the future. The addition of Doodlebug Academy and Domino's Pizza to this area would increase traffic substantially.

\*\*\*A motion to approve the grant request by AGJ Enterprises, LLC (Adam Howes & Jon Beadles) in the amount of \$120,000 was made by Jeff, seconded by Curtis and the vote was unanimous.\*\*\*

Yes Vote: Hunsaker, Kent, Monson, Barnes, Wall

No Vote: None

**PUBLIC HEARING FOR THE PURPOSE OF DISCUSSING ADJUSTMENTS TO THE FISCAL YEAR 2017 BUDGET AND THE NEW BUDGET FOR FISCAL YEAR 2018.**

Craig informed the board proposed increases to the current budget were for the property tax increment being higher than projected, interest earnings being up as the interest rate on the accounts was higher than a year ago and the addition of the sale of property at 72 North Main to Jaci Bennett.

Expense increases were for the addition of a street light at Lee's Marketplace, the demolition of buildings and cleanup of property where Cantwell Lumber used to be located and infrastructure work at 72 North Main. The amount being transferred to the fund balance would be reduced since expenses were increasing.

Total proposed increases to revenue and expenses are \$90,067.

Jeff asked what would happen if any new requests are made between now and the end of the budget year? Craig replied all new considerations that come before the board would not happen until in the new budget year. There are still funds that have been approved on the Cantwell property project but they won't be utilized until the new budget year.

Jeff asked if anything was currently being done on the Cantwell project? Craig replied not at this time.

*\*\*\*The public hearing opened at 8:28 P.M.\*\*\**

There were not any comments or questions.

*\*\*\*The public hearing closed at 8:29 P.M.\*\*\**

**DISCUSSION AND VOTE ON RESOLUTION 17-01, A RESOLUTION ADJUSTING THE FISCAL YEAR 2017 BUDGET.**

Chairman Simmons mentioned the city has been very lucky to have the RDA and receive funding for other city projects from RAPZ tax funding and the Comcast Cares Day of Service. Multiple projects have been completed at Forrester Acres with RAPZ tax funding. The city council and staff have managed the funds wisely. The community is better off because of these projects. The three recent project approvals by the RDA board are good for business in the city. Adding two new businesses and expanding another one. The splash pad has generated many positive comments from the residents as well.

*\*\*\*A motion to approve Resolution RDA 17-01, a Resolution amending the Fiscal Year 2017 budget for the Smithfield City Central Business District Redevelopment Agency was made by Barbara, seconded by Jeff and the vote was unanimous.\*\*\**

Yes Vote: Hunsaker, Kent, Monson, Barnes, Wall

No Vote: None

**DISCUSSION AND VOTE ON RDA RESOLUTION 17-02, A RESOLUTION ADOPTING THE NEW BUDGET FOR FISCAL YEAR 2018.**

Barbara asked for clarification on where the new sidewalk would be that is proposed in the budget. Craig replied this was the project which had been previously discussed by the board from approximately 480 South Main to 520 South Main on the east side of the highway.

Craig reviewed other line items in the new budget.

Professional services in the amount of \$28,000.

Bruce Leishman has two projects approved at 84 South Main totaling \$58,680.

The remaining balance on the Jaci Bennett project is \$31,500.

Parking lot and other infrastructure work at the Civic Center totals \$122,500.

The redevelopment of Central Park including contributing to the skate park project as well as removing the existing bathroom facility and building a new bathroom facility totals \$300,000.

The approval earlier in the meeting of \$120,000 for the Domino's Pizza project at 795 South Main as well as the Doodlebug Academy project at 60 West 800 South totaling \$211,623.

The total budget is proposed at \$912,303.

Curtis asked if there were any recent updates from Bruce Leishman on the Old Grist Mill project at 84 South Main? Craig stated he had not heard anything recently. Chairman Simmons mentioned he was told the project would start by the fall of 2017.

Craig mentioned the project at the Civic Center would include expanding the parking lot and repairing the parking lot on the south, east and west sides of the building. During the day there is a need for parking by local businesses in the area and they can utilize the parking lot if needed as the majority of city programs at the Civic Center happen in the building at night.

Curtis asked who would utilize the parking area? Craig replied CarSmart has a need. Smithfield Implement has a need during their sales such as Crazy Days. Callaway's Bistro always needs parking. The buildings owned by Marty Spicer need extra parking on occasion.

Craig informed the board the highway is in the RDA as that had been a question in the past that had gone unanswered.

Craig read several sections of the RDA rules stating what is allowed to happen with RDA funds. Eliminating blight, providing vital improvements to a project area and rehabilitating areas were specifically mentioned. Walkways were also specifically mentioned and allowed. All approved projects in the RDA area are in compliance with the RDA rules.

Curtis asked if the master plan was considered as some of these projects are reviewed? Craig mentioned the master plan just identifies areas as parks not specifically what would or would not go in the park area. Deon mentioned the RDA area is actually very small compared to the entire area listed in the master plan.

Chairman Simmons mentioned RDA rules have changed over the years and some of these projects might not be allowed under new RDA guidelines but they are allowed under the guidelines when this RDA was created and established.

Craig mentioned Deon's comments on grants versus loans are appropriate but loans should have been granted at the start of the RDA not at the end. The issue with granting a loan now is the amount of money coming back to the RDA on a yearly basis is not enough to be able to loan or grant very much for another project in the future.

Justin mentioned when the RDA expires the property tax increment will no longer be received yearly but existing loan payments will still come to the RDA until the loans are paid-in-full.

Craig mentioned the city has the option to renew the RDA under current state guidelines but all parties would have to join in again. Right now there is not much support from the school district to be part of any new RDA's.

Chairman Simmons mentioned when a loan is done the RDA is in second position on the loan behind the bank. Interest rates are still very low right now in the private market so it is not very attractive to ask the RDA for a loan at this time.

Barbara asked if \$40,000 was for the new sidewalk only? Craig replied it is for the new sidewalk and associated landscaping that will be required when the new sidewalk is cut into some existing yards.

Jeff asked if the sidewalk would go from Dr. Miles office north to the existing sidewalk? Craig stated that is correct. When the assisted living center is built south of Dr. Miles office the builder will be required to install a new sidewalk as part of their project in front of their building.

Barbara asked if \$300,000 would complete the skate park and other projects at Central Park. Craig replied that is correct. Applications have been submitted for some grant funding for Central Park and if the grants are received the entire amount of \$300,000 would not be needed from the RDA.

Jeff asked if RAPZ tax funding had been applied for at Central Park? Craig stated that is correct.

Jeff asked if the project would include new restrooms? Craig stated a new restroom facility would be built. Jeff mentioned a new restroom facility is needed and the new facility needs to be big enough to include a changing room for those utilizing the splash pad area.

\*\*\*A motion to approve Resolution RDA 17-02, a Resolution establishing the Fiscal Year 2018 budget for the Smithfield City Central Business District Redevelopment Agency was made by Curtis, seconded by Kris and the vote was unanimous.\*\*\*

Yes Vote: Hunsaker, Kent, Monson, Barnes, Wall

No Vote: None

## **BOARD MEMBER REPORTS**

Deon mentioned he talked to the contractor building the new building for Jaci Bennett and the project should start within one to two weeks.

Jeff mentioned he had talked with Gordon Younker of The Family Place and they did not get approved for their CDBG application this year. There were six applications submitted for consideration. The Family Place application was ranked as number four. The first three projects were approved. All three of the approved projects were in the Tremonton area.

Kris mentioned the county will have a booth during the Health Days celebration. Cache County Trails Coordinator Dayton Crites is in charge and doing a great job for the local cities and county.

\*\*\*A motion to adjourn at 8:47 P.M. was made by Barbara.\*\*\*

**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, May 10, 2017. The meeting will begin no sooner than 7:30 P.M.

1. Approval of the RDA meeting minutes from April 12, 2017.
2. Discussion and possible vote on the grant request by Doodlebug Academy, LLC.
3. Public Hearing on a grant request by AGJ Enterprises, LLC for infrastructure assistance on a project located at 795 South Main Street.
4. Discussion and possible vote on the grant request by AGJ Enterprises, LLC.
5. Public hearing for the purpose of discussing adjustments to the Fiscal Year 2017 budget and the new budget for Fiscal Year 2018.
6. Discussion and vote on RDA Resolution 17-01, a Resolution adjusting the Fiscal Year 2017 Budget.
7. Discussion and vote on RDA Resolution 17-02, a Resolution adopting the new budget for Fiscal Year 2018.
8. 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.