

SMITHFIELD CITY REDEVELOPMENT AGENCY

NOVEMBER 14, 2018

The Smithfield City Redevelopment Agency Board met for their regular monthly board meeting at 96 South Main, Smithfield, Utah on Wednesday, November 14, 2018. Chairman Jeffrey H. Barnes was in the chair.

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

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

The meeting opened at 8:37 P.M.

APPROVAL OF THE RDA MEETING MINUTES FROM OCTOBER 10, 2018

A motion to approve the October 10, 2018 RDA meeting minutes was made by Bart, seconded by Jamie and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Caley, Campbell, Wall

No Vote: None

PUBLIC HEARING, NO SOONER THAN 8:00 P.M., FOR THE PURPOSE OF DISCUSSING THE FINANCIAL ASSISTANCE APPLICATIONS BY BRIDGERLAND GROUP, LC. THE PROJECTS ARE LOCATED FROM APPROXIMATELY 100 NORTH MAIN TO 170 NORTH MAIN.

Justin asked Marty Spicer if the property in the project identified as Project "A"/Application #4 was actually owned by him as the county shows the parcel is owned by Gary Anderson? Marty replied he has a purchase agreement with Gary on the parcel but does not currently own it.

Justin informed the board since Marty does not own the parcel; Application #4 has been disqualified and will not be considered. Only parcels owned by applicants can be considered by the board.

Marty informed the board he is trying to purchase the parcel from Gary and his partner so a new road can be built which would go all the way through the block from 100 North to 200 North.

Marty mentioned Project "E" is to redo the parking lot area behind Jim's Grill which is identified as Application #3.

Application #1 is identified as Projects "B", "C" and "D" which would be paving and related work in the inner portion of the block.

Application #2 is to remove the multi-colored storage units behind Jim's Grill and also relocate some electrical poles and wires in the area. The three lowest bids which encompass Application #2 total \$27,487.00.

****The public hearing opened at 8:43 P.M.****

There were not any comments or questions.

****The public hearing closed at 8:44 P.M.****

DISCUSSION AND POSSIBLE VOTE ON THE FINANCIAL ASSISTANCE APPLICATIONS BY BRIDGERLAND GROUP, LC.
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Jamie asked if Application #1 was for paving only? Marty replied it is for paving, pit run, compacting and road base. The removal of some old asphalt would take place as well.

Jamie asked Marty if the project is approved when would it start? Marty said he was not sure but he did not expect it to start this year. Asphalt won't be readily available again until spring.

Jamie asked if all the grading work could be done now and the asphalt work done in the spring? Marty replied the project could start but some of the grading would have to be redone in the spring if it was done now as it would not stay perfect until spring.

Marty mentioned he felt the demolition project which is part of Application #2 could start this year.

Bart asked if additional parking would be created if Application #1 is approved? Marty replied it would help access the back of the buildings from the highway.

Jamie mentioned he was not in support of allocating funds to a project which could not start for six months.

Marty mentioned this project would open up the middle of the block and address parking issues. It is a good use of RDA funds. Significant funding has been spent on the splash pad and the skate park in the area. Allocating funds for this project would improve this area which is the intent of the RDA. The downtown area will be brightened up if this project is approved.

Jamie stated this project would help the area but he was not willing to allocate funds for a project which would not start for six months. Marty replied depending on the weather the project could start as soon as February.

Bart asked which buildings are currently open that creating new parking would help? Marty replied this project would help parking for the building located at 159 North Main but the building is not currently occupied.

Bart asked for an update on the conference room renovation projects discussed at previous RDA board meetings. Marty mentioned the buildings were not being used and would not be rented until the parking lot is redone.

Bart asked which buildings Marty owns are currently open and operating? Marty replied he owns the building at 159 North Main, the theatre, 127 North Main, 131 North Main and 133 North Main. All of these buildings are under construction. None of the buildings are occupied as the construction projects have been delayed for various reasons. The intent was to reopen Jim's Grill in November but it has not happened.

Bart asked if the antique shop is open? Marty replied the only business that is open is Bridgerland Construction which is located on the second floor above Jim's Grill.

Chairman Barnes asked for the width of the new road in Application #1? Marty replied the road will be 24 to 28 feet wide and allow for parking on both sides of the road.

Chairman Barnes asked if people will park anywhere but what is labeled as Project "E"? Marty replied if Application #1 and #2 are approved additional parking will be created in the middle of the block.

Curtis asked for clarification on the demolition of the storage units. Justin replied there are three portions of this project. One is the demolition of the storage units. Facer Excavation is the lowest bid at \$10,937.00. The other two portions of the project are moving and relocating power poles and wiring. The two lowest bids are from D&T Electrical and are \$13,050.00 and \$3,500.00. The total of the three bids for Application #2 is \$27,487.00.

Chairman Barnes asked why the electrical items are included in the demolition project? Marty replied the storage units have electricity and it needs to be moved as well as the power poles.

Bart mentioned he would support Application #2 as it allows for more parking and business access. Wade concurred.

Marty mentioned Application #3 is for Project "E" which is to remove the old asphalt behind Jim's Grill and install new asphalt as well as repair drainage issues.

Bart asked for clarification on the utility relocation portion of this project? Marty replied there are electrical poles throughout the area with overhead wires that need to be moved.

Bart asked if the electrical work in Application #3 was the same as in Application #2? Marty replied that was correct.

Chairman Barnes asked if the low bid was \$61,010 for Application #3? Justin replied that is correct.

Jamie expressed concern that the low bid for Application #3 is \$61,010 and the other two bids were \$135,413.16 and \$140,633.20 respectively. Marty replied in talking with Kyle at Staker Parson they bid the project as if all the base under the existing asphalt needed to be replaced. Jamie replied the Facer Excavation bid did not include some of the line items included in the other two bids. Marty replied he was confident in the bid presented by Facer Excavation.

Jamie stated he was not in favor of tying up funds for projects which cannot start for months. If any of the projects are approved they should have a firm start date. If the start date is not met the funds would be removed and approval cancelled.

Curtis asked how much Marty's first grant approval was for? Justin replied it was for \$60,000 and there is about \$57,000 remaining.

Curtis asked when the first grant was approved? Justin replied in January 2018 if he recalled correctly. Marty replied some of the work is done but not all of it. Chairman Barnes replied those projects should not take a year to complete.

Curtis expressed concern the antique store and Jim's Grill have both been closed this year. Not one building on the block is in operation and open for business. Feng Shui is now not going to open. The grease trap project has not started and does not appear to be starting anytime soon. The first grant application was approved in January 2018 and nothing has been done.

Curtis asked where Chef Oscar is now working? Marty replied he is doing catering for Marty and working at the university while Jim's Grill is remodeled.

Marty blamed the city staff and board for part of the reason Jim's Grill is not currently open. The Utah League of Cities and Towns meetings pushed the September RDA board meeting from September 12th to the 26th. The board wanted the presentation done in a different manner with more bids. Previous applications were denied when a continuance was asked for because of a kidney stone issue.

Marty said he understood the board is frustrated with these projects but he is frustrated with the board as well as his requests have been drug out over several months.

Marty stated he has remodeled 100 bathrooms in 10 years and knows the costs but understands the need for additional bids as required by the board.

Marty stated the back of the buildings is not appealing to new renters or customers but if these projects are approved the area will then attract customers. These projects are a good use of RDA funds. Investors have backed out because requests before the RDA board have been delayed. Bridgerland Construction is not involved in any of the applications so there is not a concern about Marty making money off of the RDA projects.

In Marty's opinion the residents would support these projects.

Marty stated that Gary Anderson will sell him the parcel to the north which will help to open up the block.

Chairman Barnes asked why Jim's Grill was closed? Marty replied because it was not making any money without a banquet room and there were dust problems from the renovation projects in the neighboring buildings.

Chairman Barnes asked how having a banquet room will make Jim's Grill profitable and able to open? Marty replied events with 70 to 300 people could then be held and they are profitable.

Chairman Barnes expressed concern each request is totally different than the previous request and a little project has turned into something monstrous.

Chairman Barnes mentioned the board had already approved one application and it was not complete and the funds used.

Marty asked why the board is confused about the approved grant request? Chairman Barnes replied because the board is wondering why a project approved in January is not complete when it is a rather simple project.

Marty informed the board he talked to D&T Electrical and they said they would have the projects completed before the January deadline. Chairman Barnes asked when Marty last talked to D&T Electrical? Marty replied recently and he has texts and emails to prove it. Chairman Barnes replied the fact is the project is not complete.

Curtis mentioned he talked to Mark Stevens who works for the local health department. Mark said Marty has one of the nicest and cleanest kitchens in the valley. Oscar has an amazing reputation as a chef. People liked eating at Jim's Grill. The restaurant needs to be open. Chairman Barnes concurred.

Curtis mentioned the only Application he would consider supporting is number two which is the removal of the storage sheds. It is up to the investors to decide what they want to do or not do.

Curtis expressed concern Jim's Grill may never open again. It should be open now. The kitchen is good and can be open for business.

Curtis stated giving \$150,000 towards these projects would not ensure any of the businesses were viable or would open.

Curtis stated he would consider applications in the future once some of the businesses are open again and going.

Curtis mentioned having more parking will not open the doors for Jim's Grill. The first grant application needs to be fulfilled and the restaurant open before additional requests are made.

Marty stated Max Gyllenskog said his favorite restaurant was Feng Shui. It was built in 2000. Jorge and Marty started the business. The building was always clean and organized and the new conference rooms will be the same way.

Jamie asked when the banquet rooms would open? Marty replied he thought he was going to get approval from the RDA board at previous meetings to get funding to do the projects but the board did not understand the requests. The board felt they were confused by having all of the projects presented together. The board needs to support downtown businesses.

Marty stated he received over \$1,000,000 in RDA funding in other cities for projects. Those funds were used to help get the businesses going and viable. Right now there is not any parking for the building at 159 North Main. The building will sit vacant until there is parking. The mission of the RDA is to get businesses going. This area is not performing and needs to be opened up.

Jamie asked if the catering business can be opened before the parking issues are resolved? Marty replied parking is needed for 300 people for the banquet rooms. The theatre building is the easiest building to get going. It still needs some work done such as ADA ramps. Work also needs to be completed in the 131 North Main and 133 North Main buildings.

Jamie asked if the restaurant was closed because there is not a banquet room? Marty replied restaurants need time. The owners need to see where to invest their resources. The growth was good. One problem was creating new facilities for Feng Shui. The ability to walk from the restaurant through the antique shop and to the banquet rooms needed to be created. There is a lot of dust from construction. The dust was being pulled into the restaurant. Limited demolition in other buildings proved it was a problem. The intent was to regroup and get ready to reopen in November. There have been setbacks with the investors. Some left because they were tired of waiting. Others had concerns about the costs associated with meeting fire code. When the buildings were opened up to access each other a different set of fire code rules came into play. A new parking lot is needed for the growth of the inner block buildings. All of the remodeling work that can be done without obtaining a building permit has been done. These applications will help the downtown area and restaurant.

Jamie mentioned other projects come in and are ready to start as soon as approved. None of these projects are ready to go. A deadline such as May 30th needs to be put in place. Marty replied the projects could be completed by May 30th.

Jamie asked when the demolition of the storage units could happen? Marty replied he would need to contact the contractor and ask.

Jamie asked how long it will take to empty out the storage units so they can be torn down? Marty replied quite a while.

Jamie expressed concern with no firm dates for projects being committed too.

Wade asked how much funding is available? Justin replied it is around \$120,000 but there might be more now the audit is complete and projects finalized.

Jamie asked who is the project manager for these applications? Marty replied he would be.

Curtis mentioned the board could ask the contractors to come in and speak with the board about dates and timelines. The board made this request when Jaci Bennett had an application before the board.

Curtis mentioned the board is not 100% at fault for the delays on these applications. The applications were confusing, information was missing and fault is on both sides not just the board and staff.

Curtis stated he would support Application #2 but would not support the other applications until the restaurant is open.

Deon made a motion to approve Application #2 in the amount of \$27,487 with the stipulations the contractors supply the board start dates for the project at the December 12th board meeting and the projects be completed no later than 90 days after they start. After discussion there was not a second on the motion and it died.

Wade mentioned Application #2 is in the amount of \$27,487.00. Could the board approve only a portion of that amount? Justin replied the board can approve any amount they choose for the project not exceeding the lowest bids.

Wade stated the board could consider approving \$20,000 or \$24,000 on Application #2 so that Marty owes some towards the project which could incentivize him to get the project done.

Chairman Barnes mentioned parking is not needed since none of the buildings are open.

Chairman Barnes suggested approving the cost to remove the storage buildings and then have Marty come back for parking lot improvement requests when the buildings are open.

Marty mentioned he has loans on all of the buildings. The Cache County Assessor's Office values the storage units at \$90,000.

Wade suggested using the current grant application to get the building worked on and back open.

Marty mentioned Jim's Grill is open for private events.

Curtis cautioned Marty if other applicants make requests the funds could be approved and no funds might be available in the future. Jamie agreed and mentioned he was willing to approve projects which are ready to start now.

Bart asked Marty if the application to remove the storage units is approved will the project happen knowing the RDA is not paying for asphalt to cover the hole left from the removal of the buildings? Marty replied he could not answer that question until he gathered some additional information.

Jamie asked what additional information is needed? Marty replied he is worried about the hole that would be left.

Curtis asked Marty how long he thought the entire renovation project on the buildings was going to take? Marty replied he thought it could be completed in late 2018 or 2019 but that timeline has changed since the original RDA application was for \$250,000 and only \$60,000 was approved.

Marty asked the board to not consider other projects until his applications are considered and resolved.

Curtis asked what research needs to be done to remove some old buildings on the property? Marty replied he has a mortgage on the storage unit buildings and would need to see if they can be knocked down knowing a new parking lot would not be built immediately.

Curtis asked if it was a possibility the mortgage company would stop the buildings from being removed? Marty replied that is a possibility.

Marty asked the board to consider Application #1 first as it was his top priority.

Curtis expressed concern if Application #2 is approved it might not even be allowed by the mortgage company.

Craig informed the board they could table the request and have Marty come back next month with answers to these questions. Wade agreed.

Jamie stated he wanted written verification from Facer Excavation of when they would remove the storage unit buildings.

Craig stated a demolition permit will be needed as well.

Jamie suggested to Marty to obtain the demolition permit now.

Jamie asked Marty if he could get the demolition permit before the December 12th board meeting? Marty replied he thought he could.

Wade stated for the December 12th board meeting he wanted to see a copy of the demolition permit and a letter from Facer Excavation stating when they would start on the project. Bart asked for confirmation from the mortgage company if the request would even be allowed.

A motion to table Application #2 until the December 12th RDA board meeting with the following conditions: (1) the board must be supplied a copy of the demolition permit, (2) Facer Excavation must supply written confirmation of when they would start the project, (3) D&T Electrical must supply written confirmation of when they would start the project and (4) the mortgage company must supply written verification they would allow the storage buildings to be removed was made by Wade, seconded by Jamie and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Caley, Campbell, Wall

No Vote: None

Marty asked for additional feedback on Application #1 and if the board would consider approving it. Bart replied if viable businesses were in operation at the current time he would approve the project. Wade concurred.

Marty asked the board if they had been to the site? Bart replied he attended several meetings and had lunch at Jim's Grill so he was well aware of the area.

Marty asked if anyone had recently toured the 159 North Main location? Grass and trees had been removed so a temporary driving area could be installed.

Curtis mentioned he needed to see results. Curtis said he will vote based on results and right now nothing has been done. No progress has been made on the currently approved project. Wade agreed and mentioned he would like to see Jim's Grill open and the currently approved project finished before approving additional funds.

Curtis mentioned the current kitchen is impressive and so is the chef. There is no reason Jim's Grill cannot be open now. Marty mentioned Jim's Grill had a very hard July and August and a decision was made to temporarily shut Jim's Grill down.

Bart asked if any of the buildings were listed for lease? Marty replied they were not.

Bart asked why he is not advertising the buildings for lease? Marty replied because they are not ready to be occupied.

A motion to deny Application #3, an application identified as for Project "E" was made by Curtis, seconded by Wade and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Caley, Campbell, Wall

No Vote: None

Marty mentioned a lot of the contents from the buildings being renovated are being stored in the building located at 159 North Main so the building cannot be rented until it is cleaned out when the renovation projects are completed.

Bart asked Marty how he knows the buildings won't lease if they are not being advertised? Marty replied he knows based on his business background.

A motion to deny Application #1, an application identified as Projects "B", "C" and "D" was made by Curtis, seconded by Wade and the motion passed by a vote of 4-1.

Yes Vote: Anderson, Caley, Campbell, Wall

No Vote: Hunsaker

Craig mentioned the currently approved application with an outstanding balance of approximately \$57,000 must be completed, inspected and signed off on no later than January 10, 2019 or the funds would become available for other projects.

Chairman Barnes mentioned Application #2 will be discussed again at the December 12th board meeting if Marty provides all of the items required by the board.

****A motion to adjourn at 10:07 P.M. was made by Jamie.****

**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, **November 14, 2018**. The meeting will begin no sooner than 8:00 P.M.

1. Approval of the RDA meeting minutes from October 10, 2018.
2. Public Hearing, no sooner than 8:00 P.M., for the purpose of discussing the financial assistance applications by Bridgerland Group, LC. The projects are located from approximately 100 North Main to 170 North Main.
3. Discussion and possible vote on the financial assistance applications by Bridgerland Group, LC.

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.