

SMITHFIELD CITY REDEVELOPMENT AGENCY

NOVEMBER 9, 2016

The Smithfield City Redevelopment Agency Board met for their regular monthly board meeting at 96 South Main, Smithfield, Utah on Wednesday, November 9, 2016. 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, Police Chief Travis Allen, Fire Chief Jay Downs and Secretary Justin Lewis were also in attendance.

The meeting opened at 8:01 P.M.

APPROVAL OF THE RDA MEETING MINUTES FROM OCTOBER 12, 2016

A motion to approve the October 12, 2016 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

CONTINUED DISCUSSION AND POSSIBLE VOTE ON THE LOAN REQUEST BY DOODLEBUG ACADEMY, LLC

Chairman Simmons informed the board Mike and Amy Jones and Brent Lawyer would not be attending the meeting as they still had some items they needed to clarify before coming before the board.

Chairman Simmons mentioned he had met with Brent several times on the request and Justin and Craig had met with Brent as well.

At this time there is not a firm financial commitment from a lending facility on the project.

The financing for the project has turned out to be hard.

SBA loan requirements vary from lending institution to institution.

The SBA has the right to ask for no other loans to be taken by the project owners for two years.

A local bank looked at financing the project and backed out.

The owners of the proposed project have not been fully vetted yet.

The project cost is approximately 2.5 million dollars with financing paying for about 2.1 million dollars of the project.

The land price is listed as \$330,000 for 0.76 acres which is over \$10.00 per square foot. The cost of the land is high for Smithfield.

Chairman Simmons wanted to see appraisals for the project not just cost estimates.

There is not a firm commitment from a lender at this time on the project.

The RDA would be in third position if the project failed. The bank would have first position and the SBA would have second position.

The numbers on the project need to be fine-tuned before they are brought before the board for consideration.

Chairman Simmons expressed concern for some of the estimated fees. Total fees were estimated at \$71,473 of which there is an SBA Guaranty Fee of \$56,562 included. Most lenders ask for a 1.5% to 2.0% guarantee fee but in this case it is 2.6%. The higher the fee, the higher the risk the bank considers the project.

The bank being considered to finance the project is not local and located in Orem, Utah.

The business plan for the project is good and well detailed.

Curtis expressed concern for the cost of the land being \$330,000 as well.

Chairman Simmons informed the board the letter from the bank is not a commitment letter but a letter stating the bank is interested in possibly financing the project.

Deon asked how much money the owners are putting into the project? Justin stated approximately \$71,500. Deon responded that is not much money to include on a project costing 2.5 million dollars and he was concerned in this regard.

Chairman Simmons mentioned another lending facility suggested to the owners of this project they rent another facility until they are established but the owners did not have an interest in taking the guidance of the bank. They want a new building from the start.

BOARD MEMBER REPORTS

The board did not have any additional items to discuss.

****A motion to adjourn at 8:11 P.M. was made by Barbara.****

**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 Board will meet in a regularly scheduled meeting at 96 South Main, Smithfield, Utah on Wednesday, **November 9, 2016**. The meeting will begin no sooner than 7:30 P.M.

1. Approval of the RDA meeting minutes from October 12, 2016.
2. Continued discussion and possible vote on the loan request by Doodlebug Academy, LLC.
3. 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.