

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

Date: Wednesday, May 2, 2018

Time: 7:58 p.m.

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

Board Members Present:

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

City Employees Present:

Mayor Debra E. Winn
Jim Bolser, Community Development and Public Works Director
Chief Ron Kirby, Police Department
Glenn Caldwell, Finance
Michelle Pitt, City Recorder
Lisa Carpenter, Deputy City Recorder
Randy Sant, Economic Development Consultant
Paul Hansen, City Engineer

Minutes prepared by Amanda Graf

Chairman Pratt called the meeting to order at 7:58 p.m.

1. Open RDA Meeting

The meeting was called to order by Chairman Pratt.

2. Roll Call

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

3. Discussion: Regional Economic Development

Presented by Randy Sant

At their work session meeting in St. George, the RDA discussed coordinating their efforts with Tooele County and Grantsville City in regards to some potential economic development opportunities along the future Midvalley Highway. There are a few parcels that some groups have expressed interest in purchasing and developing along that corridor. This would require improvements such as water, improvement to streets, storm drains, etc. Mr. Hansen has been meeting with the engineers from Grantsville City and the developers to discuss this potential joint effort. Mr. Sant turned the time over to Mr. Hansen to discuss their findings.

Mr. Hansen stated that they were given two tasks by the Council and City administration: 1) analysis of the cost handle the project if it was handled solely by Tooele City, and 2) analysis of the cost if the project were handled by multiple entities including Tooele City and Granstville City. The project area is not currently located within Tooele City limits. Tooele City would therefore have to provide all infrastructure as none exists in that area at the current time.

As presented to the City, the project would consist of four phases. The first phase would be about 250-300 acres. The developer submitted a memorandum to the City which requested that the sponsoring agency front the full cost of providing the required infrastructure that their development would require; payment would then be repaid in tax increments or through some other revenue source as development occurs. As proposed by the developer, the cost of all infrastructure including water, sanitary sewer, storm drain, roadways, power, and rail would be born upfront by the City and/or the County or other municipal providers. Developers always aim high with their cost estimates, with the hope that the cost will be lower than projected. In order to help the Council consider costs, and assuming that Tooele City were the sole supplier, the applicants request would require the following system upgrades:

Culinary Water-- In order to supply the developer with initial service, a new well and new water storage reservoir would need to be constructed because the developer would have fire flow demands in excess of 5,000 gallons/minute. The City would also need to install two separate large-diameter water lines which would cost approximately two million dollars. The developer is also asking that water rights and their availability would also have to be guaranteed. The developers have stated that they might consider repayment of the water rights through impact fees; the City would need to assure them that those rights have been secured. With the exception of water rights, the infrastructure required for initial service would cost in excess of an estimated six million dollars. Again, this is just for water.

Sanitary Sewer--In addition, the developers would need connection to the City's sanitary sewer service. Because of the location of the project, the City can't use gravity flow to the reclamation facility. This project would require a lift station that would be a little bit more involved than a normal one because lift stations have to operate within certain operating parameters. It has to be built so that it can be expanded and upgraded, which would be costly. It would also require installation of approximately two

miles of force main pipe from the service area up to the reclamation facility. This would cost an additional estimated two million dollars.

The reclamation facility would also need to be expanded. It is currently operating at approximately 2.1-2.2 million gallons/day. It's currently designed for 3.4 million gallons/day. Under State regulations the City needs to look at expansion once the facility gets to 80% capacity. The City is 500,000 gallons away from 80% capacity. One of the first users that the developer is looking at would be a food-processing plant. If the project was a food-processing industry the 80% capacity for the reclamation facility would be met immediately and the City would have to look at plans for expansion to that facility.

The reclamation facility expansion is covered by impact fees. The City would be reimbursed as people connected to the facility but the City would be responsible for fronting the cost through bonding or some other funding mechanism. Under the worst-case scenario, our consultants have estimated that it would cost 12-14 million dollars for expansion of the reclamation facility, plus construction of the lift station, and construction of the force main. If built, the City would need to understand that the lift station could be a permanent structure that Tooele City would own, operate, and need to maintain in perpetuity.

Drainage-- The developers have also asked for participation upfront to re-route major drainage coming onto their facility, as well as the construction of roads. Our preliminary estimates is that these two items would cost about seven million dollars. They have also requested financial assistance with upgrading the power substation which would cost about five million dollars.

Given the above information, and assuming that Tooele City were to take on the project as the sole provider itself in its entirety, it would cost approximately 25-27 million dollars for phase one. Some of this expense would be beneficial to future phases, but the cost would still need to be in place for phase one.

As a second condition, the Council also requested a cost analysis for the project if the City partnered with Grantsville City and Tooele County. This would require the creation of service districts that could address the aspects of the project that are most burdensome to Tooele City. Mr. Hansen reported that he has met with the Grantsville City engineer as well as the applicant's engineer several times over the past few days. If the City partnered with Grantsville it would be beneficial to Tooele. Grantsville is in the best position to serve the developer for phase one of the project for both water and sanitary sewer. Grantsville already has a lift station which could satisfy the water and sewage demands for phase one with the exception of a food processing plant which would overwhelm their water and sewage treatment capacity.

Grantsville's water system could handle a portion of the day-to-day flows, but they do not have sufficient ability to meet fire flow demands anticipated by the developer. They currently serve that portion of their City with a single-feed line that comes from wells on the southwest part of the City. Tooele City could extend City water lines to help meet fire flow from the current 12-inch line which used to feed Deseret Peak. This would cost an estimated \$500,000, and would require that we put in a specialty valve which would monitor the pressure in Grantsville's water line. Grantsville would therefore supply the water on a daily basis. If a fire were to occur, that valve would automatically sense the need for water and open. On this way Tooele City could supplement their water line to meet the fire flow requirements.

As they discussed the other costs of storm water, roads, and sewer expansion, the developer backed off a little bit in terms of when the timing would need to be for these various aspects of the project. The developer stated that maybe they wouldn't need to do upgrades to the roads. Quite frankly, that is not a decision that the developer makes. Rather, the requirement for roads is based on demand, traffic safety, and providing ingress/egress lanes, etc. Those upgrades would be up to the jurisdiction of the City (or County) within which the project lies.

There is a benefit to regionalizing services as it helps take off demand in areas that are already overdrawn to the needs of other areas. Although it's possible for Tooele City to supplementally serve the developer for phase one, there are still a lot of questions that would need to be resolved legislatively and administratively amongst the various entities that would be involved. If Tooele City were to be the sole supplier of phase one, it would be their duty to provide the initial approximate cost of 25-27 million dollar range. If Tooele City were to partner with Grantsville City, it would cost an approximate \$500,000-\$1,000,000.

Chairman Pratt asked the Board if there were any questions or concerns.

Board Member Wardle asked if they could get a summary of the information; Mr. Hansen responded in the affirmative.

Chairman Pratt asked the Board if there were any other questions or concerns; there weren't any.

Mr. Sant stated that there is some economy of scale that goes along with regional development. Mr. Sant stated that they could look at creating an inter-local agreement with the three entities that would stipulate which services are being covered by each entity, the tax rate applied, etc. The idea of this study was to give the Board an idea of the cost of the two different options with their associated costs.

Nothing has been signed or agreed to; it's simply been an exploratory project. Mr. Sant stated that the project could be bigger to include a lot more property in the region. The race track will be sold soon; there could be some economic development on that property. Another business was recently looking at property in Tooele County adjacent to the race track. When the Midvalley Highway is completed it could open up the potential for more property development around the airport.

Mr. Sant expressed his agreement with Mr. Hansen that regionalization would be the best option in regards to the financial costs.

Mr. Sant stated that there are three businesses that are in final negotiations with the County that will be opening up their facilities within the next 30 days. Economic development will go along with the growth that the County is experiencing.

Chairman Pratt asked the Board if there were any questions or concerns; there weren't any.

4. Minutes

Board Member Pruden moved to approve the minutes from the meeting dated April 4, 2018. Board Member McCall seconded the motion. The vote was as follows: Board Member McCall, "Aye," Board Member Pruden, "Aye," Chairman Pratt, "Aye," Board Member Wardle, "Aye," Board Member Gochis, "Aye." The motion passed.

5. Adjourn

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

The meeting adjourned at 8:18 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 16th day of May, 2018

Brad Pratt, RDA Chair