

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

**Date:** Wednesday, December 5, 2018

**Time:** 8:17 p.m.

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

**Board Members Present:**

Brad Pratt  
Dave McCall  
Steve Pruden  
Scott Wardle

**Board Members Excused:**

Melodi Gochis

**City Employees Present:**

Mayor Debbie Winn  
Glenn Caldwell, Finance Director  
Roger Baker, City Attorney  
Jim Bolser, Community Development Director  
Stephen Evans, Public Works Director  
Andrew Aagard, City Planner  
Randy Sant, Economic Development Consultant

Minutes prepared by Kelly Odermott

Chairman Pratt opened the meeting at 8:17 p.m.

**1. Open Meeting**

The meeting is called to order by Chairman Pratt.

**2. Roll Call**

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

**3. RDA Resolution 2018-08 A Resolution of the Redevelopment Agency of Tooele City, Utah, Authorizing the Execution of a Tax Increment Reimbursement Agreement (LKQ Auto Parts of Utah) Relating to a Commercial Development in the Tooele Army Depot Economic Development Project Area.**

Presented by Randy Sant

Mr. Randy Sant addressed the Board; he stated that a company named LKQ has purchased 31 acres in the Ningret park. The purpose of their purchase is to put in an auto recovery business. LKQ is a fortune 100 company. They buy automobiles from insurance companies that have been damaged beyond repair. At a facility they then strip the cars of any usable parts and sell those parts worldwide. The fluids are taken out of the cars and they try to recycle what they can. There is usually a frame of a car left and that will be recycled over a six to eight-month timeframe. The RDA is proposing to the company a \$100,000 tax incentive that will be paid over a three-year period. It will possibly be used to help them with building permit costs and construction fees. There are some requirements in the agreement. LKQ has to make a \$15 million capital investment, they are required to hire at least 30 employees with 20 of those having to be from Tooele County and they have to pay 110% average County wage. The average wage of those jobs, not including the salary or benefits has to be \$42,500. Those are the requirements to meet to qualify for the incentive. The incentive is a post-performance incentive meaning the building has to be built, employees have to be hired and paid, then LKQ will have to report to the City that they have met the requirements of the agreement. Those individuals have to be employed for the length of the incentive.

Mr. Sant further stated that if there is a \$15 million-dollar investment the assessed dollar value of that will be \$13.5 Million. That will pay approximately \$195,750 in property taxes. The redevelopment agreement states that the Redevelopment Agency gets to collect 75% of that increment to be used for redevelopment purposes. That is where the incentive will be paid for out of the \$146,812. With 35% of the 75% is 51,384, meaning the incentive will basically be paid back in two years and not three. The remaining 25%, \$48,938 of the property taxes will be going to the school district and County and the City. Currently that piece of property pays zero taxes because it was part of the Army property and for some reason the County tax roll stills shows it at zero. The taxes paid will be new income.

Board Member Prat asked what the time frame for the business was. Mr. Sant stated that under the agreement, the occupancy permit must be done by November 2019, but the company has already started construction and should be open by the summer of 2019.

Chairman Pratt asked if the Board had any questions or comments; there weren't any.

**Board Member Pruden moved to approve Resolution 2018 - 07.** Board Member McCall seconded the motion. The vote was as follows: Board Member McCall, "Aye," Board Member Wardle, "Aye," Board Member Pruden, "Aye," Chairman Pratt, "Aye." The motion passed.

#### **4. Project Update**

Presented by Randy Sant

Mr. Sant stated that there was a small update. In November the City was able to respond to three RFI's. These companies were manufacturing distribution companies that were looking at property in the neighborhood of 5 to 15 acres to build buildings. One wanted to build a 100,000 square foot. That was a company out of Michigan and they wanted to open up a disaster recovery company. He did meet with them and looked at a couple of buildings, but unfortunately the buildings did not have proper ceiling heights for their needs. The other

company wanted 10 acres of property for a 10,000 square foot facility. Mr. Sant stated that it had been a slow month for new projects.

5. **Minutes**

Chairman Pratt asked if the Board if they had any concerns or comments about the minutes dated November 7, 2018; there weren't any.

**Board Member Pruden moved to approve the minutes for the meeting dated November 7, 2018.** Board Member McCall seconded the motion. The vote was as follows: Board Member McCall, "Aye," Board Member Wardle, "Aye," Board Member Pruden, "Aye," Chairman Pratt, "Aye." The motion passed.

6. **Adjourn**

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

The meeting was adjourned at 8:27 p.m.

*The content of the minutes is not intended, nor are they submitted, as verbatim transcription of the meeting. These minutes are a brief overview of what occurred at the meeting.*

Approved this 19<sup>th</sup> Day of December 2018

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Brad Pratt, RDA Chair