

# **BOUNTIFUL REDEVELOPMENT AGENCY**

## **Meeting Minutes of: Tuesday, February 23, 2010**

Location: City Council Chambers, Bountiful City Hall, 790 South 100 East, Bountiful, Utah

Present: Acting Chairman Fred Moss, Board Members Beth Holbrook, John M. Knight, Scott Meyers, Tom Tolman, City Attorney Russell Mahan, City Manager Tom Hardy, City Engineer Paul Rowland, and Redevelopment Director Aric Jensen.

Excused: Chairman, Joe Johnson

### **Welcome**

Acting Chairman Moss opened the meeting at 6:47 p.m. and welcomed those in attendance.

### **Agenda Items**

1. Consider approval of the minutes from the January 26, 2010 meeting.

Board Member John M. Knight made a motion to approve the minutes for January 26, 2010 as drafted. Board Member Beth Holbrook seconded the motion. Voting was unanimous in favor.

2. Continued Item - Consider granting a business development loan to Skills Fitness at 1525 North Main Street, applicant Rick Curtis.

Mr. Jensen presented the staff report. Mr. Curtis and some of the Skill Fitness principals were present.

Mr. Jensen explained that since the previous meeting, Staff has provided the Board with a general accounting of the existing loan portfolio and the amount of reserves available for lending. The City Attorney has also prepared an assessment of the collateral being offered which is attached to this report. Also attached is an analysis of the appraisal dated February 27, 2009. Staff contacted the Appraiser and has made some general modifications based on changes in the market since the appraisal date. This analysis is very general in its assumptions, and is no way to be considered a legitimate update of the certified appraisal – its purpose is simply to provide the Board with a general sense of where the market has gone over the past 12 months. It should also be noted that the value

set forth in the appraisal is only for the primary structure and improvements; the pad sites were appraised separately and are valued at approximately \$1.8 Million, as shown in the staff analysis.

Based on these reports, Staff recommends that the loan be granted as set forth above, and that the collateral for the loan include a personal guarantee as well as the pledge of ownership interest in the Village on Main Development discussed at the prior meeting.

**Recommended Action**

Approve the proposed loan with the following terms and conditions:

Loan Value	\$400,000
Amortization Period	10 years
Balloon Payment (Call)	At end of 5 years
Interest Rate	3%
Payment Schedule	Monthly
Collateral	Personal guarantee of all principals of Skills Fitness, and pledge of interest of all principals of Skills Fitness in the Village on Main, including pad sites.
Other	This offer expires February 23, 2011, is not assignable, and may not be extended

Steve Terry provided to the board members a collateral agreement prepared by their attorneys and explained that Mr. Mahan has reviewed it. He reviewed the agreement, proposed collateral and the value of the Village on Main and the pad sites.

Mr. Mahan explained that the collateral pledge by the applicants is equivalent to a 2<sup>nd</sup> position on a trust deed.

The committee discussed the personal guarantees, personal property as collateral, the value of the collateral, and the overall risks and benefits the project would provide for the city.

Tom Tolman made a motion to approve the loan to Skill Fitness at 1525 North Main Street with the condition, that all three forms of collateral are pledged in a satisfactory form. Beth Holbrook seconded the motion. Voting was unanimous in favor.

**Adjourn**

Acting Chairman Moss ascertained that there were no other items to discuss. Board Member John M. Knight made a motion to adjourn the meeting. Beth Holbrook seconded the motion. Voting was unanimous in favor. The meeting was adjourned at 7:10 p.m.