

Mt. Pleasant City Council
MINUTES
November 9, 2017
3:00 p.m.
SPECIAL WORK MEETING

The Mt. Pleasant City Council held a special work meeting November 9, 2017 at 3:00 p.m.
The meeting was held in Council Chambers, 115 West Main Street, Mt. Pleasant, Utah

1. Welcome:

Sandra Bigler Mayor

2. Roll call:

Justin Atkinson, telephonically, Kevin Stallings, Dan Anderson, Mayor Sandra Bigler, Keith Collier, Heidi Kelso, and Jane Banks, recorder were present. Others in attendance: Monte Bona, Dave Oxman, David Grow and George Jones from Environetics, LC.

3. Approval of Agenda Items:

Keith Collier moved approve the November 9, 2017 Special Work Meeting agenda at 3:00 p.m. 2nd: Dan Anderson All: Aye Motion carried.

4. Discussion/Action for the Purchase of the Depot Property.

Mayor Bigler asked if there were any questions on the purchase of the Depot property. Recorder Jane Banks was asked if she would read into the record the date of the Public Hearing. She reported that the Public Hearing notice was published in the newspaper on January 21, 2016. The Public Hearing was held Thursday, February 4, 2016 at 6:30 pm. The minutes of that meeting were approved by the Council in the February 9, 2016 regular Council meeting. A Special Meeting was also held on February 2, 2016 at 5:00 p.m.

Monte Bona spoke about moving forward with the sale. He spoke to the fact that he had been trying to get Dave Grow to come look at Mt. Pleasant as a place to invest some money, to perhaps make something like a Gardner Village down there where the Depot property is.

Dan Anderson wondered about what goes with the purchase of the property. The property description was done by Jones and DeMille and will consist of the Depot/Caboose, 25 feet into the ballpark and south to the tennis courts and triangle piece between the two roads on the northwest side of the property.

Dave Grow spoke to the Council about the extra \$25,000 for the extra space on the east side of the cars to have enough space for people to walk from one car to the next. They are now proposing to pay \$175,000 which includes the 25 feet into the park and the triangle piece out by the Depot.

The lease agreement states a purchase price of \$150,000 or whatever the appraisal price comes in at. The appraisal price came back at \$147,000 but David Grow agreed to pay \$150,000.

Monte Bona gave a history of the stipulations of the Depot and when Steve Nielsen did the appraisal he took that into consideration.

Keith Collier asked about how far the stipulations go and as long as we keep the information center there, could it become something else. Monte Bona replied yes it could become something else as long as the information center stays there. Monte wouldn't want the historic preservation changed. Keith asked if a restaurant could be in there. The answer was yes. They have a business in there now called, Heartfelt which sells quilting and crafting supplies.

Monte Bona stated, the Depot has a modified listing on the National Historic Register because it was moved. When it was on 5th west, the RDA was created in 1994, and the Depot was going to be burned down because it had become a real hazard. That is when the RDA worked with the Highway Administration to get it moved. Subsequent to that the Hogle Family donated the Caboose to us. If you go inside that building, it has been restored very well. He also told the Council that if someone wanted to they could petition the Highway Administration to change that building but I had a clause put in the lease that these guys wouldn't do that. I asked them to not do that. They agreed to keep the Depot and Caboose as historic buildings.

George Jones spoke to the Council about his opinion of the Depot and Caboose. He felt it should be kept as it is perpetually. It is an antique railroad depot built by the Rio Grande Railroad and it is most likely one of the last of its kind. He has no desire to change the outside. The inside might change so you could run a business in it but the outside needs to stay the same.

Mayor Bigler stated that she feels that it needs to be protected to stay the way it is.

Dave Grow said it was the historic nature of the Depot that attracted us in the first place. It gives a real railroad flavor to what we are going to build there.

Dan Anderson wanted to know if the Caboose will stay where it is by the Depot or will it be moved over by the other train cars. George Jones answered, they would leave it where it is at, although we have another caboose that will be placed on the end of the boxcars that are there.

Dave Grow stated that they would have the caboose closest to the highway because they have all the fantasy.

George Jones showed the Council a model Rio Grande caboose and told them that it would be the same color and have the Rio Grande logo on it.

Mayor Bigler stated that as she understands it when they buy the property they take over all the responsibility for upkeep and liability. They take over everything there.

Dan Anderson asked if they take over the land before the utilities are in, are they going to pay for the utilities to be installed at the property.

Monte Bona answered that the Heritage Area has a grant that was going to help with installing the utilities. Sam Draper, Public Works Director and Shane Ward, the Power Department Superintendent have both gone down and looked at the sight. They said they would be willing to install the utilities if the Heritage Area paid for the materials.

Keith Collier asked where the front of the cars were going to be. He was told the entrance would be on the eastside. The decks will be on the eastside. There is a site plan that has been approved by the County Inspector.

Keith Collier asked what happens to the timeline if we sell this. The timeline has always been an issue.

Dave Grow said we have been telling people we will be open mid-May, 2018, that is when the tourist season begins.

Dan Anderson was concerned about getting the sewer to the boxcars. He said that normally the City doesn't put in the sewer. He was wondering who was going to pay for getting the sewer to the property. He understood the sewer had to come from the trailer park to the Depot property. It was answered that the buyer would be responsible to get the laterals to the main sewer.

Monte Bona was going to call the project engineer to find out where the sewer needed to be brought from.

Kevin Stallings said we do not have the resources to do the line extensions. The developer or contractor has the responsibility to put in the line extensions.

Dan Anderson said it was his understanding that they were going to put the power in the same trench as the sewer. There will be one transformer and one meter that will need to be placed. Dan continued that the power will be in same trench as the sewer but a different level and a master meter will be installed. Once that happens the owner will get the power to the different cars. The labor at the present time because they are buying it will also be the buyer's responsibility.

Dave Grow said the project engineer will get with the utility people to show them where it will need to go.

Kevin Stallings talked about the public/private partnership that we have been able to help towards those expenses but with a purchase that goes away and the owners will be responsible for the entire cost. Kevin continued by saying he thought there should be some 'whereas' in this purchase agreement because of the circumstances surrounding the nature of this project. These 'whereas' are the very things that Dan has been talking about. There needs to be some requirements or stipulations that apply to this project. If you are going to move forward and purchase it we are very concerned about the things that have been expressed. One is the timeline. You are saying that May 2018 is your intended start time but you said that about last May. We will need to be satisfied that this project will move

forward in a timely manner. We want this project to be successful every bit as much as you do. We don't want a project that is in the works for the next five years. We want a project that is up and running. We want some stipulations in this agreement that will assure us that these things happen. I have explained to George a dozen times that we can be your best friend or your worst enemy, if things aren't moving along to the satisfaction of the community.

Dave Grow commented it has taken longer than we thought but you can see now that we are moving down the path that we represented that we would be moving. We made a public relations mistake by not having the cars painted with no graffiti on them before bringing them to the City.

Kevin Stallings said we made the same mistake by allowing them to come, instead of sticking to the original agreement. Kevin had thought it would be better to bring them down and paint them here so, they wouldn't get damaged. It was a mistake and that is why it is important to have these 'whereas' and stipulations in place to satisfy not only the Council but the citizens that are watching this project.

George Jones said he didn't know what the stipulations were and Kevin Stallings said we will spell them out for you, so you can be happy and so the City can be happy. And when things go array we have something we can fall back on. We can re-evaluate this thing and determine the future.

George Jones spoke up and added to what Dave Grow said about being done in May. Dave Grow added that they hope to be a successful, totally rentable, customer happy railway car resort by May. As you know are well aware, we depend on subcontractors for almost everything.

Kevin Stalling interjected that is something else I believe needs to be in the 'whereas'. The stipulations on the contractors and subcontractors that you are referring to. I see George as being a very good project manager but George doesn't have the capability to do all the plumbing, electrical and heating and air conditioning. One of the 'whereas' should stipulate that the construction on the project will be performed by licensed local legitimate contractors approved by the City.

Dave Grow stated they will give local contractors a preference but if we can't get someone local we will need to go elsewhere.

Kevin Stallings stated he agreed with that. It needs to be a preference clause in the agreement. You will deal with the bids but we authorize who performs the work. He then used the painting of the cars as an example. If a licensed legitimate painter had been used the cars would have been painted by now. He also believes that the works needs to be inspected regularly by local inspectors.

George Jones said he agreed with Kevin but if we can't find the contractor locally do you really care where they come from. Kevin answered yes we do care. He continued Keith Collier brought up a good point that if this project is done by local contractors that we are aware of we will know that it will be done legitimately, timely and not only that the people will recognize this is an opportunity to hire local people, not only to build it but to run it.

Keith Collier stated in smaller areas like this, it is important to hire locally. It is good PR.

Kevin spoke to George telling him that people who come from out of town don't know who does a good job and who doesn't. There are a lot of local contractors who have done retrofit and restoration work in Sanpete County. There a lot of historical buildings and homes everything exactly like what you people are doing and we know who they are and the finished product is wonderful. It is when you start these projects not knowing who you are getting involved with, that's when you start and stop, because the first guy doesn't meet your expectations, the second, third and fourth guy comes along. Because expectations whether verbal or written are not met. This project we don't want to see that process go forth because it will just extend that time out. The object of this for you people is to get this thing up and running asap.

George Jones agreed with that and would like to see it put on expedited handling.

Monte Bona added that Keith Collier had some good information from talking to the engineer. Keith Collier stated that after talking to the engineer that he reported that the sewer line stops at the northwest corner of the trailer park down there. The engineer said that there was plenty of fall to get the sewer line all the way. They would take the Depot off the septic tank.

Monte Bona told the Council to consider a 10/31 deadline and you will need to get with Ryan and build in more costs because there will not be enough money in the grant to bring that sewer that distance.

Kevin Stallings said since there are not impact fees that this Council has decided to use line extension fees. So when somebody builds a development whether it is on the outskirts of town or in town they will pay the extension fee to extend the lines to the necessary locations.

Justin Atkinson said the Council or the Planning and Zoning Committee should take a look down there at the potential future growth there. We sometimes put the cart before the horse. We should have had this all figured out before we started building down there. He was concerned about the line interfering with future building of the site.

Mayor Bigler asked if there were any other questions.

Justin asked what the consensus of the Council was concerning the selling of the property as opposed to leasing. He had done some figuring and it would take 36 years to accumulate \$175,000.

Dan Anderson wanted to know if they don't have the grant how will they pay for the utilities to come in. Monte Bona responded that we may be able to use the supplemental grant. He said he needed hard data to know how far the sewer extension was going to have to come.

Monte Bona asked about the Flood Zone. He said it was his understanding that the flooding if any would come into the parking lot.

Kevin Stallings said the Depot and the railway suites are currently in the flood zone. Kevin asked about the wording on the Special Warranty Deed that refers to the \$10.00 and other good and valuable consideration. Dave Grow responded that is standard real estate wording. Most entities don't put the purchase price because of a stamp tax. Kevin then said that maybe we need a purchase agreement and that is where we can put all the 'whereas's. Dave Grow said the checks are going to clear and that's all we are paying, \$10.00 and another \$200,000. Kevin said he would be on board with this thing if we can get all these 'whereas's, these verbal agreements saying yes we will do this and that. This is just one of those things to protect this Council and to protect the citizens of this community, I think they need to be in it.

Monte Bona asked Dave Grow if he would have his real estate attorney prepare the documents noted he was one of the best real estate attorneys in Utah County. Dave Grow agreed to have his attorney prepare the paperwork.

Mayor Bigler said that once all the paperwork was prepared she would sign it.

Kevin Stallings stated that whereas this City is determined to see that this project is successful; and,

Whereas, has the right to stipulate the amount of cars; and

Whereas, the City will require a space of 20 feet between each group of three cars; and

The City would like to see something similar to loading docks with ramps instead of stairs, so that people with physical challenges can wheel up the ramp. We would like to see at least some of the cars to have the loading dock type porch to allow those with wheelchairs and it would be easier for some folks who can't do stairs. Kevin asked if they would be okay in that being put as a stipulation. Dave Grow said a certain percentage could be made to accommodate those with physical challenges. He said we will meet the Federal Standard for handicap accessible.

Keith asked where will people park. They will be parking on the west side of the railway suites.

Kevin said we talked about the painting of the cars, he believes we would like it to look like a legitimate railroad. The cars would be painted the original colors of the different railroad lines with the accompanying symbol. The west side would be like the rail car with the east side having the windows and the decks. Dave Grow said we need at least one window on the west side and we will have a window large enough to get out of if need be.

The discussion went to having a locomotive on the south end with the caboose on the north, so that it looks like it is ready to take off. George explained that there is a gutted out engine in a park in Montana that has the control left in it but are non-operational that they let the kids play in and the kids love it.

The number of cars were discussed. Dave Grow said all we want there right now is the 7 we have plus 2 more. If at a future date it proves to be a good venture and we can do it in a great way we may come back and ask for more.

Kevin Stallings said he would consider a locomotive on one condition that it had a working whistle.

Kevin continued, whereas the owners agree to install all utilities including line extensions to the railway suites locations, specifically the power, sewer, and water.

Justin Atkinson interjected do we have someone in place that can review those plans and do a technical review. He wanted to know if someone was available to do that and how would we be compensated to do a review like that. He wanted to make sure all the utilities meet the APWA that we have adopted. He was wanting an internal review of the plans before the plans are approved.

The first thing we will do is have Sam, Shane and Ryan meet review the plan before anything is constructed.

Kevin Stallings said so what Justin is wanting a stipulation that has a preliminary review of the plans before anything is signed off by the Council and before work proceeds. Justin said that it doesn't need to be the Council. It just needs to be someone who is authorized to review and give it our stamp of approval, that they are happy with the layout, the standards the means and the methods.

Mayor Bigler said that she thinks that the Department Heads should do the review. Justin Atkinson said he would be happy to help in that process.

Kevin Stallings continued with the whereas or stipulation for a timeline for completion. Kevin asked George and Dave what a good timeline would be for them to complete the project. The discussion continued about the contractors and different dates for the timeline was discussed.

George Jones said it takes about 30 to 45 days to do one car.

Keith Collier asked if the cars will be open during the winter. George Jones said that they will be open during the winter.

Mayor Bigler said that Heidi Kelso had to leave but she said that subject to the stipulations, she would be willing to sell the property.

Kevin Stallings asked about the chain link fence and what was happening with that. It was decided that the fence would not have the slats. It wasn't decided if it was 5 or 6 feet high.

The timeline for completion was discussed again. Kevin said that they could open a car at a time. Any cars being done by July 4 celebration, would be a great benefit to the project. Kevin Stallings suggested that the exteriors of the railway cars be completed by May 20, 2018. The full completion date will be May 20, 2019.

Kevin wanted penalties if they don't complete on time.

Dave Oxman, Financial Director, suggested that they accept \$175,000 with an additional \$10,000 added to the amount to go to escrow to be held upon the completion of the exterior and interior completion dates, with \$5,000 per each date either paid to the City as a penalty or given back to Track 89 North.

Kevin Stallings moved to accept \$175,000 with an additional \$10,000 to be put in escrow. \$5,000 to be distributed either to the City as a penalty or back to Track 89 upon the first completion date of May 20, 2018 to have the outside exterior completed. The remaining \$5,000 would be held until the second completion date of May 20, 2019 and distributed either to the City as penalty or back to Track 89 according to the interior of all the railway cars being completed.

2nd: Keith Collier.

Roll Call: Keith Collier – yes; Heidi Kelso – yes; Dan Anderson – yes; Justin Atkinson – yes; and Kevin Stallings – yes.

5. Adjourn: 4:46 pm

Jane Banks
Recorder