

Approved 4.11.2017

MINUTES OF THE DRAPER CITY COUNCIL SPECIAL MEETING HELD ON TUESDAY, MARCH 23, 2017, IN THE DRAPER CITY COUNCIL CHAMBERS, 1020 EAST PIONEER ROAD, DRAPER, UTAH

PRESENT: Mayor Troy Walker, and Councilmembers Bill Rappleye, Jeff Stenquist (joined the meeting via telephone), Alan Summerhays, Marsha Vawdrey, and Michele Weeks

STAFF PRESENT: David Dobbins, City Manager; Mike Barker, City Attorney; and Rachelle Conner, City Recorder

Special Business Meeting

[11:00:24 AM](#)

1.0 Action Item: Approval of Addendum #1 to Real Estate Purchase Contract with Blue Bison to Extend the Contract to June 23, 2017

[11:00:49 AM](#)

1.1 David Dobbins, City Manager, explained that the current contract expires March 23, 2017, and the proposal is to extend the expiration by 90 days. He had discussions with the developer about the timing of the County's decision on holding a conservation easement and other properties. Those issues cannot be resolved under the existing contract. He received an email from Salt Lake County saying they intend on having this conservation easement on their agenda the following Tuesday to show their intent. This action will not adjust anything but the expiration date.

[11:02:26 AM](#)

1.2 Mayor Walker said the only property they surplused is the 110 acres. They were considering surplusing the other property. Mr. Dobbins said this contract is for the 110 acres and not for anything else. Mayor Walker said he does not think the conservation easement has anything to do with this project.

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1.3 Jake Satterfield, applicant, said the original offer was submitted April 2016. It was posted in a public way, giving competitors time to submit bids as well. Mr. Satterfield requested that his offer be kept private, making it only accessible through request, but it was not. They had to increase their offer by about \$2 million. Once under contract they identified the extreme off-site costs and additional land needed. The additional land lining the access road coming off Highland Boulevard or Suncrest Drive would make sense; however, it does not make sense to have a 4,000-foot road put in with utilities without being able to sell or develop along that road to help offset those costs. In addition to the road, there is a need for a large water tank. The off-site costs were very high. The request was originally to surplus and somehow add those costs into the 110 acres, making it all a larger development. It may have needed to go to its own bid process. The idea was to make the development more efficient. This started becoming a high-risk development with all the

costs associated with the long road. The development plans were being made public on Draper's website, which Mr. Satterfield said was being used as scare tactics. Inaccurate information was being used as opposition. At the time of the meeting a decision was postponed to consider the opposition more thoroughly. Mr. Satterfield said he has been waiting for that decision. The waiting period turned into a conservation easement meant to address the concerns of those that think the surplus would segue to additional surplus and development. They started waiting for decisions to be made by the County to support the conservation easement which would give Draper the ability to show there would be no additional surplus. This process then turned into another two weeks. He asked for the Council's support in getting an extension. He said he wants to preserve a good relationship with Draper.

11:13:02 AM

1.4 Mayor Walker stated that the entire Council was present.

Mayor Walker asked if this real estate contract included any property other than the 110 acres. Mr. Dobbins answered affirmatively. The road that goes to the 110 acres in question is not part of the contract; however, it is a public road which runs through City property and therefore, surplus is not required. Mayor Walker asked if there were any addendums that added in the surplus property. Mr. Dobbins said no and that it should be assumed that the contract strictly referred to the 110 acres. Mayor Walker clarified that what the Council is being asked to decide is to whether or not to extend the time for purchase of the 110 acres. Mr. Dobbins stated that was correct.

11:14:33 AM

1.5 Councilmember Summerhays asked at what point in time the applicant would come back to ask for the additional property.

Mr. Dobbins said that was a separate matter that cannot be tied to this action. He reminded the Council that the direction they gave on the additional surplus property was that they would consider it after the easement is in place for the rest of the property. There is still a lengthy process they must go through with the conservation easement before the decision on the additional surplus land would be made.

11:15:16 AM

1.6 Mayor Walker said he thinks it is important to know when negotiating with City government, they are negotiating with five people who only speak when they vote, and they only vote when there is something on the agenda. They are incapable of acting until it is something upon which they can legally act. The applicant may have been confused. The 110 acres is for sale. If he had a vote he would surplus the rest as well. With respect to the conservation easement, they aren't doing it for public relations purposes. They want to preserve the land in question. They are going to define the parameters of the conservation easement, and the City's timeline is not the same as the applicant's. There is nothing that could push the conservation easement up unless the Council wanted to change their minds on the matter. The real issue is whether the applicant wants to buy the 110

acres. The will of the Council is to not talk about other parcels until the easement is defined. The 110 acres is for sale, and the applicant has an offer on it.

[11:17:37 AM](#)

1.7 Mike Barker, City Attorney, said per the Council's rules on electronic media, they should inquire as to whether Councilmember Stenquist has heard the discussion. Councilmember Stenquist confirmed that the discussion was audible on his end and he had no comments to make.

[11:18:09 AM](#)

1.8 Councilmember Vawdrey moved to approve addendum #1 to the real estate purchase contract with Blue Bison. Councilmember Summerhays seconded the motion.

[11:18:39 AM](#)

1.9 Councilmember Summerhays said one reason why he wants to do this purchase contract and extend the deadline is because the buyout price keeps getting larger with time. There were several pieces of property the City needed to sell to reduce a bond and put the balance into a conservation easement. He wants to get rid of the debt on this property.

[11:19:51 AM](#)

1.10 Councilmember Vawdrey said she does not see a downside to Draper City approving this extension.

[11:20:04 AM](#)

1.11 Councilmember Rappleye said this is a process the Council must follow. It is not a public relations move to try to get the rest of these properties under conservation. It has been their plan all along to do so. They had to find a way to pay off the bond, so the contract is important to them. They also knew that when someone bought it, it would be a difficult undertaking because of the property's locations and connections. They have a responsibility to keep taxes down, pay bonds off in a timely fashion, keep debt out of the City, and balance the budget every year. It is reasonable to extend the contract, and now the applicant has a responsibility to follow through on his end of the agreement.

[11:21:56 AM](#)

1.12 Councilmember Weeks said when the applicant went into contract with the City to see if the project was viable, the City was very nice and said they would construct a City road that would access the 110 acres. They didn't guarantee that they were going to allow him to build houses along the 110 acres. That wasn't part of the original contract. She sees that the applicant has put in the time, but he has not been able to put in a second access.

[11:22:55 AM](#)

1.13 Councilmember Stenquist said there have been delays in the process that were not in the control of the developer and in some cases, not in the control of the City. He said it is important when dealing with different parties that they try to be fair. The developer has put a lot of time and effort into this matter, and because some of the delays are not the

developer's fault and would be damaging to him, approving an extension is a fair thing to do. He said three months will go by fast. He expects they may be in the same situation three months from now where they still don't have a conservation easement in place. It is in everyone's interests to take that into consideration so they don't end up in a similar situation in three months.

[11:24:42 AM](#)

1.14 Councilmember Weeks said she agrees they do need to surplus this land and they need to pay off debt, but she is concerned with the extension that it could keep another potential buyer from looking at the land in question.

[11:25:02 AM](#)

1.15 Mayor Walker said this property is already surplus. It is very possible that the Council may want to surplus the other property the applicant is interested in. He said the goals of the Council have been well-stated.

[11:25:43 AM](#)

1.16 **A roll call vote was taken with Councilmembers Rapple, Stenquist, Summerhays, and Vawdrey voting in favor. Councilmember Weeks voted no. The motion passed 4-to-1.**

[11:26:02 AM](#)

2.0 **Adjournment**

[11:26:05 AM](#)

2.1 **Councilmember Summerhays moved to adjourn the meeting. Councilmember Rapple seconded the motion.**

[11:26:06 AM](#)

2.2 **A roll call vote was taken with Councilmembers Rapple, Stenquist, Summerhays, Vawdrey, and Weeks voting in favor. The motion passed unanimously.**

2.3 The meeting adjourned at 11:26 a.m.