Council Meeting of August 14, 2019

Agenda Item No.:

REQUEST FOR COUNCIL ACTION

SUBJECT:

Resolution 19-146, authorizing the Mayor to execute a Development Agreement, between the City of West Jordan and Seefried Development

Management, Inc.

SUMMARY:

This Resolution authorizes the Mayor to execute a Development Agreement, as attached, with the Developer, Seefried Development Management, Inc., for the construction and installation of storm drain, sewer, water, and road infrastructure near the approximate 80-acre

development located on the Northeast corner of Old Bingham Highway and Bacchus Highway. The off-site infrastructure is expected to bring economic development to West Jordan and pave the way for future development in the surrounding area. The City will construct and install a regional detention pond to collect water from stormwater runoff from Seefried's development

and surrounding areas.

FISCAL/ASSET IMPACT:

There is no fiscal impact for the current fiscal year. The City will use anticipated 2020 stormwater funds to construct and install the regional detention pond. The Developer will be constructing approximately \$3.6 million of offsite infrastructure that will be dedicated to the City once completed.

STAFF

RECOMMENDATION: Staff recommends <u>approval</u> of this Resolution and Agreement.

MOTION

RECOMMENDED:

"I move to <u>approve</u> Resolution 19-148, a Resolution authorizing the Mayor to execute a Development Agreement, as attached as Exhibit A, between the City of West Jordan and Seefried Development Management,

Inc."

Roll Call Required

Prepared and to be presented by:

Recommended by:

Nate Nelson

City Engineer

Development Services Director

Authorized for Council Consideration:

Reviewed for Legal Sufficiency:

David R. Brickey

City Manager

Jared C. Tingey

City Attorney's Office

BACKGROUND INFORMATION:

City staff has been negotiating for many months with Seefried Development Management, Inc. (Seefried) to locate and construct a large distribution and warehouse facility at least one million square feet in size located on an 80-acre parcel on the Northeast corner of the intersection of Old Bingham Highway and Bacchus Highway.

This development will be the first major development in the area and is expected to bring additional development. This location is also adjacent to the area that the City is working to designate as a megasite. City staff anticipates that the construction and installation of off-site improvements, including the sewer, storm drain, water, and road infrastructure surrounding the development will enable other significant development in the nearby areas. The costs associated with the construction and installation of the proposed off-site infrastructure is estimated to be approximately \$3.6 million. In return, the City has agreed to construct a regional detention pond by December of 2020.

The City Code requires that Developers construct certain infrastructure necessary to service their development, and if requested by the City, infrastructure that will benefit other developments known as "system improvements." The City Code also allows developers to request reimbursement for the costs of constructing system improvements. In this case, the Developer is not requesting any reimbursement through future impact fees or otherwise. The City is receiving approximately \$3.6 million in system improvements, including the \$800,000 of upsizing of infrastructure with no request for any reimbursement.

The main points of the Development Agreement are as follows:

Developer's Obligations:

- Acquire necessary real property interests or easements for the construction and installation of the off-site improvements.
- 2. Dedicate the acquired real property to the City of West Jordan, in a form approved and acceptable to the City Attorney.
- 3. Construct and install the required public infrastructure improvements in accordance with the City specifications (For more details, see Exhibits B and C of the Development Agreement).
- 4. Dedicate the off-site improvements and other necessary property interests to the City.
- 5. Developer waives any rights to be reimbursed for putting in the off-site improvements.
- 6. If requested by the Redevelopment Agency of the City of West Jordan ("RDA"), the Developer will assign any rights it has to reimbursement to the RDA.

City's Obligations:

1. Construct a regional detention pond by December of 2020.

THE CITY OF WEST JORDAN, UTAH

A Municipal Corporation

RESOLUTION NO. 19-148

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF WEST JORDAN AND SEEFRIED DEVELOPMENT MANAGEMENT, INC.

WHEREAS, the City Council of the City of West Jordan has reviewed the Development Agreement (a copy of which is attached as Exhibit A); and

WHEREAS, the City Council of the City of West Jordan desires that the aforementioned Agreement be executed by the Mayor; and

WHEREAS, this Development Agreement will provide for the health, safety, welfare, comfort, and convenience of the citizens of the City of West Jordan;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST JORDAN, UTAH, AS FOLLOWS:

- **Section 1.** The Mayor is hereby authorized to execute the Development Agreement with Seefried Development Management, Inc.
- Section 2. This resolution shall take effect immediately.

Adopted by the City Council of West Jordan, Utah, this 14th day of August, 2019.

ATTEST:	THE CIT	Y OF WEST JO	RDAN
JAMIE BROOKS, CMC	JIM RID	ING	
Interim City Recorder	Mayor		
Voting by the City Council:		"YES"	"NO"
Council Member Dirk Burton Council Member Kayleen Wh Council Member Zach Jacob Council Member Chris McCo Council Member Chad Lamb Council Member Alan Anders Mayor Jim Riding	nitelock		

DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is entered on the Effective Date as defined below, by and between SEEFRIED DEVELOPMENT MANAGEMENT, INC., a Georgia corporation ("Developer"), and the CITY OF WEST JORDAN, a Utah municipality ("City"). Developer and City are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

- A. Developer intends to develop approximately 76.11 acres of real property as part of a planned industrial development commonly known as "Project Lonestar" located at the northeast corner of Old Bingham Highway and Bacchus Highway (the "Project"), in West Jordan City, Utah, as described and generally depicted in Exhibit A. Developer's property within the Project will be known as Lot 1 of the Lonestar Subdivision plat, which plat encompasses approximately 80.84 acres of real property.
- B. Developer recognizes that existing infrastructure in the area of the Project is inadequate to service the Project and that to facilitate development, the construction of certain off-site improvements ("Off-Site Improvements") is necessary to bring infrastructure and utilities to the Project and the surrounding area. Such infrastructure is described in Exhibit B and generally depicted in Exhibit C.
- C. The Parties recognize that the Project and other future development will require a regional detention pond (the "**Detention Pond**") in order to manage stormwater runoff from the Project and surrounding areas. Such Infrastructure is described in <u>Exhibit B</u> and generally depicted in <u>Exhibit C</u>.
- D. Developer recognizes that to complete the Project on the Developer's desired schedule, the Detention Pond must be built sooner than currently scheduled in the City's capital facilities plan.
- E. The Parties desire to enter into this Agreement to set forth the obligations of each Party with respect to the development of the Project, and more specifically the Off-Site Improvements and Detention Pond.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and covenants herein contained which consideration is acknowledged to be adequate and legally sufficient, the Parties agree as follows:

Developer Obligations.

a. Developer shall, at its own expense, acquire real property necessary to construct all Off-Site Improvements and shall dedicate and/or convey the acquired real property and Off-Site Improvements to City, in a form previously approved by the City Attorney.

- b. Developer shall, at its own expense, construct and install or cause to be constructed and installed the Off-Site Improvements in accordance with (i) this Agreement, (ii) the 2009 City Code, as amended, (iii) City standard specifications, (iv) the final approved subdivision plat, (v) the final issued-for-construction engineering plans and drawings, and (vi) other applicable laws, building codes, and industry standards, (collectively, the "Governing Standards"). The City has the right to inspect, at any time, the construction, installation, or operation of the Off-Site Improvements to determine whether the product conforms to Governing Standards.
- c. The City shall accept the Off-Site Improvements once constructed, complete and installed according to the Governing Standards. Developer understands and agrees that deviation from the Governing Standards may, in addition to other consequences, affect the ability of Developer to complete the Project at all or in accordance with a construction schedule. City will not be liable for such delay caused by departure from the Governing Standards.
- d. Developer has no right to be reimbursed for any expenses or costs, whether monetary or non-monetary, arising out of or related to Developer's obligations in this Agreement. If it is later determined that Developer does have rights to reimbursement by provisions of State or City Code, by judicial or administrative proceedings, by future developers, or otherwise, Developer waives such right to reimbursement and agrees to assign its right to reimbursement to the Redevelopment Agency of the City of West Jordan ("RDA") upon RDA's request and in a form approved by RDA as permitted under West Jordan City Code Section 8-3B-1 et seq. If at any time the RDA requests to be reimbursed from the City's future impact fees, as is permitted by City Code Section 8-3B-1 et seq., the amount reimbursed will be determined by the lesser of (i) actual costs (if available) and (ii) an estimate drafted by the City Engineer ("Engineer's Estimate"). The Engineer's Estimate, once established by the City Engineer, shall be conclusive and will not be disputed by Developer in determining the reimbursement amount.

City's Obligations.

- a. City shall construct and install, conditional upon adequate City funding, the Detention Pond in accordance with the Governing Standards.
- b. Developer's obligation with respect to the construction and installation of the storm drain system portion of the Off-Site Improvements cannot be completed until the City constructs and installs the Detention Pond.
- 3. Ownership of Off-Site Improvements. City shall own the Off-Site Improvements in fee title absolute, together with the lands, rights-of-way and easements dedicated to the City. Ownership shall be with the City upon: (i) completion of construction of the Off-Site Improvements by Developer; (ii) inspection, approval, and written acceptance by the City, and (iii) dedication or conveyance of the real property and off-site improvements in a form approved by the City Attorney. The City will assume responsibility for all maintenance, repair and replacement of the Off-Site Improvements once they are accepted by the City, except for the Developer's

improvement warranty obligations under Title 8, Chapter 3, Article C of the West Jordan City Code and the Utah Municipal Land Use Management and Development Act.

- 4. Governing Standards. The Governing Standards and additional documents or agreements that may be entered by or among the Parties or which relate to or govern the development of the Project are to be interpreted to be complimentary to one another. However, should a conflict exist among the Governing Standards, the hierarchy of Governing Standards shall be as follows:
 - a. Provisions of this Agreement
 - Exhibits to this Agreement
 - c. The final approved subdivision plat
 - The final issued-for-construction engineering plans and drawings
 - e. The City Code and state law
 - f. City standard specifications
 - g. Other applicable laws, building codes, and industry standards
- 5. Default and Cure. No failure or default by either Party shall result in the termination or limitation of any right hereunder or the exercise of any rights or remedies with respect to such failure or default unless and until the defaulting Party shall have been notified in writing of such default and shall have failed to remedy the specified failure or default within fourteen (14) days after the receipt of said written notice (or, if the cure thereof cannot be completed within fourteen (14) days, then a reasonable period of time, provided the Party diligently and continuously pursues such cure to completion).
- 6. <u>City Representations and Warranties</u>. City represents, warrants, and agrees as follows as of the Effective Date:
- a. City has full power and authority to enter into and perform all obligations under this Agreement and to execute and deliver this Agreement. Any and all hearings, ordinances, warrants, and approvals prerequisite to the execution and delivery of this Agreement have been held, enacted, or granted, and full compliance with all notices and hearing requirements under applicable law have been
- b. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or contravene any law, order, rule, or regulation applicable to the City or to the City's organizational or governing documents, (ii) result in the breach of any term or provisions or constitute a default under any agreement or other instrument to which the City is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity or any indebtedness or other obligation of the City.
- c. This Agreement constitutes a valid and binding obligation of the City, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency, and other laws of general application affecting creditors' rights.

- 7. <u>Developer's Representations and Warranties</u>. Developer represents, warrants, and agrees as follows as of the Effective Date:
- a. Developer has the unencumbered right and full authority to enter into this Agreement without the consent or approval of any other person or entity.
- Developer is duly organized, validly existing, and in good standing under the laws of the State of Delaware.
- c. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement will not conflict with or contravene Developer's organizational or governing documents.
- d. This Agreement constitutes a valid and binding obligation of Developer, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency, and other laws of general application affecting creditors' rights.
- 8. <u>Notices</u>. Any notice required to be given the Parties shall be deemed to have been received within five (5) days after such notice is sent by first class mail, postage prepaid, and certified, to the following individuals, who hereby represent themselves as having full authority and ability to act under Agreement on behalf of their respective entities:

Developer:

Robert Guerena

SEEFRIED DEVELOPMENT MANAGEMENT, INC.

2201 E. Camelback Rd., Suite 225B

Phoenix, AZ 85016

with a copy to:

Wade Budge

SNELL & WILMER L.L.P.

15 West South Temple, Suite 1200

Salt Lake City, UT 84101

City:

Development Services Department

WEST JORDAN CITY

8000 S. Redwood Road, 2nd floor

West Jordan, UT 84088

with a copy to:

Jared C. Tingey

WEST JORDAN CITY

8000 S. Redwood Road, 2nd floor

West Jordan, UT 84088

Miscellaneous.

- a. <u>Indemnification</u>. Developer shall indemnify City for any losses, liability, and damages that may arise out of or relate to Developer's performance of obligations under this Agreement, provided, however that no party shall be entitled to consequential, special, incidental, indirect, exemplary, or punitive damages of any kind.
- b. <u>Governing Law and Venue</u>. This Agreement shall be interpreted and construed in accordance with the laws of the State of Utah. The parties consent and stipulate that the exclusive venue of any arbitration and or court proceeding under this agreement, shall be in Salt Lake County, Utah.
- c. <u>Binding Agreement</u>. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Parties.
- d. <u>Severability</u>. The provisions of this Agreement are severable, and should any provision hereof be void, voidable, unenforceable or invalid, such void, voidable, unenforceable, or invalid provision shall not affect the other provisions of this Agreement.
- e. <u>Exhibits and Recitals</u>. The Recitals set forth above and all exhibits to this Agreement are incorporated herein to the same extent as if such items were set forth herein in their entirety within the body of this Agreement.
- f. <u>Entire Agreement/Amendment</u>. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understandings of the Parties, oral or written, regarding the subject of this Agreement are hereby superseded and merged herein. This Agreement may not be modified except by an instrument in writing signed by the Parties.
- g. <u>Attorney Fees.</u> In the event any action or proceeding is taken or brought by either Party concerning this Agreement, the prevailing Party shall be entitled to recover its costs and reasonable attorney fees, whether such sums are expended with or without suit, at trial, on appeal or in any bankruptcy or insolvency proceeding.
- h. <u>No Waiver</u>. The failure of either Party to exercise in any respect a right provided for in this Agreement shall not be deemed to be a subsequent waiver of the same right or of any other right.
- i. <u>Interpretation</u>. This Agreement shall be interpreted in a neutral fashion, and ambiguities herein shall not be construed against any Party as the "drafter" of this Agreement.
- j. <u>Future Acts</u>. Each Party shall perform such other acts, and execute and deliver such further documents and instruments, as the other Party may reasonably require to complete the transaction contemplated herein.
- k. <u>Headings</u>. The headings used in this Agreement are inserted for reference purposes only and shall not be deemed to define, limit, extend, describe, or affect in any way the meaning, scope, or interpretation of any of the terms or provisions of this Agreement or the intent hereof.

- l. <u>Counterparts</u>. This Agreement may be signed in any number of counterparts with the same effect as if the signatures upon any counterpart were upon the same instrument. All signed counterparts shall be deemed to be one original. Electronic and scanned signatures shall bind the Parties.
- m. <u>Effective Date.</u> The effective date ("Effective Date") of this Agreement is the date upon which the last Party executes this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have signed this Agreement as of the date corresponding to their signature.

	<u>CITY</u> :
	WEST JORDAN CITY, a Utah municipality
	By:
ATTEST:	
Jamie Brooks City Recorder	
	DEVELOPER:
	SEEFRIED DEVELOPMENT MANAGEMENT INC., a Georgia corporation By: Name: COSEICT S WILLIAM Title: PROSIDENT Date: 4919

EXHIBIT A DEPICTION OF PROPERTY

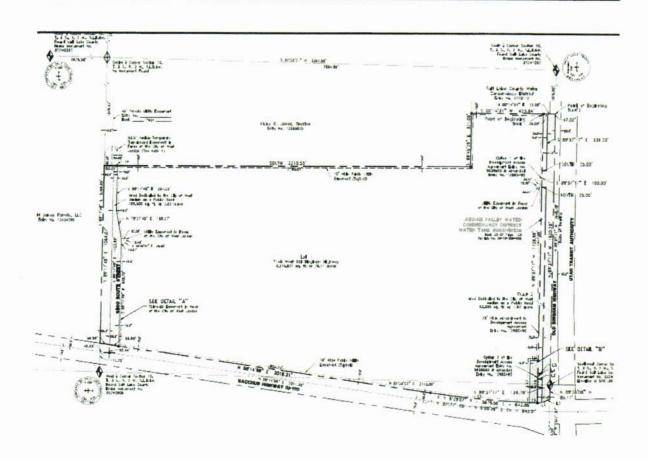


EXHIBIT B DESCRIPTION OF OFF-SITE IMPROVEMENTS

A. Storm Drain

a. Storm Drain System.

- Developer to design and, once approved by the City, shall install a new storm drain main line (the "Storm Drain System"), from Bacchus Highway, east along 9800 South and turning north to connect to a future regional detention pond (the "Detention Pond").
- ii. The Storm Drain System is depicted on <u>Exhibit C</u> as the "Proposed WJ 24" Storm Drain Main designed and installed by Lonestar Project (Length = 1,015')"; the "Proposed WJ 30" Storm Drain Main designed and installed by Project Lonestar (Length = 2,690')" and "Proposed WJ 30" Storm Drain Main designed and installed by Project Lonestar (Length = 2,475')."
- b. <u>Regional Detention Pond</u>. City is obligated to construct the Regional Detention Pond. City acknowledges and agrees that in order for Developer to install the Storm Drain System, City must complete construction of the Regional Detention Pond no later than <u>December</u> 31, 2020.

B. Sewer.

a. 9800 South Sewer Main.

- i. Developer to design, and once approved by the City, shall construct a new public sewer system (the "Sewer System"), from Bacchus Highway, east along what will become a street named "9800 South", north to New Bingham Highway to tie into existing sewer services (the "9800 South Sewer Main").
- The 9800 South Sewer Main will connect to the sewer mains previously installed by City.
- b. <u>Sewer System</u>. Developer to design, and once approved by the City, shall install those portions of the Sewer System depicted on <u>Exhibit C</u> as the "Proposed WJ 12" Sewer Main designed and installed by Developer (Length = 3,720')" and the "Proposed WJ 15" Sewer Main Designed and Installed by Developer (Length = 3,330')."

C. Water.

a. 9800 South Water Main.

- i. Developer to design, and once approved by the City, shall construct a new public water system (the "Water System"), from Bacchus Highway, east along what will become a street named "9800 South" (the "9800 South Water Main"). The 9800 South Water Main is depicted on Exhibit C as the "Proposed WJ 16" Water Main designed and installed by Developer (Length = 1,120")."
- b. <u>Fire Line Loop</u>. Developer to design, and once approved by the City, shall construct a private fire line loop around the Project and all domestic water taps onto the Project's site.

c. Water System.

- i. Developer shall design, and once approved by the City, shall install those portions of the Water System along Bacchus Highway and Old Bingham Highway depicted on Exhibit C as the "Proposed WJ 16" Water Main designed and installed by Developer (Shoulder Installation, Length = 830')"; the "Proposed WJ 12" Water Main designed and installed by Developer (Shoulder Installation, Length = 2,660')"; "Proposed WJ 12" Water Main designed and installed by Developer (Shoulder Installation, Length = 1,780')"; and "Proposed WJ 12" Water Meter and Vault Connected to JVCD Water Main designed and installed by Developer".
- Developer shall design and install the Water System's connection to the existing water main at the intersection of Bacchus Highway and the New Bingham Highway.
- iii. Developer to complete construction of its portion of the Water System by December 31, 2020

D. Roads.

- a. <u>9800 South</u>. Developer to design, and once approved by the City, shall construct a full major collector public road for what will become known as "9800 South" (the "9800 South Road") along the north frontage of the Project and dedicate the 9800 South Road property to City at no cost to City and in a form acceptable by the City Attorney.
- Traffic Signal. Developer to construct a new traffic signal at the intersection of Bacchus Highway and 9800 South Road.

c. East Side Private Road.

- Developer to construct a private road along the east property line of the Project, built solely to support the Project's needs ("Private Road").
- ii. City prohibits at this time a full traffic signal at the intersection of Private Road and Old Bingham Highway, but will allow Developer's installation, at Developer's cost, of a "High T", to stop westbound traffic and allow site traffic to merge with eastbound traffic to make egress from the Project's site easier.
- iii. Developer and City will coordinate work on the Private Road and City will assist in obtaining approvals from South Jordan City, which has jurisdiction of lands south of the Project. The level of coordination and assistance shall be in the sole discretion of the City Engineer. City shall not be liable for any losses, damages, or harm caused by any delay or lack of assistance from City.

d. Old Bingham Highway.

- i. Developer to install on Old Bingham Highway a sawcut and full depth asphalt section approximately eight feet (8') wide and thirty inches (30") curb and gutter.
- ii. No full half streets are required.
- iii. Any acceleration/deceleration lanes, pursuant to and required by approved plans, are to be constructed by Developer per TIS.

If coring on Old Bingham Highway reveals that, in the sole discretion of the City Engineer, a mill and overlay is required for a half street, Developer will complete mill and overlay at no cost to the City. Mill and overlay to be completed as not to interfere with the Project's proposed tenant's peak activity schedule, generally October 1st through January 15th annually.

Exhibit B to Development Agreement

EXHIBIT C DEPICTION OF OFF-SITE IMPROVEMENTS

[Attached]

