



WASATCH INTEGRATED WASTE MANAGEMENT DISTRICT

Minutes of the special meeting of the Administrative Control Board of Wasatch Integrated Waste Management District held January 9, 2024 at 5:00 p.m. at Wasatch Integrated Waste Management District's Davis Material Recovery and Transfer Facility, 3404 North 650 East, Layton, Utah 84041.

Conducting: Board Chair, Mayor Joy Petro

ADMINISTRATIVE CONTROL BOARD PRESENT:

Chair, Mayor Joy Petro, Layton
Board Vice-Chair, Mayor Clark Wilkinson, Centerville
Secretary, Mayor Brian Vincent, West Point
Mayor Brandon Stanger, Clinton
Commissioner Randy Elliott, Davis County (online)
Commissioner Lorene Kamalu, Davis County

Commissioner Bob Stevenson, Davis County
Mayor Brett Anderson, Farmington (online)
Mayor John Pohlman, Fruit Heights
Mayor Brian Horrocks, North Salt Lake (online)
Mayor Ken Romney, West Bountiful
Council Member Wally Larrabee, Woods Cross

ADMINISTRATIVE CONTROL BOARD MEMBERS EXCUSED FROM ATTENDING:

Council Member Tim Roper, Clearfield
Mayor Tami Tran, Kaysville
Council Member Nakisha Rigley, Sunset
Commissioner Mike Newton, Morgan County

Council Member Tony London, Morgan
Mayor Rod Westbroek, South Weber
Council Member Jordan Savage, Syracuse

STAFF PRESENT:

Nathan Rich, Executive Director
Adam Hacker, Accounting Manager
Preston Lee, Operations Manager
Todd Quinley, Purchasing Manager
Collette West, Sustainability Specialist
Juli McIntosh, Clerk

VISITORS:

Larry Jenkins, Kirton McConkie (online)

Notice of time, place, and agenda of the meeting was sent to the Salt Lake Tribune, Deseret News, Morgan County News, and Standard Examiner newspapers on January 6, 2024. Notice of time, place, and agenda of the meeting was sent to each member of the Administrative Control Board via e-mail and posted at Wasatch Integrated Waste Management District Administrative Offices on January 6, 2024.

Welcome

Board Chair, Mayor Joy Petro, welcomed board members, staff, and visitors to the meeting.

Public Comment Period

There was no public comment.

Resolutions

Chairwoman Petro presented Resolution 24-01, Authorizing Sale of 25 Acre Parcel to Layton City Per 2016 Option Agreement.

Chairwoman Petro said that passing this resolution and the ultimate sale of property will benefit the entire district, not just Layton City, however she was unable to detail the benefits as the city has signed a non-disclosure agreement with the purchaser.

Mayor Brandon Stanger asked why an emergency meeting was called since this property option has been available since 2016. Chairwoman Petro said that the developer has a timetable to meet. She added that Layton tried to exercise their option in December but the 2016 resolution authorizing the option to purchase did not include authorizing the Executive Director, Mr. Nathan Rich, to execute a purchase agreement and closing documents. This resolution provides authorization and direction from the Administrative Control Board for the Executive Director, Mr. Rich, to complete the sale to Layton City.

Mayor Stanger clarified that the Layton will be the owners of this property. Chairwoman Petro said that Layton is exercising its option to purchase.

Mayor John Pohlman commented that Layton will purchase the property now at a 2017 price.

Mr. Rich asked if he might give a bit of history regarding the District's philosophy. He explained that the District recognizes its operations have an impact on surrounding cities and has always looked for mutually beneficial solutions. Mr. Rich detailed the instances of beneficial arrangements with South Weber and Layton, including property to South Weber for a park in 2001, a land swap between Layton City, Grayhawk Developers, and the District to allow for a park in Layton in 2004, assisting with Fairfield Road extension in 2005, grading District property east of Hill Air Force Base (HAFB) and arranging for Layton to open an East Gate to HAFB in 2007, purchasing the cell tower in East Layton enabling Layton to purchase that property from the District to create a park in 2011, contributing with easements and development of the continuation of 1700 East at the request of North Hills Drive residents in 2014, and option to purchase the 25 acres that JL Properties did not purchase in exchange, in part, for rezoning of the then site of the Waste to Energy Facility to allow for future development of solid waste related activities. Because the adjacent property that JL Properties purchased had been sold at \$100,000 an acre, and the then (2016) value of the land was around \$80,000 per acre, agreeing to a purchase price of \$100,000 per acre in the purchase option contract with Layton seemed reasonable to both parties.

Mr. Rich recognized his responsibility in negotiating and executing the option for the purchase of property and felt it was a mistake to not include a first right of refusal which would have required the city to match a bona fide offer rather than just exercising the option at the agreed upon price. He approached the Layton city manager in 2021 in an attempt to renegotiate the contract to include a first right of refusal and was turned away.

Mr. Rich continued to say, he believes District is obligated to sell the property to Layton at \$100,000 per acre, per the agreement and the opinion of legal counsel, even though the property is likely currently valued at more than \$300,000 per acre. The result of this transaction will be the transfer of approximately \$5 million dollars in assets from the District to Layton City. And Layton understands that. He said that there has been some indication by Layton that they would share the windfall profit with the District, but they are not legally obliged to do so.

Mr. Rich said that he has heard that Layton City intends to sell the property to an Economic Development Agency (EDA) who will then sell the property to the developer, but that he has no direct information regarding the city's plans.

Commissioner Bob Stevenson, former Layton City Mayor, commented that the per acre price seemed more than fair at the time. No one could have anticipated that property values would increase at the rate they have.

Mayor Clark Wilkinson commented, after asking if the board passed the resolution with the option agreement attached and hearing an answer in the affirmative, wondered aloud how the board had missed the failure to include a first right of refusal also.

Commissioner Stevenson reminded board members that although Mr. Rich has taken full responsibility for the agreement, the responsibility is equally shared with the 19-member board that approved the agreement.

Mayor Wilkinson said he first became aware of the agreement recently and was surprised to hear the property would be sold. He said that Mr. Rich explained the circumstances to him, which was helpful.

Commissioner Stevenson said that historically the District and Layton City have been in partnership together and the city has been a good partner, however, Layton is not being a good partner regarding the Bundled Recycling Program and the system improvements the District is implementing. He also said based on past partnership projects between the District and Layton, the District has been a better partner than the city. He expressed his disappointment in Layton City and their unwillingness to be a better partner considering the District's many good faith actions over the years. He acknowledged the city's zoning change for the Material Recovery and Transfer Station but added that when the city needed a road extension, the District came through and finished construction of the road at the District's expense in response to a request from the city. He addressed Chairwoman Petro in reiterating his disappointment in the city's recent position on recycling.

Chairwoman Petro stated that she is between a rock and a hard place, that she understands his position, but that recycling and the property purchase are two separate issues. She reiterated her point that the entire District will benefit from this property purchase through increased economic development.

Mayor Pohlman commented that as a member city, he doesn't see how his city will benefit from this property purchase and in fact will see a loss in revenue due to the greatly reduced price the city will pay for the property and the profit they will make from the purchase. He said that he doesn't think it's right that the city will make this amount of profit from the sale. He said he doesn't believe that the District benefits; only the city of Layton benefits.

Chairwoman Petro said that this resolution gives Mr. Rich the authority to sign the purchase agreement.

Mayor Stanger said that the land is probably worth closer to \$300,000-\$400,000 per acre which is a loss to the District of \$7.5 million to the District. He suggested a lawsuit might be an option and said he intended to vote against the resolution.

Commissioner Stevenson said that the board will still make money on the deal and added that jobs will be added to the area as a result of the development of the property.

Commissioner Stevenson made a motion to approve Resolution 24-01, Authorizing Sale of 25 Acre Parcel to Layton City Per 2016 Option Agreement. Council Member Wally Larrabee seconded the motion.

Upon motion duly made and seconded, Resolution 24-01 Authorizing Sale of 25 Acre Parcel to Layton City Per 2016 Option Agreement, was approved. Chairwoman Petro, Secretary (indicated this was a hard decision but said again it's for the betterment of all), Mayor Brian Vincent, Commissioner Lorene Kamalu (aye, recognizing the District's legal obligation to sell the property), Mayor Brett Anderson (indicated a reluctant aye because there was no choice), Mayor Brian Horrocks, Mayor Ken Romney (aye, also recognizing the District's binding legal obligation to sell the property), and Council Member Wally Larrabee voted yea (albeit an unfortunate aye). Vice Chair Mayor Clark Wilkinson (commented on his frustration with being bound to a resolution passed by a former board), Mayor Brandon Stanger, and Mayor John Pohlman voted nay. The resolution passed seven to three.

Commissioner Lorene Kamalu stated that each city, county, or public entity inherits the actions of former officials, and we must make the best of every situation.

Commissioner Stevenson mentioned that the board who passed Resolution 16-08 was made up of many very smart people.

Mr. Rich introduced Ms. Collette West, Sustainability Specialist, and suggested board members take a moment to introduce themselves to her.

General Business

There was no additional board discussion.

Adjournment

Upon motion duly made and seconded, the Administrative Control Board meeting was adjourned at 5:36 p.m. Voting in favor of said motion was unanimous.



Mayor Joy Petro, Board Chair



Nathan Rich, Executive Director