

RESOLUTION NO. 12-2-2009

A RESOLUTION DECLARING THE TEMPORARY FUNDING OF CERTAIN REAL PROPERTY TO BE A PUBLIC PURPOSE AND AUTHORIZING THE MAYOR AND CITY RECORDER TO EXECUTE DOCUMENTS FOR THE FUNDING OF THE PURCHASE OF CERTAIN REAL PROPERTY IN FURTHERANCE OF ECONOMIC DEVELOPMENT

WHEREAS, the City of Santaquin (“the City”) is a fifth-class city and a political subdivision of the state of Utah; and

WHEREAS, pursuant to the state code the City is governed by the Santaquin City Council (“the Council”); and

WHEREAS, the Council desires to promote the beneficial interests of the residents of the City of Santaquin, including the interest in economic development, and other public purposes; and

WHEREAS, the Council has reviewed a proposal for the acquisition of certain property located at the present East end of the City’s Main Street, and for the construction of a hotel on that property; and

WHEREAS, the City’s willingness to participate in the funding of the property acquisition on a temporary basis would increase the likelihood that the proposed development of the property will occur as described above; and

WHEREAS, the Council desires now to support and assist in the funding of the property acquisition on a temporary basis and to authorize the Mayor and City Recorder to execute the necessary documents to accomplish that end.

NOW THEREFORE BE IT RESOLVED by the City Council of Santaquin City, Utah as follows:

Section 1. The Council finds that the promotion of economic development in the City is, in some circumstances, of substantial interest and importance to the economic well being of the City and its residents in that jobs are created, tax dollars are generated and the City’s ability to provide municipal services is increased. In such circumstances the City’s promotion of economic development is a public purpose.

Section 2. Having reviewed the proposal for the acquisition of property at the East end of Main Street and the construction of a hotel on that property, and available documents pertaining thereto, the Council finds as follows:

A. The proposed development of the subject property would provide jobs in the City;

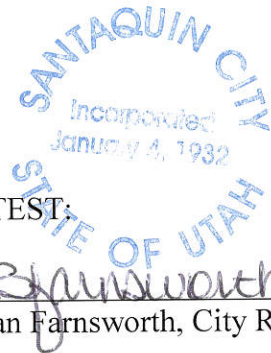
- B. The proposed development would most likely stimulate further commercial economic growth in the City;
- C. The proposed development would provide increased tax dollars to the City, thereby increasing the City's ability to provide services to its residents;
- D. That economic development at the East end of Main Street is of vital importance to the City and its residents, and that the City's promotion thereof is a public purpose; and
- E. Without the City's temporary financial support of the proposed property purchase, the proposed development will likely not occur, or will not occur within a time frame that will provide the anticipated benefits to the City

Section 2. The Mayor and City Recorder of the City are hereby authorized to execute the documents reasonably necessary to provide temporary funding for the acquisition of the above described property, with the following stipulations:

- A. The amount of funding provided by the City shall not exceed Three Hundred Thousand Dollars (\$300,000.00);
- B. The documents shall provide for repayment of the City's funds no later than six (6) months from the effective date of this Resolution.
- C. The City shall receive the sum of Fifteen Thousand Dollars (\$15,000.00) as interest for the use of the City's funds, which interest shall be paid no later than the date on which the City's funding is repaid and the amount of which shall not be reduced by any payment made prior to the date due.
- D. The City's funds shall be secured by a Trust Deed on the property, which Trust Deed shall be in at least a second priority position.
- E. The property or properties that shall serve as the collateral described in section 2 D shall have been appraised by a licensed real estate appraiser and the appraised value of said property or properties shall exceed the amount of all encumbrances, including that of the City by at least Three Hundred Thousand Dollars (\$300,000). A copy of the appropriate appraisal(s) shall be delivered to legal counsel for the City prior to delivery of the City's funds.


Section 3. This Resolution shall take effect upon adoption by the City Council.

Adopted and approved this 4th day of December, 2009.




James E. DeGraffenried, Mayor

ATTEST:


Susan Farnsworth, City Recorder