



REQUEST FOR BOARD ACTION

Action: Need Board to take action

Meeting Date Requested : 5/26/2021

Presenter: Chris Pengra

Deadline of item : 5/26/2021

Department Sponsor: Administration

Agenda Type: Business Item

Time Requested: 5 minutes presentation, 10 minute Board

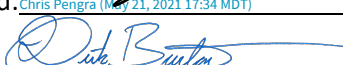
(Board Members may elect to provide more or less time)

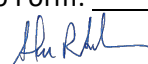
Approval Signatures *(required for all transmittals)*

Submitter: 
Chris Pengra (May 21, 2021 17:34 MDT)

Dept. Head: 
Chris Pengra (May 21, 2021 17:34 MDT)

Reviewed as to Form: _____

Executive: 

Council Office: 

Council Committee: N/A

1. AGENDA SUBJECT

Consideration of the RDA Board to approve a Letter of Intent of a private party to purchase 10 acres of RDA owned property for development of a Surf Park.

2. SUMMARY

A private party has submitted a Letter of Intent to the Redevelopment Agency of West Jordan City for consideration regarding the purchase of ten acres of an 19.81 acre parcel with a defined use. The private party intends to develop the site for a unique "surf park" which will include one or more wave pools, eating establishment, volleyball courts, and other unique amenities. The RDA Board may choose to approve the non-binding LOI and authorize the executive director to sign, or the Board may choose to amend or reject the document.

3. TIME SENSITIVITY / URGENCY

The RDA Board is encouraged to vote to approve the document if the terms are satisfactory to enable RDA staff and the potential Buyer to pursue next steps.

4. BUDGET IMPACT

None. This document is non-binding. A future public hearing will be needed at the time the real estate purchase agreement is presented to the RDA Board for approval.

5. DEPARTMENT RECOMMENDATION

Economic development staff advises the RDA Board to adopt the LOI as presented.

6. PLANNING COMMISSION RECOMMENDATION

N/A

7. MOTION RECOMMENDED

"I move that the RDA Board approve the LOI between Wave Haven LLC and the Redevelopment Agency of West Jordan City as presented and authorize the executive director to sign".

8. MAYOR RECOMMENDATION

9. PACKET ATTACHMENT(S)

Letter of Intent

10. OTHER INFORMATION



April 12, 2021

Chris Pengra

RE: Letter of Intent – West Jordan 10-Acre Site

To Whom It May Concern:

Wave Haven LLC, a Utah limited liability company (“Buyer”), is prepared to acquire the property described below from the Redevelopment Agency of West Jordan City (“Seller” or the “Agency”) under the following terms and conditions:

PROPERTY:

Approximately ten acres (10.00) of the southern portion of the nineteen point eight one (19.81) acre parcel located approximately at 9150 South 5600 West in West Jordan, Utah (Parcel # 26024260030000) (the “Property”). The approximately ten (10.00) acre parcel (Property) consists of the area outlined in black ink located on the attached site plan (“Exhibit A”). Seller will pursue subdivision of the existing parcel as contemplated by this paragraph.

PURCHASE PRICE:

The total (“Purchase Price”) to be paid by Buyer to Seller for the Property shall be: Three Million Forty-Nine Thousand Two Hundred Dollars (\$3,049,200) or \$7.00 PSF of land. Buyer and Seller to mutually agree and finalize the exact acreage of the Property prior to the end of the Due Diligence Period as noted below.

TERMS OF SALE:

All cash at Closing.

ESCROW TERMS:

Buyer shall make a One Hundred Thousand Dollar (\$100,000.00) good faith deposit (the “Deposit”) into an interest-bearing account with a Title Company chosen by Buyer (“Escrow Holder”), within three (3) business days after execution of a formal Purchase and Sale Agreement (the “Purchase Agreement”) by both Buyer and Seller. Buyer and Seller will negotiate in good faith, the terms and conditions of a mutually acceptable definitive Purchase Agreement. If on or before the end of the Due Diligence Period, Buyer has elected not to proceed with the transaction, the Purchase Agreement between Seller and Buyer will automatically terminate, and the Deposit (together with any accrued interest) will be returned to Buyer pursuant to terms to be outlined in the Purchase Agreement.

CONDITIONS OF APPROVAL:

Buyer shall have twelve (12) months from the execution of the Purchase Agreement to approve or disapprove such items and to conduct such inspections and otherwise perform its physical due diligence (the "Physical Due Diligence Period"). At the expiration of the Physical Due Diligence Period, if the Purchase Agreement has not been terminated, the Deposit shall be non-refundable to Buyer except (1) in the event of a Seller default; (2) or in the event Buyer is unsuccessful in receiving a Site Plan approval from The City of West Jordan. Buyer shall have fourteen (14) months from the execution of the Purchase Agreement to pursue a City of West Jordan site plan approval on the Property (the "Entitlements Due Diligence Period"). At the expiration of the Entitlements Due Diligence Period, if the Purchase Agreement has not been terminated, the Deposit shall be non-refundable to Buyer except in the event of a Seller default.

ADDITIONAL TERMS:

In the event that the Property is not developed as a surf park or similar watersports recreation facility within 36 months of the date of this letter, upon request by the Agency made within 60 months of the date of this letter, Buyer shall sell the Property back to the Agency at an amount equal to the Purchase Price.

Further, for a period of twenty years, the Agency shall have a right of first refusal to buy the Property under the same terms and conditions as offered by a bona fide third party seeking to purchase the Property for a use other than as a surf park or similar water sports recreation facility.

At its discretion, the Agency may record a notice of interest or similar document(s) against the Property.

CLOSING:

Close of escrow (the "Closing") shall occur sixty (60) days from the expiration of the Entitlements Due Diligence Period. The Deposit (together with accrued interest) shall be applied to the Purchase Price at Closing. Through Closing, Seller shall deliver a special warranty deed and any and all other documents necessary to transfer fee simple title to the Property. Seller shall provide Buyer with a standard policy of title insurance in a policy amount equal to the Purchase Price, insuring fee simple title to the Property free of liens and encumbrances other than those title policy exceptions that are approved or waived by Buyer.

CLOSING COSTS:

Buyer will pay for the fees of its counsel and inspection costs associated with the transfer of the Property. Seller will pay for the fees of its counsel, the cost of a standard policy of title insurance for the full amount of the Purchase Price and transfer tax, if any. Buyer and Seller shall evenly split escrow fees.

DOCUMENTATION:

Within ten (10) business days of acceptance of this proposal by Seller, Buyer shall cause to be prepared a Purchase Agreement and joint escrow instructions setting forth in detail the terms and conditions of the purchase and sale, which terms shall be consistent with the terms set forth herein.

REAL ESTATE BROKER FEE:

Buyer and Seller agree that no real estate agents or brokers have been or shall be involved in the transaction and that no commissions or fees are due any party as a result of the transaction (other than typical closing costs).

MISCELLANEOUS:

Seller shall consent to a one (1) time assignment of the Purchase Agreement by Buyer to a related entity without any additional action or consent by Seller. Pending Closing, the Seller shall not enter into any contracts with respect to the Property requiring notice for cancellation greater than thirty (30) days.

This offer does not constitute a binding agreement as to any matter, but rather is an outline of the general business terms and conditions under which the Buyer would consider purchasing the Property. Any transaction shall be subject to negotiation and execution of final and definitive documentation. It is intended that all legal rights and obligations between Buyer and Seller will come into existence only when final agreements are signed and delivered by such parties. Partial performance by any party of the terms of this letter, or the efforts by any party to perform due diligence or carry out other acts in contemplation of consummating these transactions, shall not be deemed evidence of intent by any party to be bound by the terms of this letter. The subsequent approval or acknowledgement of an agreement by writing, email, text, or any other electronic communication service shall not be binding upon any party.

If the terms and conditions meet with Seller's approval, please sign where provided below and return a copy of this letter to me no later than May 28, 2021, at 5:00 p.m. MST, after which time the proposal contained herein shall automatically expire and be null and void.

Very truly yours,

WAVE HAVEN LLC

Kipling S. Sheppard, [insert title]

Agreed and approved:

REDEVELOPMENT AGENCY OF WEST JORDAN CITY

By: _____

Name:

Title:

Date:

3b Approval of LOI

Final Audit Report

2021-05-24

Created:	2021-05-21
By:	Cindy Quick (Cindy.quick@westjordan.utah.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAzGXu5pqhRYjGtFq10sDujypEGUdTow5I

"3b Approval of LOI" History

-  Document created by Cindy Quick (Cindy.quick@westjordan.utah.gov)
2021-05-21 - 10:48:10 PM GMT- IP address: 98.202.140.103
-  Document emailed to Chris Pengra (chris.pengra@westjordan.utah.gov) for signature
2021-05-21 - 10:49:50 PM GMT
-  Email viewed by Chris Pengra (chris.pengra@westjordan.utah.gov)
2021-05-21 - 11:32:40 PM GMT- IP address: 206.251.44.30
-  Document e-signed by Chris Pengra (chris.pengra@westjordan.utah.gov)
Signature Date: 2021-05-21 - 11:34:51 PM GMT - Time Source: server- IP address: 107.115.45.45
-  Document emailed to Dirk Burton (dirk.burton@westjordan.utah.gov) for signature
2021-05-21 - 11:34:52 PM GMT
-  Email viewed by Dirk Burton (dirk.burton@westjordan.utah.gov)
2021-05-24 - 5:18:02 PM GMT- IP address: 207.225.200.66
-  Document e-signed by Dirk Burton (dirk.burton@westjordan.utah.gov)
Signature Date: 2021-05-24 - 5:54:02 PM GMT - Time Source: server- IP address: 207.225.200.66
-  Document emailed to Alan Anderson (alan.anderson@westjordan.utah.gov) for signature
2021-05-24 - 5:54:03 PM GMT
-  Email viewed by Alan Anderson (alan.anderson@westjordan.utah.gov)
2021-05-24 - 7:05:06 PM GMT- IP address: 207.225.200.66
-  Document e-signed by Alan Anderson (alan.anderson@westjordan.utah.gov)
Signature Date: 2021-05-24 - 7:14:05 PM GMT - Time Source: server- IP address: 207.225.200.66
-  Agreement completed.
2021-05-24 - 7:14:05 PM GMT