

REDEVELOPMENT AGENCY WORK MINUTES
MAY 15, 2024

The Redevelopment Agency held a meeting on Wednesday May 15, 2024, at 9:35p.m. in the Council Chambers at the City Office at 10 North Main Street, Cedar City, UT.

PRESENT: Chair Scott Phillips; Secretary Tyler Melling. Members: Robert Cox, Garth O. Green; Ronald Riddle; Carter Wilkey.

OTHERS PRESENT: City Manager Paul Bittmenn; City Attorney Randall McUne; Finance Director Jason Norris; City Recorder Renon Savage; Economic Development Director David Johnson; Public Works Director Ryan Marshall.

OTHERS: Adam S. Long, Steve Nelson.

PUBLIC HEARING TO CONSIDER THE ADOPTION OF THE 2024-2025 FISCAL YEAR TENTATIVE BUDGET. JASON NORRIS: Jason Norris, Finance – no changes.

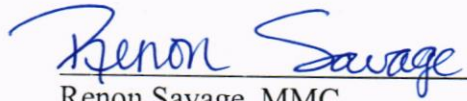
Chair Phillips opened the public hearing. There were no comments. The hearing closed.

CONSIDER A RESOLUTION APPROVING A PARTICIPATION AGREEMENT FOR THE CEDAR CITY DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA. DAVID JOHNSON: David Johnson, Economic Development Director – this is the participation agreement with the hotel on Main Street. Steve Nelson is here and Adam Long, the Attorney.

Adam Long, RDA Attorney – this is a specific agreement for the Hampton Inn on Main Street, it has been in the works for a year or more. The idea behind this agreement is the RDA assistance makes sense for this particular project because of where the hotel is located and the expenses that involve particularly structured parking, and also to help offset the costs of some of the design elements the city wants it because of the location. It is part of the Cedar City Main Street Community Reinvestment Area; that project area and their local agreement with the tax entities allows the Agency to collect 85% of the tax increment for a period of up to 15 years, with a quirk that it's collected from what the agreement calls them phases, but essentially certain chunks of property so the agency can collect increment up to eight phases with up to 10 parcels each. The net effect of that is the Agency has the right to collect tax increment from eight different clumps of parcels rather than asking tax entities to just commit tax increment in bulk from one of the key commercial districts of the city, it is more of a targeted approach, this hotel will be in one of the phases, the exact boundaries of that have not been determined. The incentive is essentially called reimbursement where the Agency agrees to rebate 85% of the property taxes paid by the hotel. The Agency receives 85% of the hotel taxes and the Agency agrees to give back 85% to the hotel, so it ends up being 72.25% of the entire amount of the taxes paid by the hotel. The requirement of the hotel is \$15 million or more of capital investment, 85,000 more square feet of interior space, 85 or more rooms, 150 parking stalls, at least 75 of those above ground level and operated as a Hampton Inn. The agency

knows what it is getting. Commencement date is 2027 at the latest to qualify and stay in business as a Hampton Inn. **Paul** - highlight the design elements the city wanted. **David** - they are in the packet. **Adam** - we have a rendering. **Phillips** - it is important. **Steve** - it has the feeling of an old building. I also wanted that, and Burgess agreed. The parking structure is almost \$4 million. **Wilkey** - can they guarantee the contract with Hampton? **Adam** - it says we are getting what we want. **Melling** - if there is a change it has to come back for approval. **Phillips** - this is probably the most important project in downtown in the past 20 years. **David** - it is another parking project downtown. I am excited about this project. Action.

ADJOURN: Melling moved to adjourn and go into the MBA meeting at 9:45 p.m.; second by Riddle; vote unanimous.


Renon Savage, MMC
City Recorder