MORGAN CITY
EST. 1868

RDA MEETING

12-10-24

(5:30 p.m.)

REDEVELOPMENT AGENCY OF MORGAN CITY AGENDA
DECEMBER 10, 2024 – 5:30 P.M.
MORGAN, UTAH

PUBLIC NOTICE is hereby given that the Redevelopment Agency of Morgan City, Utah, will hold a public meeting in the Council Room in the City Office Building, 90 West Young Street, Morgan, Utah, commencing at 5:30 p.m. on December 10, 2024. The public meeting will be live streamed on YouTube and a recording available on https://www.morgancityut.org/meetings.

1. **CALL TO ORDER AND APPROVAL OF AGENDA**
   - A. Welcome – Steve Gale, Chair
   - B. Approval of Meeting's Agenda

2. **CONSENT AGENDA**
   - A. Redevelopment Agency Meeting Minutes – November 12, 2024

3. **ACTIVE AGENDA**
   - A. Review / Action – Resolution Adopting and Approving an Amended Economic Development Incentive Agreement Between the Morgan City Redevelopment Agency, Morgan City, and REVABA MORGAN LLC, d/b/a Comfort Inn & Suites® – Resolution R24-45

4. Adjournment

- The Board at its discretion may rearrange the order of any item(s) on the agenda.
- In compliance with the American with Disabilities Act, individuals needing special accommodation (including auxiliary communicative aids and service) during the meeting should notify Denise Woods, City Recorder, at (801) 829-3461 at least 48 hours prior to the meeting.
- This meeting may involve the use of electronic communications for some of the members of this public body. The anchor location for the meeting shall be the Morgan Council Conference Room, 90 West Young Street, Morgan, Utah. Elected Officials at remote locations may be connected to the meeting electronically to participate.
- Notice is hereby given that by motion of the Board of the Redevelopment Agency of Morgan City, pursuant to Title 52, Chapter 4 of the Utah Code, the Board may vote to hold a closed session for any of the purposes identified in that Chapter.
- The undersigned, duly appointed City Recorder does hereby certify that the above notice and agenda was posted within the Morgan City limits on this **6th day of December, 2024** at Morgan City Hall, on the Utah State Public Notice Website (https://www.utah.gov/pmn), on the City's Website (https://morgancityut.org), and three public places within the City.
- The 2024 meeting schedule was posted on the City's Website and Public Notice Website on December 12, 2023.
  /s/ Denise Woods, City Recorder

AMENDED ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This AMENDED ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT (this "**Amended Agreement**") is made and entered into as of _____, 2024, (the "**Effective Date**") by and between the MORGAN CITY REDEVELOPMENT AGENCY, a Utah municipal corporation ("**RDA**"), the CITY OF MORGAN, a Utah municipal corporation ("**City**") and REVABA MORGAN LLC, d/b/a Comfort Inn & Suites®, a limited liability company, or its assigns ("**Hotel**").

RECITALS

WHEREAS, REVABA MORGAN LLC, d/b/a Comfort Inn & Suites® has entered into a Purchase and Sale Agreement for the purchase of that certain property described as Morgan Hotel, which is located in the City of Morgan, Utah (the "**Site**");

WHEREAS, REVABA MORGAN LLC, d/b/a Comfort Inn & Suites® has arranged for the purchase of the Site and all Structures and improvements on the Site in order to continue its use as a hotel, as Comfort Inn and Suites®, a branded lodging facility ("**Hotel**"), including all buildings, facilities, equipment and site improvements ("**Improvements**") necessary to the operation of the Hotel (the "**Project**"), but that the overall feasibility of continuing the Project requires a local incentive; and

WHEREAS, as a continuation of an inducement made to the original owners of the Project, which is still expected to result in the continuation of both the desired job creation and the improvement of the Site, the City and RDA have approved an incentive consisting of up to Seven Hundred Seventy-Five Thousand Dollars ($775,000.00) in local incentives, payable as provided in this Amended Agreement; and

WHEREAS, REVABA MORGAN LLC, d/b/a Comfort Inn & Suites® agrees to enter into a Land Purchase Agreement with the RDA for acquisition of the approximately 12,008 square feet of certain property described in Exhibit "A," which is located on and is part of the Site.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises and obligations of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

ARTICLE 1 - DEFINITIONS

1. "Full Operation" means Hotel is open for business with at least 75% of the rooms available for rent.

2. "Development and Improvement Costs" means all costs incurred by Hotel in connection with the Project.

3. "Payment Date" has the meaning set forth in Article 3, Section 1.b.

4. "Project" means the transition of the Site into a Comfort Inn and Suites® branded lodging facility ("**Hotel**"), including all changes to all buildings, facilities, equipment and site improvements necessary to the operation of the Hotel ("**Improvements**"). The changes and improvements to the building, equipment and Site, specifications, and furnishings generally, it shall be maintained as a 31,451 square foot, 3 story, 56-unit Hotel and Suites.

5. "Project Area" – The Project Area is located within the boundaries of Morgan City in Morgan County. The exact boundaries of the Project Area are specifically and legally described in the Plan.

6. "Project Area Plan and Budget" (the "Plan") – This Amended Agreement is subject to the provisions of the Plan, as adopted on July 14, 1992 and renewed on December 11, 2018, by the RDA and Redevelopment Board in accordance with State Law.

7. "Reimbursement" has the meaning set forth in Article 3, Section 1.a.

8. "Acquisition Date" means the date the purchase of the Project is completed and closed, which shall not be later than December 31, 2024.

9. "Tax Increment" means the tax increment received and retained by the City from the ad valorem taxes collected within the RDA Project Area, as defined by State Law (Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act, 17C *et seq*, Utah Code Annotated as amended (the "**Act**").

10. "Tax Increment Grants" means tax increment grants as provided in Article 3, Section 1.b.

11. "Termination Date" means (i) February 15, 2025, or (ii) the date the Tax Increment Grants have been paid as provided herein, to Hotel.

ARTICLE 2 - DEVELOPMENT

1. Purchase of the Project.
Hotel shall purchase the project no later than the Acquisition Date. The City shall not be a party to any contract for purchase and shall not be a third-party beneficiary of any such contract.

    a. Hotel shall begin Full Operation of the Hotel on or before ~~December 31, 2024~~January 15, 2025.

    b. Hotel shall operate the Project in conformity with all applicable laws; provided, however, that nothing herein shall limit the right of the Hotel to properly challenge any such law or the applicability of such law.

ARTICLE 3 - INCENTIVES

1. In order to encourage Hotel to continue the successful operation of the Project, the RDA agrees to pay Hotel the Incentive as follows:

    a. The RDA hereby pledges and agrees to pay to Hotel, following the purchase and upon full operation of the hotel, the maximum amount of Seven Hundred and Seventy-Five Thousand Dollars ($775,000.00), payable annually in installments solely from the Tax Increment ("**Tax Increment Grants**"). Payments of Tax Increment Grants are expected to commence on February 15, 2025, and shall continue on each subsequent February 15th (the "**Payment Date**") until the Termination Date. The amount of the Tax Increment Grant for each year shall be up to and aggregate of (i) One Hundred and Seventy Five Thousand Dollars ($175,000.00) upon signing of this Amended Agreement and (ii) One Hundred and Seventy Five Thousand Dollars ($175,000.00) on February 15, 2025, One Hundred and Fifty Thousand Dollars ($150,000.00) on February 15, 2026, One Hundred and Fifty Thousand Dollars ($150,000.00) on February 15, 2027, and One Hundred and Twenty Five Thousand Dollars ($125,000.00) on February 15, 2028. The annual Tax Increment Grants are conditioned upon Hotel "operating" the Hotel as of the December 1st prior to the applicable Payment Date. For purposes of this Amended Agreement,

"operating" shall mean that the Hotel is open for business and accepting guest reservations; provided, however that, the Hotel shall not be deemed non-operational in the event of closures, (i) caused by a force majeure event and not deemed to be permanent, or (ii) due to renovations, upgrades, repairs or maintenance so long as such closure does not exceed twelve (12) months. Hotel is responsible for making the property tax payments for the Hotel and if at any time the tax payments become delinquent no Tax Increment Grant payment will be made by the RDA.

b. The RDA has no obligation to remit to Hotel, the Tax Increment Grant unless and until the following conditions precedent are all satisfied: (i) The Hotel is operated as a national mid-grade brand i.e., Comfort Inn or similar; (ii) Hotel has conveyed approximately 12,008 square feet of property identified in Exhibit "A" to the RDA; and (iii) Hotel has commenced and continues to commence, operations of the Hotel for each year in which the Tax Increment Grant is received~~; (iv) the RDA has received actual payment of the Tax Increment intended for the Hotel for that year under the approved Budget~~. The RDA is not obligated to pay to Hotel in any one year, more than Hotel's Tax Increment Grant attributable to the immediately preceding tax year.

c. During the term of this Amended Agreement, Hotel and any successors in interest agree to pay, prior to delinquency, all real property and other ad valorem taxes and assessments assessed against any portion of the Site or Improvements thereon or any other property, including personal property, located within the Site. Hotel must remove, or must have removed, any levy or attachment made on the Project or any portion thereof, or must assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder.

d. ~~If the provisions of Utah law which govern the payment of Tax Increment to the RDA are changed or amended so as to reduce or eliminate the amount paid to the RDA under the approved Budget, the RDA's obligation to pay Hotel annually Hotel's Tax Increment Grant, as applicable, will be proportionately reduced or eliminated. Hotel specifically reserves and does not waive any right it may have to challenge the constitutionality of any law change(s) that would reduce or eliminate the payment of Tax Increment to the RDA at Hotel's sole cost. Hotel acknowledges, understands and agrees that the RDA is under no obligation to challenge the validity, enforceability or constitutionality of a change(s) in law that reduces or eliminates the payment of Tax Increment to the RDA, or to otherwise indemnify or reimburse Hotel for its actions to independently do so.~~

de. If a court of competent jurisdiction declares that the RDA cannot receive Tax Increment, invalidates the Project Area, or takes any other action which eliminates or reduces the amount of Tax Increment paid to the RDA, the RDA's obligation to annually pay Hotel, Hotel's Tax Increment Grant in accordance with this Amended Agreement will be proportionately reduced or eliminated.

e~~f~~. In the event a dispute arises as to the person or entity entitled to receipt of Tax Increment under this Amended Agreement due to a claimed assignment or claimed successor in interest to the Tax Increment or otherwise, the RDA may withhold payment of Tax Increment Grant until the dispute is resolved either by agreement or by a court of competent jurisdiction. The RDA shall be entitled to deduct from its payment of Tax Increment any costs or expenses, including reasonable attorney's fees, incurred by the RDA due to the dispute.

f~~g~~. To qualify to receive the Tax Increment Grant payments set forth herein, Hotel shall fulfill all of the obligations in this Amended Agreement. Failure to fulfill any obligation shall be considered a material breach and termination of the Tax Increment Grant payments.

ARTICLE 4 - EVENTS OF DEFAULT; REMEDIES

1. The term "Event of Default" shall mean, failure by either party to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Amended Agreement.

2. Whenever any Event of Default occurs, the non-defaulting party may take any one or more of the following actions after provision of thirty (30) days' written notice by the non-defaulting party to the defaulting party of the Event of Default , but only if the Event of Default has not been cured within said thirty (30) days or if the Event of Default cannot be cured within thirty (30) days, the defaulting party does not provide assurances to the non-defaulting party reasonably satisfactory to the non-defaulting party that the Event of Default will be cured as soon as reasonably possible:

    a. Suspend its performance under the Amended Agreement until the non-defaulting party receives assurances from the defaulting party, deemed adequate by the non-defaulting party, that the defaulting party will cure its default and continue its performance under the Amended Agreement.

    b. Take whatever action, including legal or administrative action, which may appear necessary or desirable to the non-defaulting party to collect any payments due under this Amended Agreement or to enforce performance and observance of any obligations, agreement, or covenant of the defaulting party under this Amended Agreement.

3. No remedy herein conferred upon or reserved to either party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Amended Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

4. In the event any agreement contained in this Amended Agreement is breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE 5 - MISCELLANEOUS

1. Hotel represents and agrees for themselves and their successors and assigns that during the term of this Amended Agreement Hotel will not assign or transfer or attempt to assign or transfer all or any part of this Amended Agreement, or any rights herein or obligations hereunder, without the prior written consent of the RDA, which consent shall not be unreasonably withheld. The assignment or delegation of this Amended Agreement without the prior written consent of the RDA is a material breach of this Amended Agreement and relieves the RDA of any obligation to Hotel under this Amended Agreement. As a condition of the RDA's approving an assignment of this Amended Agreement by Hotel the RDA may, among other things, require the proposed assignee to execute an acknowledgement of its acceptance to perform all duties and obligations of Hotel under this Amended Agreement.

2. In the absence of a specific written agreement by the City and RDA, no assignment or transfer of this Amended Agreement, in whole or in part, or approval of this Amended Agreement by the City and the RDA, relieves Hotel from any obligation under this Amended Agreement. All of the terms, covenants, and conditions of this Amended Agreement are and will remain binding upon and inure to the benefit of Hotel and their successors and assigns.

3. Notwithstanding anything in this Amended Agreement to the contrary, any attempt by Hotel or their successors in interest to transfer any of the real or personal property within the Site to a tax-exempt organization or otherwise to exempt any of the real or personal property within the Project Area from *ad valorem* property taxation without the prior written consent of the RDA constitutes a material breach of this Amended Agreement and will entitle the RDA, in its sole discretion, to terminate this Amended Agreement and cease further payments of Hotel's Tax Increment Grant under this Amended Agreement to Hotel or their successors or assigns.

4. Neither party shall be considered in default under this Amended Agreement if their performance is delayed by damage or destruction by fire or other casualty, condemnation, strike, lock-out, civil disorder, war, shortages or delays in delivery of equipment, materials or fuel, Acts of God or unusual weather conditions or other causes beyond such party's reasonable control, and the time for performance of obligations shall be extended by one day for every day of such delay.

5. All notices under this Amended Agreement shall be in writing. Notices shall be deemed properly given if personally delivered or if sent by a nationally recognized "overnight" courier service such as UPS, to the addresses set forth below:

If to the City or RDA:

City of Morgan
Morgan City Redevelopment Agency
Attn: Ty Bailey, City Manager
90 West Young Street
PO Box 1085
Morgan, UT 84050

If to REVABA MORGAN LLC:

REVABA MORGAN LLC
Attn: Victor Soni
2177 West North Temple
Salt Lake City, UT 84116

Notices shall be deemed given on the date of delivery (if personally delivered) or (if delivered via "overnight" courier service) on the first business day after being given to the courier service with all charges prepaid.

6. This Amended Agreement shall be governed by, and construed in accordance with, the laws of the State of Utah, without regard to the conflicts of provisions of Utah law.

7. This Amended Agreement constitutes the entire agreement of the parties hereto and supersedes all prior or contemporaneous verbal understandings between the parties concerning the Project. This Amended Agreement may be amended only by a written document executed by both parties hereto.

8. In the event that any term or provision of this Amended Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent that the remainder can be given effect without the unenforceable provision.

9. The City hereby represents and warrants that the City has undertaken all steps and procedures required by City Ordinance and State Law to enter into this Amended Agreement, including the due and proper adoption of a Resolution specifically authorizing the City to enter into this Amended Agreement. The City has followed, and

will continue to follow, all necessary procedures and will take all such further actions as may be necessary under City Ordinances and State Law to fulfill its obligations under this Amended Agreement.

10. Hotel represents and warrants that Hotel has full power and authority to enter into this Amended Agreement, and that the person executing this Amended Agreement on behalf of Hotel has been duly authorized to do so.

11. It is understood and agreed that this Amended Agreement shall not create for either party any independent duties, liabilities, agreements, or rights to or with any third party, nor does this Amended Agreement contemplate or intend that any benefits hereunder accrue to any third party.

12. All Exhibits to this Amended Agreement are incorporated herein by this reference.

13. This Amended Agreement is not intended and shall not be construed as to create a partnership, employment, joint venture or agency relationship between the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Amended Agreement effective as of the date first set forth above.

HOTEL:

REVABA MORGAN LLC

By: _____
Name: _____
Title: Managing Member

Date: _____

STATE OF _____)
: ss.
COUNTY OF _____)

BEFORE ME, the undersigned authority, on this _____ day of _____, 2024, personally appeared _____, to me known to be the _____ of REVABA MORGAN LLC, who executed the foregoing Amended Agreement, for and on behalf of REVABA MORGAN LLC, being duly authorized to do so.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

_____
NOTARY PUBLIC

CITY:

MORGAN CITY CORPORATION

By: _____
Name: Steve Gale
Title: Mayor

ATTEST:

_____
Denise Woods, City Recorder

RDA:

MORGAN CITY REDEVELOPMENT AGENCY

By: _____
Name: Steve Gale
Title: Chair

ATTEST:

_____
Denise Woods, Agency Secretary

APPROVED AS TO FORM:

_____
Gary R. Crane, City Attorney

EXHIBIT "A"

MAP AND LEGAL DESCRIPTION FOR PARCEL E

PARCEL E BOUNDARY DESCRIPTION – PART OF SERIAL NO. 05-402-01

COMMENCING AT MONUMENT "B" MORGAN CITY SURVEY, WHICH BEARS NORTH 89°12'27" EAST 2676.00 AND SOUTH 00°10'57" EAST 636.71 FEET FROM THE NORTHWEST CORNER OF SECTION 36 AND BEING ALSO LOCATED 100 FEET DISTANT PERPENDICULAR FROM THE UNION PACIFIC RAILROAD WEST BOUND MAIN LINE WHICH BEARS SOUTH 58°00'00" EAST (BASIS OF BEARING);
THENCE NORTH 58°00'00" WEST 246.00 FEET ALONG THE SOUTHWESTERLY LINE OF COMMERCIAL STREET, BEING 100 FEET DISTANT PERPENDICULAR FROM THE CENTERLINE OF THE U.P.R.R. WEST BOUND MAIN LINE,
THENCE SOUTH 32°00'00" WEST 196.00 FEET;
THENCE NORTH 58°00'00" WEST 87.00 FEET TO A REBAR AND CAP, THE TRUE POINT OF BEGINNING;

THENCE NORTH 58°00'00" WEST 38.00 FEET TO A REBAR AND CAP;
THENCE SOUTH 32°00'00" WEST 69.50 FEET;
THENCE NORTH 58°00'00" WEST 97.36 FEET;
THENCE NORTH 32°00'00" EAST 49.27 FEET;
THENCE 79.67 FEET ALONG A NON-TANGENT CURVE TO THE RIGHT, THE BEGINNING OF WHICH BEARS SOUTH 71°09'58" WEST 122.50 FEET
FROM THE RADIUS POINT OF SAID CURVE, HAVING A DELTA ANGLE OF 37°15'42" AND A CHORD BEARING NORTH 00°12'11" WEST 78.27 FEET;
THENCE SOUTH 58°00'00" EAST 19.07 FEET;
THENCE SOUTH 32°00'00" WEST 15.50 FEET;
THENCE SOUTH 58°00'00" EAST 51.99 FEET TO AN EXISTING BUILDING AS DESCRIBED IN BK. 203 PG. 1015 OF MORGAN COUNTY RECORDS;
THENCE SOUTH 32°05'58" WEST 7.82 FEET ALONG SAID EXISTING BUILDING;
THENCE SOUTH 57°54'09" EAST 32.36 FEET ALONG SAID EXISTING BUILDING;
THENCE NORTH 32°05'56" EAST 7.88 FEET ALONG SAID EXISTING BUILDING;
THENCE SOUTH 58°00'00" EAST 73.65 FEET TO A NAIL AND WASHER;
THENCE SOUTH 32°00'00" WEST 30.50 FEET TO THE POINT OF BEGINNING;

THE ABOVE-DESCRIBED TRACT OF LAND CONTAINS 12,008 sq.ft. 0.28 acres

RESOLUTION R24-45

A RESOLUTION OF THE MORGAN CITY REDEVELOPMENT AGENCY, ADOPTING AND APPROVING AN AMENDED ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN MORGAN CITY, THE MORGAN CITY REDEVELOPMENT AGENCY AND REVABA HOTEL LLC, d/b/a COMFORT INN & SUITES®.

WHEREAS, on November 12, 2024, the RDA adopted and approved an Economic Development Incentive Agreement Between Morgan City, the Morgan City Redevelopment Agency and REVABA Hotel, LLC, d/b/a Comfort Inn & Suites® (hereinafter "Agreement"); and

WHEREAS, after further review of the Agreement, REVABA has requested changes to amend Article 3 – INCENTIVES, Paragraphs 1.b. and 1.d. to provide that the "Tax Increment Grant" amounts identified in Article 3 - INCENTIVES, Paragraph 1.a. be paid by the RDA each year as identified in that paragraph without the possibility of any reduction or non-payment due to the inadequacy of "Tax Increment" collected or because of future legislative changes; and

WHEREAS, the Morgan City Redevelopment Agency (hereinafter the "RDA") desires to enter into this amended agreement entitled Amended Economic Development Incentive Agreement for the purpose of providing incentive to REVABA HOTEL LLC, d/b/a Comfort Inn & Suites® (hereinafter "REVABA") to construct, own and operate a hotel in Morgan City; and

WHEREAS, the parties mutually agree to the terms and conditions contained in the attached amended agreement and agree that there is fair and adequate consideration underlying the amended agreement; and

WHEREAS, the RDA agrees that it is in the best interest of Morgan City and its citizens to enter into this amended agreement.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF THE REDEVELOPMENT AGENCY OF MORGAN CITY:

1. That the agreement entitled Amended Economic Development Incentive Agreement between Morgan City, the Morgan City Redevelopment Agency and REVABA HOTEL LLC, d/b/a Comfort Inn & Suites®, which is attached hereto and incorporated herein by this reference, be adopted and approved.

2. That the Chair is authorized to execute the Amended Economic Development Incentive Agreement.

PASSED AND ADOPTED by the Board of the Morgan City Redevelopment Agency, this 10th day of December, 2024.

_____
STEVE GALE, Chair

ATTEST:

_____
DENISE WOODS, Agency Secretary

APPROVED AS TO FORM:

_____
Gary Crane, City Attorney

BOARD VOTE AS RECORDED:

	Aye	**Nay**	**Excused**
Board Member London	___	___	___
Board Member Wardell	___	___	___
Board Member Turner	___	___	___
Board Member Richins	___	___	___
Board Member Alexander	___	___	___

(In the event of a tie vote of the Board):

Chair Gale	___	___