

MORGAN CITY

RDA MEETING

02-26-19

(8:00 p.m.)

**NOTICE OF MEETING TO BE HELD IN PUBLIC AND CLOSED SESSION BY THE
MORGAN CITY REDEVELOPMENT AGENCY**

Pursuant to Utah Code, Title 52, Chapter 4, notice is hereby given to members of the Morgan City Redevelopment Agency and to the general public that the Morgan City Redevelopment Agency will hold a meeting in open public session on **Tuesday, February 26, 2019, at 8:00 p.m.** in the Council Room of the City Office located at 90 West Young Street, Morgan, Utah.

AGENDA

1. Meeting called to order.
2. Approval of Morgan City Redevelopment Agency Minutes – February 12, 2019
3. **ITEMS FOR DISCUSSION**
 - A. Resolution R19-06 – Morgan City RDA Incentive 2019

4. **OTHER ITEMS FOR DISCUSSION/APPROVAL AS TIME PERMITS**

Agency business follow-up

NOTE: The Board may vote to go into closed session pursuant to Utah Code 52-4-5.

NOTE: The times listed for each item on the agenda may be accelerated if time permits.

5. **A D J O U R N M E N T**

In compliance with the American with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Denise Woods, Agency Secretary, at (801) 829-3461 at least 24 hours before the meeting.

Morgan City invites any person, church or other civic organization to contact the Mayor, to be scheduled for presenting a thought, reading, opening remarks, or invocation in the opening ceremony portion of the public meeting. Written invitations will be made by the Mayor to those who wish to participate.

This meeting may be held electronically to allow a member to participate.

Posted this 20th day of February, 2019

/s/ Denise Woods, Agency Secretary

**MINUTES OF MORGAN CITY
REDEVELOPMENT AGENCY
MEETING**

February 12, 2019; 5:32 P.M.

**CHAIR AND BOARDMEMBERS
PRESENT:**

**Chair Ray W. Little, Eric Turner, Jeff Wardell, Mike
Kendell, and Jeffery Richins**

STAFF PRESENT:

**Ty Bailey, City Manager; Gary Crane, City Attorney,
Denise Woods**

EXCUSED:

Tony London

OTHERS PRESENT:

Ryan Nye, Robert (Doug) and Karen Wickliffe

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah.

This meeting was called to order by Chair, Ray W. Little.

MINUTES

MOTION: Boardmember Wardell moved to approve the minutes of the January 8, 2019 Morgan City Redevelopment Agency Meeting.

SECOND: Boardmember Richins

The vote was unanimous to approve the minutes of the January 8, 2019 Morgan City Redevelopment Agency meeting as written; Boardmember London was absent.

ITEMS FOR DISCUSSION/APPROVAL

RESOLUTION R19-06 – INCENTIVE PLAN/CRITERIA FOR NEW APPLICATIONS

Ty Bailey, City Manager, referred to handout. He discussed the New Incentives which were listed in four categories: 1) Capital Improvements or New Build; 2) Purchase of Vacant Building; 3) Infrastructure; and 4) Historic Preservation. He mentioned the incentives could be combined and there was an "up to amount" in each the different categories. Also, there was a cap of \$50,000.00 per project and target 2 projects per year. He explained each of the categories and how the incentive was calculated and the requirements. The conditions listed were post performance. He explained that each incentive could be reimbursed separately. For example: Roof portion could be reimbursed after roof was completed. He said there would be an agreed upon time frame for the completion of the improvements. He complimented North Front Business Center and the services they offered to new businesses coming to Morgan and existing businesses.

Councilmember Kendell asked what the definition of a project was regarding the incentives. A project could include each of the categories and suggested it be defined in the Incentive Plan or the application. For example: A project could include any combination of incentives 1 through 4.

Ty explained funding would be one-time per building.

Discussion regarding the past process of requesting funds from the RDA. The applicants would be the actual building owners. Applicants needed to apply for funding when they had the entire project designed.

Ty mentioned the Historic Preservation category would be for small projects for aesthetic improvements, such as siding, etc.

Councilmember Kendell suggested another tier which allowed 15% for smaller improvement projects.

Mayor stated projects needed to enhance the property and increase the value of the property.

Decision made to table Resolution R19-06 until the next meeting. Councilmembers approved the criteria and incentive program outlined in the handout and requested an application form be attached to the resolution.

Discussion regarding work already completed by the applicant and that it would be considered under the new incentive plan when adopted. The purchase price and improvements currently being made would be recognized.

MOTION: Boardmember Wardell moved to table Resolution R19-06 until the next RDA meeting.

SECOND: Boardmember Kendell

Vote was unanimous to table Resolution R19-06 until the next RDA meeting.

Gary R. Crane, City Attorney, said it was a good starting point of what the Board could loan or grant but the need for the funds should also be demonstrated. It is referred to as a "necessary and appropriate determination."

DOUG WICKLIFFE – GRANT APPLICATION

Mayor explained the buildings the applicants had purchased (Buzzy's and the Gray Building) and had begun work on the buildings. They would be considered two separate projects.

Doug Wickliffe, explained the end corner building would have nine offices upstairs, explained some of the improvement that would be made and the types of materials to be used. He said Mark Schmid, Building Inspector, had walked through the buildings with him and discussed items to be completed. He said he was trying to use local contractors/subcontractors as much as possible for the improvements. He provided a handout that listed the estimated costs for the improvements.

Councilmember Turner asked about the timeframe for completion.

Doug said he estimated Buzzy's would take approximately six months. He stated the offices would be completed sooner and once completed would cover his debt services on the building. He liked the RDA Incentive Plan because it was performance based. He referenced the handout which outlined the estimated taxes, the income of the property, and how the retail value differs from the property tax.

Mayor explained what possible incentives these projects would be eligible for (Capital Improvements and Purchase of Vacant Building).

Ty calculated the estimated amount which could be awarded in the capital improvement and purchase of vacant building categories from the estimated costs provided by the applicant. He explained how there would be a payback within approximately 15 years.

Councilmember Kendell suggested adding a definition of what would be classified as a capital improvement and what would be eligible. He suggested a set of criteria be outlined to assist the Board when making decisions on each application.

Karen asked that the exterior doors be included in the capital improvement category.

Ty said he spoke with Gwen and when they assessed the value of the commercial building it was on the condition of the building.

OTHER ITEMS DISCUSSED

No items discussed.

This meeting was adjourned at 6:32 p.m.

Denise Woods, Agency Secretary

These minutes were approved at the February 26, 2019 meeting.

RESOLUTION R19-06

A RESOLUTION REPEALING RESOLUTION R14-19 WHICH AMENDED THE RDA GRANT GUIDELINES AND ADOPTING AND APPROVING THE MORGAN CITY UTAH RDA COMMERCIAL INCENTIVES PLAN DATED JANUARY 1, 2019 FOR NEW APPLICATIONS REGARDING FUND REQUESTS FROM THE MORGAN CITY REDEVELOPMENT AGENCY.

WHEREAS, Resolution R14-19 amended the RDA Grant Guidelines which are no longer applicable; and

WHEREAS, the Morgan City Redevelopment Agency was renewed on December 11, 2018 for an additional ten years; and

WHEREAS, it is the desire of the Morgan City Redevelopment Agency to implement the Morgan City Utah RDA Commercial Incentives Plan dated January 1, 2019; and

WHEREAS, the Redevelopment Agency Board have reviewed the proposed Morgan City Utah RDA Commercial Incentives Plan dated January 1, 2019 for new applications regarding fund requests and finds it to be in furtherance of the Redevelopment Agency's objectives of appropriate consistency, fundamental fairness, and openness of government.

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

1. That Resolution R14-19 is hereby repealed effective the date of this Resolution.
2. That the Morgan City Utah RDA Commercial Incentives Plan dated January 1, 2019 for new applications regarding fund requests from the Morgan City Redevelopment Agency, which is attached hereto and incorporated herein by this reference, is hereby approved and adopted for use by the Morgan City Redevelopment Agency.
3. That the Morgan City Utah RDA Commercial Incentives Plan dated January 1, 2019 for new applications is effective immediately.

PASSED AND ADOPTED by the Redevelopment Agency of Morgan, Utah, this 26th day of February, 2019.

RAY W. LITTLE, Chair

ATTEST:

DENISE WOODS, Agency Secretary

**MORGAN CITY UTAH RDA COMMERCIAL INCENTIVE PLAN
DATED JANUARY 1, 2019**

GOALS:

1. Support new economic development and re-development in the RDA boundaries.
2. Encourage businesses to expand and locate within the RDA before other areas in the City.
3. Diversify the economy and provide more people with the ability to live and work in Morgan instead of commuting to the Wasatch Front.
4. Improve the aesthetics of the business district and encourage historic preservation.

PRIORITIES:

1. Develop bare ground.
2. Capital improvements to buildings.
3. Improve infrastructure.
4. Aesthetics and historic preservation.
5. Work with applicants to request sales and TRT tax incentives for large projects or those deemed valuable to Morgan's future growth. (Hotel = New source of revenue)

CHANGES:

1. Discontinue program for rent assistance.
2. Work more with building owners on improvements and less with business operators/lessees to limit risk of business operations.
3. Base funding level of new developments and capital improvements on increase in property value not 50% of improvements.

NEW INCENTIVES

1. **Purchase of Vacant Building Incentive:**
10% of purchase price up to \$20,000.
Contingent on all capital improvements.
Building must be vacant for two years to be eligible for purchase incentive.
2. **Building Code Improvements – Rehab Incentive:**
10% for specific code improvement up to \$10,000.
Improvement must be necessary for occupancy and not simply upgrades for business use or expansion.
3. **Capital Improvements or New Build Incentive:**
8% of improvement up to up to \$40,000.
Proposal should include an itemized cost estimate.
4. **Infrastructure Incentive:**
10% of new infrastructure on the portion required to create a build ready lot up to \$20,000.
5. **Historic Preservation Incentive:**
Pay up to 30% of aesthetic improvements on the portion required by our historic preservation requirements amount up to \$3,000.

CONDITIONS

1. Each project capped at \$50,000.
2. A project is defined as any improvement to one property.
3. Grant incentive are post performance.
4. Each incentive can be reimbursed separately; i.e. Roof portion can be reimbursed after roof is complete as identified in the proposal.
5. Purchase price incentive is held until entire project is complete.
6. Improvements must be completed on an agreed upon time frame.

MORGAN CITY UTAH RDA COMMERCIAL INCENTIVES
JANUARY 1, 2019

1. PURCHASE OF VACANT BUILDING INCENTIVE – 10% UP TO \$20,000

Morgan City has made a lot of progress over the past several years to revitalize its commercial district. This incentive continues this progress and recognizes the value of those willing to buy and rehab a vacant building. The incentive will reimburse a property owner 10% of purchase price up to \$20,000 if the building is refurbished. The property needs to have been vacant for at least two years prior and in need of capital and/or code improvements to function as a viable business location. The incentive is contingent on a capital improvement project approved by the RDA Board and will only be given after all the improvements have been made. The building rehab needs to be completed within one year of approval by the RDA Board.

2. BUILDING CODE IMPROVEMENTS – REHAB INCENTIVE – 10% UP TO \$10,000

Morgan City RDA recognizes the burden of bringing old buildings up to current building codes and will reimburse a building owner 10% up to \$10,000 for specific code improvements. The code improvements must be necessary for occupancy and not simply upgrades for business use or expansion. This incentive is only for building owners who purchase or rehab an existing building that has been vacant for the previous two years. It does not require the building be recently purchased and can be combined with other capital improvement incentives other than a new build. Examples of building code improvements include, ADA compliance, electric, fire suppression systems, etc.

3. CAPITAL IMPROVEMENTS OR NEW BUILD INCENTIVE – 8% UP TO \$40,000

Morgan City RDA is interested in developing vacant land within the RDA boundaries. This helps support other existing businesses, reduces the sprawl of commercial operations into other areas of the City, and maximized the use of existing infrastructure. There are 22 vacant parcels of property within the RDA boundaries at the beginning of 2019, some of which can be sub-divided into smaller parcels. This incentive is for building owners to improve their buildings, expand, and build new commercial buildings. The RDA will reimburse 8% of the capital improvements up to a max of \$40,000 after approved improvements are complete. The reimbursement can be made on a line item by line item approach if applicant has provided a detailed budget request. The reimbursements will be made on 8% of the actual costs not to exceed the approved itemized budget amount by the RDA. The capital improvement or new building incentive will be based on an approved timeframe set by the RDA.

4. INFRASTRUCTURE INCENTIVE – 10% OF NEW INFRASTRUCTURE UP TO \$20,000

Morgan City RDA recognizes the challenges with building new commercial buildings where infrastructure is not available or not adequate. This incentive will help a property owner create a build ready lot. The incentive will help reimburse the infrastructure costs and are contingent on a new building being complete. This is not for a property owner to make improvements to a property for the purpose of increasing the purchase price of property. The infrastructure incentive will only be reimbursed after all improvements are made within the timeframe set by the RDA.

5. HISTORIC PRESERVATION – 30% OF PRESERVATION COSTS UP TO \$3,000

Pay up to 30% of aesthetic improvements on the portion required by our historic preservation requirements amount up to \$3,000.

CONDITIONS

1. Each project capped at \$50,000.
2. A project is defined as any improvement to one property.
3. Grant incentive are post performance.
4. Each incentive can be reimbursed separately; i.e. Roof portion can be reimbursed after roof is complete as identified in the proposal.
5. Purchase price incentive is held until entire project is complete.
6. Improvements must be completed on an agreed upon time frame.

MORGAN CITY UTAH RDA COMMERCIAL INCENTIVE APPLICATION

Name of Applicant: _____
Address of Applicant: _____

Home/Cell Number: _____
Email: _____
Address of Property: _____

DESCRIPTION OF PROJECT PROPOSAL: _____

PROJECT SUMMARY WORKSHEET (Attach estimates for each item)

INCENTIVE	COSTS	INVESTMENT	%/Cap	ELIGIBLE AMOUNT	APPROVED AMOUNT	NOTES / CONDITIONS
Purchase			10% up to 20K			
Code Improvements			10% up to 10K			
Capital Improvements			8% up to 40K			
Infrastructure			10% up to 20K			
Historic/ Aesthetics			30% up to 3K			
Totals			Up to 50K			

Signature of Applicant _____

Review Date: _____

Approval Date: _____

PAYMENT SUMMARY (FINAL INVOICES PROVIDED)

INCENTIVE	APPROVED AMOUNT	PAYMENT DATE	PAYMENT – LINE ITEMS	
Purchase				
Code Improvements				
Capital Improvements				
Infrastructure				
Historic/ Aesthetics				
Totals				

