

**MINUTES OF MORGAN CITY
REDEVELOPMENT AGENCY
MEETING**

APRIL 23, 2019; 6:00 P.M.

**CHAIR AND BOARDMEMBERS
PRESENT:**

Chair Ray W. Little, Tony London, Eric Turner, Jeff Wardell, and Mike Kendell

STAFF PRESENT:

Denise Woods

EXCUSED:

Jeffery Richins, Ty Bailey, and Gary Crane, Attorney

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 Morgan City Redevelopment Agency Meeting on April 9, 2019.

SECOND: Boardmember London

The vote was unanimous to approve the minutes as written; Boardmember Richins was absent

ITEMS FOR DISCUSSION/APPROVAL

HOTEL UPDATE

Chair Little gave a brief update regarding the hotel. He stated the RDA was established in 1993 and had an assessed value of \$2,086,614. He discussed the tax rate of the taxing entities and the amounts received by each taxing entity during the first year. He explained the distribution of the monies received between the RDA and the taxing entities for the year 2018, 2019, and projected amounts for 2020. He explained the potential increase in the assessed value and the distribution to the taxing entities if the hotel was built.

Discussion regarding the amount collected in 2018 and the possible increase for the remaining years of the RDA, but if hotel wasn't built the amount collected would be the amount received in 2018 plus any assessed value of properties developed in the RDA boundary after 2018.

Chair Little explained the estimated amounts to be collected from the hotel from the Transient Room Tax (TRT). The occupancy of the hotel was projected at 60%. He explained the amounts calculated in TRT for the City and County.

Discussion regarding the requirements of spending the TRT, such as advertising and incentive for the hotel.

Chair Little discussed the possible incentives the RDA could offer the hotel. He explained one incentive could be a reimbursement for development costs of the hotel. He said meetings to discuss possible state funding would be scheduled with Tina Cannon, County Council, and Andrew Willis, North Front Business

Center. He informed the Board the RDA had received a proposed agreement from the company for the hotel, which stated construction would begin by December 2019 and completed by December 2020, if an agreement could be reached between the parties. The tax evaluation on the property would begin December 2020.

Discussion regarding the incentive for development costs. Reimbursement would be paid after the hotel was built and had received the certificate of occupancy. The total amount necessary for the reimbursement of development costs would not be available in the RDA fund and part of it would possibly be a loan from the Capital Improvement Fund and then paid back from the RDA fund. Discussed the amounts to be received by the RDA and the time it would take to repay the loan from the Capital Improvement Fund. The use of Impact fees and hook-up fees paid to the City could also be used to supplement the amount of the reimbursement incentive.

Boardmember Kendell asked the funding source for the amounts indicated to be paid during years 1 – 5 and 6 - 10.

Chair Little explained that amounts would not be paid until it had been generated and paid by the hotel. It would be paid after the taxes had been paid each year.

Discussion regarding the use of TRT from both the County and City as the incentive. Suggestion was made to ask for a letter of intent from the County. The total incentive cost over 10 years would be approximately \$1,265,000. Approval of the agreement and incentive package were contingent upon agreement with both the County and the School District to participate.

The decision of the RDA Board was to move forward with the negotiations with the hotel and County.

This meeting was adjourned at 6:30 p.m.


Denise Woods, Agency Secretary

These minutes were approved at the May 14, 2019 meeting.