

MORGAN CITY

**ELECTRONIC
RDA MEETING**

04-14-20

(5:00 p.m.)

MORGAN CITY REDEVELOPMENT AGENCY AGENDA
APRIL 14, 2020 – 5:00 P.M.
MORGAN, UTAH

Public invited to attend by: YouTube recording on morgancityut.org

WELCOME: Chair Little

CONSENT AGENDA

1. Discussion and/or Action to Consider the Morgan City Redevelopment Agency Minutes of January 28, 2020

ACTIVE AGENDA

2. Discussion/Approval – Doug Wickliffe – Request for Extension of Incentive Application – 101/145 Commercial Street
3. Discussion Only – Morgan Hotel – Extension of Substantial Completion Date
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 be held electronically to allow a member to participate.

Notice is hereby given that by motion of the Board of the Morgan City Redevelopment Agency, 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 7th day of April, 2020 at Morgan City Hall, on the Utah State Public Notice Website, at morgancityut.org, and emailed to the Morgan County News. The 2020 meeting schedule was also published in the Morgan County News on December 6, 2019.

Denise Woods, CMC, City Recorder

**MINUTES OF MORGAN CITY
REDEVELOPMENT AGENCY
MEETING**

January 28, 2020; 6:02 P.M.

**CHAIR AND BOARDMEMBERS
PRESENT:**

Chair Ray W. Little, Tony London, Eric Turner, Jeff Wardell, and Jeffery Richins

STAFF PRESENT:

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

OTHERS PRESENT:

John Patterson and David Alexander

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 London moved to approve the minutes of the November 12, 2019 Morgan City Redevelopment Agency Meeting.

SECOND: Boardmember Wardell

The vote was unanimous to approve the minutes as written.

ITEMS FOR DISCUSSION/APPROVAL

RESOLUTION R20-03 – RDA INCENTIVE APPLICATION – 153/157 COMMERCIAL STREET (BANK BUILDING)

Ty Bailey, City Manager, introduced John Patterson, and explained this was a new Incentive Application for renovations to the old bank building on Commercial Street. He stated the new incentive program was to encourage redevelopment of buildings along Commercial Street. He stated the amounts listed in the application were estimates but John had done a lot of research to get those estimates. He reminded the Board the incentive was for the valuation of the building and not its use.

John Patterson stated the concept was for professional office space. He stated his wife was a Nurse Practitioner and would have an office space in the building with three additional professional office spaces for rent and a conference room. He stated he had purchased the building and had started with the improvements. He explained some of the challenges he had encountered so far. He stated the roof had been leaking and when they demoed the bathrooms they found black mold. The bathroom would be redesigned to accommodate ADA requirements. He stated the metal roof had been put over tar and gravel so they would be putting on a new roof. He stated engineering required a new deck be installed and the engineering had been completed on the parapets. The electrical in the building was not in compliance with the code and he anticipated moving the hearing and adding air conditioning. He stated the old carpet had been installed with so much glue that when it was removed it pulled up the asbestos tiles which required abatement. He had discussions with a state architect, Steve Cornell, State Division of History, who was getting him additional drawings of the front of the building. He said Cherril Gross – work done around

1937. He stated he was working with someone on the new storefront so it met code, while preserving the current Art Deco Facade appearance of the building. He stated the signage would replicate the original electric sign on the building.

Ty mentioned office space was in demand in Morgan.

Ty explained reimbursement would be the “up to amount” in each category. He stated the improvements needed to be completed in 1 year from date of approval.

Discussion regarding current obligations of the RDA and the amount to be received this year with the parameters set in the renewed RDA.

MOTION: Boardmember London moved to approve Resolution R20-03 – A Resolution approving the Morgan City Utah RDA Commercial Incentive Application Submitted by John Patterson for the Project on 153/157 North Commercial Street. a/k/a Bank Building, with the amount not to exceed \$37,240.00 and to follow protocol established in Incentive Application for payment of funds.

SECOND: Boardmember Turner

Discussion on the Motion: None

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye

Vote was 4 ayes; Motion passed unanimously to approve Resolution R20-03 – A Resolution approving the Morgan City Utah RDA Commercial Incentive Application Submitted by John Patterson for the Project on 153/157 North Commercial Street a/k/a Bank Building, with an amount not to exceed \$37,240.00 and to follow protocol established in Incentive Application for payment of funds.

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

Denise Woods, Agency Secretary

These minutes were approved at the April 14, 2020 meeting.

MORGAN CITY UTAH RDA COMMERCIAL INCENTIVE APPLICATION

Name of Applicant: R. Doug Wickliffe
 Address of Applicant: 826 Vista Dr.
 South Ogden, UT 84403
 Home/Cell Number: 801-603-1381
 Email: rdwickli37@gmail.com
 Address of Property: 101 Commercial Street (Old Grocery Store)

DESCRIPTION OF PROJECT PROPOSAL: Rebuild and restore building for commercial lease space

PROJECT SUMMARY WORKSHEET (Attach Itemized Estimates for Each Incentive)

INCENTIVE	ESTIMATE	QUOTE AMOUNT	%/Cap	ELIGIBLE AMOUNT	APPROVED AMOUNT	NOTES / CONDITIONS
Purchase		\$480,000	10% up to 20K	\$20,000		
Code Improvements	\$47,000		10% up to 10K	\$4,700		
Capital Improvements	\$140,000		8% up to 40K	\$11,200		
Infrastructure		N/A	10% up to 20K	N/A	N/A	
Historic/ Aesthetics	\$2,400		30% up to 3K	\$720		
Totals	\$189,400	\$480,000	Up to 50K	\$36,620		

Signature of Applicant: *Robert D. Wickliffe*

Review Date: April 9, 2019

Approval Date: April 9, 2019

PAYMENT SUMMARY (FINAL INVOICES PROVIDED)

Ty Bailey
 Ty Bailey, Executive Director

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

101 Commercial Street RDA Incentive Cost Estimates 2019

Incentive #1	101 Commercial St.	Comments
Purchase Price	\$480,000	
Total	\$480,000	

Incentive #2	101 Commercial St.	Comments
Code Improvements		
Electrical	\$20,000	Most of the building needs re-wired to meet code.
ADA Restrooms	\$12,000	6 restrooms @ \$2,000 per each
ADA Entrances	\$1,500	Minor improvements needed
Total	\$47,000	

Incentive #3	101 Commercial St.	Comments
Capital Improvement		
Plumbing	\$7,000	Plumbing improvements including water heaters
Flooring	\$64,000	Building only has subfloor. 18,000 square ft.
HVAC	\$24,000	New furnaces and AC units needed
Interior remodel	\$20,000	Framing, drywall. Replace partition with permanent wall, stairs, office space improvements
Siding/ exterior	\$25,000	Front and entire side of building needs replaced
Total	\$140,000	

Incentive #5	101 Commercial St.	Comments
Historic Preservation		
Signage and Lighting	\$2,400	New signage and exterior lighting to fit the historic district requirements
Total	\$2,400	

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 may 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 may 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 may 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 may 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 may 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

This incentive may reimburse property owner 30% up to \$3,000 of aesthetic improvements on the portion required by our historic preservation requirements .

CONDITIONS

1. Each project capped at \$50,000.
2. A project is defined as all improvements identified on project application.
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 within one year, unless additional time is necessary and agreed upon.

MORGAN CITY UTAH RDA COMMERCIAL INCENTIVE APPLICATION

Name of Applicant: R. Doug Wickliffe _____
 Address of Applicant: 826 Vista Dr. _____
 South Ogden, UT 84403 _____
 Home/Cell Number: 801-603-1381 _____
 Email: rdwickli37@gmail.com _____
 Address of Property: 145 Commercial Street (Buzzy's) _____

DESCRIPTION OF PROJECT PROPOSAL: Rebuild and restore Buzzy's to a functioning restaurant _____

PROJECT SUMMARY WORKSHEET (Attach Itemized Estimates for Each Incentive)

INCENTIVE	ESTIMATE	QUOTE AMOUNT	%/Cap	ELIGIBLE AMOUNT	APPROVED AMOUNT	NOTES / CONDITIONS
Purchase		\$215,000	10% up to 20K	\$20,000		
Code Improvements	\$94,000		10% up to 10K	\$9,400		
Capital Improvements	\$158,500		8% up to 40K	\$12,680		
Infrastructure		N/A	10% up to 20K	N/A	N/A	
Historic/ Aesthetics	\$15,600		30% up to 3K	\$3,000		
Totals	268,100	215,000	Up to 50K	\$45,080		

Signature of Applicant *R. Doug Wickliffe*

Review Date: April 9, 2019

Approval Date: April 9, 2019

PAYMENT SUMMARY (FINAL INVOICES PROVIDED)

Ty Bailey
Ty Bailey, Executive Director

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

145 Commercial Street RDA Incentive Cost Estimates 2019

Incentive #1	145 Commercial St.	Comments
Purchase Price	\$215,000	Building has been purchased with no financing.
Total	\$215,000	

Incentive #2	145 Commercial St.	Comments
Code Improvements		
Electrical	\$24,000	Entire building needs re-wired including panel and meter
Plumbing	\$30,000	Entire building needs re-plumbed to bring it to code including a grease interceptor outside
ADA Restrooms	\$25,000	All restrooms need replaced to bring to code
ADA Entrances	\$2,500	Entrances need rebuild to meet access requirements
Fire Suppression	\$12,500	Building is required to have fire suppression system to be used as a restaurant
Total	\$94,000	

Incentive #3	145 Commercial St.	Comments
Capital Improvement		
Roof	\$70,000	Entire rebuild including decking, insulation, and fire rating improvements
Framing/ remodel	\$40,000	Building needs reframed for structural improvements in floor, walls, and ceiling
Flooring	\$24,500	Original flooring cannot be saved, new flooring will be needed throughout
HVAC	\$24,000	New HVAC system is needed for entire building
Total	\$158,500	Does not include 120K for commercial kitchen, and fixtures

Incentive #5	145 Commercial St.	Comments
Historic Preservation		
Façade/ Siding	\$14,000	New siding is needed, will keep to historic requirement.
Signage and Lighting	\$1,600	New signage and exterior lighting to fit the historic district requirements
Total	\$15,600	

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MORGAN HOTEL, LLC
5834 S 2550 E
Ogden, UT 84403

April 4, 2020

VIA OVERNIGHT MAIL

VIA ELECTRONIC MAIL: tbailey@morgancityut.org

City of Morgan
Morgan City Corporation Redevelopment Agency
Attn: Mr. Ty Bailey, City Manager
90 West Young Street
Morgan, UT 84050

RE: Economic Development Incentive Agreement dated August 13, 2019 ("Agreement")
by and between Morgan City Corporation Development Agency ("RDA"), the City
of Morgan ("City") and Cobblestone Hotel Development, LLC ("CHD"), as assigned
to Morgan Hotel, LLC ("Developer") on August 27, 2019

Dear Ty:

I hope all is well with you and this correspondence finds you safe and healthy.

The purpose of this correspondence is to put the RDA and City on notice that the Developer may require an extension to the Substantial Completion Date, as defined in the above referenced Agreement. As provided in Section 2 of the Agreement, in the event the Developer encounters an "Excusable Delay," the City, RDA and the Developer will execute an amendment to the Agreement granting an extension to the Substantial Completion Date. In addition, Section 5.4 of the Agreement provides for an automatic 1-day extension for every day the project is delayed due to events beyond Developer's control.

While at this time the Project is moving along quite well and a delay is not anticipated, we simply cannot predict what is going to happen over the next several months given the COVID-19 pandemic. With the level of economic unpredictability so high, we thought it best to provide you with ample notice of a possible delay.

If an extension is necessary, we will contact you. We value our relationship with the City and RDA and look forward to working with you to navigate these difficult times.

Please do not hesitate to contact me with any questions or concerns you may have. Thank you for your time and understanding.

Sincerely,
MORGAN HOTEL, LLC



Scott Parkinson
Authorized Person

