

**MINUTES OF MORGAN CITY  
REDEVELOPMENT AGENCY  
ELECTRONIC MEETING**

**APRIL 14, 2020; 5:03 P.M.**

**CHAIR AND BOARDMEMBERS  
PRESENT ELECTRONICALLY:**

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

**STAFF PRESENT  
ELECTRONICALLY:**

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

**OTHERS PRESENT  
ELECTRONICALLY:**

**Doug Wickliffe**

**This meeting was held electronically in accordance with Executive Order 2020-1; Suspending the Enforcement of the Provisions of Utah Code 52-4-202 and 52-4-207 by Governor Gary Herbert on March 18, 2020, due to Infectious Disease, Coronavirus (COVID-19).**

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

**MINUTES**

**MOTION:** Boardmember London moved to approve the minutes of the Morgan City Redevelopment Agency Meeting on January 28, 2020.

**SECOND:** Boardmember Turner

The vote was unanimous to approve the minutes as written.

**ITEMS FOR DISCUSSION/APPROVAL**

**DISCUSSION/APPROVAL – DOUG WICKLIFFE – REQUEST FOR EXTENSION OF INCENTIVE APPLICATION – 101/145 COMMERCIAL STREET**

Ty Bailey, City Manager, explained two grants were awarded on April 9, 2019 to Doug Wickliffe for properties located at 101 and 145 Commercial Street. He explained the grants were for one year unless an extension was given to the applicant. He stated significant progress had been made on the end building and the grant for that property would be closed out first. He said it had taken longer than anticipated because the buildings were in worse condition than Mr. Wickliffe initially thought. He explained Mr. Wickliffe had received occupancy for the end building and had a couple of tenants in place even though there was work still to be done. He explained the funds in the Redevelopment Agency account rolled over year to year so an extension would not affect the budget.

Chair Little asked the Board if they had any questions for Mr. Wickliffe.

Boardmember London asked what the timeline was on these two projects.

Doug Wickliffe, Developer, said the end building was 1,800 square feet and one space had occupancy. He stated he would continue working on the building, but the facade would be completed within the next week or so and the building was ready for improvement requested by the new tenants. He said he had a carpet store and four offices rented and another business signed a lease a couple of weeks ago for personalized strength training. He said the end building was close to being completed. He said Buzzy's had been a challenge. He had hired an architectural firm and they had worked with WC3. He said he had not anticipated it taking nine months before he could begin working on Buzzy's. He explained some of the improvements which had been completed. He said the apartments in the back of the building were moving forward and he had building permits for them. He said Mark Schmid, Building Inspector, asked for a structural engineer to be brought in to inspect the roof.

Boardmember Alexander asked regarding the monies spent on each of the projects.

Doug stated he estimated the commitment to the end building would be approximately \$700,000.00. He said there was a lot of unforeseen wiring issues, but it was moving forward, and it had occupancy. He said the building was almost complete except for some work on the facade and any improvements requested by the tenants.

Boardmember London asked Mr. Wickliffe how long of an extension would he need to complete both projects.

Doug stated he estimated it would take nine to twelve months to complete both the projects.

Boardmember London asked if he would be comfortable with a year extension.

Doug said a year would be plenty of time. He said the coronavirus was a big unknown, but he felt he could complete the projects with a year extension.

Ty explained each application was reviewed individually so granting an extension would not affect other projects. He stated the end building was near completion and would not need a year extension, but Buzzy's still had a lot of work to be done. He stated an extension on the end building could be for 2 months and one year for the completion of Buzzy's.

Boardmember Alexander asked if the Board had the ability to grant two separate extensions.

Ty explained each of the projects were under a separate application so the extensions could be specified for each project.

Boardmember London asked for clarification regarding the extensions; June 30<sup>th</sup> on the end building and one year for Buzzy's.

Doug stated those extensions worked for him.

**MOTION:** Boardmember London moved to grant an extension for the property on 101 Commercial Street to June 30, 2020 and an extension on the property at 145 Commercial Street for one year, which would mature on April 9, 2021.

**SECOND:** Boardmember Turner

**Discussion on the Motion:** None

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

Vote was 5 ayes; Motion passed unanimously to grant an extension for the property on 101 Commercial Street to June 30, 2020, and an extension on the property at 145 Commercial Street for one year, which would mature on April 9, 2021.

**DISCUSSION ONLY – MORGAN HOTEL – EXTENSION OF SUBSTANTIAL COMPLETION DATE**

Ty explained the City had received a letter from Scott Parkinson, Morgan Hotel LLC, stating the contract mentioned the possibility of an extension on the contract due to unforeseen circumstances. He said they were not asking for an extension at this time but wanted to give notice to the City of the possible delays due to COVID-19 and they might need an extension. Ty said he had acknowledged receipt of the letter. He had talked with Mark Schmid, Building Inspector, and WC3 and progress was being made on the project. He said a delay was not anticipated on the project.

Boardmember Alexander asked if the Hotel project was similar to the previously discussed projects.

Chair Little explained the agreement between Morgan Hotel LLC and the RDA. He said it was an eight-year agreement where the City would reimburse Morgan Hotel LLC a portion of the paid property taxes each year. He said the target date was December 31, 2020 and it was contingent upon them receiving substantial completion. He said the County Assessor would then assess the value of the building and the amount to be collected in 2021. He said after Morgan Hotel LLC paid those taxes the agreement would begin, and the City would reimburse them a portion of the paid taxes, which were referred to as tax increment in the agreement. He said if there were unforeseen delays it would change the dates of the payments.

Gary Crane, City Attorney, stated the portion to be reimbursed was the tax increment. He explained the tax increment was the amount the property was worth before the hotel was constructed and the amount the property was worth after. He said after the improvements on the property were completed, the property was worth more and that amount was used to calculate the amount to be reimbursed to Morgan Hotel LLC. He said the caution of granting an extension was the number of years the RDA was renewed. He said the RDA should send an acknowledgement of receipt of the letter and mention the terms of the agreement could change if there was an extension. He explained if the RDA did not collect the payment from Morgan Hotel LLC, the RDA was not obligated to reimburse a portion back to Morgan Hotel LLC.

Boardmember London asked how the value of the property would be assessed for 2020 where it was bare ground at the beginning of the year and then having a hotel completed by the end of the year.

Chair Little explained Gwen Rich, County Assessor, and an appraiser would appraise the value of the ground with the cost of the actual construction of the building as of December 2020. He said Gwen and/or an appraiser would assess the value of the property and building improvements and establish the property taxes due in 2021.

Boardmember London clarified that the first payment of the assessed value would be made in 2021.

Discussion regarding a response letter. Gary offered to draft the letter.

### **OTHER ITEMS DISCUSSED**

Boardmember London asked regarding the progress on the bank building.

Ty explained the work which had been completed so far on the bank building; roof was done and the framing on the inside was completed. He said one issue with the bank building was there was two parcels but only one building. He said the business owners would be working together to realign the property boundaries and clean up those issues.

Ty said once the hotel was completed the agreement with each of the entities (Morgan County School District and Morgan County) would need to be restructured. He said the entities were aware of the possible change if/when the hotel was completed.

This meeting was adjourned at 5:45 p.m.

  
Denise Woods, Agency Secretary

These minutes were approved at the June 23, 2020 meeting.