



# CEDAR CITY

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Mayor  
Joe Burgess

Council Members  
Ronald R. Adams  
Nina R. Barnes  
John Black  
Paul Cozzens  
Don Marchant

City Manager  
Rick B. Holman

## REDEVELOPMENT AGENCY MEETING JUNE 12, 2013

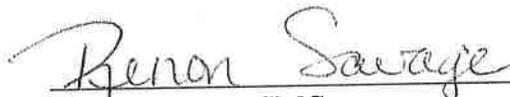
The Cedar City Redevelopment Agency will hold a meeting on Wednesday, June 12, 2013 immediately following the Special City Council meeting, in the Council Chambers at the City Office, 10 North Main Street, Cedar City, Utah. The agenda will consist of the following items:

I. Call to Order

II. Business Agenda

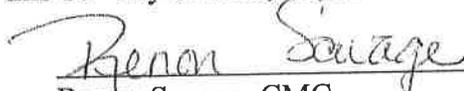
1. Approval of Minutes dated May 15 & 22, 2013
2. Consider a resolution adopting the fiscal year 2013-2014 budget – Jason Norris
3. Approval of bid from Funder Welding & Design in the amount of \$8,849,90 for the Main Street Light Pole Banner Arm project and approve ratifying an agreement with Funder Welding & Design – Brennan Wood/Jonathan Stathis

Dated this 10<sup>th</sup> day of June, 2013.

  
\_\_\_\_\_  
Renon Savage, CMC  
City Recorder

### CERTIFICATE OF DELIVERY:

The undersigned duly appointed and acting recorder for the municipality of Cedar City, Utah, hereby certifies that a copy of the foregoing Notice of Agenda was delivered to the Daily News, and each member of the governing body this 10<sup>th</sup> day of June, 2013.

  
\_\_\_\_\_  
Renon Savage, CMC  
City Recorder

Cedar City Corporation does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

If you are planning to attend this public meeting and, due to a disability, need assistance in accessing, understanding or participating in the meeting, please notify the City not later than the day before the meeting and we will try to provide whatever assistance may be required.



**REDEVELOPMENT AGENCY WORK MINUTES**  
**MAY 15, 2013**

The Redevelopment Agency held a meeting on Wednesday May 15, 2013, at 6:34 p.m. in the Council Chambers at the City Office at 10 North Main Street, Cedar City, UT.

**MEMBERS PRESENT:** Chair Ron Adams; Secretary Paul Cozzens; Members: John Black; Joe Burgess; Don Marchant.

**EXCUSED:** Nina Barnes.

**STAFF PRESENT:** City Manager Rick Holman; City Attorney Paul Bittmenn; City Engineer Kit Wareham; City Recorder Renon Savage; Finance Director Jason Norris; Police Chief Robert D. Allinson; Fire Chief Paul Irons; Airport Manager Russ Volk; Public Works Director Ryan Marshall; Leisure Services Director Dan Rodgerson.

**OTHERS PRESENT:** Tom Jett, Shaun Warby, Bev Burgess, Spencer Grant, Chevelle Foster, Josh Huntsman, Nathan Dittmer, Paige Gunn, Doug Hall, Kristen Daniel.

**CALL TO ORDER:** Chairman Adams called the meeting to order at 6:34 p.m..

**DISCUSSION OF INTERLOCAL AGREEMENT – BRENNAN WOOD/MSC AEROSPACE – SHAUN WARBY:** Brennan – this agreement is with the four taxing entities the next item is the RDA and MSC.

The interlocal agreement is very similar to other interlocal agreements, the County will collect the tax and provide it to the RDA, the RDA will then verify the company qualifies and then a payment will be made to the company as its incentive. The agreement talks about the final assembly in Cedar City, minimum benchmarks 25% above prevailing Iron County wage; the term, 15 calendar years at 100% 2013-2027 all have agreed to the terms. If the company does not qualify, the funds go to the County and they disburse the funds as they normally would. Paul helped draft this agreement.

Cozzens – what is the prevailing wage rate? Brennan – it is just under \$13.00 per hour. Each year the Governor's office of Economic Development posts that and it changes each year. Cozzens – can benefits be included? Brennan – salary only, that is what GoEd projects.

**DISCUSSION OF TAX INCREMENT FINANCING EXPANSION INCENTIVE AGREEMENT – BRENNAN WOOD/MSC AEROSPACE – SHAUN WARBY:** Brennan – this is with MSC Aerospace and RDA, this is the payment of the incentive. We discussed this months ago. The capital investment for the project is nearly \$400 million, for the tracking purpose, we will track the PPE which \$126 million. Some of the sticking points we have in this agreement, one is section 1.3, where we have the company supply all required documents to show it qualifies for the incentive by April 1<sup>st</sup> of the calendar year immediately following the calendar year for which the Company is

requesting the incentive. We discussed what documentation meant, so I drafted a form they can follow, how many employee, average wages and compare it to the agreement to see if they qualify. We will get the form to you for review, this way there is no question on what information is needed. We will require that on April 1<sup>st</sup> of each year. Typically we get tax increment around April. They would like us to remind them on March 1<sup>st</sup> of each year. The Agreement itself is a reminder, and I would like that put on them instead of the City. Page 4 talks about full-time employment, this goes through 2027 which would be 600 employees. This is 50% of their total projection.

The 100% tax increment, page 5 (g) would be an increase from the benchmark dollar amount. Page 6 (k) – 30 hours per week for a calendar year. We have talked about part-time employees; this has been what we have done for the other incentive agreement. We want more stability that you get with full-time employees.

Spencer Grant, president of Metalcraft, I will do most of the hiring. We pride ourselves on being flexible. We feel we have success. When we ramp to 600 employees it is daunting. We have scenarios we have part-time employees that are beneficial to us and the employee. We require a lot of training which we do most in-house. I have a handful of part-time employees, environmental engineer, master's degree, her husband works at SUU, she only wanted to work part-time, a few other examples, some women that work on the floor, one came full-time and one part-time, the full-time asked to go to part-time. The other category is students; a good portion of upper management came to us part-time before going full-time. We bring them in as students, full-time in the summer and part-time in the school year. We feel the flexibility is so valuable and we prefer where you count the hours instead of full-time head count. This can be capped; generally we don't want part-time I don't know if it is 7-10%. We would like to retain flexibility and have the incentive in line to work part-time. Mayor – what would you propose the minimum hours? Spencer – 20 hours a week is the minimum. Mayor – part-time year round? Spencer – some would, we have some that are permanent part-time. We want to use it where it makes sense, but we would rather have full-time employees. Cozzens – I was under the impression that you also want to look at contract employees, is that true? Shaun – contract employee through SOS staffing. Spencer – we have 3 employees through SOS right now. Shaun – we have about 12 of 140, we would also have a cap on those agreements. Cozzens – I want to disclose that I have worked for a lot of different individuals with Metalcraft, and I did the remodel on the plant 15 years ago and I am currently doing some remodeling. What precedent have we set with Charlotte Pipe and others, will we have implications? Paul – typically full-time is more stable, brings more opportunity to work and provide for their family. We have not given credit for part-time employees. Cozzens – is it written in the guidelines? Paul – it is a guideline that has been practiced. If you have incentives under the same regulation administratively it is easier to deal with. It is not illegal, but it is an administrative nightmare. Nothing prohibits from hiring part-time employees, the measurement is only 50% of their projections. The wage projections are from GoEd. Marchant – we are taking the numbers you gave us. I am wondering what the issue is if we are going by your numbers. Spencer – it is full-time equivalent. The community has some level of employment that wants to be employed that way. Cozzens – based on our culture with the University, we

are real proud of the fact that the University is 3<sup>rd</sup> in the nation for the least amount of debt. I have employed students and I am proud I have been able to help them. Spencer – I look at one position for a bookkeeper and the best candidate is a student, if I don't have enough positions I either hire two part-time or one full-time. The job numbers are huge, so to move toward the incentive I have to hire a huge number of people. I have been talking with Snow College to train individuals. We will also be working with SWATC. Cozzens – how hard is that to administer? Brennan – right now I get a break down of employees, they have work hours per week, I break it down to the full-time equivalent. I want consistency, when people come to me knowing the benchmark is 25, we want those 25 full-time employees. My fear is creating a lot of part-time employment. Cozzens – I would hate to see discrimination for students that may become full-time employees. Spencer – also the women, a lot want part-time. Our culture is to be flexible with our employees. Brennan – they are about 8% with part-time right now. The difference, the total benchmark would change from 127 to 130. Shaun – the administrative burden is on us. Marchant – are we creating a precedence that will be difficult down the road? Brennan – they say the first year 50 employees, our bench mark is 25, and there is room for part-time employees. Black – why did we take the 50%. Brennan – GoEd does the same thing so we followed suit. Paul – also this project estimates for additional workforce and capital were so high and a big impact on the community so we took the haircut. Cozzens – look at it logically, part-time, woman, man or college student, would you not mess with anything under 20 hours? Spencer – yes, we are ok with the 20 hours. Cozzens – I would not mind using 20 hours minimum to benefit students or with some of the situations Spencer talked about why not. Black – we also want a cap. Spencer – we would be happy with the cap. Most companies don't want to hire part-time. Cozzens – to support students it is a big deal. Brennan – also with the health care it will be an issue in the future. Cozzens – with a cap and a minimum of 20 hours would it be manageable? Brennan – with a cap of 10% and minimum 20 hours a week it would. Paul – can we exclude contract employees? Spencer – if I hire someone through SOS I do it as a segway to full-time employment. It is huge ramp in new employment for us and it will be tough, and we will be creative. We have to figure out how to bring people on board. Paul – the employees you hire through a temp agency are not full-time. Spencer – they typically are full-time, it gives us flexibility, we can see how they work out before they become our employees. We want to include them in the benchmark. Paul – are they in the numbers Brennan has? Shaun – no they are not. Spencer – it still meets the intent. Paul – if we want to include those employees, why not get us numbers. Shaun – we take total hours worked and divide it out. Spencer – we won't count anything less than 20 hours per week. Brennan – they will do the work and provide the data to me, we will have to redo the FTE and the form. Mayor – are you ok with the few items? Brennan – I am ok with the cap of 10% and no less than 20 hours. Cozzens – I would like to see us change our policy so other industries can be flexible also. Brennan – if we like a concept I would like to continue with the concept. Black – will this give GenPak the ability to restructure? Paul - I would not suggest it, if they want to they can approach the city. Brennan – I don't think it will be a problem, especially with the 10% cap. Shaun – we feel it is reasonable up to a certain limit. It also allows us to work with stay at home moms.

Brennan – the only firm issue is the April 1<sup>st</sup> deadline being their responsibility. Shaun – the City has been reasonable we will take the burden. Brennan – I will work with Paul and we will have a new definition for next week.

Paul – the interlocal agreement, it will be on both agenda's next week, the City and RDA both need to vote on that.

Cozzens – going back to the previous meeting, I don't see with the FAA controlling the deal, we will not lock the gate. Shaun – the concern we have is an obscure grant, Russ won't always be the Airport Manager, and there is an obscure grant with a clause that makes you comply with XXX, if we are required to comply with that. I am not worried with the rules changing in the future, not what is there now. Black – what does a board member make a difference, you already have say. We will be inundated with special request for board appointments. Shaun – what would it hurt, if you have an agreement that is different? We need to protect our interests. Cozzens – what if we come up with an agreement that will not let us do anything that will change that. Paul – you can't do that. You cannot have a no eviction clause. Russ – the specific language we were provided with the FAA is we have a 19 year commitment for the grant we received. If in 10 years the FAA says you will do X, Y, Z or you will lose your commercial airport. Paul – if they change those restrictions and we opt out of FAA Airport, they have the ability to come back and say we have given you X amount of money, here is your bill. Russ – if you grant anyone special provisions, any other tenant can apply for anti-discrimination clause. You get no more grants. Cozzens – you risk yourselves. Russ – you could lose a commercial airport you have had for 92 years. We need to separate the two issues; the Agreement is acceptable with the FAA and us, to remain in compliance it has to stay as is. You will need to work a separate agreement. Shaun – we want to prevent something from happening accidentally, we want to look at the grant items and it is our burden to research it. Rick – we can send Shaun all Airport Board meetings, they can see all the agreements. Paul – all FAA regulations are on the federal reporters and they have to be published on the federal register and out for public comment for months. Russ – MSC Aerospace wanted 180 days before we approved for a grant that is not feasible. The FAA will look at grant funds and if they have money they will start a process and say you have 3 weeks to get your application in. As an entity it would be foolish not allowing us to apply for a grant because we can't meet the 180 days. Black – are you ok if we notify you as soon as we are aware. Shaun – yes, we are not worried about FAA regulations, we have to meet those. We are concerned about an obscure grant that may hurt us; we just want to read the grant before you apply. If you have an objection we will call the Airport Manager and City Council to state our position. We just want to make sure we are ok. Black – what if in the review you say don't sign the grant. Shaun – that is your decision. We have a huge business that could hurt the city. We only want to protect a mistake; we don't think you would do that on purpose. I don't think the City will shut down our business. Marchant – what if Brenda Blackburn wanted the same thing. The dollar figures are different, but the principal is the same. Shaun – it is a major problem to our board, but it is your decision. Rick – coming to the Airport Board and City Council. Paul – everything that goes to the City Council is now required to be posted on the State Public Notice website, every grant for fire or police anything

that goes into the City Council packets will now be posted on the State website. This is new as of yesterday. Shaun – I am open to solutions, we will talk about this, this is the first time I have heard of the website. Cozzens – I agree with Don, I don't think the board appointment is feasible. You will have two weeks for each agenda item to review the contracts. Russ – prior to the City Council it goes to the Airport Board. Shaun – we want to see the legal documents before they are signed.

**ADJOURN:** Councilmember Black moved to adjourn at 7:33 p.m.; second by Cozzens; vote unanimous.

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Renon Savage, CMC  
City Recorder



**REDEVELOPMENT AGENCY MINUTES**  
**MAY 22, 2013**

The Redevelopment Agency held a meeting on Wednesday May 22, 2013, at 6:16 p.m. in the Council Chambers at the City Office at 10 North Main Street, Cedar City, UT.

**MEMBERS PRESENT:** Chair Ron Adams; Secretary Paul Cozzens; Members: Nina Barnes; John Black; Joe Burgess.

**EXCUSED:** Don Marchant.

**STAFF PRESENT:** City Manager Rick Holman; City Attorney Paul Bittmenn; City Engineer Kit Wareham; City Recorder Renon Savage; Finance Director Jason Norris; Police Chief Robert D. Allinson; Leisure Services Director Dan Rodgerson; Economic Development Director Brennan Wood; Parks Superintendent Wally Davis; Public Works Director Ryan Marshall.

**OTHERS PRESENT:** Chuck Berry, Spencer Grant, Chuck Taylor, Melodie Jett, Tom Jett, Todd Prince, Bev Burgess, Susan Lewis, Melanie Lyons, Colby Lyon, Kristen Daniel, Doug Carriger, Paige Gunn, Doug Hall.

**CALL TO ORDER:** Chairman Adams called the meeting to order at 6:16 p.m..

**APPROVAL OF MINUTES DATED MARCH 20 & 27, 2013:** Councilmember Black moved to approve the minutes of March 20 & 27, 2013; second by Councilmember Cozzens; vote unanimous.

**APPROVE AN INTERLOCAL AGREEMENT RELATED TO TAX INCREMENT FINANCING FOR MSC AEROSPACE – BRENNAN WOOD/MSC AEROSPACE – SHAUN WARBY:** Brennan – this is the same as the Council just approved.

Cozzens disclosed that he is under contract with Metalcraft on a remodel, and that he has done work with them over the past 20 years.

Councilmember Black moved to approve the interlocal agreement related to tax increment financing for MSC Aerospace; second by Councilmember Cozzens; vote unanimous.

**APPROVE A TAX INCREMENT FINANCING EXPANSION INCENTIVE AGREEMENT – BRENNAN WOOD/MSC AEROSPACE – SHAUN WARBY:** Brennan – I failed to mention that Spencer Grant and Chuck Taylor is here if you have any questions. There was discussion on points in the agreement. We had it based off the new full time equivalent which 30 hours would be full time and the part time 20-30 hours only using 10% of the part time hours and the part time must work 20 hours. Because of the new calculation we updated the benchmarks which are 142 employees to start. We defined the full-time equivalent, part time. Part of the working hours is a definition of the

40 hours per week. Other than those changes there were not additional changes. The benchmarks are spelled out in detail.

Cozzens – Spencer, are you on track for the 25 this year? Spencer – we are pretty close. Cozzens – if you get 40 this year can it carry into the next year? Brennan – yes. Cozzens – what is the tax increment they get? Brennan – 100% of the base the contract shows the base, \$8,020,358. That includes the five parcels and the personal property for the two entities. Cozzens – that is a moving target? Spencer – yes, you will collect taxes from me every year and I will get some of that back. Chuck Taylor – only if we meet the benchmark. Paul – it is all post performance. Brennan – I mentioned there would be a form they will have to fill out by April 1<sup>st</sup> of each year, it asks all the relevant information. Spencer – we had an employee meeting today and we introduced 18 new employees that have been added since the first of the year. Black – is there an announcement in the near future? Spencer – we think things are on track, we are very close.

Councilmember Black moved to approve the tax increment financing expansion incentive agreement for MSC Aerospace; second by Councilmember Cozzens; vote unanimous.

**ADJOURN:** Black moved to adjourn at 6:26 p.m.; second by Barnes; vote unanimous.

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Renon Savage, CMC  
City Recorder

**CEDAR CITY REDEVELOPMENT AGENCY**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION PROVIDING FOR ITS FISCAL YEAR 2013-2014 BUDGET**

**WHEREAS**, a tentative budget has been presented and reviewed by the Cedar City Redevelopment Agency pursuant to law for fiscal year 2013-2014; and

**WHEREAS**, the Redevelopment Agency conducted a public hearing related to the adoption of its 2013-2014 budget and received public comments, if any, on June 5, 2013; and

**WHEREAS**, it is necessary that the Cedar City Redevelopment Agency adopt a budget for its operations during fiscal year 2013-2012.

**NOW THEREFORE BE IT RESOLVED**, by the Cedar City Redevelopment Agency that the budget, attached hereto and incorporated herein as exhibit #1, be adopted as its annual budget for fiscal year 2013-2014.

This resolution is considered with full knowledge of any and all disclosures as required by the laws of the State of Utah concerning any actual or potential conflicts of interest.

This resolution assigned No. \_\_\_\_\_, shall take effect on the 30<sup>th</sup> day of June, 2013. This resolution was made, voted, and passed by the Cedar City Redevelopment Agency at its regular meeting on the 12th day of June, 2013.

\_\_\_\_\_  
RON ADAMS  
CHAIRMAN

ATTEST:

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PAUL COZZENS  
SECRETARY



# Exhibit #1

Cedar City Redevelopment Agency Resolution No. \_\_\_\_\_



ACCT #	DESCRIPTION	ACTUAL FY10/11	ACTUAL FY11/12	ADOPTED FY12/13	REVISED FY12/13	Proposed FY13/14
57	<b>REDEVELOPMENT AGENCY FUND</b>					
	REVENUE					
5739101	TAXES-PORT 15	69,178	262,220	265,000	265,000	265,000
5739102	TAXES-GENPAK-IMPROVEMENTS	-	-	-	-	-
5739200	RENTS-LINS BUILDING	327,730	340,009	300,000	300,000	300,000
5739310	STATE GRANT-STREET LIGHTS	-	71,414	-	-	-
5739500	INTEREST EARNINGS	14,090	19,807	15,000	15,000	15,000
5739801	TRANS FROM PARKING AUTHORITY	8,718	8,494	8,600	8,600	8,600
5739900	FUND BALANCE-APPROPRIATED	-	-	-	2,209,674	-
	<b>TOTAL REVENUE</b>	<b>419,715</b>	<b>701,944</b>	<b>588,600</b>	<b>2,798,274</b>	<b>588,600</b>
	EXPENDITURES					
5740220	PUBLIC NOTICES	66	-	-	-	-
5740262	BUILDING & GROUND MAINTENANCE	7,818	-	-	-	20,000
5740300	ADMINISTRATION FEE	5,000	5,000	5,000	5,000	5,000
5740310	PROF & TECH SERVICES	59,800	12,500	-	-	-
5740311	AUDIT	103	230	1,335	1,335	1,600
5740510	INSURANCE & SURETY BONDS	6,091	6,128	6,800	6,800	6,529
5740620	PORT 15-DEVELOPER	28,695	108,769	109,922	109,922	109,922
5740621	PORT 18-IRON COUNTY SCHOOL DISTRICT	15,427	58,475	59,095	59,095	59,095
5740622	PORT 15-CEDAR CITY HOUSING AUTHORITY	13,836	52,444	53,000	53,000	53,000
5740623	PORT 15-ECONOMIC INCENTIVES	-	-	29,933	29,933	29,933
5740624	PORT 15-ADMINISTRATION FEE	7,568	5,000	13,250	13,250	13,250
5740630	INCENTIVE-ADMINISTRATION	-	765	-	4,235	-
5740631	INCENTIVE-LEASE SUBSIDEE	-	6,210	-	3,995	-
5740632	INCENTIVE-SIGN IMPROVEMENTS	-	30,277	-	14,723	-
5740633	INCENTIVE-TENANT IMPROVEMENTS	-	154,007	-	47,553	-
5740634	INCENTIVE-DOWNTOWN IMPROVEMENTS	-	1,548	-	8,452	-
5740635	CONCERT SERIES	700	26,269	-	43,031	-
5740636	DONATION-SHAKESPEAR FESTIVAL	-	-	-	2,000,000	-
5740730	CAP OUTLAY-IMPROVEMENTS	-	186,733	36,000	397,950	133,000
5740990	FUND BALANCE-UNAPPROPRIATED	-	-	274,265	-	167,271
	<b>TOTAL EXPENDITURES</b>	<b>145,103</b>	<b>654,354</b>	<b>588,600</b>	<b>2,798,274</b>	<b>588,600</b>
	<b>NET REVENUES OVER EXPENDITURES</b>	<b>274,612</b>	<b>47,590</b>	<b>-</b>	<b>-</b>	<b>-</b>

