

MORGAN CITY

**ELECTRONIC
RDA MEETING**

11-24-20

(5:45 p.m.)



MORGAN CITY REDEVELOPMENT AGENCY AGENDA
NOVEMBER 24, 2020 – 5:45 P.M.
MORGAN, UTAH

PUBLIC INVITED TO ATTEND BY:

Click the link to join the electronic meeting: **Registration Required before 5:00 p.m. on the day of the meeting.**
https://us02web.zoom.us/join/register/tZ0qce6hrDkoEt1XgLjsTu_O5_QoVlirLI4S

Or by YouTube recording on morgancityut.org

Pursuant to Utah Code Section 52-4-207(4) and a written declaration by Mayor Ray W. Little, the regularly scheduled public meetings will be held electronically until further notice. No physical meeting location will be available.

WELCOME: Chair Little

AGENDA

1. Discussion and/or Action to Consider Approval of the Following:
Minutes of the Redevelopment Agency Electronic Meeting –June 23, 2020
2. Discussion – 2020 Annual Report
3. 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 **18th day of November, 2020** at Morgan City Hall, on the Utah State Public Notice Website, at morgancityut.org, and three public places within the City. 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
ELECTRONIC MEETING**

June 23, 2020; 5:50 P.M.

**CHAIR AND BOARDMEMBERS
PRESENT ELECTRONICALLY:**

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

STAFF PRESENT ELECTRONICALLY:

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

EXCUSED:

Jeff Wardell

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

Boardmember Alexander made a correction to the minutes of the Morgan City Redevelopment Agency Meeting on May 12, 2020, Page 2. The correction was to change Mike Kendell to Dave Alexander in the Roll Call Vote for the adoption of the Tentative Budget for the fiscal year 2020 – 2021.

MOTION: Boardmember Alexander moved to approve the minutes of the Morgan City Redevelopment Agency Electronic Meetings held on April 14, 2020 and May 12, 2020; with the correction to change Mike Kendell to Dave Alexander in the Roll Call Vote for the adoption of the Tentative Budget for the fiscal year 2020 – 2021.

SECOND: Boardmember Richins

The vote was unanimous to approve the minutes with the correction.

ITEMS FOR DISCUSSION/APPROVAL

RESOLUTION R20-20 – FINAL ADOPTION OF THE 2020 – 2021 FISCAL YEAR BUDGET

MOTION: Boardmember London moved to open the public hearing.

SECOND: Boardmember Richins

Vote was 4 ayes; Motion passed to open the public hearing to discuss the 2020 – 2021 Fiscal Year Budget for the Morgan Redevelopment Agency of Morgan City; Boardmember Wardell was absent.

Public Comments: None – City Recorder had not received any requests to join the electronic public hearing.

Chair Little explained the purpose of the public hearing was to hear comments from the public regarding the 2020 – 2021 Fiscal Year Budget of the Morgan City Redevelopment Agency. He stated each year a new budget was presented to the Board for adoption.

MOTION: Boardmember Turner moved to close the public hearing.

SECOND: Boardmember London

Discussion on the Motion: None

Vote was 4 ayes; Motion passed to close the public hearing regarding the 2020 – 2021 Fiscal Year Budget of the Morgan City Redevelopment Agency; Boardmember Wardell was absent.

Ty Bailey, City Manager, referred to the 2020 – 2021 Final Budget document in the packet, which included a description of projects which had been accomplished. He explained the final budget revenue was more than it was in the past because when the RDA was renewed and the new agreements were signed by the separate entities, the agreements stated the RDA would be collecting 100% of the tax increment and then the RDA would pay each entity their portion as outlined in their agreement. He gave an update regarding the current agreements with the RDA:

- A reimbursement was given to the property owner of the end building on Commercial Street, which finalized the agreement on that project; and
- The remaining three projects were the hotel, bank building, and Buzzy's.

MOTION: Boardmember Turner moved to adopt Resolution R20-20 – A resolution adopting the 2020 – 2021 Fiscal Year Budget for the Morgan Redevelopment Agency of Morgan City, Utah.

SECOND: Boardmember London

Discussion on the Motion: None

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

Vote was 4 ayes; Motion passed to adopt Resolution R20-20 – A resolution adopting the 2020 – 2021 Fiscal Year Budget for the Morgan Redevelopment Agency of Morgan City, Utah; Boardmember Wardell was absent.

This meeting was adjourned at 6:00 p.m.

Denise Woods, Agency Secretary

These minutes were approved at the November 24, 2020 meeting.

Redevelopment Agency of Morgan



2020 Annual Report



Zions Public Finance, Inc.
October 2020

Contents

Chapter 1 – Background and Overview	3
Chapter 2 – Commercial Street Redevelopment Area (RDA)	6
Background Information	6
A. Changes in Marginal Value	6
B. Amount of Project Area Funds Received by Agency	7
C. Description of Current and Anticipated Project Area Development	8
D. Project Area Budget	8
E. Projected Tax Increment Receipts for Current Year	9
F. Projected Tax Increment Receipts for Next Calendar Year	10
G. Morgan City Community Street RDA Project Area Map	10
Chapter 3 – Morgan City Young Automotive CDA	12
Background Information	12
A. Changes in Marginal Value	12
B. Amount of Project Area Funds Received by Agency	13
C. Description of Current and Anticipated Project Area Development	13
D. Project Area Budget	13
E. Projected Tax Increment Receipts for Current Year	14
F. Projected Tax Increment Receipts for Next Calendar Year	14
G. Morgan City Young Automotive CDA Project Area Map	15

CHAPTER 1 – BACKGROUND AND OVERVIEW

This report is prepared for the Redevelopment Agency of Morgan City in accordance with the requirements of Utah Code Section 17C-1-603 which requires that an Agency prepare an annual report on or before November 1 of each year that provides an updated status on each of the project areas. This report must be submitted to the county auditor, State Tax Commission, the State Board of Education and each taxing entity that levies a tax on property from which the Agency collects tax increment. The applicable taxing entities are as follows and vary by project area and taxing districts included in each project area:

- Morgan County
- Morgan County School District
- Morgan City

There are two redevelopment areas in Morgan City as follows:

- Commercial Street RDA
- Young Automotive CDA

The requirements for the study are listed specifically in the Utah Code 17C-1-603 as follows and must be addressed separately for each of the project areas.

- a) *An assessment of the **change in marginal value**, including:*
 - (i) *The base year;*
 - (ii) *The base taxable value;*
 - (iii) *The prior year's assessed value;*
 - (iv) *The estimated current assessed value;*
 - (v) *The percentage change in marginal value; and*
 - (vi) *A narrative description of the relative growth in assessed value;*
- b) *The amount of **project area funds the agency received for each year of the project area funds collection period**, including:*
 - (i) *A comparison of the actual project area funds received for each year to the amount of project area funds forecasted for each year when the project area was created, if available;*
 - (ii)
 - (A) *The Agency's historical receipts of project area funds, including the tax year for which the Agency first received project area funds from the project area; or*
 - (B) *If the Agency has not yet received project area funds from the project area, the year in which the Agency expects each project area funds collection period to begin;*
 - (iii) *A list of each taxing entity that levies or imposes a tax within the project area and a description of the benefits that each taxing entity receives from the project area; and*

- (iv) *The amount paid to other taxing entities under Section 17C-1-410, if applicable;*
- c) *A **description of current and anticipated project area development**, including:*
 - (i) *A narrative of any significant project area development, including infrastructure development, site development, participation agreements, or vertical construction; and*
 - (ii) *Other details of development within the project area, including*
 - (A) *The total developed acreage;*
 - (B) *The total undeveloped acreage;*
 - (C) *The percentage of residential development; and*
 - (D) *The total number of housing units authorized, if applicable;*
- (d) *The **project area budget**, if applicable, or other project area funds analysis, including:*
 - (i) *Each project area funds collection period;*
 - (A) *The start and end date of the project area funds collection period; and*
 - (B) *The number of years remaining in each project area funds collection period;*
 - (ii) *The total amount of project area funds the Agency is authorized to receive from the project area cumulatively and from each taxing entity, including:*
 - (A) *The total dollar amount; and*
 - (B) *The percentage of the total amount of project area funds generated within the project area;*
 - (iii) *The remaining amount of project area funds the Agency is authorized to receive from the project area cumulatively and from each taxing entity; and*
 - (iv) *The amount of project area funds the agency is authorized to use to pay for the agency's administrative costs, as described in Subsection 17B-1-409(1), including:*
 - (A) *The total dollar amount; and*
 - (B) *The percentage of the total amount of all project area funds;*
- (e) *The estimated **amount of project area funds** that the Agency is authorized to receive from the project area for the **current calendar year**;*
- (f) *The estimated **amount of project area funds** to be paid to the Agency for the **next calendar year**;*
- (g) *A **map** of the project area; and*
- (h) *Any other relevant information the Agency elects to provide.*

The information provided in this report is for informational purposes only and does not alter the amount of project area funds that an Agency is authorized to receive from a project area.

This report meets all legal requirements and is organized as follows:

Chapter 1: Background and Overview



Chapter 2: Commercial Street RDA
Chapter 3: Young Automotive CDA

CHAPTER 2 – COMMERCIAL STREET REDEVELOPMENT AREA (RDA)

BACKGROUND INFORMATION

The Commercial Street Redevelopment Area (RDA) was created in 1993 and increment was triggered in 1994. The Project Area consists of approximately 81.52 acres located southwest of Commercial Street and northeast of 250 East; northwest of 100 North and southeast of approximately 525 North.

Table 2.1: Project Area Description

Year Established	1993
Initial Year of Tax Increment	1994
Initial Time Frame for Tax Increment Collection (1994-2018)	25 years
Project Area Extension (2019-2028)	10 years
Last Year of Tax Increment Collection	2028

The Project Area was created to eliminate the spread of blight in the Project Area and to increase the economic base of the City.

A. CHANGES IN MARGINAL VALUE

The base year taxable value, as reflected by the County Auditor's Office, is 1,719,345.

Table 2.2: Base Year, Prior Year and Calendar Year Taxable Values

	Value
Base Year Taxable Value	\$1,719,345
2018 Total Assessed Value	\$15,466,315
Prior Year (2019) Assessed Value	\$18,346,614
Current Year (2020) Projected Value	\$18,897,012
2018 Marginal Value	\$13,379,701
Prior Year (2019) Marginal Value	\$16,259,000*
Current Year (2020) Projected Marginal Value	\$16,809,398
% Change in Marginal Value (2018 to 2019)	21.5%
*The Morgan County Assessor's Office shows the above number as an incremental value, but then makes a further adjustment as follows: Morgan County adjusted incremental value - \$9,841,503; Morgan School District - \$9,171,014; Morgan City - \$10,746,216	

The 2018 assessed value of the Project Area was \$15,466,315. The 2019 assessed value is \$18,346,614 – an increase of 18.6 percent over the one-year time period. In comparison, the 2018 assessed value of

Morgan City was \$245,089,882;¹ in 2019 the assessed value was \$276,810,014² – an increase of 12.9 percent.

B. AMOUNT OF PROJECT AREA FUNDS RECEIVED BY AGENCY

In 2019, the Commercial Street RDA generated \$123,369 in tax increment funds for the Agency. Projections from the original Project Area Plan are not available. Funds were distributed to the Agency based on a predetermined percent of incremental tax revenues for a period of 25 years, with the last distribution based on CY2018 tax increment generation (distributed in FY 2019).

The Project Area was extended by 10 years, with a collection period between 2019-2028. Funds are distributed to the Agency based on 100 percent of an adjusted incremental tax value.

The Agency's tax increment receipts of project area funds during the 10-year extension are as follows:

2019	\$123,369
------	-----------

The Agency's historical tax increment receipts of project area funds are as follows:

2018	\$100,146
2017	\$81,159
2016	\$78,414
2015	\$72,418
2014	\$68,281
2013	\$73,844
2012	\$45,886
2011	\$37,478
2010	\$37,478
2009	\$42,000
2008	\$42,914
2007	\$44,510
2006	\$45,157
2005	\$48,000
2004	\$46,635
2003	\$48,000
2002	\$40,000
2001	\$30,717
2000	\$20,000
1999	\$21,302
1998	\$18,429
1997	\$16,030
1996	\$14,150
1995	\$11,800

¹<http://propertytax.utah.gov/tax-rates/final-value/2018yevaluebyentity.pdf>

² <http://propertytax.utah.gov/tax-rates/final-value/2019yevaluebyentity.pdf>

1994

NA

Benefits received by each taxing entity are summarized as follows:

Table 2.3: Summary of Benefits by Taxing Entity

Taxing Entity	Benefits
Morgan County	Incremental tax revenues to taxing entities; increased property values; infrastructure improvements; new business development
Morgan County School District	Incremental tax revenues to taxing entities; increased property values; infrastructure improvements; new business development
Morgan City	Incremental tax revenues to taxing entities; increased property values; infrastructure improvements; new business development

C. DESCRIPTION OF CURRENT AND ANTICIPATED PROJECT AREA DEVELOPMENT

In 2018, Morgan City RDA closed out the pending grants to small businesses as the RDA was set to expire. Toward the end of 2018 the RDA was extended for a 10-year period through an interlocal agreement, which includes Morgan County, Morgan County School District, and Morgan City. A new incentive program was created to incentivize capital improvement projects. Three incentives were given to rehabilitate three of the vacant properties on Commercial Street. In addition, the RDA has awarded an incentive for Cobblestone Hotel, Morgan City's first hotel, which will keep the redevelopment efforts alive. The hotel is scheduled to be complete and operating by the end of the year 2020.

This RDA project has been very successful over the years and is demonstrated in the rate in which the RDA outpaces the growth in value compared to the rest of the City. The RDA is helping generate additional property tax revenue, support redevelopment efforts of the Historic Downtown, recruit new businesses interested in developing vacant land.

The project area has 45.99 developed acres, 21.21 undeveloped acres, and 14.32 road acres. Approximately 31 percent of the area is in residential development.

D. PROJECT AREA BUDGET

A project area budget for the Commercial Street RDA is included at the end of this section.

The collection period for the project area funds commenced in 1994 for all taxing entities. The RDA was renewed for an additional 10-year period beginning in 2019.

The Agency is authorized to receive the following percentages from each member of the taxing entity for the specified years. There is no cap on project area funds to be received; rather, the cap was a percentage through 2018 for all taxing entities, later extended through 2028.

Table 2.4: Tax Entity Contribution

Time Period	% of Increment to Agency
1994-1998	100%
1999-2003	80%
2004-2008	75%
2009-2013	70%
2014-2018	60%
2019-2028	100%*

*While the Agency will receive 100 percent of the increment, it will then disburse back to the taxing entities the following amounts: 40 percent of the new base taxable revenues; and 75 percent of incremental tax revenues.

The remaining amount of funds that the Agency is authorized to receive is based on the percentages of total increment shown in the preceding table. There is no future cap on project area funds to be received; rather the cap is the percentage amount through 2028 for all taxing entities.

The Agency is authorized to receive and allocate five percent of revenues as administrative expenses. There is no dollar cap amount on the administrative expenses; rather, the cap amount is five percent of all revenues received through 2028.

E. PROJECTED TAX INCREMENT RECEIPTS FOR CURRENT YEAR

The following tax increment projections are projections only and are not intended to limit in any way the amount of tax increment to be received by the Agency.

TABLE 2.5: 2020 TAX INCREMENT PROJECTIONS

Taxing Entity	Amount Disbursed to Agency*	Agency Amount Remaining After Disbursements to Taxing Entities
Morgan County	\$43,877	\$26,460
Morgan School District	\$148,344	\$83,366
Morgan City	\$26,190	\$17,245
TOTAL	\$218,411	\$127,070

Agency Expenses

Administrative	(\$6,354)
----------------	-----------

Remaining Increment for Projects	\$120,717
---	------------------

*While the Agency will receive 100 percent of the increment, it will then disburse back to the taxing entities the following amounts: 40 percent of the new base taxable revenues; and 75 percent of incremental tax revenues. This leaves the Agency with 60 percent of the new base taxable revenues and 25 percent of the incremental tax revenues.

F. PROJECTED TAX INCREMENT RECEIPTS FOR NEXT CALENDAR YEAR

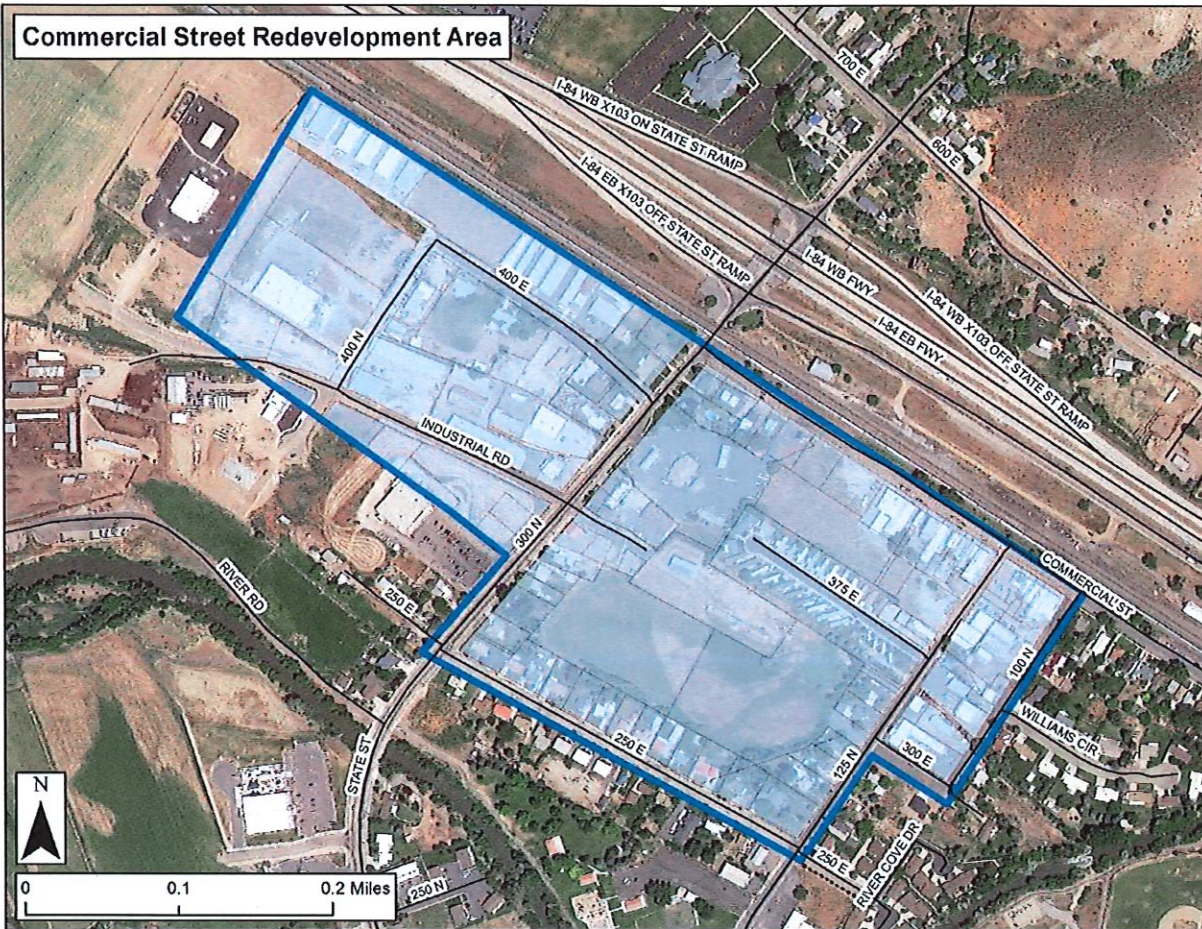
The following tax increment projections are projections only and are not intended to limit in any way the amount of tax increment to be received by the Agency.

TABLE 2.6: 2021 TAX INCREMENT PROJECTIONS

Taxing Entity	Amount Disbursed to Agency*	Agency Amount Remaining After Disbursements to Taxing Entities
Morgan County	\$45,357	\$27,253
Morgan School District	\$153,341	\$85,867
Morgan City	\$27,075	\$17,762
TOTAL	\$225,773	\$130,882
Agency Expenses		
Administrative		(\$6,544)
Remaining Increment for Projects		\$124,338

*While the Agency will receive 100 percent of the increment, it will then disburse back to the taxing entities the following amounts: 40 percent of the new base taxable revenues; and 75 percent of incremental tax revenues. This leaves the Agency with 60 percent of the new base taxable revenues and 25 percent of the incremental tax revenues.

G. MORGAN CITY COMMERCIAL STREET RDA PROJECT AREA MAP



CHAPTER 3 – MORGAN CITY YOUNG AUTOMOTIVE CDA

BACKGROUND INFORMATION

The Morgan City Young Automotive CDA was created in 2012 and increment was triggered in 2015.

The Project Area consists of approximately 6.79 acres generally bounded by I-84 to the southwest and by Barbers Way to the southeast. Old Highway 89 is located slightly northeast of the Project Area, although not directly proximate to it.

Table 3.1: Project Area Description

Year Established	2012
Initial Year of Tax Increment	2015
Time Frame for Tax Increment Collection	7 years
Last Year of Tax Increment	2021

The CDA was created to encourage and promote the development of an automotive center.

A. CHANGES IN MARGINAL VALUE

The base year taxable value, as reflected by the County Auditor's Office, is \$12,812.

Table 3.2: Base Year, Prior Year and Calendar Year Taxable Values

	Value
Base Year Taxable Value	\$12,812
2018 Assessed Value	\$4,594,721
Prior Year (2019) Total Assessed Value	\$4,662,054
Current Year (2020) Projected Assessed Value	\$4,662,054
2018 Marginal Value	\$4,581,909
Prior Year (2019) Marginal Value	\$4,649,242
Current Year (2020) Projected Marginal Value	\$4,649,242
% Change in Marginal Value (2018 to 2019)	1.47%

The 2012 base year assessed value of the Project Area was \$12,812. The 2019 assessed value is \$4,662,054 – an increase of 36,288 percent over the base year taxable value. In 2018, the assessed value of the Project Area was \$4,594,721; in 2019 the assessed value was \$4,662,054 – an increase of 1.47

percent. In comparison, the 2018 assessed value of Morgan City was \$245,089,882;³ in 2019 the assessed value was \$276,810,014⁴ – an increase of 12.9 percent.

B. AMOUNT OF PROJECT AREA FUNDS RECEIVED BY AGENCY

In 2019, the Morgan City Young Automotive CDA generated \$48,867 in tax increment benefits that were distributed to the Agency.

Table 3.3: Original Projected Revenues and Actual Revenues

Year	Tax Increment to Agency	Original Tax Increment Projection to Agency
2019	\$48,867	\$65,151
2018	\$45,747	\$65,151
2017	\$42,407	\$65,151
2016	\$41,400	\$65,151
2015	\$28,309	\$52,553

Table 3.4: Summary of Benefits by Taxing Entity

Taxing Entity	Benefits
Morgan County	Incremental tax revenues to taxing entities; increased property values; increased sales tax revenues
Morgan County School District	Incremental tax revenues to taxing entities; increased property values
Morgan City	Incremental tax revenues to taxing entities; increased property values; increased sales tax revenues
Weber Basin Water Conservancy	Incremental tax revenues to taxing entities; increased property values

C. DESCRIPTION OF CURRENT AND ANTICIPATED PROJECT AREA DEVELOPMENT

The current project area serves an automotive development.

The project area has 6.79 developed acres. There is no residential development in this project area.

D. PROJECT AREA BUDGET

A project area budget for the Morgan City Young Automotive CDA is included at the end of this section.

³<http://propertytax.utah.gov/tax-rates/final-value/2018yevaluebyentity.pdf>

⁴ <http://propertytax.utah.gov/tax-rates/final-value/2019yevaluebyentity.pdf>

The collection period for the project area commenced in 2015; therefore, there are two years remaining for the collection of tax increment.

The Agency is authorized to receive the following percentages from each member of the taxing entity. The maximum (cap) amount that the Agency is to receive is \$343,350 (\$327,000 plus 5% in administrative costs).

Table 3.5: Tax Entity Contribution

	% of Increment to Agency
Morgan County	80%
Morgan County School District	80%
Morgan City	80%
Weber Basin Water Conservancy	80%

The Agency is authorized to allocate five percent of tax increment received as administrative funds. There is no dollar cap amount on the administrative funds allocated by the Agency. Rather, the cap is five percent of tax increment received by the Agency through 2021.

E. PROJECTED TAX INCREMENT RECEIPTS FOR CURRENT YEAR

Table 3.6: Projected Tax Increment to Agency Current Year (2020)

Taxing Entity	Incremental Tax Revenues to Agency
Morgan County	\$9,711
Morgan County School District	\$32,778
Morgan City	\$5,805
Weber Basin Water Conservancy	\$573
TOTAL	\$48,867

F. PROJECTED TAX INCREMENT RECEIPTS FOR NEXT CALENDAR YEAR

Table 3.7: Projected Tax Increment to Agency Next Calendar Year (2021)

Taxing Entity	Incremental Tax Revenues to Agency
Morgan County	\$9,711
Morgan County School District	\$32,778
Morgan City	\$5,805
Weber Basin Water Conservancy	\$573
TOTAL	\$48,867

G. MORGAN CITY YOUNG AUTOMOTIVE CDA PROJECT AREA MAP

