

**REDEVELOPMENT AGENCY MINUTES**  
**JULY 6, 2016**

The Redevelopment Agency held a meeting on Wednesday July 6, 2016, at 8:05 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: Terri Hartley; Craig Isom; Fred Rowley; Maile Wilson.

**EXCUSED:** Councilmember Craig Isom.

**STAFF PRESENT:** City Attorney Paul Bittmenn; City Engineer Kit Wareham; City Recorder, Renon Savage; Finance Director Jason Norris; Police Chief Darin Adams; Fire Chief Mike Phillips; Economic Development Director Danny Stewart; Public Works Director Ryan Marshall.

**OTHERS PRESENT:** Lynn Papworth, Howard Maize, Doug Hall, Jeremiah Davis, Kevin Davis, Jamie Peterson, Tom Jett, Anna Ray, Bill Walley, Russ Hatt, Marcus Patterson, Alan Hoppes, Ryan Paul, Mara Englestead, Vickie Weaver, Kami Paul, Nancy Pearson, Curtis Neilson, Sean Lovell, Justet Lovell, Kelli Lovell, Matt Langston, Brad Green.

**PUBLIC HEARING TO RECEIVE INPUT WITH RESPECT TO THE ISSUANCE OF RENTAL REVENUE BONDS AND ANY POTENTIAL IMPACT TO THE PRIVATE SECTOR FROM THE CONSTRUCTION OF THE PROJECT:** Paul – these are the bonds that the City passed a super parameters resolution to expand Lin's. We need to have a public hearing to see if there is concerns about using the money.

Adams opened the public hearing. There were no comments. The hearing closed.

**CONSIDER CONTRACTOR SELECTION PROCESS FOR THE LIN'S EXPANSION. KIT WAREHAM:** Kit – this is Bill Walley from Associated Foods, they have gone through a selection process. They are required to use our purchasing process, this case they used a combined process and went through a qualification process, advertised for proposals and reviewed the qualifications and selected contractors to bid on the project. They will then go into the bidding process.

Bill Wally, Associated Foods – we are excited for this opportunity; we have been here a long time, we have owned Lin's since 1999, it is time for an expansion. The marketplace has grown and we need to keep in competition for a fresh look. We expanded our store in St. George and it is similar in size. We just opened a new store in St. George on the east side. We are ready for competition with a new Smiths marketplace. As a tenant in Cedar City we are required to work with you. One requirement of the process is to make sure we follow your purchasing procedures. We advertised in the Spectrum and on your web site. We had a mandatory site walk; of the individuals we talked to 3 of the 4 showed up, it was mandatory. Wadman Construction did not show up. We have 3

contractors that did the walk with us. The desire is to beat the holidays. I have made a strict requirement that they have to minimize their weeks of work to make the project happen. It is important to open this store before Thanksgiving even if they have to work weekends, and double shifts. We are shooting for the weekend before Thanksgiving. Zwick has done remodels for us in the past, we like to work with a contractor on a small project before we do this type, Zwick has done well in the process. Cozzens – is this the remodel and the expansion? Bill – yes. Typically, we don't allow them to work during daytime hours, but we are opening that up on this project they will be able to. The other is Horne Construction, they do a lot of tenant improvement. They have done a dozen projects with us over the past 3 years and have met schedules. We used them as a remodel and rename in Price, we are using the name Lin's more. They also did Richfield, we closed the Lin's when we purchased Fresh Market, we are changing that store back to Lin's and reopened that 6 months ago. Our plans are in Drew's office and I hope I can meet with him tomorrow to go through those. We believe the dollars the RDA is investing will be well used. The project cost I think will be higher than anticipated, but we will fight that when we get there. Cozzens – on costs we are only obligated to a certain amount? Paul – we are obligated to a specific amount. Cozzens – I am concerned with your timeline. Bill – we have liquidated damages of \$500 a day. In construction there are three components, time, quality and cost. I am quite nervous about this, if they want this done they make have to give up the cost portion. We cost projected \$3.8 million for St. George, this is \$5.4 million. We will see. R & O Construction is the third, they built the original Lin's, built Lin's in Hurricane, St. George, they have built 95% of our Lin's. We are under discussions with the owner of the adjacent building, we have to protect his piers.

We almost halted the project and waited until Spring, but Kit helped us. We hope to have bids; they are due tomorrow at 3:00 p.m. Rowley – they get the bids, who makes the final decision. Paul – Associated Foods will make the bid award. Our role is advising and consent. Rowley – showing the contractors is a courtesy. Bill – we introduce the 3 contractors, we will create a committee, Kit, myself and an RDA member, you look at bids and discuss them and do it before next week's meeting. Our intent unless it is a huge discrepancy is to award next week. I would like for you to be comfortable. I want to pull the trigger as soon as the permit is ready. We want to present the awarded trigger. We want to get an excavation permit so we can break ground by the 19<sup>th</sup>.

Hartley – was the parking lot resolved? Bill – my understanding we had a soils engineer, the parking lot is the City's responsible. The City offered to do an overlay, our engineers do not like that. We have designed it that way. One requirement is to be compliant with the ADA 2012 requirements. You are not allowed to walk behind a vehicle if you have accessibility requirements. Currently we are under two law suits that are not compliant. We will combine everything in one section and it will be concrete to meet slope requirements, it is 6% slope, ADA is a 2%. Our goal is to level it out and we have to cut into the parking lot to do that. It takes out about 1/2 of the parking area, there is an island and that will be removed. Cozzens – is the ADA a requirement or what you want to do. Bill – we don't want to do it. When the lawsuits come they go to all parties. The attorney has a goal to make every parking lot in the State compliant. Without doing that

we could do an overlay. Bill – we are adding to the stall count. Kit – their slope on the handicapped parking cannot exceed 2%, the other parking is ok.

Jason Norris – we agreed to pay \$1.6 million, anything above that on the building Lin's will take care of. The city will improve the parking lot which we were negotiating tearing it up and repaving or do an overlay and remove the island with grass and trees. The new City Manager will work with the Lin's group and come back to the Council. If you tear up the lot now it has to come back and agree what we will or won't do. Rowley – that won't affect the start date. Kit – we have not seen the parking lot plans, we will get that from Drew. Rowley – Lin's was responsible for maintenance and they have not done much. If there was an area that bowed down would it continue to sink? Bill – that is where Kit and I differ. I don't know asphalt, we hired outside sources. They feel the entire subgrade has failed. Kit – they gave the same recommendation as what is there. The entire area was buildings before. Bill – we came away from the meeting with different outlooks. I had them on the phone to discuss this with Kit. I would like to leave the parking lot as it is. Jason – we want to do the overlay. Mayor – let's first see the drawings that Drew has. Bill – the biggest portion is to take out the ADA stalls. We would like LED lights in the parking lot, the current layout does not allow for that. Mayor – you are here tomorrow to meet with Drew, we can set down with you tomorrow. We will get everyone together tomorrow. Cozzens – working in construction, we need to do everything we can to get this done. Bill – I am trying to make the impossible happen.

Next Wednesday at 3:00 p.m. Kit, Bill and Ron and Paul will be there to go over the bids.

**LOCAL BUSINESS EXPANSION PROJECT. DECORWORX/DANNY**

**STEWART:** Danny – I work in recruiting companies, this is Cedar City's best kept secret, there is only 4 here that know what this company truly is. My time is spent looking for companies to come here. Tonight we are looking at a business expansion for a local company. They have grown from the ground up to a point they need to expand. They will talk about the company. We have Jeff Dansie and Tania Wallace. Jeff – you know Rainbow Sign and Banner, started 20 years ago in August in Desert Pine Tries, we are home grown in Cedar City. The bulk is Decorworx that people don't know about. (See Exhibit "A"). We are the largest design company in the State, they are specialty designers. We do remodels with grocery stores, help them do their brands, show the colors, signs and the things that shows their projects. We did the Lin's east St. George store. We say that we are improving the American economy by helping mom and pop stores and independent retailers to help them understand their industry, their increase in sales is dramatic. We go in and follow up to find out what increase they have had and because of that we have grown our industry through referrals. We hire and educate skilled craftsmen. We are fabricators, custom handwork. We have over 60 employees and pay 130% of the Iron County wage. We will be adding employees to 204 in the next 10 years. To grow our team, we hire people with passion in their skill, we want them to enjoy their work, we have a lot of energy in their work and we are creating careers and involved in growing the company. We hire all kind of employees and educate them and work with SUU Small Business Development Center and help them get their master's degree. We love the people in Cedar City and have hire retention rate. We work through

independent coop warehouses; it was through Associated Foods that gave us an opportunity to grow. We entered in an agreement with them to be a preferred vendor. 90% of the independent stores we do the work for. We were able to expand into Texas and into Baton Rouge LA. Every year we enter a design award for grocers, last year we entered 14 awards and we won 6 of them, and since then we have had stores call us in Louisiana, we have a halo effect. We have won 20 awards in 6 years. Recently we became a vendor with Affiliated Foods, and Piggly Wiggly and Associated Grocers of Florida, we are now in every state except California. The warehouses help us and we help them in their growth. The property we are looking at the corner of Main and Coal Creek. It was the old bus station for the parks services. We want offices in the old bus station and warehouse behind it. We are planning for 20 years down the road. Each building is 18,000 square feet. We also want an open air courtyard. We work with creatives and inspire them to come up with great ideas. We want to turn this building into something creative. It has a historical charm, as a designer I want to work there and feel excited and energized about where we are. We could build on Airport Road, but this would be a spot on Main Street. We want metal and brick décor and it will tie in with the bank and depot and the museum and it will bring 70 jobs to downtown Cedar City. As we try and attract more employees, we say we are located by the park, library, restaurants and it is a selling point on capitalizing on Cedar City and strengthen the downtown area. There are areas in the ground where they worked on the buses, we are going to put in trees and a slide. As far as the development and the overall goal is. Cozzens – we look at tax incentives and breaks, one concern I had is when I supported Syberjet is because they don't have a competitor. You have a competitor here, is Rainbow Signs different of Decorworx. Jeff – Rainbow Signs is about 5% of our business. Who do we serve, our competitor is different, they cannot build structural signs, that is where ours lies, they do vinyl signs. If they are going to come in and invest in property and bring 20 – 30 jobs a year in it should be offered to anyone. Cozzens – I haven't talked to them. Rowley – if someone is taking a derelict building and make it nice that is worth an incentive.

Danny – we are here tonight; this growth has been coming on quickly. Louisiana wants them to go there, and they have been very aggressive. The accountant said he needed to talk with the State of Utah and Cedar City. There is no one else in the City or State doing this type of work and we want to keep them here. They have gone to the Governor's Office of Econ Development, GoEd is extremely excited for them. Part of the incentive package for GoEd it is required that the community have incentives in place. We want to see if you are willing to work with some local incentives. In doing their application they worked with their accountant and came up with local incentives (See Exhibit "B") they have asked for 50% building permit relief, we have told them we cannot do fee waivers. They have asked help with Historical Downtown. I met with local incentive board, they like the proposal and would like to look at the post performance tax incentives. Cozzens – Syberjet has not met the benchmarks so they have not received any incentive? Danny – that is correct. These are good incentives for the developers and the communities. Paul – Charlotte Pipe, Port 15 are examples. Mayor – they are good baseline standard requirements. Rowley – what is the comparable 50% of the building permit? Danny – it could come out of EdTif. This is preliminary, I am asking the RDA to look at these and approve the office of Economic Development to move on this. This has to be approved

by all the taxing entities. Cozzens – would slippery slope referring to building permits? Paul – I don't think the City Council is in the mood to waive fees. What you could do is get a calculation close to that cost to Decorworx and at the start of the project area we would have to go out for an RFP, the increase on the value over the years could be used to fund the incentive, the building permit amount could be put into that. Cozzens – I just think it is dangerous referring to a building permit incentive. Mayor – it would take the building permit out and say this is an amount and this is a funding source. Paul – the consultant would roll that into a dollar amount. Danny – this body can be flexible in those types of funds through Economic Gardening program. We could utilize Ed Tif funds or something else. You create a new RDA, EDA, but there is a new CRA, community reinvestment association. I would have to hire a consultant, I have funding. I went to GoEd and EDC Utah and asked for referrals, there are two in the State and I asked for proposals. We would need to go through the process, interlocal agreements with taxing entities, budget approval, etc. We just want Decorworx to know Cedar City is behind what they are doing. We need to define an area to help this project and to help Cedar City. We don't want to just create an area for that building, we want to be able to help others. Paul – if RDA hires a consultant, they will put numbers together and that will help you understand the possible economic impact. Cozzens – if you create another area, do you set up another body? Paul – Port 15, Syberjet, the RDA runs them all, but they are different project areas. Danny – the final request was the historical tax credits; we have contacted the State Historical Preservation Office. If I can go out of town and bring in a group that will invest \$11.5 million and clean up Main Street, we would be all over bringing them in. if we have a local company that will do that, I think it is important and let GoEd know we support this project and find something that works for local incentives. Rowley – do you need a vote next week? Danny – yes. Paul – I need to look at the new law, we may need a resolution first. Cozzens – what is the capital outlay? Jeff – total is \$11.5 million, but we are ready to start with \$3.5 million now.

Bill – you guys are amazing, and a tribute to Cedar City. I have been doing this with Jeff since 1998. I walked through a store in Montana and sent him a picture of a sign that he did 15 years ago. As far as competitive is the best and we use him a lot.

Cozzens – I meant no disrespect in our meeting tonight, as we went through our discussion it puts the first person at a terrible disadvantage.

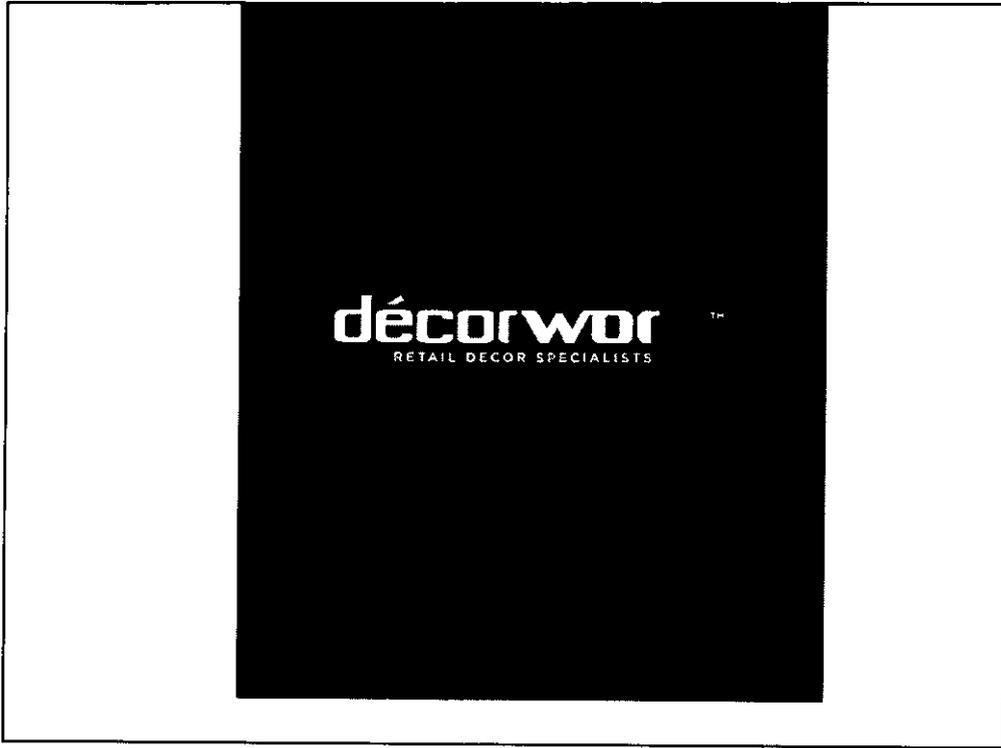
**ADJOURN:** Mayor moved to adjourn at 9:28 p.m.; second by Cozzens; vote unanimous.

  
Renon Savage, MMC  
City Recorder

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# WHAT WE DO

## RETAIL DECOR

Professional interior design and merchandising solutions for retail stores. We work with clients to create a unique and memorable shopping experience. Our team of designers and merchandisers work together to create an atmosphere that is comfortable and inviting to the store's unique demographic.

We have a proven process for the layout and merchandising of retail stores. We start by assessing what works and what doesn't, then we create a plan for the store's layout and merchandising. Our team of designers and merchandisers work together to create an atmosphere that is comfortable and inviting to the store's unique demographic.





**IN BUSINESS TO HELP BUSINESS SUCCEED**

**WHO WE ARE**

We believe when our customers succeed, we succeed. We help businesses build up and grow by providing a variety of services, from business development to financial planning, and more.

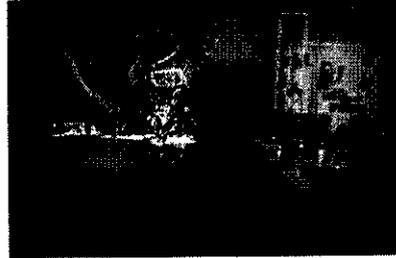
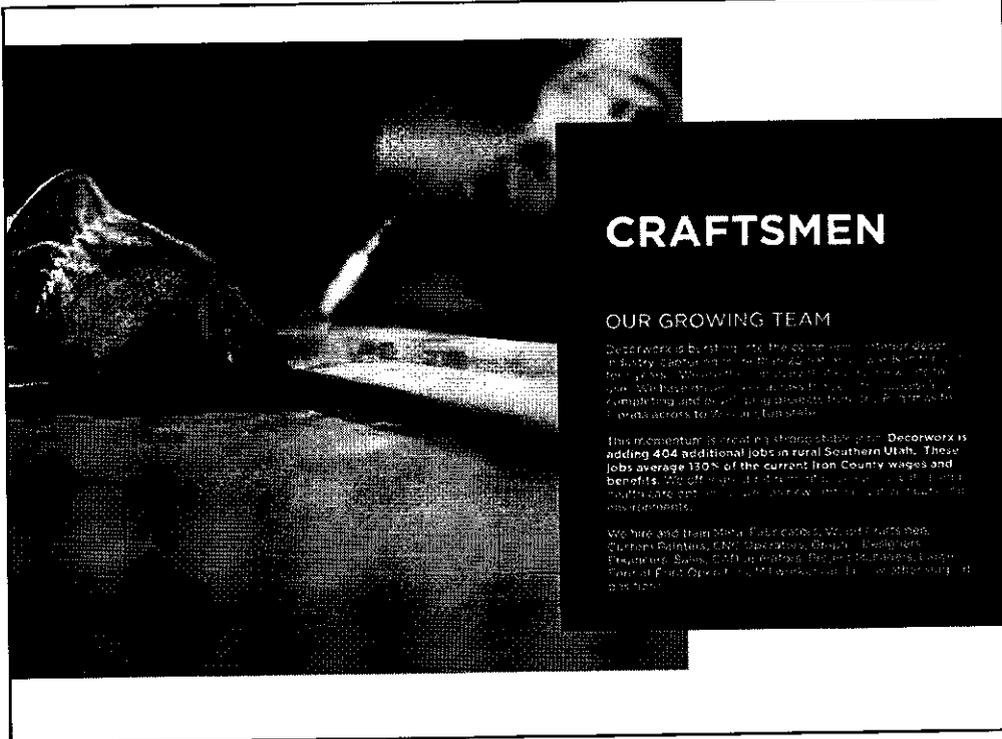
The businesses that we work with have an average increase of 18-30% in sales.

# WHAT MAKES US DIFFERENT?

## SERVICES

Our products are made in-house with the highest level of craftsmanship possible. Our employees go through extensive training in order to uphold our standard of quality. Our employees are constantly pushing themselves to think of new and creative ways to use raw materials in construction. We understand that a quality workable product is the only way to give our customers the most important service in the world: a lifetime. We use customer feedback to improve our products in order to be long-lasting and to be preferred by current trends.

Because we put more in a niche field we are able to provide a service that will last for the remainder of your life.

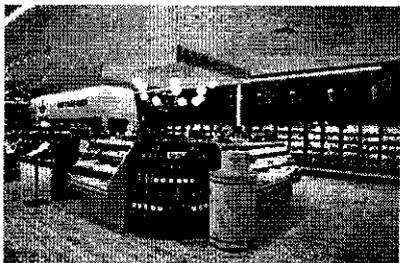
# CRAFTSMEN

## OUR GROWING TEAM

Decorwork is bursting into the construction industry with a new product line. We have many new products that are currently in development and will bring projects that are currently in progress across to the construction site.

This momentum is creating a strong job offer. Decorwork is adding 404 additional jobs in rural Southern Utah. These jobs average 130% of the current Iron County wages and benefits. We offer a great benefit package including health care, dental, vision, and life insurance.

We hire and train the following: Welders, Fabricators, Customers Relations, CNC operators, Quality Inspectors, Equipment Drivers, CAD operators, Designers, Estimators, Field Project Operators, Maintenance Technicians, and other support positions.



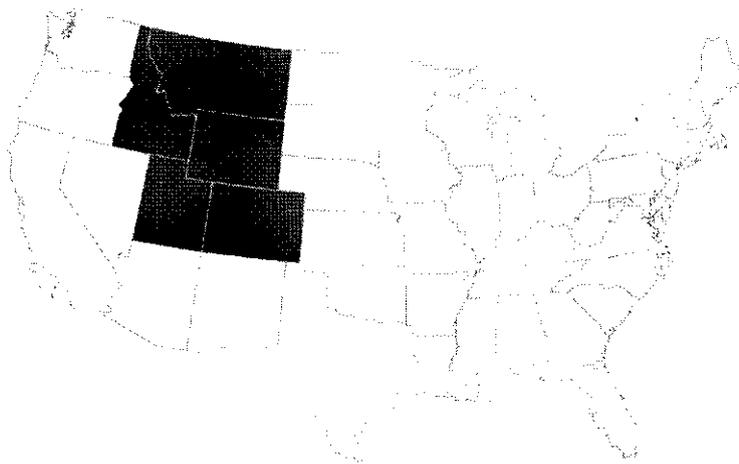
## OUR GROWTH

### WAREHOUSES

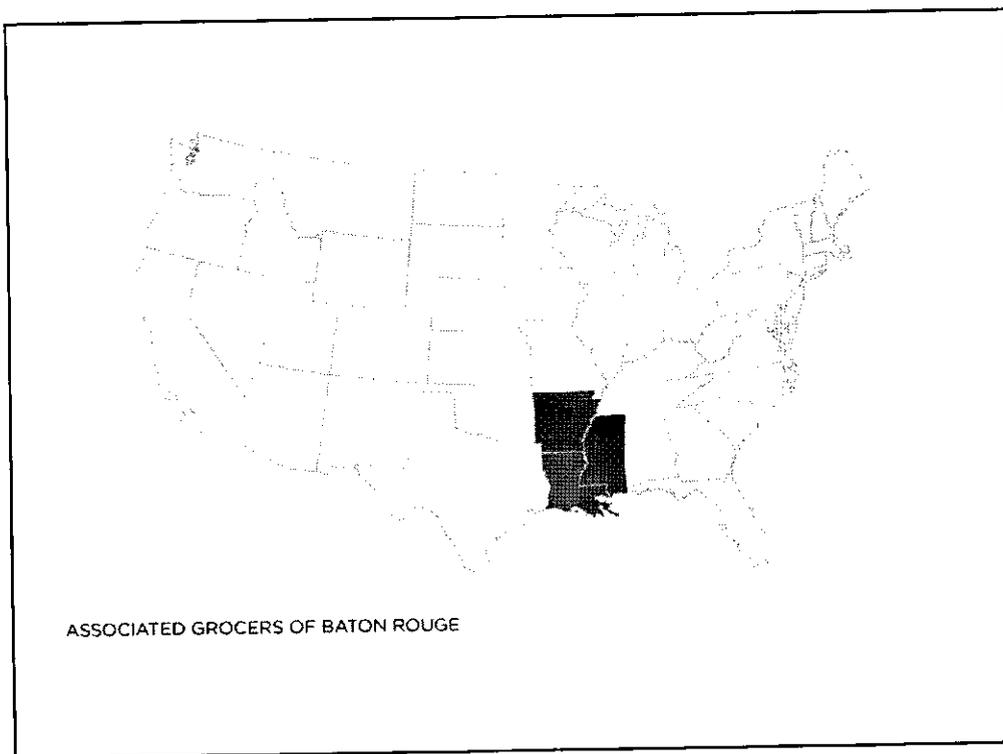
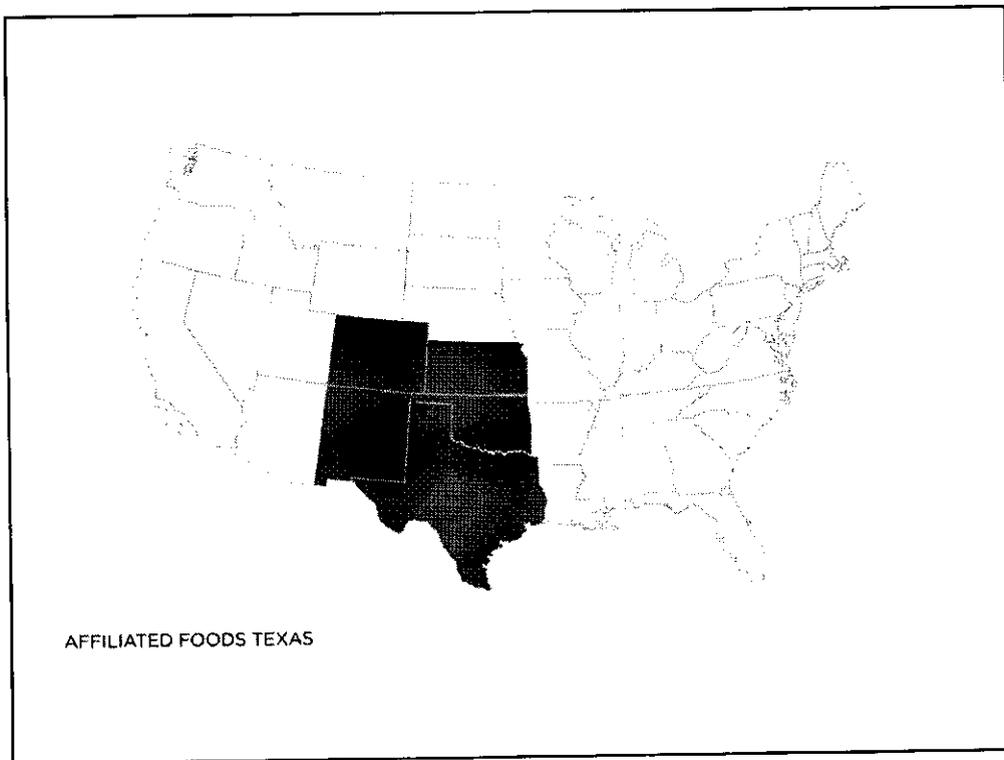
We have established a unique business model. We first market our company through the local distributors. Warehouses located throughout the United States (Each Food Distributor represents hundreds of thousands of independent grocery stores) have been our main focus. We have taken the names of distributors: Eastern Food Service Warehouse, Associated Grocers, Food Service and Grocers, Baton Rouge Food Supply, Associated Grocers of the South, Associated Grocers New England, Associated Grocers Texas, AMI Food Products Midwest and Associated Grocers Salt Lake. These warehouses represent over 100,000 independent grocery stores. The new relationship with the Southern and North Eastern warehouses has provided our rapid and sustainable growth.

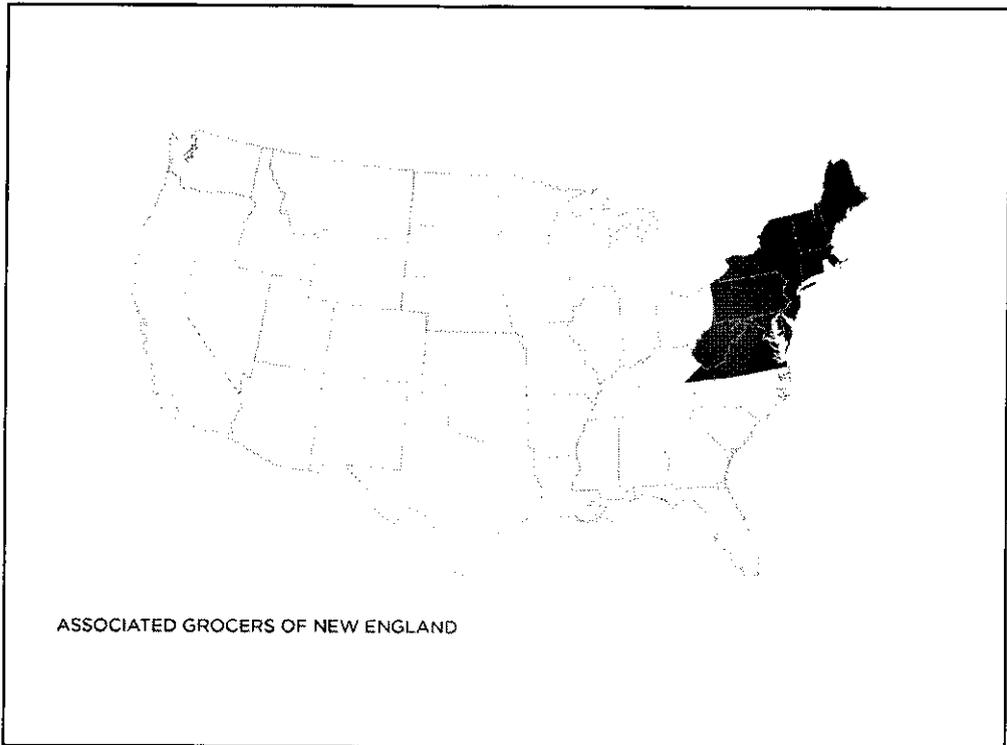
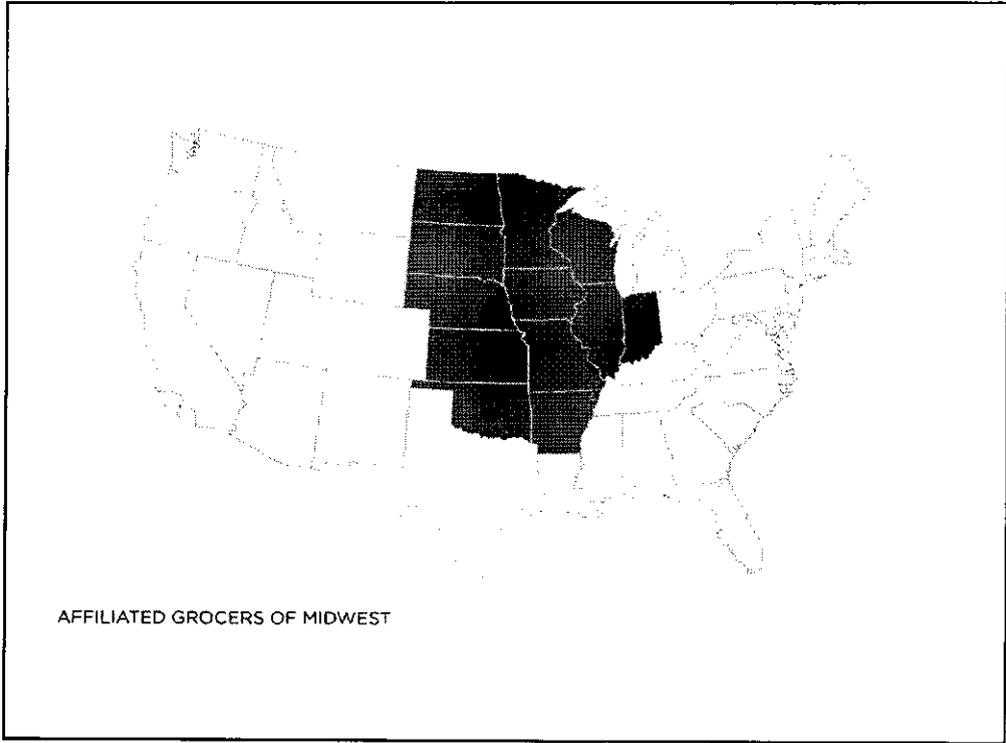
The Southern group is existing for many years and we have been a customer of theirs for many years. Due to the fact that they have been a customer of ours. Our referrals in the southern states will help to increase Distributor revenue (at all).

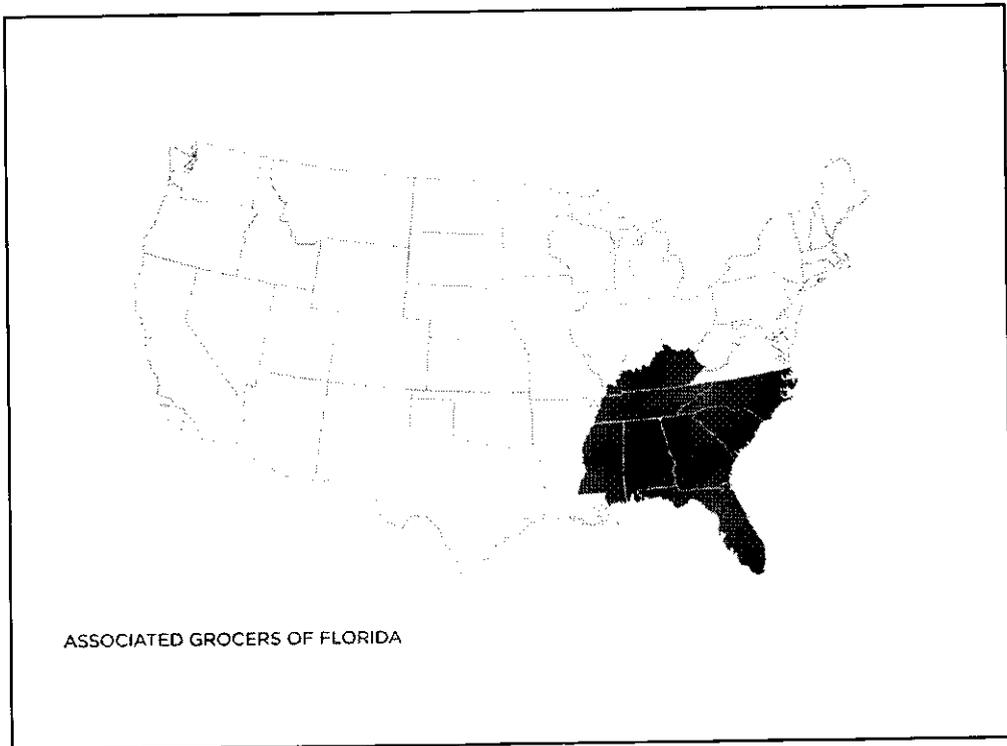
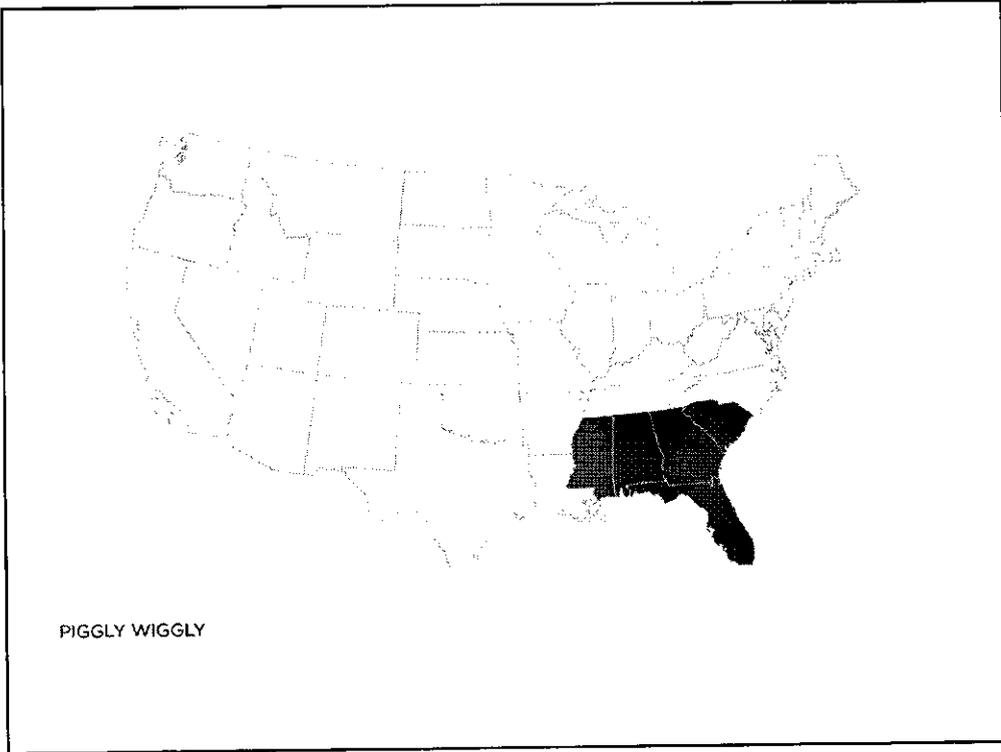
Each week has received 20 National Awards over the past few years. Our referrals and distributor contacts have propelled the company into a plan for accelerated growth mode.

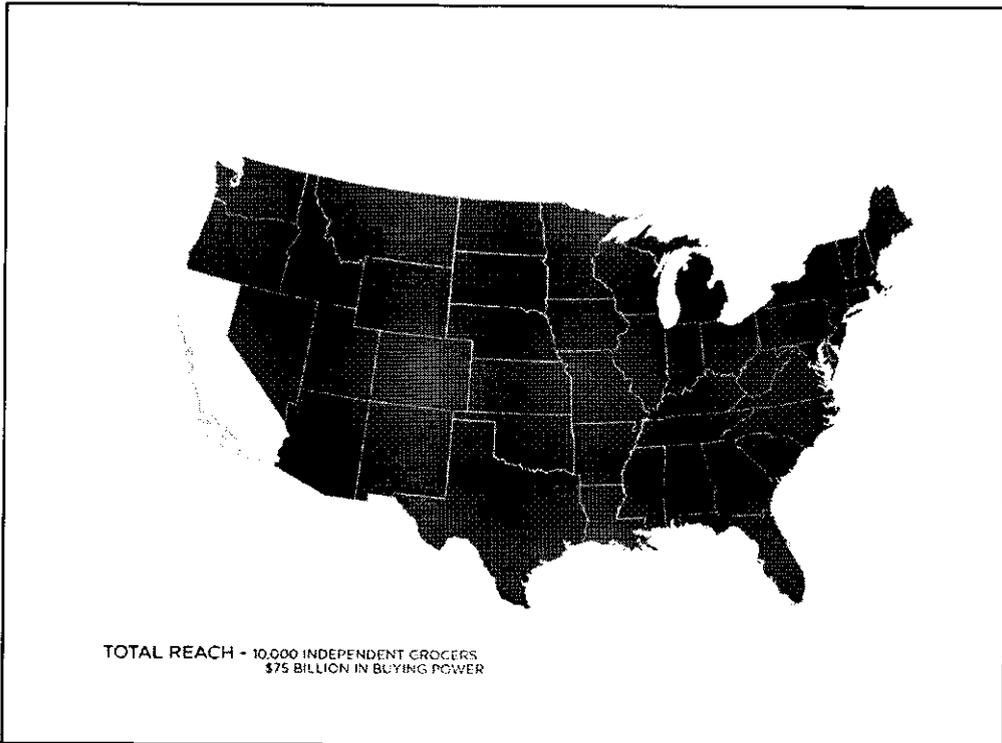
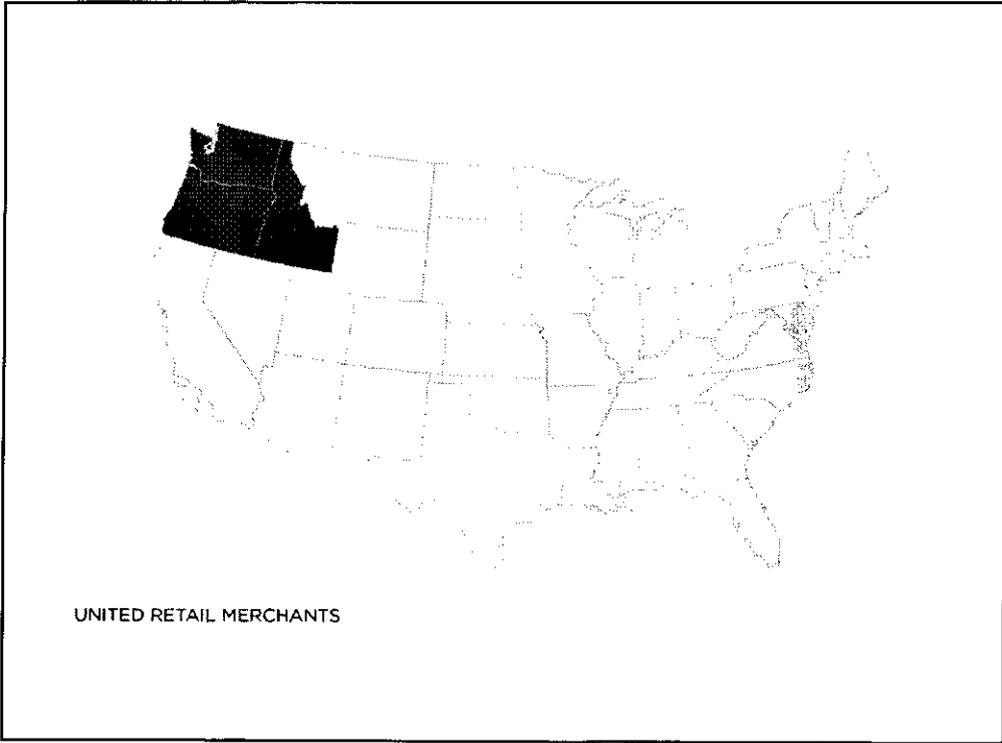


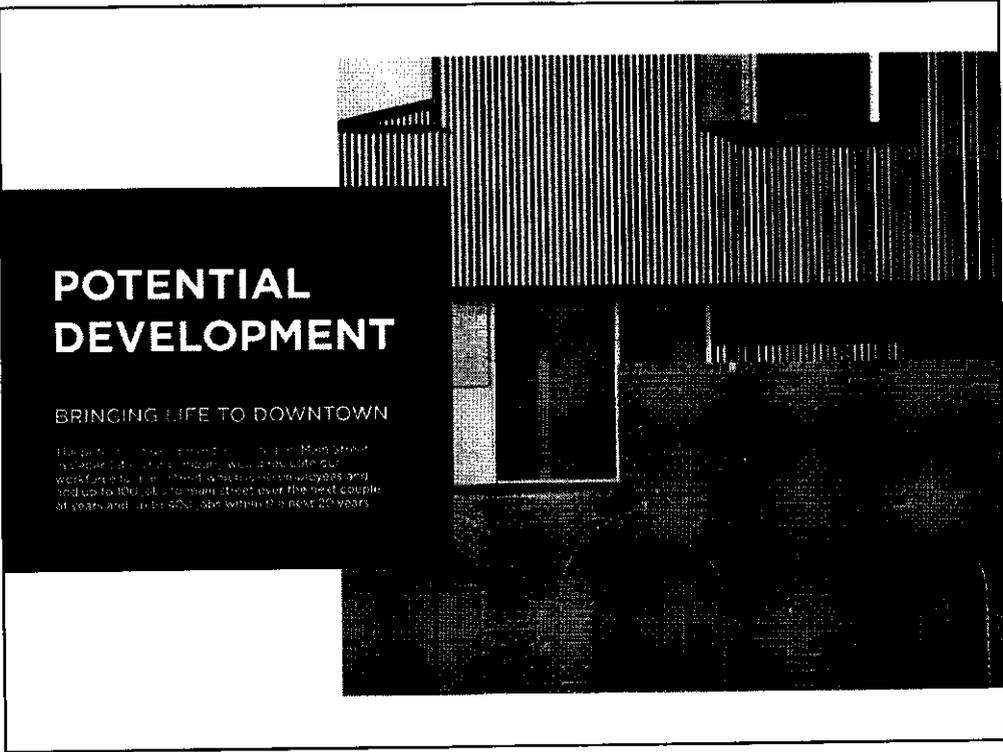
ASSOCIATED GROCERS SALT LAKE







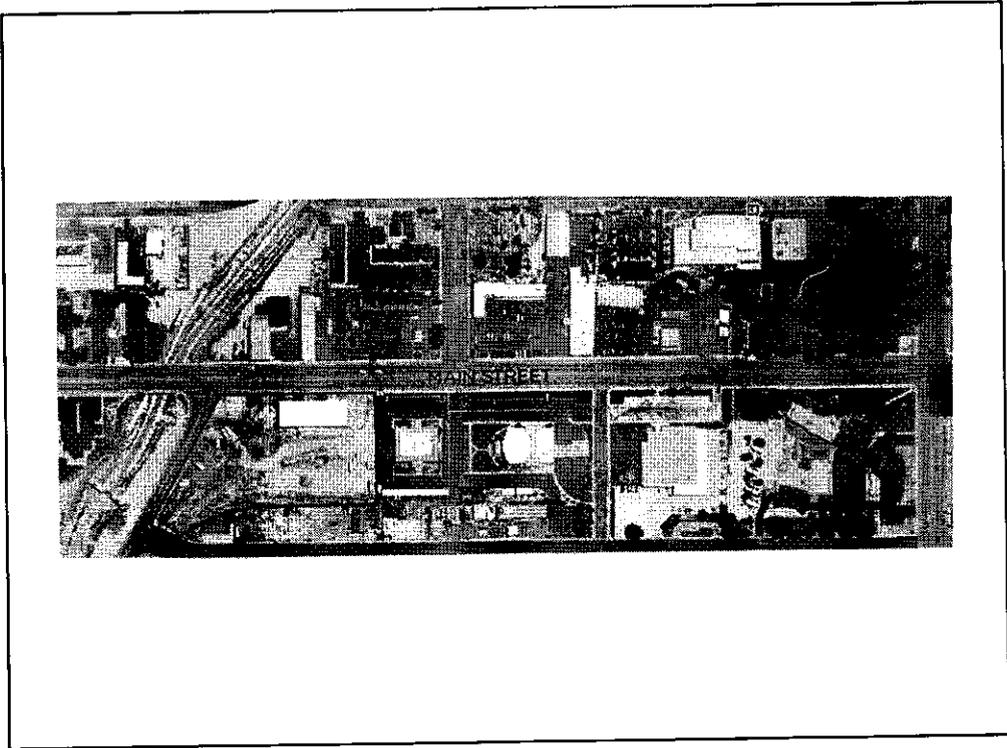


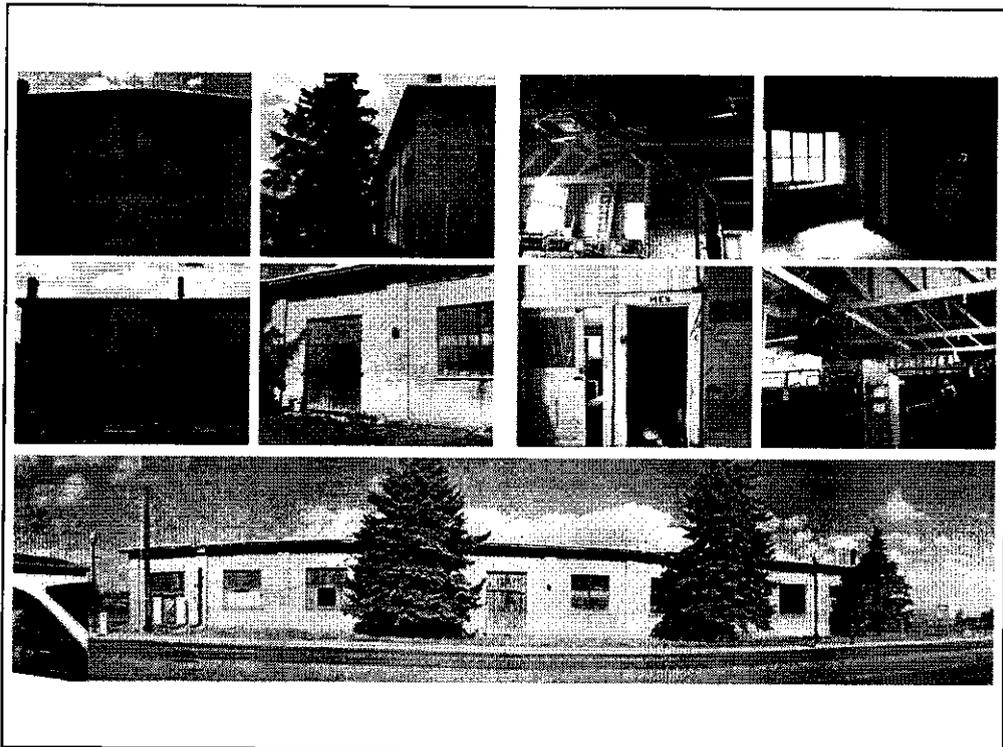
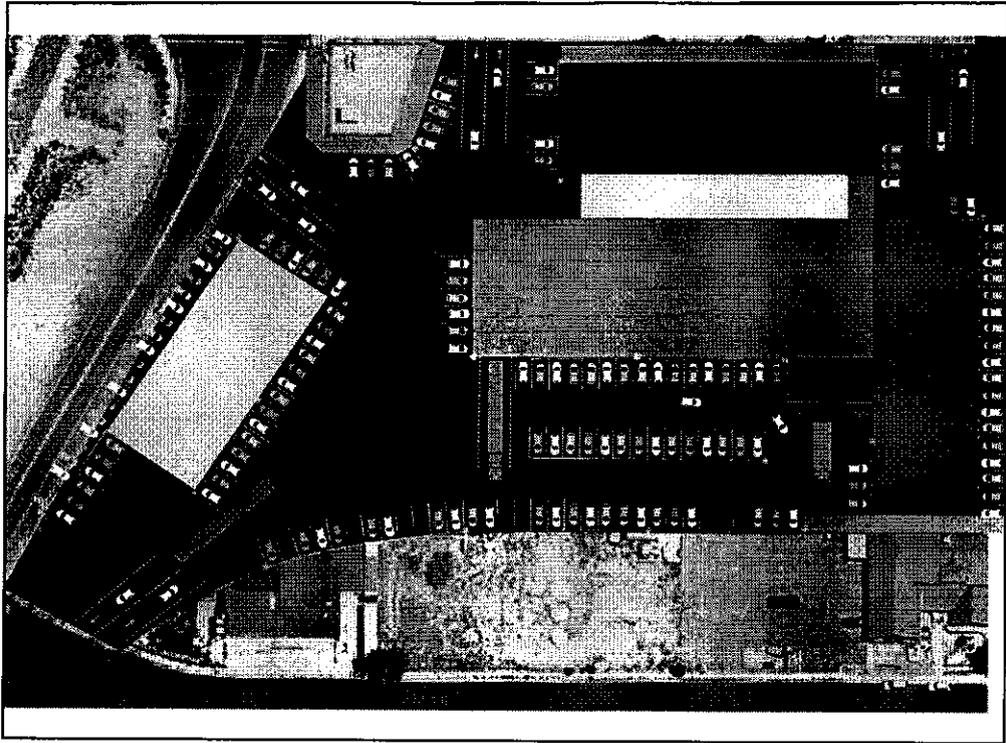


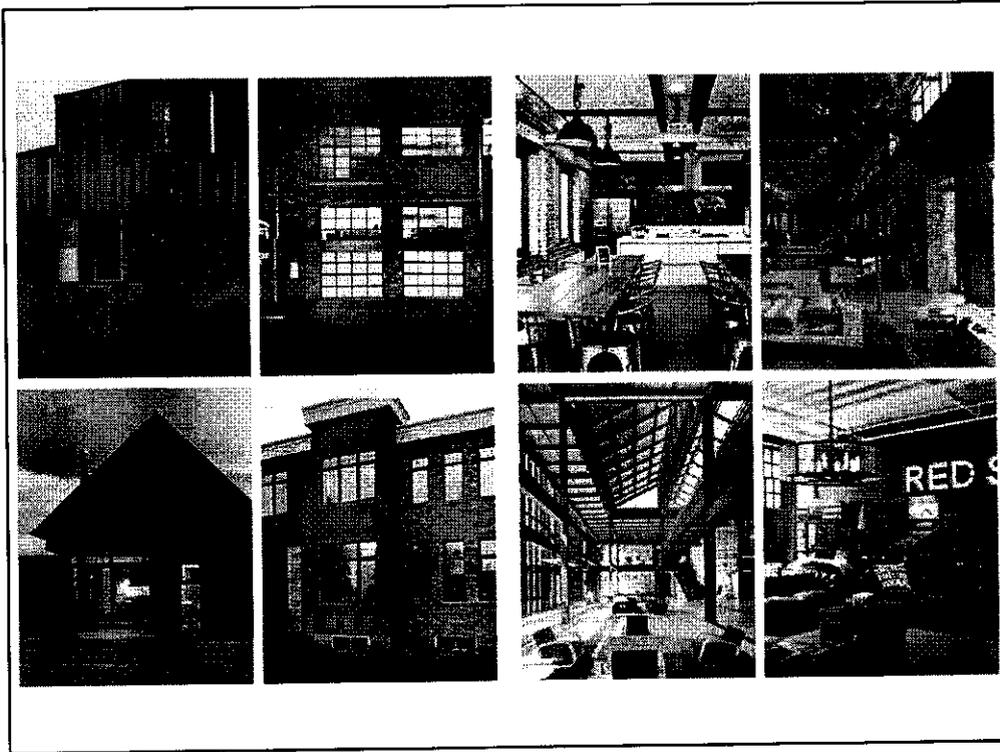
# POTENTIAL DEVELOPMENT

## BRINGING LIFE TO DOWNTOWN

High quality, three-story townhomes on Main Street  
will be built on the site. The project will include  
work for a total of 100 jobs, including employees and  
and up to 100 jobs on Main Street over the next couple  
of years and up to 400 jobs within the next 20 years.







SKILLED IN OUR ABILITY,  
PROUD OF OUR CRAFT,  
ENRICHED BY OUR EXPERIENCES,  
CONTINUALLY GROWING, TOGETHER.

**décorwor**  
RETAIL DECOR SPECIALISTS



Local Business Expansion and Retention Project  
Decorworx - 2016



Decorworx has applied for state incentives through the Utah Governor's office of Economic Development (GOED). Part of that application requires a commitment from Cedar City for local incentives.

**Local Incentives Requested:**

- Real & Personal property tax exemptions for 10 years at 85% over current baselines.
- Building Permit relief of 50% on projects.
- Expansion of the Historical Downtown District past 685 North.
- Support in pursuing Historical Tax Credits & Grants.



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**Local Incentives Proposal:**

- Real & Personal property tax exemptions for 10 years at 85% over current baselines.
- Local Incentive Comparable to the Value of Building Permit relief of 50% on projects, in the form of other funding options.
- Support in pursuing Historical Tax Credits & Grants which will probably not require expansion of the Historical Downtown District.



**Real & Personal property tax exemptions for 10 years at 85% over current baselines.**

- Initiation of Community Reinvestment Project Area (CRA)
- Hire consultant for CRA process
- Project Area Plan drafted, public notice and public hearing, plan adoption, etc.
- Interlocal agreements with taxing entities
- Budget approval
- Housing Allocation – 10%



**décorworx™**  
RETAIL DECOR SPECIALISTS

**Local Incentive Comparable to the Value of Building Permit relief of 50% on projects, in the form of other funding options.**

- Determine actual value of building permit fees
- Utilize EDTIF funds from CRA to reimburse 50% of that value, or
- Find other funding sources to reimburse 50% of that value



## **Support in pursuing Historical Tax Credits & Grants which will probably not require expansion of the Historical Downtown District.**

- We have already started this process with the Utah State Historic Preservation Office
  - If it a building is eligible for the National Register of Historic Places, then it could be nominated and also qualify for the Federal Historic Preservation Tax Credit, which is a federal income tax credit equivalent to 20% of the renovation costs. The credit can be carried forward twenty years and back one year if an owner doesn't use the entire tax credit in one year. The historic tax credit must meet certain standards (the Secretary of the Interior's Standards for Rehabilitation) and the project has to be approved by the National Park Service. It is an extensive process but we are happy to advise the owner about meeting the Standards and walk them through the process.
  - If the building does not qualify for the National Register of Historic Places or the owner isn't interested in going through the approval process and meeting the standards, but the project costs still meet the adjusted basis and the building was built before 1936, then there is a 10% credit for work done on "non-historic" buildings. Unlike the historic tax credit, there is no review process and the requirements are fairly minimal.