

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division
Salt Lake City, Utah

MINUTES

Thursday, November 5, 2015

Members Present

Keith Heaton
Claudia Jarrett
Bruce Adams
Steve Farrell
Gregg Galecki
Naghi Zeenati
Ron Winterton
Jim Matson
Jae Potter
Michael McKee
Vacant

Chairman
Six County Association of Governments
Southeastern Utah Association of Local Governments
State Board of Water Resources
State Board of Water Quality
State Transportation Commission
Uintah Basin Association of Governments
Five County Association of Governments
Carbon County
Uintah County
State Treasurer

Staff and Visitors

Tamera Kohler
Candace Powers
Gayle Gardner
Shad West
Cristine Rhead
Brenda Brown
Kimberley Schmeling
Michele Vobora
Mike Hansen
Kyle Slaughter
Paul Moberly
Shannon Ellsworth
Thom Roberts
Nathan Hall
Emery Polelonema
Kent Barton
Garrick Willden
Dale Pollock
Doug Allen
Clayton Holt
Kelly Pehrson
Worthy Glover
Lynn Stevens
Danny Flannery
Eric Johnson
Tammy Squires

Housing and Community Development
Attorney General's Office
Division of Drinking Water
Six County Association of Governments
Manti City
Jones & DeMille Engineering
Town of Henrieville
San Juan Health Services District
San Juan Health Services District
San Juan County
San Juan Public Health
San Juan County
Jones & DeMille Engineering
Blaisdell, Church & Johnson
San Juan Counseling

Ed Shaw
Tom Kuhlmann
Dean Cox
Paul Farthing
Kate Savage
Collin Fawcett
Curtis Page
Brian Barton
Alex Buxton
Christina Sloan
Ty Bailey
Greg Newton
Dave Sakrison
Molly Marcello

Best Engineering
Hurricane Valley Fire Special Service District
Hurricane Valley Fire Special Service District
Hurricane Valley Fire Special Service District
Canyon Country Rising Tide
Jones & DeMille Engineering
Carbon County
Jones & DeMille Engineering
Zion's Bank Public Finance
Sloan Law Firm
Monticello City
Mona City
Moab City
Moab Times Independent

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, November 5, 2015 at the Red Cliffs Lodge in Moab and was called to order at 8:30 a.m. by Chairman Keith Heaton.

ADMINISTRATIVE ITEMS

Financial Review

Candace Powers reviewed the status of the funds for today's meeting. There are six new projects, one pending project, three projects requesting special consideration, and board issues at this meeting.

Review of Agenda Items

Candace Powers reviewed the agenda items with the Board members.

I. WELCOME AND INTRODUCTIONS

Chairman Heaton welcomed everyone and asked Board members and staff to give introductions.

II. APPROVAL OF MINUTES

Chairman Heaton requested a motion to approve the minutes from the October 1, 2015 meeting.

Naghi Zeenati and Commissioner McKee requested corrections and changes to the minutes.

Naghi Zeenati made and Ron Winterton seconded a motion to approve the minutes from the October 1, 2015 meeting as amended. The motion carried unanimously.

III. BOARD MEMBER ISSUES

1. Presentation – Rural Planning Group

Kyle Slaughter from the Rural Planning Group – Presentation on the Oil Industry: "Uintah Basin Oil".

The Board expressed appreciation for the Rural Planning Group and the information presented.

2. CIB Policy Issues

1. Projects and Funding Availability:

The Chairman referred to last month's meeting minutes and the discussion. In the Board guidelines, there is reference to a project funding soft cap of \$5,000,000. The Board has funded projects presented that are significantly higher than this cap. In addition, applicants have not been seeking other funding sources. The Board may wish to carefully consider projects in regard to location, need, and type of funding package. The Board will have difficult decisions to make. The current rate of interest is 2.5%, though the Board has the flexibility to raise or lower that rate. The Permanent Community Impact Fund shall remain permanent through careful review and lending for projects where possible.

Commissioner McKee indicated that though each trimester, the fund begins with a deficit, the Board has been able to approve funding by the end of the trimester. He also suggested that the Board maintain flexibility and not place a hard cap. He noted that 50% of the revenue comes from Uintah County.

2. Infrastructure Funding Set-Aside Policy

The Chairman referred to the established infrastructure fund which has considered larger projects involving multiple entities. At present, the Mineral Lease Fund has diminished revenues, and asked the Board to consider policy for setting aside and allocating monies.

Commissioner McKee suggested that it might not be possible to set aside infrastructure funding for a time.

Commissioner Potter indicated that the infrastructure set aside should be considered when there is ample funding. He asked what consideration should be given to non-producing counties. He indicated that small communities need roads but it would be impossible for CIB to fund all roads.

Commissioner Winterton stated that planning is critical and applicants should plan and prioritize what is important. The Board has been good to help rural Utah but there should be more self-sustainment and not dependency on the CIB. Applicants should also consider alternative funding.

3. Infrastructure Project Guidelines for large multi-county infrastructure projects with CIB Funds

Chairman Heaton suggested that the Board consider suggestions and have a discussion of guidelines at a future CIB meeting. This would give the Board time to thoughtfully consider and make suggestions for review and discussion. Care should be given to fund projects that are complete and ready to proceed. Set-asides should be looked at frequently with a reminder that it is the Board's responsibility to administer the funding wisely.

IV. NEW PROJECTS

1. Carbon County Municipal Building Authority (Carbon County)

Carbon County MBA presented a funding assistance request for a \$552,500 grant for construction of three regulation sized soccer fields, a restroom/maintenance/equipment/storage/concession building, parking lot, sprinkler system, fencing, sidewalk, landscaping, utilities and lighting at the Carbon County Fairgrounds. The applicant is contributing \$450,000 to the project.

The applicant indicated that there is a local and regional need for green space as Carbon County continues to grow. The Carbon County Fairground property has space and water resources to support the development of multiple soccer fields and other playing fields. The proposed project does not include lighting. That expense will be leveraged once the fields are complete.

The Board inquired about operation and maintenance of the fields.

The applicant indicated that the fairgrounds maintenance crew would mow the fields and there was secondary water at the site. The county maintenance and event staff would also provide maintenance.

The Board asked about the timeline for this project.

The applicant indicated that earthwork may begin this fall.

Mike McKee made and Ron Winterton seconded a motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$552,500 grant. The motion carried with Jae Potter abstaining.

2. San Juan County Municipal Building Authority (San Juan County)

San Juan County MBA presented a funding assistance request for a \$2,000,000 loan for 30 years at 0.0% interest and a \$2,500,000 grant (total \$4,500,000) for construction of a 20,000 square foot multi-use health services facility in Blanding to accommodate San Juan Health Services which currently operates a medical clinic, the San Juan Health Department for wellness checks, WIC services, records retention and office space, and the San Juan Counseling for outpatient mental health and substance abuse services. This facility will centralize these services for residents of San Juan County. The project will include tables, desks, chairs, flagpole, signage and landscaping. The applicant is contributing \$500,000 to the project.

The applicant indicated each of the entities has overgrown their current facilities. A centralized location in Blanding will serve many of the same patients and provide a savings over 3 separate buildings. Each of the entities would provide the majority of their own furniture, fixtures and equipment.

The Board commended the combined effort and savings. The Board has put \$5,000,000 into San Juan Health Services over the years.

The applicant indicated that other funding referred to was in Monticello.

The Board asked if the applicant had purchased the land for this project.

The applicant indicated that they are looking for the land to build on. The parcel of land being looked at has 3 owners.

The Board discussed the different fund balances, loan terms and funding options.

Mike McKee made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$1,500,000 loan for 30 years at 1.5% interest and a \$3,000,000 grant (total \$4,500,000). The motion carried with Bruce Adams abstaining.

3. Town of Henrieville (Garfield County)

The Town of Henrieville presented a funding assistance request for a \$60,000 grant for the purchase of a S650 T4 Bobcat skid-steer loader with accessories for road and ground maintenance and the purchase of two REVO 16 channel 960H security systems which include 2TB

hard drive, 8 high resolution 700TVL cameras, 22" LED monitors and 100' night vision to accommodate fire station security.

The applicant indicated they are a small community with a population of 210. Most residents are employed seasonally. There is one deputy sheriff patrolling most of the rural area. The proposed security system would monitor two town buildings; the fire house and a school house. The tractor is needed to mow roadsides, for snow removal and other services.

The Board suggested sharing equipment with a neighboring town.

The applicant stated that sharing is not feasible as towns need the equipment often on the same day.

The Board discussed the project and funding.

Bruce Adams made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$60,000 grant. The motion carried unanimously.

4. Mona City Local Building Authority (Juab County)

Mona City LBA presented a funding assistance request for a \$358,000 grant to build a new 7,000 square foot community center on 1-acre of property at 140 East 100 South for city offices, city council, storage space, a Class 4 justice court with judge and clerk offices, and a community/senior center facility with a kitchenette, flagpole, parking area, communication systems and furnishings. The applicant is contributing \$300,000 to the project.

The applicant indicated that the current building was constructed in the early 1960's out of unreinforced masonry. The building is not ADA compliant and cannot be retrofitted. The building is 804 total square feet. The applicant stated the future of the existing building is unknown.

The Board indicated that prior to abandoning and/or demolishing the existing building the applicant should contact the State Historic Preservation Office.

The Board inquired as to the population and large size of the proposed building.

The applicant stated the community is growing and public meetings have been held in the elementary school. The size is to accommodate future growth.

The Board asked if the City owned the property for this building.

The applicant stated the City does own the property.

The Board discussed the project and funding.

Claudia Jarrett made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$358,000 grant as requested.

After further discussion of this project and funding of similar projects a substitute motion was made.

Ron Winterton made and Gregg Galecki seconded a substitute motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$180,000 loan for 20 years at 2.5% interest and a \$178,000 grant (total \$358,000). The motion carried with Bruce Adams and Claudia Jarrett opposed.

5. Hurricane Valley Fire Special Service District (Washington County)

Hurricane Valley Fire SSD presented a funding assistance request for a \$1,000,000 loan for 30 years at 2.5% interest and a \$500,000 grant (total \$1,500,000) to construct a 9,100 square foot fire station at State Road 9 and Coral Canyon Boulevard to service Hurricane and Washington City and will include three apparatus bays, dispatch, office, kitchen, storage, laundry and sleep areas. The applicant is contributing \$10,000 to the project.

6. Hurricane Valley Fire Special Service District (Washington County)

Hurricane Valley Fire SSD presented a funding assistance request for a \$995,000 loan for 20 years at 2.5% interest for the purchase of a Pierce 107' Ariel mounted heavy duty ladder truck with equipment. The applicant is contributing \$5,000 to the project.

The applicant discussed both Hurricane Valley Fire SSD projects. The applicant indicated that the district is facing is an increased call volume, an expanded service area, and unplanned growth. The Washington County Commission is in the process of combining two fire districts into one. This project will improve the ability to respond to a larger population. The applicant has gone to other funding sources for these projects. The applicant indicated that they do have aggressive impact fees.

The applicant discussed the need for the new ladder truck with pump capacity which would replace the existing 1988 engine serving the La Verkin area. The Insurance Services Office (ISO) has indicated that the older engine is insufficient for the service area which includes several multi-story facilities and is not NFTA compliant. The manufacturer no longer provides fire vehicles as of 1990 making it difficult and costly to obtain replacement parts.

The Board acknowledged the due diligence of the applicant and discussed funding options for both requests.

Total Fire Station funding requested: a \$1,000,000 loan for 30 years at 2.5% interest and a \$500,000 grant (total \$1,500,000).

Total Fire Truck funding requested: a \$995,000 loan for 20 years at 2.5% interest.

Jim Matson made and Naghi Zeenati seconded a motion placing Project #5 and Project #6 on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$1,000,000 loan for 30 years at 2.5% interest and a \$500,000 grant (total \$1,500,000) for a new fire station; and a \$995,000 loan for 20 years at 2.5% interest for a new fire truck. The motion carried unanimously.

V. PENDING LIST

Thursday, October 1, 2015

Manti City (Sanpete County)

Manti City's funding request was advanced to the Priority List on July 2, 2015, as a \$1,536,000 loan for 30 years at 1.5% interest and a \$1,536,000 grant (total \$3,072,000) for a recreation facility-sports complex consisting of constructing a new four-plex softball and baseball field complex with

soccer fields, fencing, parking areas, restrooms, concessions, lighting, the reconstruction of 1,500 feet of 800 North Street and the relocation of an overhead power line.

The Board asked about the status of the Eccles Foundation grant.

The applicant indicated that the Eccles funding is pending other funding being in place and stated that the amount has been reduced from \$500,000 to \$250,000, but other funding is being acquired.

The Board suggested the project be placed on the Pending List. The applicant may wish to proceed with the purchase of property which would be considered as in-kind.

The applicant indicated they understood the Board's current position. Some modifications may also be made to the project and they would contact their other funding partners.

Claudia Jarrett made and Gregg Galecki seconded a motion to move this project to the Pending List as a \$1,536,000 loan for 30 years at 1.5% interest and a \$1,536,000 grant (total \$3,072,000). The motion carried unanimously.

The applicant requested time on the November 5, 2015 agenda to discuss the project and other funding. The applicant indicated that they have \$350,000 in cash and have received \$100,000 from the Eccles Foundation. They are requesting the Board suspend the rules and fund the project.

Jae Potter made and Steve Farrell seconded a motion to suspend the rules and fund the project as requested. The motion carried unanimously.

Naghi Zeenati was absent for the vote.

VI. REQUEST FOR SPECIAL CONSIDERATION

Chairman Heaton requested a motion to hear three Requests for Special Consideration.

Bruce Adams made and Jae Potter seconded a motion to hear three Requests for Special Consideration. The motion carried unanimously.

1. Housing and Community Development Division - Rural Planning Group 2016

The Rural Planning Group deferred their request to a future meeting.

2. Pinon Forest Special Service District – (Duchesne County)

Pinon Forest SSD's funding request was advanced to the Priority List as a \$336,000 loan for 20 years at 1.5% interest and a \$336,694 grant (total \$672,694) for water system improvements to include a bulk water station. On February 2, 2014 Pinon Forest SSD's funding request was approved.

Bruce Adams made and Gawain Snow seconded a motion to fund [this project] as advanced to the Priority List. The motion carried unanimously.

On December 11, 2014 Pinon Forest presented a funding assistance request for an \$89,000 loan for 20 years at 1.5% interest and a \$90,378 grant (total \$179,378) in supplemental funding. The applicant indicated that bids for the project came in higher than expected. The well depth was increased from 450' to 600' deep and the pump station was altered from a 10' X 10' frame building to a 15' X 25' masonry building allowing for secure storage of current equipment and tools.

Jae Potter made a Bruce Adams seconded a motion to suspend the rules and fund this request as an \$89,000 loan for 20 years at 1.5% interest and a \$90,378 grant (total \$179,378). The motion carried unanimously.

On July 2, 2015 Pinon Forest SSD presented a request to purchase water rights. The applicant indicated that originally Pinon Forest SSD planned on leasing water rights from neighboring governmental entities. An increase in demand for surplus water rights was not available for lease. The applicant stated that a private source which has senior rights on Currant Creek (date to 1911) have been located in the area that has been identified as a prime future water source for their district. The final purchase price is \$200,000.

Naghi Zeenati made and Steve Farrell seconded a motion to suspend the rules and fund this project as a \$100,000 loan for 20 years at 1.5% interest and a \$100,000 grant (total \$200,000). The motion carried unanimously.

Pinon Forest is requesting time on the November 5, 2015 agenda in order to accommodate the annual payment for this project with available annual revenue. The entire project is listed as a \$525,000 loan for 20 years at 1.5% interest and a \$527,072 grant (total \$1,052,072). The request is to amend the loan terms from a 20 year term to a 30 year term.

Mike McKee made and Naghi Zeenati seconded a motion to change the loan terms for this bulk water project to a \$525,000 loan for 30 years at 1.5% interest and a \$527,072 grant (total \$1,052,072). The motion carried unanimously.

3. Monticello City (San Juan County)

The CIB staff received a request from Monticello City for time on the November 5, 2015 meeting agenda to discuss a change in the scope of work for airport improvements at the Monticello City Airport to utilize a portion of the funding to mitigate issues in the airport fuel system.

The applicant stated that the existing fuel system was not FAA compliant to sell jet fuel. The applicant is requesting to design and implement a new fuel system. This change in scope from the original project description requires Board approval.

Ron Winterton made and Steve Farrell seconded a motion to change the scope of work for this project to allow for upgrades in the fuel system. The motion carried unanimously.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, December 10, 2015 at the Department of Workforce Services Building, 1385 South State Street, Room 157, Salt Lake City, Utah.

This meeting adjourned at 12:30 p.m.

Submitted by:
Cristine Rhead