PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES
Thursday, July 11, 2019

Members
Jonathan Hardy    Chairman
Bruce Adams    Southeastern Utah Association of Local Governments
Garth “Tooter” Ogden    Six County Association of Governments
Naghi Zeenati    State Transportation Commission
Ron Winterton    Duchesne County
Gregg Galecki    State Board of Water Quality
Jack Lytle    Uintah Basin Association of Governments
Dean Baker    Uintah County
Mike Dalton    Five County Association of Governments

Excused
Kyle Stephens    State Board of Water Resources
David Damschen    State Treasurer

Staff and Visitors
Keith Heaton    Housing and Community Development
Candace Powers    Housing and Community Development
Gayle Gardner    Housing and Community Development
Brenda Brown    Housing and Community Development
Cristine Rhead    Housing and Community Development
Alison Garner    Attorney General’s Office
Skyler Davies    Division of Water Quality
Lisa Nelson    Division of Drinking Water
Aubrey Larsen    Housing and Community Development
Lara Gale    Housing and Community Development
Kayl Smith    Housing and Community Development
Christina Davis    Department of Workforce Services
Russ Finlinson    Leamington Town
Clark Nielson    Leamington Town
Jerry Nelson    Pinion Forest SSD
Tyson Jewkes    Ensign Engineering
Shannon Allen    Antimony Town
Zach Leavitt    Six County Association of Governments
Will Wright    Uintah Basin Association of Governments
Pamela Sjostrom    Housing and Community Development
Kevin Yack    Uintah Basin Association of Governments
Micklane Farmer    Central Valley Town
Tammy Howland    Grand County
Judd Hill    Grand County
Evan Clapper    Grand County
Casey Hopes    Carbon County
The Permanent Community Impact Board (CIB) meeting was held on Thursday, July 11, 2019 at the DWS Admin South Building, 1385 South State Street, Room 157, Salt Lake City, Utah and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

I. ADMINISTRATIVE ITEMS

Briefing
1. Up-coming Meeting Dates and Locations
The next meeting is August 8, 2019 at the DWS Office, 1385 South State Street, Salt Lake City, Utah.

2. Financial Review:
Candace Powers reviewed the status of the funds for today’s meeting.

3. Review of Agenda items
There are nine new projects, one pending project and one supplemental request. This is the first meeting using the iLegislate Board packet.

II. INTRODUCTIONS
Chairman Hardy requested that Board members and staff give introductions.

III. APPROVAL OF MINUTES
Chairman Hardy requested a motion to approve the minutes from the June 13, 2019 meeting
Jack Lytle made and Naghi Zeenati seconded a motion to approve the minutes as corrected from the June 13, 2019 Funding and the July 13-14 2019 Policy meetings. The motion carried unanimously.

IV. NEW PROJECTS
1. Town of Central Valley (Sevier County) [07:20]
The Town of Central Valley presented a funding assistance request for a $1,326,000 grant for 2020 Street improvements. This project will consist of reconstruction roadway and drainage of Main Street at Center Street down to Sevier River Bridge for 1.08 miles. The applicant is contributing $88,165 cash, UDOT grant $794,835. Total project cost $2,209,000.

The applicant indicated that Central Valley was incorporated in 2005. In 2016, they received CIB funding as a $2,585,000 grant and $250,000 loan for 10 years at 2.5% interest to pave North Main and the Boulevard. They are approved for Rural Road funding from UDOT for Center Street. The next major road project is anticipated in 7 years when the current loan will be paid off. This is the third phase of a four phase program. The fourth phase will be rebuilding Sevier River Road. They applied to UDOT’s Rural Road program for the Center Street project because it qualified for Rural Road funding. The applicant indicated they prefer no additional debt until the existing debt is retired in seven years. South Main is deteriorating and will be more expensive to reconstruct in 7 years.

The Board stated the projects appear to be two different projects in this application. There is funding for Center Street from UDOT which the applicant is considering match for the second. Would UDOT release those funds to be included in the construction escrow as match? Otherwise, that funding is separate from the CIB funding. This is a large grant and suggested a 50% loan, 50% grant.

The applicant indicated they are not in a position to accommodate a loan.

Chairman Hardy indicated there are other sources of revenue besides B & C road funds to accommodate road projects. The financial analysis is a tool showing the possible debt capacity. Those indicators show debt capacity of an applicant to utilize other revenue sources.

The Board referred to those financial indicators which show the ability to reasonably take some loan and suggested the projects be separate as CIB is state funding and UDOT’s funds may be federal.

The applicant indicated UDOT will fund this project with State funds. The applicant referred to existing debt for a water project through USDA Rural Development which further prohibits additional debt. Central Valley Town has 600 people and is the fifth highest tax rate in the county.

The Board commended them for planning and having other funding in this project. The Board referred to the plan to come back to the CIB in the future with a request for funding phase four and asked if they considered maintenance of all their paved roads or could some of the roads be gravel.

The applicant indicated all Central Valley Town roads are paved. They will continue to resurface their roads which are well used.

The Board suggested an offer where they keep their cash and fund a 50% grant 50% loan.

The applicant indicated that a payment on 50% of this request would be a high annual payment which inhibits maintenance. Their cash is a required match for the UDOT funding.
The Board asked how many miles of roadway is maintained with the available B & C Road funds.

The applicant indicated that Central Valley has about 10 miles of road to maintain. After this project, it will be five or six years before additional chip sealing. This project is a reconstruction which will require chip seal next year. They do not have a bid for the chip seal portion of the project.

The Board acknowledged the desire for nice roads and asked if they had considered raising property taxes or implementing a quarter percent sales tax revenue for road improvements.

The applicant indicated Central Valley Town does not have any commercial structure for sales tax revenue but they did implement the gasoline tax as a road revenue option.

The Board suggested a loan with a deferral of principal payments for 2-3 years, noting interest payments would be required.

Ron Winterton made and Gregg Galecki seconded a motion to place this project on the Priority List for funding consideration at the October 3, 2019 funding meeting as a $221,000 loan for 10 years at 2.5% interest with a 3 year principal payment deferral and a $1,105,000 grant (total $1,326,000).

Board asked when the project will start.

The applicant stated the UDOT money is available in 2020 and the design phase of Center Street will begin when the final agreement is signed.

The Chairman called the question.

Ron Winterton made and Gregg Galecki seconded a motion to place this project on the Priority List for funding consideration at the October 3, 2019 funding meeting as a $221,000 loan for 10 years at 2.5% interest with a 3 year principal payment deferral and a $1,105,000 grant (total $1,326,000). The motion carried with Dean Baker opposed.

2. Pinion Forest Special Service District (Duchesne County) [47:57]

Pinion Forest SSD presented a funding assistance request for a $310,000 grant to construct a new office building. This project will consist of a 52’ x 26.7’ pre-fab building with 2 office spaces, a restroom, a storage room and a conference hall and an asphalt parking lot with 2’ curb and gutter and a 4’ wide sidewalk ADA compliant. The applicant is contributing $20,000 cash.

The applicant indicated the Pinion Forest SSD business is managed in a residence. This project will provide actual office space to accommodate a part time office person as well as provide a permanent location. Pinion Forest SSD will be updating the master plan. They have had discussions with developers concerning the development of subdivisions. The master plan will test the wells in the area for water quality. Developers have indicated possible financial assistance with placing culinary water pipelines from the dispensing station to potential subdivisions as well as piping the subdivisions.

The Board requested clarification regarding property the building will be placed upon.

The applicant indicated that changes in state law require the District to purchase the property from Duchesne County. The District is also waiting for confirmation that oil drilling has not been planned on a portion of the property.
The Board asked about the culinary water user fees.

The applicant indicated the user fee for the 96 connected residents is $45 a month for 8000 gallons and a graduated fee scale for water dispensed over 8,000 gallons. There is an ‘inactive’ fee of $10 to maintain the account. Pinion Forest SSD does not have employees but is run by a board. Those members receive $50 a month.

The Board asked who manages the water.

The applicant, Jerry Nelson, stated he is the water master for the District. Duchesne City also has a water dispensing station, but an increase in use of the Pinion Forest dispensing units by Duchesne City residents has been noted.

The Board suggested a consideration of loan funding and asked when the billing had been evaluated.

The applicant stated they could accommodate a small loan but there will be significant investment in the water system infrastructure and facilities that will require funds and explained the current process of dispensing water. The rates were evaluated in the fall of 2018 but there was not a rate increase. The master plan will evaluate the water rates and recommendations will be made.

The Board suggested a loan grant mix.

**Naghi Zeenati made and Dean Baker seconded a motion to fund this project as a $155,000 loan for 20 years at 2.5% interest and a $155,000 grant (Total $310,000).**

The Board expressed concern about the 2017 audit, the lack of key information and the details of affordability in regard to a special service district and requested more financial information.

The applicant indicated the area is very rural and Pinion Forest SSD is one of two approved water dispensing units available to service the area.

The Chairman called the question.

**Naghi Zeenati made and Dean Baker seconded a motion to place this project on the Priority List for funding consideration at the October 3, 2019 as a $155,000 loan for 20 years at 2.5% and $155,000 grant (total $310,000) pending additional financial information prior to final funding. The motion carried unanimously.**

3. Carbon County Municipal Building Authority (Carbon County) [01:05:43]

Carbon County MBA presented a funding assistance request for a $90,500 grant for the purchase of a 2019 F350 2-wheel drive 153 x 95 x72 wheeled coach ambulance.

The applicant is contributing $90,500 cash.

The applicant indicated that if the cost exceeds the proposed amount, Carbon County will cover any overage. The vendor has assured the applicant if a 2019 chassis is not available, a 2020 chassis will be provided at no additional cost.

**Bruce Adams made and Jack Lytle seconded a motion to suspend the rules and fund this project as a $90,500 grant.**
The Chairman noted that financing for these types of projects is available from other financial institutions which should also be an option in funding emergency vehicles.

The Board asked if Carbon County did approach any financial institutions.

The applicant indicated they have not pursued other funding. The request to CIB will assist with the budget as the mineral lease revenues have diminished. In the past, emergency vehicle purchases were through the County’s SSD and mineral lease funds, but those resources have significantly decreased.

The Board asked if the ambulance service is self-funding.

The applicant indicated it covers the wages and operating costs of the buildings, but does not currently cover the capital expenses of the ambulances.

Gregg Galecki made and Tooter Ogden seconded a substitute motion to suspend the rules and fund this project as a $150,000 loan for 10 years at 2.5% and a $30,000 grant (total $180,000). The motion failed with Gregg Galecki, Tooter Ogden in favor and Bruce Adams, Naghi Zeenati, Ron Winterton, Jack Lytle, Dean Baker, Mike Dalton opposed.

Bruce Adams made and Jack Lytle seconded a motion to suspend the rules and fund this project as a $90,500 grant. The motion carried with Bruce Adams, Naghi Zeenati, Ron Winterton, Jack Lytle, Dean Baker, Mike Dalton in favor and Gregg Galecki, Tooter Ogden opposed.

4. Grand County Municipal Building Authority (Grand County) [01:16:43]
Grand County MBA presented a funding assistance request for a $265,000 grant for the Canyonlands Field Airport taxiway and commercial apron construction. This project will consist of upgrading the 6,500’ x 35’ taxiway (schedule 1) by removing the existing base and replacing with multiple layers of subbase engineered aggregate base coarse fill material approximately 36” thick complete with a bituminous base and surface bituminous asphalt. The 10,000 yd^2 commercial apron (aircraft parking) (schedule 2) will be removed and replaced with approximately 40% asphalt and 60% concrete, multiple layers of subbase engineered aggregate base coarse fill material approximately 36” thick complete with a bituminous base and surface bituminous asphalt and 5,500 yd^2 12.5” thick concrete. The project includes markings, lighting and drainage. The applicant is contributing $250,000 cash; FAA $9,774,712. Total project cost $10,289,712.

The applicant indicated this is the Canyonlands Regional Airport and is a regional airport which accommodates industry, business and vacation travel benefitting the region economically and commercially. The project has been bid since the public hearing wherein the request on the application was modified and includes a 5% contingency. The prior runway improvements were completed last spring. The new runway will increase the capacity from 25,000 pounds to 85,000 pounds.

The Board asked what size of aircraft will be utilizing this facility.

The applicant stated they currently accommodate 50-passenger jets. The renovation will allow for 70-passenger jets with an 85,000 pound landing weight.

The Board asked for further clarification as to the nature of the “regional” definition.

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The applicant replied that the airport services Grand County and surrounding areas. There is another regional airport in Grand Junction, Colorado which is 2 hours away from Moab.

The Board suggested funding as a loan at 2.5% interest. The public hearing minutes indicate a loan could be accommodated by overnight parking revenue.

The applicant indicated they now collect an overnight parking fee which does generate revenue and could support a 20 year loan.

Jack Lytle suggested a $515,000 loan for 30 years at 2.5% interest rate and the applicant keep their cash.

The applicant indicated the higher loan and subsequent payment would be difficult. The $265,000 could be accommodated.

**Jack Lytle made and Dean Baker seconded a motion to place this project on the Priority List for funding on October 3, 2019 as a $265,000 loan 30 years at 2.5% interest.**

The Board noted that airplanes run on fossil fuel and stated that in 2022 they will be retiring existing debt.

The applicant requested to be funded at this meeting rather than in October.

**Jack Lytle made and Dean Baker seconded an amended motion to suspend the rules and fund this project as a $265,000 loan 30 years at 2.5% interest. The motion carried unanimously.**

5. San Juan Local Building Authority (San Juan County) [01:38:04]

The San Juan LBA presented a funding assistance request for a $551,931 grant for the purchase of three 2019 Ford F-350 4x4 153 x 95 x72 wheeled coach ambulances. The applicant is contributing $50,000 cash.

The applicant indicated there is a 42% increase in call volume for emergency services. The ambulance service has intended to be funded by revenue, but now the County is subsidizing the service due to insurance companies not paying the fees incurred by their customers. Currently, the vehicles do not meet safety standards and the revenue received for billings is approximately ‘29 cents on the dollar’.

The Board asked how many ambulances are in the fleet and what will be done with the ambulances that would be replaced. Are any of those ambulances able to be certified for continued use?

The applicant replied there are 8 ambulances but they do not have the staff to man those vehicles. Used ambulances do not hold value and might sell for 10,000 each. The oldest ambulance is a 2000. It requires repair frequently. It is the intent to reduce the fleet and have four main ambulances located in Monticello, Blanding, Bluff and one inter facility ambulance. Utah Navajo Health System helps cover the reservation portion of San Juan County.

**Ron Winterton made and Jack Lytle seconded a motion to suspend the rules and fund this project as a $551,931 grant. The motion carried unanimously.**
6. Town of Antimony (Garfield County) [01:57:44]
The Town of Antimony presented a funding assistance request for a $325,000 grant for road improvements. This project will consist of 0.69 miles of chip seal and crack seal on Dry Wash Road, 200 East and Parker Road, 0.44 miles of double chip seal and base course on Dry Wash Road and Mt. Dutton, 2.42 miles of grinding and double chip seal on Bench Road and 1,000 CY base course for shoulders. The applicant is contributing $175,000 cash.

The applicant indicated that approximately 0.26 miles of existing dirt road will be paved. The Town of Antimony has seen an increase in tourism using these roads. Three roads are mountain access roads and one has heavy logging traffic causing issues in road quality. They hope to get the roads in good condition and use B & C road funding to maintain them on a schedule. Garfield County will provide the labor and the Town of Antimony will provide oversight, materials and planning.

The Board asked if they will be grinding the road before double chip seal and what is the plan for road maintenance.

The applicant indicated that on Bench Road they will do grinding before double chip seal. The other roads will not require grinding. It is anticipated the roads will not require maintenance for approximately 10 years.

Mike Dalton made and Tooter Ogden seconded a motion to place this project on the Priority List for funding consideration at the October 3, 2019 funding meeting as a $325,000 grant. The motion carried unanimously.

7. Town of Leamington (Millard County) [02:08:18]
The Town of Leamington presented a funding assistance request for a $100,000 grant for a new town hall roof. This project will consist of installing approximately 15,000 square feet of TS standing 26 gauge metal panel system roofing with ridge ventilation, removing and disposing of old roofing material, installing a 7/26” OSB, high-temp ice and water shield on all eves and valleys, installing synthetic felt elsewhere, installing heavy shake on steeple and replacing gutters.

The applicant stated that the steeple of this building was modified just under 50 years ago so SHPO has indicated the building cannot qualify for historical status. It may qualify after 50 years of steeple modification. This is a complete roof replacement. The building has experienced several leaks. This building is the center point of the community.

Naghi Zeenati made and Michael Dalton seconded a motion to place this project on the Priority List for funding consideration at the October 3, 2019 funding meeting as a $100,000 grant.

A substitute motion was made.

Gregg Galecki made a motion to place this project on the Priority List for funding consideration at the October 3, 2019 funding meeting as a $100,000 loan for 30 years at 2.5%. There was no second.

The Chairman called the question on the original motion.

Naghi Zeenati made and Michael Dalton seconded a motion to place this project on the Priority List for funding consideration at the October 3, 2019 as a $100,000 grant. The motion carried with Gregg Galecki opposed.
8. Town of Levan (Juab County)  [02:15:20]
The Town of Levan presented a funding assistance request for a $90,000 grant for a new utility shop. This project consists of erecting a pre-manufactured 42’ x 80’ x 17’8” building with five 12’ x 14’ overhead doors on a concrete pad on property already owned by the Town. The applicant is contributing $8,903 cash.

The applicant indicated that some of their equipment is parked outside as there isn’t sufficient space to park it out of the weather.

The Board asked if they had bid the project indicating the estimate in the packet seemed quite inexpensive.

The applicant stated it was bid by a local contractor and included all the material cost including concrete. It is a premanufactured building and does have concrete and insulation. The Town did receive three other bids.

Mr. Heaton indicated that generally when the Board reviews applications they have an estimate and have not gone through the bid process. The applicant is encouraged to go through the bidding process once they have been approved for funding.

Bruce Adams made and Naghi Zeenati seconded a motion to place the project on the Pending List to allow the applicant to verify the cost of the project. The motion carried unanimously.

9. St. George City (Washington County)  [02:23:24]
St. George City presented and funding assistance request for a $12,557,000 loan for 20 years at 2.5% interest for the St. George City Campus Expansion Project. The project consists of expanding (10,160 SF) and remodeling (29,358 SF) city hall to accommodate a new 311 customer service center, additional space for human resources, utilities, public works, community development, economic development, legal and administration employees. The project will also expand (15,926 SF) and remodel (17,656 SF) the police building for victim services, gang and drug task force, bike patrol public safety services, training rooms, workspace for patrol officers and accommodation for future growth.

The applicant indicated St. George has seen substantial growth and has used every space available. The city hall was built in 1980 and housed 105 full time employees, whereas now St. George employs over 700 full time employees. They have utilized 30 different facilities to house those employees. The population was 11,000 when the city hall was built and the population is now 90,000 with an expectation of doubling over the next 20 years to 180,000. The police building was built in 1998 with 50 officers. There are now 120 officers. The proposed City “Campus” is meant to withstand the growth potential of St. George in housing the City employees that will service the citizens and residents of St. George into the future. The City will fund 23% of the overall cost to include Phase 1a parking and Phase 1b leisure services, IT and 911 dispatch. This funding request is for Phase 3 and 4 of the overall project.

Michael Dalton made and Jack Lytle seconded a motion to suspend the rules and fund this project as a $12,557,000 loan for 20 years at a 2.5% interest.

Mr. Zeenati indicated he had requested more information and was given a tour of the existing facilities and an explanation of the need for the planned project. He complimented their frugality and expressed his knowledge that this is a needed project.
The Chairman called the question.

Michael Dalton made and Jack Lytle seconded a motion to suspend the rules and fund this project as a $12,557,000 loan for 20 years at 2.5% interest. The motion carried unanimously.

V. PENDING LIST
1. Town of Brian Head (Iron County)
The Town of Brian Head presented a funding assistance request for a $1,105,000 loan for 15 years at 2.5% interest for the Steam Engine Meadows Phase 1-C Streets and Utilities Project.

**Description October 2018:**
This project consists of street improvements to include paving approximately .75 mile of dirt/gravel roadway with asphalt, 100 feet of 36 inch culvert, 60 feet of 18 inch culvert, rock wall stacking and 27 manholes on Highland Drive, Paddington Circle, Steam Engine Drive, Peak Avenue and Autumn Drive.

**Revised Description July 2019:**
This project consists of street improvements to include paving approximately .75 mile of dirt/gravel roadway with asphalt and road base, 100 feet of 36 inch culvert, 60 feet of 18 inch culvert, rock wall stacking, 15 manholes and 12 valves. Culinary water improvements to include 2 fire hydrants, 5 valve cans, 550 linear feet of 8 inch C900 waterline, 3 valves and rock excavation for the water line. Sewer improvements include the installation of 550 linear feet of 6 inch pressurized sewer line, 1 manhole and rock excavation for the sewer line.

The applicant revised the scope of work and funding request to accommodate water and sewer lines while doing the road project. The applicant provided a plat of the Town’s ownership of the area to be improved.

The Board confirmed this project is to provide public infrastructure normally provided by a public entity and not to private properties.

Ron Winterton made and Naghi Zeenati seconded a motion to suspend the rules and fund this project as a $1,105,000 loan for 15 years at 2.5% interest. The motion carried unanimously.

VI. SUPPLEMENTAL FUNDING
San Juan County Local Building Authority (San Juan County)
On June 14, 2018 San Juan County Local Building Authority was awarded a $571,000 loan for 30 years at 1.0% interest and an $879,000 grant (total $1,450,000) for a new Senior Citizen Center in Blanding. This project consists of demolishing the existing structure and building a new ADA compliant 6,000 sq. ft. concrete block building with a commercial sized kitchen, large multi-use room, offices, two large restrooms, parking lot and signage. Applicant contributed $250,000 cash.

The applicant is requesting consideration of a supplemental grant to mitigate issues discovered with the parking lot and the bedrock underneath the pre-existing parking lot causing drainage issues. It has been necessary to close the Senior Center for three weeks. This request is to complete the parking lot to re-open the building. There is no contingency left to accommodate this problem.

Ron Winterton made and Naghi Zeenati seconded a motion to fund the supplemental request as a $75,000 grant. The motion carried unanimously.

Chairman Hardy introduced Anndrea Parrish, Benn Buys, and Lane Farr who are Legislative Auditors that will be working with the CIB program.

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VII. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

1. Board Packet Tool Discussion – Peak Agenda / iLegislate
   This is the first meeting to utilize the new Peak Agenda / iLegislate tool which will be utilized for at least the next 3 years. It is not currently in its final format but the Board is able to download the iLegislate app on their computer, take notes and highlight. The final formatting is expected to be completed in the next few weeks.

   Naghi Zeenati suggested that the information can be downloaded the night before the meeting. It will then be easy to pull the information up during the meeting.

2. Closed Session
   Chairman Hardy called for a vote to go into a closed session to discuss reasonably imminent litigation.

   Tooter Ogden made and Dean Baker seconded a motion to go into a closed session pursuant to Utah Code Ann. § 52-4-205(1)(c). A roll call vote was taken: Gregg Galecki aye, Naghi Zeenati aye, Bruce Adams aye, Garth Ogden aye, Jack Lytle aye, Michael Dalton aye, Dean Baker aye, Ron Winterton aye. The motion carried unanimously.
   The time was 11:38 a.m.

   The Board exited the closed session and returned to the open meeting at 12:06 p.m.

ADJOURNMENT
   The next meeting of the Permanent Community Impact Board will be August 8, 2019 at the DWS Admin South Building, 1385 South State Street, Salt Lake City, Utah at 8:30 a.m.

   This meeting adjourned at 12:06 p.m.

Submitted by:
   Candace Powers
   Cristine Rhead
   Pam Sjostrom