

6PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division
Moab, Utah

MINUTES

November 3, 2022

Members Present

Curtis Wells	Chairman
Kirt Slaugh	State Treasurer
Bruce Adams	Southeastern Utah Association of Local Governments
Naghi Zeenati	State Transportation Commission
Dean Baker	Uintah County
Jerry Taylor	Five County Association of Governments
Jack Lytle	Uintah Basin Association of Governments
Tooter Ogden	Sevier County

Members Virtual

Laura Hanson	Governor's Office of Planning and Budget
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Members Excused

Scott Bartholomew	Six County Association of Governments
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Staff and Visitors

Christopher Pieper	Attorney General's Office
Jennifer Domenici	Housing and Community Development
Candace Powers	Housing and Community Development
Brenda Brown	Housing and Community Development
Paul Moberly	Housing and Community Development
Gary Zabriskie	Five County Association of Governments
Kaylee Beck	Department of Workforce Services
Bryan Kimball	Ephraim City
Shaun Kjar	Ephraim City
Marilyn Bronson	Town of Rocky Ridge
Bethany Sturgeon	Town of Rocky Ridge
Bryan Thiriot	Five County Association of Governments
Burke Torgerson	Lyman City
Casey Reynolds	Town of Rocky Ridge
Greg Miles	Duchesne County
Evelyn Pieper	

Staff and Visitors Virtual:

Sarah Nielsen	Department of Workforce Services
Christina Oliver	Housing and Community Development
Stacey Herpel	Housing and Community Development
Keith Heaton	Seven County Infrastructure Coalition
Scott Bartholomew	Sanpete County Commission
Keith Despain	Vernal City
Will Wright	Uintah Basin Association of Governments
Skyler Davies	Division of Water Quality
Zach Leavitt	Housing and Community Development
Cameron Carter	Housing and Community Development
Heather Poulsen	Levan Town

Michele Jolley
Stan Holmes
Pam Juliano
Tyler Timmons
April Gardner
Monica Hilding
Jeanette Johnson

Richfield City
Sierra Club

Six County Association of Governments
Department of Workforce Services
Environmental Caucus
Johnson, Patterson & Yellowhorse

WELCOME AND INTRODUCTIONS [0:8:24]

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, November 3, 2022 at the Red Cliffs Lodge, Mile Post 14, Highway 128, Moab, Utah and was called to order at 9:00 a.m. by Chairman Curtis Wells.

I. BRIEFING

- 1. Up-coming Meeting Dates & Location – January 5, 2023 – 1385 South State, SLC, UT**
- 2-3. Financial Review & Review of Agenda Items** [0:09:00]

There are 5 new projects for review at today's meeting. Projects discussed at today's meeting may be placed on the Priority List for final funding authorization at the February Bonus Funds may only be allocated as an interest-bearing loan. The CIB revenue comes from the mineral resources developed on federal land. The standard interest rate established by the Board is 2.5%. The funding tool recommendation is indicated on the review sheet.

It was noted that the application from Parowan City has been withdrawn.

III. APPROVAL OF MINUTES [0:6:06]

Chairman Curtis requested a motion to approve the minutes from the October 6, 2022 meeting.

Naghi Zeenati made and Tooter Ogden seconded a motion to approve the minutes of the October 6, 2022 meeting as presented. The motion carried unanimously with Scott Bartholomew absent for the vote and the chairman abstaining.

IV. PRIORITY PROJECTS

4.1. Ephraim City – Road Safety Project – Ephraim Crossing Road (Sanpete County) [0:07:50]

Ephraim City presented a funding assistance request for a \$1,000,000 grant for a new roadway which will include the first phase of construction of the 5-lane asphalt Ephraim Crossing Road to include sidewalk, curb, gutter and utilities and will connect Highway 89 to the 400 West planned business/industrial park. The road is anticipated to become a major collector road in the city with a future signalized intersection on Highway 89 and will provide a truck route bypass around the city. CIB funding will match the Federal Community Project funding of \$4,000,000.

The applicant indicated there is an industrial park planned on 110 acres at the end of this proposed road. The map of the proposed roadway was discussed as well as logging truck traffic. The current roads go through residential areas, past an elementary school and a middle school. The first piece of the roadway project is to connect to the future industrial park and facilitate the future hospital to be located adjacent to the industrial park.

The Board asked about the status of the \$4,000,000 Federal Community Project funding referenced on the application; what is the timeline?

The applicant indicated the federal funding has been earmarked for Ephraim City but the funding distribution goes through another federal organization. One of the federal requirements is to show enough funding to complete the project. There is no definitive timeline for the federal funding. This has been a two-year process. It is anticipated to be soon. The applicant indicated this roadway is part of the

recently updated masterplan and UDOT is involved in regard to location. Ephraim City has received a technical assistance grant from UDOT to determine the roadway details.

The Board asked if they have implemented an impact fee in regard to funding participation and if the City will contribute funding for this project.

The applicant indicated they do have an impact fee with the Camino Verde Group as part of their development to help with other connections to the highway. This roadway will be the main signalized intersection. Ephraim City will also utilize B&C road funds which will be a major portion. City funds are limited and the B&C road funding is not sufficient which is why funding is being solicited for this project. There will be city labor contributed in regard to utility work. The private partner is donating the rights of way and will participate in the road to completion. They have documentation concerning the agreements but it was not submitted with the CIB application.

The Board asked if they could accommodate a portion of the funding as a loan and if the B&C road revenue would be sufficient to maintain the road.

The applicant would prefer a grant but could accommodate some loan and B&C revenue should be adequate.

It was asked if this project would be eligible for the UDOT State Infrastructure Bank (SIB) which is a funding program available to local municipalities for transportation infrastructure.

Mr. Zeenati indicated the SIB has a longer application process. The interest rate on the funding follows the treasury but all the projects qualify.

The Board noted the intent to bypass the city roads and asked if all the rights of way have been secured.

The applicant indicated this is the first piece going to the industrial park; the second piece will be getting to the canyon road to alleviate safety issues and they do have all rights of way for this phase.

[27:20] Chairman Wells noted that Commissioner Bartholomew was trying to contact the meeting via phone but was having difficulty.

The Board stated CIB cannot fund private entities nor mere economic development. It was noted that two of the Ephraim City loans are soon paid off which may assist in accommodating some loan.

The applicant stated they have received UDOT funding for a phase on the Canyon Road.

Kirt Slaugh made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$440,000 loan for 15 years at 1.5% and a \$560,000 grant (total \$1,000,000)

Commissioner Lytle suggested an amendment to the motion to include verification of the federal funding and a participation agreement between the private party and the City. Kirt Slaugh accepted the amendment.

Kirt Slaugh made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$440,000 loan for 15 years at 1.5% and a \$560,000 grant (total \$1,000,000) contingent on verification of federal funding, all rights of way and a participation agreement with the private party. The motion carried with Scott Bartholomew absent from the vote and the chairman abstaining.

4.2 Kane County Municipal Building Authority – Community Outreach Center Building (Kane County)
[0:38:40]

Kane County Municipal Building Authority presented a funding assistance request for a \$2,493,000 loan for 30 years at 2.0% and an \$339,795 grant (total 2,832,000) for the construction of a 15,000 square foot community outreach building to include engineering, excavation and grading, interior framing, electrical, flooring and finishes, stucco and masonry exterior, parking lot pavement, **signage, refrigeration units**, plumbing and HVAC to house offices and storage for the Kane County Care and Share, the Kane County Drug Court, the Kane County Office of Tourism and Events and the Kane County Building and Grounds Department. Applicant Cash \$169,000.

The applicant indicated that the Care & Share is out of conex buildings. Distribution is from an old water tank which needs repair. They serve approximately 150 households in Kane County. They also have a drug program; Kane County Drug Court. They have functioned out of a variety of locations and now need a permanent location to sustain the program.

The Board acknowledged the need.

Bruce Adams made and Jerry Taylor seconded a motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$2,493,000 loan for 30 years at 2.0% and a \$339,795 grant (total \$2,832,795).

The Board referred to the revenue source of Transient Room Tax (TRT) which they have allocated for several projects. Is there sufficient TRT to accommodate this loan?

The applicant indicated the MBA has adequate revenue resources including TRT coming into the MBA. The jail facility funded by CIB has accommodated a source of revenue and opioid funds have been established through a settlement agreement. This project fits within the eligibility of that settlement agreement.

Mr. Slauch noted that Kane County comes to almost every meeting with significant funding requests and with the limited CIB funds, it would be difficult to support additional requests. Kane County has received \$34 million in the last five years. In fairness to other counties, Kane County was encouraged to seek other funding.

Commissioner Chamberlain indicated this will be last time *he* comes to the Board.

The Board complimented the public hearing minutes and referred to the other funding on the application including \$169,000 applicant cash and \$150,000 in-kind and asked the applicant to clarify those funds.

The applicant indicated the \$169,000 has been spent for design and the \$150,000 is the value of the County land donated for this project. There is a Kanab City easement on the property that they are working to acquire.

The Board referred to the connection of this project to the Kanab Center which the Board previously funded and asked if the Kanab Center project accommodate these needs?

The applicant indicated this project will be in the same area as the Kanab Center but within two years, they had exceeded the capacity of the Kanab Center in regard to space. Also, the Care and Share and Drug Court are not appropriate for the Kanab Center Facility. During the pandemic, the Kanab Center was utilized for these programs including drug testing in the restrooms of the Kanab Center. With the increased use of the Kanab Center, those programs are not conducive to the space.

The Chairman called the question.

Bruce Adams made and Jerry Taylor seconded a motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$2,493,000 loan for 30 years at 2.0% and a \$339,795 grant (total \$2,832,795). The motion carried with Scott Bartholomew absent from the vote and the chairman abstaining.

4.3 Town of Rocky Ridge – New Town Hall Building (Juab County) [0:55:50]

The Town of Rocky Ridge presented a funding assistance request for a \$733,000 loan for 30 years at 0.5% and a \$1,098,332 grant (total \$1,831,332) for the construction of a new 6,000 square foot town hall and senior center building to include earthwork and retention ponds, septic tank and lines, culinary water and pressure irrigation, concrete foundation and footings, masonry, appropriate interior framing, finishes and woodwork, plumbing, council chamber pew, kitchen, bathroom and reception cabinets, flooring, paint, interior signage, exterior asphalt pavement, sidewalks, curb and gutter, lighting and landscaping.

The applicant noted they have needed a new town hall for over 10 years. The land has now been donated for this purpose and the owner of the facility currently being used has requested they relocate. The Town does not have a lot of available sales tax revenue so funds are limited.

The Board indicated it was stated in the public hearing minutes that half loan and half grant could be accommodated and a possible building authority.

The applicant indicated they have submitted documentation to the State for a local building and once established, the funding will be through the local building authority.

The applicant indicated the tool information was provided to Rocky Ridge and it was discussed in the council meeting. The town determined they could accommodate up to a \$40,000 annual payment.

The Board asked if they had pursued value engineering depending on what the Board would approve.

The applicant stated this is not an oversized building which includes a senior facility and is floor space only.

The Board reviewed funding options utilizing the funding tool in regard to a \$40,000 annual payment.

Naghi Zeenati made and Tooter Ogden seconded a motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$1,026,000 loan for 30 years at 1.0% and a \$805,332 grant (total \$1,831,332) citing a financial hardship exemption.

Mr. Slauch read the financial hardship exemption which states *“The applicant should provide evidence that the proposed project **is essential for the preservation of community health, safety and welfare AND the potential costs to finance under the proposed terms exceeds their discretionary budget.**”* Does the project meet that criteria?

Commissioner Taylor asked where the community would meet if there is an emergency wherein the applicant stated there is a large church parking lot that has been utilized and the Board acknowledged the financial hardship exemption.

The applicant noted that CIB staff had suggested getting a more current bid for the project and an updated estimate was received in the amount of \$2,036,901. The motion for funding was amended up to that amount.

The Board asked if there was a property tax revenue or other funding participation by residents.

Rocky Ridge indicated they put in a new well two years ago to accommodate a Division of Drinking Water compliance issue. A significant amount of funding was donated from private residents and a main road was paved as well.

The Chairman called the question on the amended motion.

Naghi Zeenati made and Tooter Ogden seconded the amended motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$1,019,000 loan for 30 years at 1.0% and a \$1,017,901 grant (total \$2,036,901) citing a financial hardship exemption. The motion carried with Scott Bartholomew absent from the vote and the chairman abstaining.

Break [1:13:57]

4.4 Five County Association of Governments – AOG Building Renovation

Five County Association of Governments presented a funding assistance request for a \$739,566 grant for the remodel/renovation of the interior of the existing Five County Association of Governments'- owned office building in the Tonaquint Center Business Park to include a new public restroom, a secure, enclosed receptionist room with customer window counter, three additional hallway corridor security doors with keypad control, sewer line to new lobby restroom, new carpet tiles throughout the building (where carpeting currently exists), framing "library" room to accommodate two additional enclosed office rooms and two flex office cubicle spaces, framing for three separate offices in the east end of the building, removal of existing wall to expand the server/phone/alarm system/security camera control data room, replacing all lighting with high-efficiency LED panels and the construction of a new 253 square foot building for storage of agency records, equipment, office supplies, in-home aging services client supplies, a redesign of existing stormwater drainage system to comply with city code and associated landscaping.

The Board noted there have been similar requests and funding for other AOG's, but this is for a remodel rather than a new building. It was stated that the AOG's do not have a revenue source for loan repayment.

Bruce Adams made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$739,566 grant.

Mayor Baker expressed his concern that the Uintah Basin AOG funding for their building included a loan though Uintah County is a producing county. The loan payments are accommodated through rent from departments that share the building. Uintah County thought of approaching the Board with a request to forgive the debt. (*CIB cannot forgive debt*). The remaining balance is small and there is a need for these buildings but also the need for fairness.

Commissioner Adams indicated San Juan County purchased approximately \$2,000,000 of their own SITLA easements prior to the CIB funding SITLA easements stating the Board cannot go back to the beginning to make things fair.

Mayor Baker indicated his support for this project funding award though there is some heartburn in the Basin.

Commissioner Taylor indicated this is a comparatively small amount for this AOG renovation and it is a much-needed project.

Mr. Zeenati visited the AOG to see the scope of the project noting it is not for beautification and includes fixing the sewer so the restrooms can be utilized, providing climate control for the food distribution area

and cooling the computer server room.

Mr. Slaugh indicated the funding tool suggests 75% loan and 25% grant but it has been indicated that the AOG's do not have revenue; does the tool accommodate that issue?

The tool only considers the type of project and the area; if it considered revenue and the ability to pay, fiscally responsible entities might be unduly affected. The funding tool considered a building in the Five County AOG area and makes a recommendation; the Board then may determine the funding given all the extenuating circumstances discerned through discussion.

Mr. Slaugh asked if the AOG's operate on a zero budget then anticipate CIB or other funding sources to cover the infrastructure expenses.

Mr. Zabriskie with Five County AOG stated that AOG's do not have taxing capability but grants come from the State or Federal programs run through the AOG. Program funds cannot be used for capital expenditures. A private developer constructed the original building 20 years ago with a Community Development Block Grant (CDBG) for \$902,000 and the land was donated. This funding request will provide improvements and safety to hopefully last another 20 years. They intend to save \$20,000 per year in a building fund and they do not qualify for USDA Rural Development funding as they are not rural. The AOG counties provide \$130,000 collectively to the AOG to be used as match for federal grants.

The Chairman called the question.

Bruce Adams made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$739,566 grant citing a unique project exemption. The motion carried with Scott Bartholomew absent from the vote and the chairman abstaining.

4.5 Parowan City – New Swimming Pool Facility (Iron County) *Withdrawn*

This project consists of the construction of a recreation facility located near the intersection of 100 North and 300 East on City property to include an 8-lane competition/lap pool and a health & wellness pool, a 17,806 square-foot building to house the pools and associated site improvements, masonry bearing walls and prestressed concrete roof framing system to provide maximum corrosion resistance, a stainless-steel Myrtha pool, pool equipment rooms, locker rooms, restrooms, administrative areas, a community room to host events. The site will be developed to accommodate the new building with adequate parking, access for delivery of pool chemicals, adequate parking for the adjacent soccer fields with pedestrian access between the parking lot and soccer fields. *A portion of the site improvements will be completed by Iron County, including access off the street into the site.*

Commissioner Ogden indicated that in anticipation of discussing the pool application, he contacted Richfield City to ask about the maintenance of their swimming pool. The operation and maintenance of the pool is between \$400,000 and \$450,000 annually and the revenue in 2021 was \$82,000.

4.6 Town of Lyman – New Mini Excavator (Iron County)

The Town of Lyman presented a funding assistance request for a \$80,000 grant for the purchase of a Kobelco SK45SRX-7 T4B Mini Excavator to include cab, heater, air conditioner AM/FM radio, 4-way angle float dozer, suspension seat, travel alarm, rubber tracks, color monitor, auxiliary hydraulics, 18" Werk Brau bucket, hydraulic thumb, mechanical quick coupler and other standard features. *The estimate indicates the machine is new with 7.5 hours.*

The applicant indicated that the population of Lyman is approximately 185. There aren't any businesses in Lyman. There is a post office and 4 vacation rentals. 85% of Wayne County is federally owned. The mini excavator will help with general maintenance in the town and cemetery. There has been a lot of interest in cemetery plots so they have placed a moratorium on selling plots in the existing portion of the

cemetery. The Town has pursued funding to develop another section of the cemetery and they have the ground and the water. The excavator will be used to dig trenches and graves which are currently provided with the use of local residents' equipment. The town generates approximately \$3740 in taxes annually.

Jerry Taylor made and Tooter Ogden seconded a motion to place this project on the Priority List for funding at the February 2, 2023 meeting as a \$80,000 grant citing a financial hardship exemption.

The Board asked if the Town would be purchasing the trailer for this equipment.

The applicant noted they forgot the trailer but they have a little money they could use.

The Board suggested including \$10,000 in the funding for a trailer and asked if they needed the funding prior to the February funding meeting.

Jerry Taylor made and Tooter Ogden seconded a motion to *SUSPEND THE RULES AND FUND* this project as a \$90,000 grant citing a financial hardship exemption. The motion carried with Scott Bartholomew absent from the vote and the chairman abstaining.

5. New Projects – Large Infrastructure	N/A
6. Pending Projects	N/A
7. Supplemental Requests	N/A
8. Special Consideration	N/A

9. Board Member Discussion and/or Action Items

9.1 CIB Board Meetings – No December Meeting; January 5, 2023

ADJOURNMENT

The next meeting of the Permanent Community Impact Board will be January 5, 2023 at 1385 South State, Salt Lake City, Utah.

The meeting adjourned at 11:15 am.

Submitted by:
Candace Powers