

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division, Salt Lake City, Utah
Virtual Zoom Webinar
December 10, 2020

Members Present

Jonathan Hardy	Chairman
Bruce Adams	Southeastern Utah Association of Local Governments
Naghi Zeenati	State Transportation Commission
Irene Hansen	Duchesne County
Jack Lytle	Uintah Basin Association of Governments
Dean Baker	Uintah County
Mike Dalton	Five County Association of Governments
Kyle Stephens	State Board of Water Resources
Garth "Tooter" Ogden	Six County Association of Governments
Gregg Galecki	State Board of Water Quality
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
Pam Sjostrom	Housing and Community Development
Aubrey Larsen	Housing and Community Development
Jordan Katcher	Housing and Community Development
Paul Moberly	Housing and Community Development
Rebecca Banner	Housing and Community Development
Ian Shumway	Housing and Community Development
Kayl Smith	Housing and Community Development
McKenna Marchant	Housing and Community Development
Brook McCarrick	Attorney General's Office
Daniel Widdison	Attorney General's Office
Landon Troester	Attorney General's Office
Chris Hughes	Director, State purchasing
Christina Davis	Department of Workforce Services
Skyler Davies	Division of Water Quality
Skye Sieber	Division of Drinking Water
Margaret Lautaimi	Department of Workforce Services
Debi Carty	Department of Workforce Services
Kimberly Madsen	Legislative Fiscal Analyst
Marcus Keller	Zions Public Finance
Mark Anderson	Zions Public Finance
Jonathan Ward	Zions Public Finance
Alex Buxton	Zions Public Finance
Randon Campbell	Duchesne County Municipal Building Authority
Commissioner Greg Todd	Duchesne County
Daniel Mauchley	Duchesne County Municipal Building Authority
Emma Mauchley	Duchesne County Municipal Building Authority

Stephen Moon	Duchesne County Municipal Building Authority
Chelise Jessen	Duchesne County Municipal Building Authority
Mayor Jed Bartholomew	Town of Fayette
Jacob Sharp	Castle Valley Special Service District
Conae Black	Green River City
Eric McCulley	Green River City
Maria Sykes	Green River City
Travis Bacon	Green River City
Bryson Syme	Town of Lyman
Alden VanDyke	Town of Lyman
Commissioner Smith	Kane County
Commissioner Andy Gant	Kane County
Commissioner Brent Chamberlain	Kane County
Jeff Bradybaugh	Kane County
Gordon Walker	Kane County
John Livingston	Kane County
Mayor Joey Rickenbaugh	Town of Glenwood
Taylor Jensen	Cache County
Cheryl Meier	Utah Transportation Special Service District
Steve Neeleman	East Zion Special Service District
Jeanette Johnson	Blaisdell, Church & Johnson LLC
Kevin Yack	Utah Basin Association of Governments
Will Wright	Utah Basin Association of Governments
Scott McComb	Utah Basin Association of Governments
Gary Zabriskie	Five County Association of Governments
Nate Wiberg	Five County Association of Governments
Jade Powell	Southeastern Utah Association of Local Governments
Michael Bryant	Southeastern Utah Association of Local Governments
Brian Carver	Bear River Association of Governments
Zac Covington	Bear River Association of Governments
Scott McComb	Bear River Association of Governments
Zach Leavitt	Six County Association of Governments
Tyler Timmons	Six County Association of Governments
Mike Wilson	CRS Engineering
Keith Despain	CRS Engineering
Wayne Wilson	CRS Engineering
Brian Barton	Jones & DeMille Engineering
Bart Jensen	Jones & DeMille Engineering
Daniel Hawley	Jones & DeMille Engineering
Mike Hawley	Jones & DeMille Engineering
Eric Major	Jones & DeMille Engineering
Kenrick Thomas	Jones & DeMille Engineering
Aaron Averett	Sunrise-Engineering
Justin Atkinson	Sunrise-Engineering
Jesse Ralphs	Sunrise-Engineering
Jeff McCarty	Sunrise-Engineering
Devan Shields	Sunrise-Engineering
Ben Coray	Sunrise-Engineering
Jason Blankenagel	Sunrise-Engineering
Justin Atkinson	Sunrise-Engineering
Bret Reynolds	CIVCO Engineering

Pamela Juliano
Senator Ron Winterton
Deeda Seed
Dale Coulam
Kurt Mower
JR Bird
Ryan Clayburn
Bruce Rowley
Corey Christensen
Michael Davis
Jerry Taylor
Unknown
Stan Holmes
Ann Harvey
John Chartier
Brian Deeter
Dickson Taylor
Dan Van Wagoner
Sarah Stock
Ted Franklin
Zoom User, x737wqa6dn
Jenny Adams
Ted Franklin
Brandon Johnson
Lori Ann Potter
Jessica
Clayton

Rio Grande Pacific Corporation
Duchesne County
Center for Biological Diversity
Ivins City
Roosevelt City
Roosevelt City
Roosevelt City
Town of Levan
Town of Levan
Vernal City
Garfield County
Tar Sands Resistance
Sierra Club
No Coal in Oakland
Department of Environmental Quality
J-U-B Engineers
Johnson Water Improvement District

Living Rivers

Other Attendees:

1435****298
1206****442
1520****392
1435****964
1435****295

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, December 10, 2020 via Zoom Webinar and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

I. ADMINISTRATIVE ITEMS

Briefing

1. Upcoming Meeting dates and Locations

January 7, 2021 – Virtual Meeting via Zoom Webinar
February 4, 2021 – Virtual Meeting via Zoom Webinar

2. Financial Review [01:05]

Candace Powers reviewed the status of the funds for today's meeting. It was noted the applicant's request is listed on the financial sheet, but in the future, the tool's median funding indication will be listed on the financial sheet. The 2020 revenue is reduced and the Board is tasked to keep the funds revolving. Commissioner Jack Lytle requested the application review sheet show the tool's proposed funding median range and the applicant's requested amount for comparison.

Ms. Powers noted the financial sheet will utilize the numbers generated by the funding tool to better identify the fund balances as the Board has authorized the tool to provide funding consistency.

Mr. Gregg Galecki asked if there is a way to project the fund balance prior to the funding meeting.

Ms. Powers stated the balance is determined by mineral revenue received by the State and actuated by DWS Finance Team plus loan payments to the fund. New revenue in November was approximately \$1,600,000. Ms. Brown reviewing completed projects wherein funds are recaptured to the mineral lease funds. When CIB loans have been refinanced through another means those pay offs are returned to CIB.

Chairman Hardy suggested a chart showing the outstanding loans, annual payments and completed payments.

3. Review of Agenda Items:

There are 6 projects for funding consideration, and 1 large infrastructure project application.

II. WELCOME AND INTRODUCTIONS [13:43]

Chairman Hardy read the following statement signed prior to today's meeting:

"I, Jonathan Hardy, Chairman of the Permanent Community Impact Board, have determined that the December 10, 2020 meeting of the Permanent Community Impact Board will be held electronically without an anchor location.

This determination is based on the following facts:

- 1. Utah is currently dealing with Covid-19, which has been determined to be a pandemic. Covid-19 is extremely contagious and can be deadly to those who contract it, especially those of advanced age and underlying health conditions.*
- 2. The Agency offices are in Salt Lake County, which has been identified as a county with a high level of transmission. This designation requires wearing a mask and strongly recommends physical distancing*
- 3. A vast majority of Agency staff and the members of the Board/Commission are teleworking to avoid unnecessary contact with others.*
- 4. The Board room is insufficient to allow social distancing and reasonably safe accommodation of the Commission and the public.*
- 5. The Commission uses an electronic platform which allows interested parties to view the meeting and hear discussions." Dated December 7, 2020 OPMA*

Chairman Hardy called for a roll call vote of Board attendance.

It is noted all Board members present except David Damschen.

III. APPROVAL OF MINUTES [30:34]

Chairman Hardy requested a motion to approve the minutes from the November 5, 2020 meeting.

Naghi Zeenati made and Tooter Ogden seconded a motion to approve the minutes of the November 5, 2020 meeting. The motion carried by voice vote with Gregg Galecki abstaining from vote.

David Damschen joined at 8:49am

BOARD DISCUSSION [15:28] STATE PURCHASING

Chairman Hardy introduced Christopher Hughes, Director of State Purchasing to discuss the administrative policy approved November 5, 2020 and effective January 1, 2021 regarding the

requirement that funding recipients for projects over \$1,000,000 are to solicit 3 bids and are required to use State purchasing as a resource.

Mr. Hughes noted that State Purchasing assists all executive branch agencies in the procurement process for any purchase over \$5,000. They handle approximately 1300 procurements per year and cooperative contracts for the State of Utah which are commonly used by over 500 public entities and non-profits. State purchasing can handle the procurement process for a public entity at no charge to help with publishing and solicitation on the state purchasing website.

Commissioner Ogden asked if this would bog the process down to go through State purchasing.

Mr. Hughes stated it is encouraged to engage with state purchasing at the beginning and they can provide suggestions to expedite the procurement process. Agencies using state purchasing are encouraged to engage the department at the beginning of the procurement to navigate through the process.

Commissioner Ogden asked if this was a recommendation or a requirement. Most of the projects are already well vetted.

Chairman Hardy indicated that the audit recommendation was *"The Permanent Community Impact Board should consider requiring that State purchasing be used with larger projects and determine a threshold for imposing this requirement."* He asked Mr. Hughes what the use of state purchasing looks like.

Mr. Hughes stated It doesn't mean purchasing has to run the whole process. If the entity already has the process established, which is allowed under state law, state purchasing can be utilized for any of their normal services; posting the solicitation on the entity's behalf, a review to see if any items are missing in the required procurement. The entity is responsible to follow their procurement and the state purchasing review would be to assist in following best practices and assuring the RFQ was competitive and open. There is a data base of vendors and they will review the justification for a sole source provider. State purchasing is setting up a list to assist in selecting a vendor and avoid simply selecting a favorite vendor repeatedly. An approved vendor list is reviewed approximately every 18 months.

Commissioner Lytle noted at times, they have been able to do better with a local contractor than from the approved vendor list so there is concern with the requirement of using State purchasing or approved vendor lists.

Mr. Hughes indicated there is not a requirement to use the approved vendor list, acknowledging a locality issue. There is work to be done given the geography of Utah to get more local vendors for all cities and counties.

Mr. Galecki asked if State purchasing could handle the additional workload from CIB and what would be the timeline to begin that review.

Mr. Hughes stated they could handle the CIB workload. They defer to the CIB process in regard to timeline. A process including both CIB and State purchasing could be discussed.

Chairman Hardy noted a concern that State purchasing would make the selection of contractors which is not the case. State purchasing helps with the solicitation and the procurement process. The agency evaluates the proposals. The role of state purchasing is to ensure there is a fair, competitive and transparent process.

Ms. Powers noted that the State Procurement Code has been adopted by the Board to be the prevailing requirement.

Treasurer Damschen stated the Purchasing Division is great to work through and has an incredibly broad spectrum of expertise.

Chairman Hardy stated the Board will establish more specifics as to the requirement of utilizing State Purchasing. It was anticipated to be effective January 1, 2021, but clarification will be provided by the February 4, 2021 funding meeting.

Commissioner Dalton stated that use of State Purchasing should be a guideline, not a requirement.

Chairman Hardy stated the requirement is to publish every project over \$1,000,000 on the State Purchasing website to ensure the procurement process being followed is transparent and complete.

The entity will control the process and State Purchasing may assist to clarify a competitive and transparent process. The decision is always up to the entity. State purchasing does a review of the proposals for complete information, then the proposals go to the agency. Evaluation and selection are on the agency.

Chairman Hardy stated the current requirement is that if the cost of the project is in excess of \$1,000,000, the entity *must use* State Purchasing for the bid process. The Board will define the requirement.

Mr. Hughes offered to draft out a process map for the Board to discuss indicating the involvement of each entity. The procurement code has been revised utilizing suggestions and responses from entities throughout the State and it is a relatively flexible code. There is a 24 hour turn around on any questions received by state purchasing but posting a procurement requires a minimum notification of one week.

IV. NEW PROJECTS

4.1 Town of Glenwood (Sevier County) [1:07:20]

The Town of Glenwood presented a funding request of \$755,000 grant for main street improvements. This project consists of street improvements on 0.67 miles of Main Street roadway to increase the width of the roadway to include roto milling the existing asphalt, building up the shoulders, installing untreated base course and granular borrow, adding two feet on each side of the street, and repaving with 3-inch hot mix asphalt.

Median Proposed:

\$ 265,000 Loan 10y @ 0.5%

\$ 490,000 Grant

Mayor Joey Richenbach, Ryan Savage represented the Town of Glenwood.

The applicant indicated the road has been narrow for several years but recently the ALM approved a new campground 5 miles south of the Town. There is more trailer and truck traffic through the town. There is approximately 18 feet of asphalt wherein 2 trailers passing would utilize the shoulder. This will help alleviate the anticipated danger. The applicant stated they could accommodate a small loan referring to their financial information.

The Board acknowledged that Main Street in Glenwood is the main entrance to Cove Mountain and it is deteriorating. The Town has no industry or revenue to fix the roadway. There is a need for the project but the available funding is limited.

The applicant indicated they budget close to the available B&C Road funds.

The Board noted the project may be more expensive if the repair is delayed.

Dean Baker made and David Damschen seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$265,000 loan for 10 years at 0.5% interest and a \$490,000 grant (total \$755,000) with a two-year principal payment deferral. The motion carried unanimously through roll-call vote.

4.2 Duchesne County Municipal Building Authority (Duchesne County) [01:24:20]

The Duchesne County Municipal Building Authority presented a funding request of \$4,565,000 for the Roosevelt Branch Library and Community Center. This project consists of the construction of a 16,700 square foot, energy efficient metal library building with ADA accessibility at 80 North 200 West which will include community meeting space, study/group rooms, technology space, staff operation space, HVAC, utilities, furnishings (book stacks, tables, chairs), curb & gutter, drainage, pavement and pavement marking, parking lot, parking lot lighting, landscaping, sprinkler system, fencing, trash enclosure and signage.

The applicant has requested a \$2,283,00 loan for 30 years at 1.0% and a \$2,282,000 grant with \$645,000 In-kind ~ Project Total \$5,210,000

Median Proposed:

\$ 4,337,000 Loan 30y @ 1.5%

\$ 228,000 Grant

Gregg Todd, Daniel Mauchley, Dixie Swasey, Jessica Shaw, Randon Campbell and Kendrick Thomas represented the Duchesne County Municipal Building Authority.

The applicant noted this project has been vigorously vetted. The Roosevelt Library is one of two branches in Duchesne County and has been a goal for several years serving the largest number of citizens. They had 4 public meetings to discuss the project and a remodel option was discussed. New construction is cost effective and preferred. They have reduced the scope to affordability with input from focus groups. The land and design have been accommodated by Duchesne County.

The Board acknowledged the need for the project. The cost per square foot is reasonable but questioned the appraised cost of the ballfield land indicated in the application as the location and asked about plans for the existing library and property.

The applicant indicated they have reviewed seven possible locations outside the city wherein the ballfield land was the best option and a ballfield will be provided elsewhere. The existing library building is owned by Roosevelt City. The new library will be a Duchesne County library. The Duchesne County Library will be a taxing entity with its own revenue source. The retiring debt will not be an allocated revenue stream to the new library.

The Board acknowledged the work that has been done for this project and suggested the funding be as requested which is outside the parameters of the tool.

Chairman Hardy noted when funding is outside the consistency of the tool, there should be a stated exemption.

The Board noted the library is the hub of a community, the planning has been good wherein libraries should be high on project priorities given the access to technology and information.

Naghi Zeenati made and David Damschen seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$2,283,000 loan for 30 years at 1.0% and a \$2,282,000 grant (total \$4,565,000).

Chairman Hardy noted the justification for the funding allocation outside the funding tool is the need for this project. The tool may need adjustment given the unique nature of libraries.

The Board suggested an amended interest rate of 0.5% and adding to the loan. A loan of \$2,500,000 has a similar annual payment with the reduced rate. It was then noted that the previously funded project in the median range and suggested a 75% loan and a 25% grant for this project.

Tooter Ogden made and Gregg Galecki seconded a substitute motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$3,424,000 loan for 30 years at 0.5% and a \$1,141,000 grant (total \$4,565,000). The motion carried with David Damschen, Gregg Galecki, Tooter Ogden, Kyle Stephens and Bruce Adams in favor and Jack Lytle, Dean Baker, Irene Hansen and Naghi Zeenati opposed.

4.3 Town of Fayette (Sanpete County) [01:55:11]

The Town of Fayette presented a funding request of \$175,000 for the road improvements. This project consists of roadway and drainage improvements, pothole repair and chip seal to include all streets from Main Street to 2nd East and from 300 North to 500 South.

The applicant has requested a \$175,000 grant and is contributing \$125,000 cash.

Median Proposed:

\$ 70,000 Loan 10y @ 1.0%

\$105,000 Grant

Mayor Bartholomew represented the Town of Fayette.

Chairman Hardy stated a minimum loan to usually be \$100,000 though the tool has indicated the median loan on this project to be \$70,000.

The Board noted the applicant cash of \$125,000 for this project and suggested the applicant withdraw the applicant cash and increase the loan to \$300,000 at 0.5%.

The applicant indicated a \$300,000 loan is possible without contributing the applicant cash noting that there is no commercial income, only property tax.

Dean Baker made and Irene Hansen seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting for final approval as a \$100,000 loan 10 year at 1.0% and a \$75,000 grant (total \$175,000).

Tooter Ogden made and Kyle Stephens seconded a substitute motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting for final approval as a \$100,000 loan 10 year at 0.5% and a \$75,000 grant (total \$175,000). The motion carried with David Damschen, Gregg Galecki, Tooter Ogden, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen and Naghi Zeenati in favor with Jack Lytle absent for the vote.

4.4 Castle Valley Special Service District (Emery County) [02:02:45]

The Castle Valley Special Service District presented a funding request of \$2,000,000 for the 2021 Consolidated Capital Projects. This project consists of Improvements to streets and city surface drainage systems in Elmo, Cleveland, Huntington, Castle Dale, Clawson, Ferron and Emery; a culinary

water line replacement of deteriorating cast iron pipeline and asbestos cement pipeline to meet State Drinking Water standards in Orangeville; a new culinary water line and new sewer line to an unserved area in Castle Dale.

The applicant has requested a \$1,000,000 loan for 6 years at 2.5% and a \$1,000,000 grant and is contributing \$16,000 cash.

Median Proposed:

\$ 1,100,000 Loan 15y @ 1.5%

\$ 900,000 Grant

Jacob Sharp and Alex Buxton represented the Castle Valley Special Service District.

The applicant noted this project represents several smaller projects around the communities in the district. The capital facilities plan was updated in 2019. The mayors and councils determine the projects based on their community and needs. The new funding mechanism was acknowledged. They would still like a 6-year term and funding amounts but with a reduced interest rate if more loan were to be suggested.

Bruce Adams made and Tooter Ogden seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$1,100,000 loan for 6 years at 1.0% and a \$900,000 grant (total \$2,000,000). The motion carried unanimously through roll-call vote.

4.5 Green River City (Emery County) [2:08:40]

Green River City presented a funding request of \$179,337 for River Enhancements Phase I. This project consists of the restoration of the Green River bank to include site setup, care of water and staging; Bank restoration and improvements to include clearing, grubbing, bank excavation and haul off, bank structure excavation, the furnishing and installation of boulders, terraces, toe and path support, furnishing and installation of slab stone steps, alluvium backfill, 554' of concrete or gravel path, new dock and platform on the river, storm water infrastructure relocation, light pole relocation and installation, overlook fence, filter fabric; Site restoration and planting to include straw, erosion and sediment control fabric, upland seed, riparian seed, park mix seed, 50

10-gallon trees, 50 5-gallon trees, 400 1-gallon shrubs, 500 willow stakes and haul off and associated rights of way, engineering and permitting.

The applicant is requesting a \$179,337 grant and is contributing \$150,000 cash, \$12,500 Emery County, \$100,000 Recreation Trails Program, \$150,000 Utah Outdoor Recreation – Project Total \$591,837.

The CIB funding would cover the engineering, design and permitting of Phase I.

Median Proposed:

\$ 117,000 Loan 30y @ 1.0%

\$ 62,337 Grant

Travis Bacon, Conae Black, Eric McCulley and Maria Sykes represented Green River City.

The applicant indicated the CIB funding would cover permitting, design and general support of Phase I. This project would enhance the use of the Green River including a slab stone terrace bank, a small watercraft access, scenic overlook, swimming hole, pedestrian trail and an accessible submerged boat ramp, landscaping, beautification and interpretive signage. The land next to the museum has been purchased for this project.

The Board asked about the status of other cash, permitting and easements.

The applicant indicated they have the local cash and Outdoor Recreation has funded the \$150,000. They are also seeking funding from the Coal Country Strike Force but the federal funding has not been

secured. A big challenge is the endangered fish in the Green River. The intent is to cause no impact to the endangered fish. State lands permitting is in process. The federal discussions require a statement of impact which is the next step in January. The project is on the City property and State lands.

The Board suggested keeping the applicant cash, receive a \$300,000 loan for 30 years at 0.5% and that might provide more sustainability for the phases.

The applicant indicated the wetlands delineation has already been done and there are no wetland impacts. The engineering funding for this phase is around \$82,000. Conceptual engineering for the complete project has been completed. Keeping the applicant cash and accommodating a larger loan would need to be discussed with city officers. The applicant has considered the liability for river use. There will be signage and public education concerning the possible water hazard.

The Board suggested the applicant keep their cash with a motion to provide additional CIB funding.

Gregg Galecki made and Naghi Zeenati seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$300,000 loan for 30 years at 0.5%. The motion carried unanimously through roll-call vote.

Break: 10:57 a.m.

4.6 Town of Lyman (Wayne County) [2:27:30]

The Town of Lyman presented a funding request of \$78,000 for an Excavator and Trailer purchase. This project consists of the purchase of a new CATERPILLAR mode 304E2 C3TH Hydraulic Excavator and trailer.

The applicant is requesting a \$78,000 grant.

Median Proposed:

\$ 78,000 loan 10 years @ 2.0%

Bryson Syme, Alden Van Dyke represented the Town of Lyman.

The applicant indicated the backhoe that was utilized as a service to excavate in the cemetery is now too large and a smaller piece of equipment is necessary. The cemetery is nearly at capacity and this equipment will help in the expansion of the cemetery.

Naghi Zeenati made and Mike Dalton seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$78,000 loan for 10 years at 0.5%.

The Board suggested the purchase of a used trailer and asked if there was other equipment needed at this time wherein the Board could consider a \$100,000 loan.

The applicant indicated though the bid price included a new trailer, they would consider a used trailer and acknowledged the town needs a mower.

The Chairman called the question.

Naghi Zeenati made and Mike Dalton seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$78,000 loan for 10 years at 0.5%. The motion carried unanimously through roll-call vote.

Chairman Hardy indicated the applicant may explore other equipment needs prior to the February 4, 2021 funding meeting and the Board would consider a larger loan to cover those costs.

5. NEW LARGE INFRASTRUCTURE PROJECTS

5.1 Kane County Municipal Building Authority presented a funding request of \$15,500,000 for a new East Zion Visitors Center. This project consists of the construction of an 8000 square foot visitors center on the East entrance of Zion National park to include a 6000 square foot administration building, first aid station, restrooms, offices, storage space and a common meeting area, parking lot with shade islands and an additional 2000 square foot rest room, transit hub, courtyards, road relocation and landscaping. The applicant is requesting a \$15,500,000 loan for 30 years at 1.0%.

Median Proposed:

\$ 14,773,000 Loan 30 years @ 2.0%

\$ 777,000 Grant

Commissioner Brent Chamberlain and Jeff Bradybaugh represented the Kane County Municipal Building Authority.

The applicant stated there was a good public hearing for this project. The project will take approximately 1 year to construct after the engineering and design is completed. This will facilitate a greater use of the Park and may attract approximately one third of the population annually. This project will be located on Hwy 9 about 10 miles east of Mt. Carmel Junction and about 1.5 miles from the East Zion Park entrance. This project will assist visitors with information to visit other natural wonders of the State. Partners include Kane County, the Bureau of Land Management, the National Park Service and a private component. The area is wilderness and 18.6 acres for the project is to be donated to Kane County by the current property owner. UDOT has agreed to construct a round-about to manage traffic. The revenue source for paying the loan will come from an RDA which is being established and also incremental tax revenue. The applicant is also requesting a 2-year deferral of principal payments to allow revenue to build and accommodate the debt service.

The Board acknowledged the value of this project and asked about ownership and management of the facility and will there be support for this project from the State Office of Tourism.

The applicant indicated a private entity would have no interest in building a visitor’s center because there is no revenue stream. Kane County will own and operate the facility. The donated property must always have a visitor’s center or it will revert back to the original owner. There will be additional development outside of the CIB funding to include 42 miles of trails. The State Director of Tourism has noted this to be the most important destination development project in the State of Utah.

The Board noted a question raised in the public hearing about staffing the visitors center and asked for clarification as to staffing.

The applicant stated Zions National Park will provide staffing for the visitor’s center similar to the other visitor center. Zion Forever will also have staffing onsite to run youth programs. Kane County will provide some staff, the Bureau of Land Management will have staff as the visitor center is designed to have space for a variety of programs. It is a multi-agency information facility but Kane County will be ultimately responsible for staffing this in collaboration with Zion National Park.

The Board commended this project and its ability to do outreach in regard to visitor’s awareness of the State’s beauty and diversity and showcase as well as protect the beauty while also developing the State’s natural resources which enables such infrastructure.

Naghi Zeenati made and Bruce Adams seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$15,500,000 loan for 30 years at 1.0% with a 2-year principle payment deferral.

The Board commended the use of renewables noted in the construction of this project and suggested the loan be accommodated from the Bonus Fund.

Chairman Hardy indicated the project will be placed on the Priority List and the allocation of funds will be determined at the funding meeting. The Chairman called the question.

Naghi Zeenati made and Bruce Adams seconded a motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting as a \$15,500,000 loan for 30 years at 1.0% with a 2-year principle payment deferral. The motion carried unanimously through a roll-call vote.

IX. BOARD MEMBER DISCUSSION and/or ACTION ITEMS [03:05:40]

Commissioner Adams requested time to discuss his concerns about the Southeastern Utah ALG building. He described the problems of the old school building including sewer leaks, a shifting floor and continual air conditioning/heating issues. The food bank is in the parking lot which was an old playground for the school; the parking lot is deteriorating. The business and technology center also housed in the building will put a brick in the door after hours so that they can get in and out of the building which creates security problems. In September the ALG Board started discussing what to do with the building and housing the AOG. Price City owns the building and the lease renewal is coming up. There is reluctance to repair the building. The ALG has considered other buildings even in Emery County. Carbon County has offered to donate land to build a new building. He noted his regard for Geri Gamber, the ALG Director who is frustrated with the complications of the building. They have had engineers estimate what a new building would cost. The situation has been discussed with Keith Heaton in October and November. The ALG Board considered this as an emergency and Geri Gamber was told to submit a large infrastructure application for a new building before the building season of 2021 started. It was then indicated that it did not qualify as an emergency and in consideration of legislative audit recommendations the CIB Board had determined the CIB application list would not be amended. The CIB staff indicated it could be on the new list and could be considered in July of 2021. Commissioner Adams stated there has been a lot of effort made to get this project on the agenda and possibly funded and addressed in the 2021 construction season.

Chairman Hardy requested comments from Keith Heaton concerning this issue.

Mr. Heaton noted appreciation for Commissioner Adams concerns and acknowledged the great job done by Geri Gamber and her staff. HCD is always very supportive of the work they do and HCD works very closely with ALG staff on projects in the SEUALG region... and all the regions. He indicated there have been conversations with Geri and staff in the last six weeks and the focus was on repairs to the existing building including issues with ownership. The ALG is the primary resident but the building is owned by Price City. He has expressed full support of the ALG and offered to help out but there were no further conversations until last week when they contacted the CIB administrative assistant to request access to attend the meeting. It was noted an emergency application would be made to purchase a new building or make repairs which wasn't clear because there was no application. Candace immediately responded to Geri (and staff) about CIB processes and there were a few email exchanges – followed by a recent phone call with Michael Bryant the regional planner and Jade Powell, their strategic planner. It was expressed to them that the construction of a new building would not be considered an emergency. The project was not on the current capital improvement list – now called the CIB application list nor was there

an application submitted. It was noted that *if* the building were washed away, it would be an emergency. The CIB process requirements include adequate public notice and CIB agendas are usually set several weeks in advance. It was discussed with CIB staff and ALG staff and it appeared there was agreement that the project would be on the new application list for FY2022 which begins July 1. The application could be placed on the July agenda with a fully fleshed out project, through the proper process to prevent undo scrutiny on what would be a very large and important project. He suggested a possible communication gap as Geri had not been on the call CIB had with ALG staff wherein her staff should have provided her with an update. Also, an email summary of the discussion was provided by Candace. Mr. Heaton indicated that staff does not prevent applications from coming before the Board. Staff assists applicants to present the best application possible while certifying all is done properly. Staff works with applicants and AOG's in partnership to make sure good projects are coming forward.

Chairman Hardy noted the concerns in regard to the ALG building as he visited approximately 6 years ago wherein it was then in disrepair and suggested a call with Commissioner Adams, Director Gamber and the ALG Board to determine how to proceed.

Commissioner Adams expressed appreciation to Chairman Hardy. There may have been some miscommunication as he was told that because the Board had adopted some new rules, the CIB list could not be amended. He did not think the RPP had been notified of this change and he did not think it was posted on the website. If the Board has made that change, applicants should be notified or the change should be posted on the website. He noted the SEU-ALG building project is important and they don't want to miss an entire construction season with potentially higher prices and delays or possibly having to spend some of the really valuable ALG money on repairs to a building they do not own. He expressed his frustration with the whole situation stating it would be helpful if Jonathan and whoever on the staff would meet with Southeastern Utah ALG.

9.1 CIB Board Meetings - January 7, 2021; February 4, 2021

9.2 Closed Session - The Board may consider a motion to enter closed session pursuant to Utah Code Ann. 52-4-205(1)(c)

12:02 pm: Chairman Hardy called for a motion to go to closed session. [3:22:10]

Jack Lytle made and Tooter Ogden seconded a motion to go into a closed session pursuant to Utah Code Ann. 52-4-205(1)(c). The motion carried unanimously through a roll call vote.

Commissioner Dalton left the meeting at 1:07 pm.

1:15 pm: Chairman Hardy reconvened the meeting noting the items on the agenda have been completed.

ADJOURNMENT [3:24:23]

The next meeting of the Permanent Community Impact Board will be January 7, 2021 to be held virtually via Zoom Webinar.

The meeting adjourned at 1:15 pm.

Submitted by:
Candace Powers