

**MINUTES OF THE MILLARD COUNTY
ECONOMIC DEVELOPMENT ASSOCIATION
AT THE COUNTY OFFICES IN FILLMORE
THIS 19th DAY OF AUGUST, 2020**

BOARD MEMBERS PRESENT:

Roger Killpack.	Chairman of the Board
John Higgins	Board Member
Nick Killpack	Board Member
Mark Huntsman	Board Member

BOARD MEMBERS EXCUSED:

Matt Loe	Board Member
Mike Winget	Board Member
David Styler	Board Member
Jon Finlinson	Board Member
Greg Roper	Board Member

ALSO PRESENT:

Stuart Clason	UAC
Patrick Mullen	UAC
Commissioner Dean Draper	

1. Welcome

The meeting was called to order by Chairman Roger Killpack at 8:10 am. All in attendance were welcomed.

2. Approval of July 15th 2020 Minutes

John Higgins made a motion to that the July 15, 2020 minutes be accepted as written. Mark Huntsman seconded. Motion carried.

3. Discussion of Financial Incentives

Stuart said we just pulled samples of a financial tax incentive worksheet of what Iron, Cedar City has done in terms of a financing policy along with Salt Lake County and how they look at tax

incentives. So what we thought would be helpful having two separate conversations the first one is these policies and this is thinking about if a company comes forward, this would be the threshold of what the county would look at in terms of a incentive and then thinking through on how this board can assist the county in filtering through those. Stuart went over a handout the board that explains the incentives. This is basically the only tool that cities and counties have for economic development. This is a way to redistribute back to a company that is making some kind of a property investment that's new growth and making that available in terms of an incentive and state statute allows you to do that. We have participated in those projects and we know the process, this is a policy tool that the county has to achieve goals. In order to help achieve those goals the following requirements must be met:

Policy:

Maximum credit of up to 75% over the life of the project
No retail distribution projects
Life of the incentive is 3-10 years

Requirements:

Create new high-paying jobs in the county
At least 25 jobs
Generate new property tax revenue.
Significant capital investment and purchases from Utah vendors or suppliers.

This gives a basic frame work so people can understand. So by creating this policy it can be very helpful.

Commissioner Draper said he wanted to talk about Solar and Wind Farms. What we have learned over the last six years is because of the Federal incentive of a 30% credit we have had inquires at least once a week about putting in solar farms. Solar farms in Millard County only come to pass if there are within a mile of a substation of Rocky Mountain Power. Most of those that are within that mile already have that que to work with IPP. When they have an existing PPA they don't need an incentive. Now with the other side of that is we still need to create a CBA or a CRA in that area if we are going to get any new growth. Otherwise we don't get the additional tax revenue for the county. Part of that is the ten percent for affordable housing; we didn't some rough numbers, if you had a project that brought in 8 billion a year then ten percent of the tax revenue on that would allow us as minimum for the county itself to acquire some land and put up ten affordable units a year over a ten year period. We don't have affordable housing in the county the building situation state wide is the contractors are going to be in Weber and Utah County; affordable housing is a starter home. With the developments that will take place along the IPP region there would be the incentive to have the CBA in there and have that looking at what we would be doing with the housing aspect of it.

Stuart said going back to the solar projects they are 100 percent personal property, you have to build some structural things on site. We have worked on several solar projects that are going up all over. Millard and Emery county are the most sophisticated as it pertains to power production because you can have it in your back yard. So you are smart in understanding your CBA and use

it effectively and you all ready have a locked in price for what you are selling it for. Now the mistake that they made was when the first wave of solar happened and after the federal tax credit is you have excess capacity and you could get to associations very easily and the developers were pushing that were playing dummy against county. Stuart said with personal property tax unless it's in a project area cannot be captured as new growth. It just goes in as balancing the overall tax base. It used to be 75/25 so when the new tax dollars were collected, 75 would go to Fillmore and the rest would go to the other tax amenities, but to be able to capture personal property the agencies would capture it all and then sends the money to be captured.

Stuart said affordable housing does not equal low income housing. We started this conversation in our second meeting, having starter homes workforce housing you need to the tools it is not as restricted like HUD money it's not federal dollars. So the county can have a say in how it is used. I like knowing how things came to be and use it to our advantage.

Patrick went over the Salt Lake county policy packet in section four is says; Project areas that promote economic prosperity among a range of income levels and will create a net increase if new high wage jobs within the county. This just gives the playing field an idea of what's there so a lot of the things that we are asking for on a state wide level and everyone is having these conversations whether or not you have a policy in place or not. We all should be somewhat aligned and say no and ask what the criteria is. Every place is going to be different were not saying we all have to be the same this is just a example of having the other end of the spectrum of what Iron county has done. This kind of shows what we are looking for and how you get the most favorable participation.

Stuart said the policy is a nice thing in a sense if you are a policy maker it sets the stage, but the way that we structured this in Salt Lake county is we talked about things that were favorable but you don't want a lot in with your policy maker. If something walks through the door that you couldn't prepare for, and you didn't know what it looked like you also want to have the freedom to say this isn't what we need right now.

You also have to take in consideration unfavorable project considerations some of the considerations are;

- Project area that are predominately housing including single-family dwellings.

- Projects that are predominately retail, unless there is material justification, relocation of jobs or retail sales.

Iron County is doing a project area for mixed use housing development that would have little bit of multifamily, semi detached, single family and a mix of rent to own. They would be using taxes for funding to reimburse the developer for the infrastructure that they are going to have to build.

Stuart said we interfaced with Canyon School District; they have a public financial tool that is used for redevelopment of tax revenue that they want to see with their participation. I think that it would be good to have the input of this board to draft their own policy. On page three of the policy it says; Project must demonstrate current and future economic benefit for the district. The

District will collaborate on the housing set aside fund to benefit district and public employees. So I am going to use the plural side process as an example because this process was created after. So plural side is a Utah road company Aaron Stoddard is the founder and effectively he and his partners were traders, so they trading for different companies and traveled all over the county and trained them. They decided that this is not scalable and it didn't work so they created a market place for training. So if you an expert in training you can create your own training platform then you can put it on the plural site and the plural site has corporate partners and pays a subscription to use that. They don't create the content they just use it and allow a third party to come in and if your content is used much plural site will pay you money. So when we started having conversations with Canyon School District, the school board was not interested. So what came out of that was the plural site there taking an increment. They created an internship program that is going to funded a million dollars over ten years and its targets are Canyon School District high school seniors that are going too intergraded into an internship program. That partnership wouldnt't has happened without the incentive because it forced everyone to get together.

On the affordable housing component there is going to be a sizeable amount of money for affordable housing so what was established is that the city the county and the school district as those dollars start to flow they have to create a affordability plan targeted at Canyon School District teachers that can't afford to live in one of the most expensive areas in the state. That speaks to being anti incentive and says we have to do the incentive because everyone is doing it. But the other end of the spectrum is we can get incentives that can be used for public funds I think that somewhere in between it can used as a tool if used appropriately it will get you where you want to go. Thinking through having that name in the policy that if you are going to get that incentive and put it on the program to see what it will look like. It is not the county job or the board's job to figure out how the company will benefit. They should come forward with a plan to start your incentive.

Commissioner Draper said he wanted to add a different consideration to the conversation. One of the things that I would like to see happen is that the companies hire local then that way they can bring their families back here. I would like to have that employment filled in so our county can get the benefits and that will expand to all three high schools. Stuart said that is one of the things that the incentive allows you to do promoting to someone that walks through the door and is asking for the community to participate that then allows for partnership to the establishment.

4. Update on Economic development activity

Stuart said last week the Commissioner took us on multiple tours going on the west side, identifying opportunities for commercial areas, industrial development where there can be rail to be put in. I think that a policy is a smart thing for the county to do and that is something be working towards, and thinking forward whether it's with solar projects could go, around the IPP plant. I think that we should be proactive in designating project areas that we start creating. To create a project area with no problems is a six month process. We also need to make sure the policy is in place so just setting up the project area doesn't mean we have to give away the

incentive but it means that we got the opportunity to do it. I don't think you should not have commercial development on the table because there, that is going to be something that as you grow the entire ecosystem people is going to need places to recreate. Fillmore has more opportunities than on the other side, however on the other side is where your opportunity for industrial development is.

5. Economic development plan

Roger said he feels like there needs to be a policy to where we can construct some areas. Where we indicate where some growth needs to be and what benefits there are for putting a project in that area and the benefits that need to come back to the county. I like the concept that we put the structure in place and the inity comes up with the proposal to see how they will meet our guidelines. Mark said one of the challenges that you have with the policy you brought a bunch of names and policies, and in every one of these cases there is an evolution taken place and one of the counties that has chosen not to get down into it. Simple is better but before you put a policy together and the commission has to sign off on it you have to decide what is important to Millard County, are you after more jobs, people and with the school side do they want more students? What would more students do to Millard County? The reality is more revenue which means more opportunity for the Lea that the district here to provide more opportunity for students. I think that we are far from Salt Lake because on our end we are the last vote. We have that excess capacity as you have that growth you are into homes and jobs do there might not be that big industrial. I think in your space as you are trying to put this together. We are as unique as all of these other inities and we have to evolve then you get too much down into weeds and policies so before you know it you're tied to tight. Stuart said Iron County is a good example of keeping it simple. Mark said they also have room to take it up a notch with their school district. Stuart we also need to think about we get to define what economic development means to our county and I think economic development is more complex in any community. I think economic development is thinking about housing stocks along with infrastructure. There is multiple places where you could build rails spur it's not cheap. There is a reason you have a ton of industrial development going on in the North West quadrant of Salt Lake City is because they have many options for transportation and labor force. You are not going to get speculative that happens here we have to things that we are going to have to do and take a risk but even with those risks we have to have that down side has some kind of a positive effect that we can measure. So defying it in a policy is important and understands the energy development. This is going to be a big piece of what we are trying to do. I think we need to be sensitive in what we can draft. I think it is important to get the feedback that there is a policy on and what a incentive would look like towards a company and the county should be saying these are the areas that we want to see that growth and setting those up simultaneously. So if those areas are identified and someone comes forward asking for an incentive. I think building on what the Commissioner has said and say if you want a incentive you have to show us how you are going to intergrades with school district and create a internship. We don't have to define it we can keep it loose enough that we put the notice on them that they need to come forward and show us how they want to move forward.

Mark said every industry is unique and they are not all alike, so when we get into this we don't bind them too tight, but it creates that opportunity for them to participate.

Commissioner Draper said I just mentioned the IPP area this is just the one that has got our attention, we also have other things that occur in the future because we have the interstates to deal with and the opportunities they create. We all the all the minimum wage jobs that Millard County can handle however we need something that can provide income on a single income to support a family.

Commissioner Draper went over a map that has been prepared but is not yet established in the county. The highlighted areas are ones that could bring in industrial development and agriculture in the county.

Roger said something that we need to build into your incentive is saying no minimum wage level it need to be a entry wage level for a incentive for this.

Stuart said the housing component is a piece because if can lock that in, your household has a profit-loose statement. So what you're making and what is coming in and what you are spending on housing and food that is what is going out. Economic development is traditionally focuses on high paying employment which is one piece. So I think grappling with the other side which needs to be part of the analysis and figuring out how to do that. You can up your housing stock and figure out to bring something in and making it located in the areas on the map.

So my question to this group is if we set a project area you have the tax amity to buy it. So effectively the major tax amities are the School District so if we went to the school board where would they be at with this today. Roger said he think they would be open to the idea but I don't think they would push it. Stuart said if we came to them with a policy and said this is Millard County policy for Economic Development. Because the school district is all ways your biggest tax amenity. So they look at things differently they are asked to participate on a financial side for economic development. They are also given the responsibility of providing our future workforce, which is if you have no Economic Development you don't have a work force.

Roger said my feeling is they would be on board, especially if they could input and help structure the plan. Mark said they want students as well when they are engaged on Great Lake Cheese project they were losing students and this side of the county wasn't doing well. They need students to keep it alive and going. I think they will do whatever it takes to get the students. Now with the Infrastructure and everything they need to have plans and projects. The schools are in great shape so I don't think would be any problem. Stuart said which a huge advantage is as you said pretty much everywhere in the state when they hear job creation they are at a no they don't want any. Mark said it either students or revenue for the county.

Stuart said maybe a thought process that I suggest is if these are the areas and because it takes so to get it and this is not a easy process to get it set up, but if we capped the creation of a county wide policy that includes getting feedback from the School District. So moving forward it would

be to get the two major municipalities from Fillmore and Delta. Nick said Delta would be interested in listing. Stuart said so my advice would be from the outside standpoint is we want them to hear the same message, so creating county wide policy around tax incentive financing. Getting the buy in from the municipalities on the policy and then going down on these areas and setting them up.

Commissioner Draper said this was a proposal we put in front of the planning commission, they didn't understand it and we don't have something in place with our zoning we will have a problem. So we will have to get our planning commission to understand that this is necessary because they are really reluctant on it. There are some things that need to be protected while doing this. Stuart said maybe we focus on creating one or two project areas with the policy and do whatever kind of work we need to do with the planning commission. I think with using the board along with Patrick and I help it will help them better understand it.

Nick said in Delta we have a unique situation where we have a lot of both types of land. The city is interested in Economic Development and we have discussed this quite a bit and we are on board to do what need to do. We haven't discussed incentives from our side but I believe we could have a discussion on the city stand point. Stuart said you can tell anyone what to say but the incentive is the tool that you use to guide them but the outcome is what is best suited for the community. Roger said if we can come up with a back bone plan and the municipalities buy in along with the school districts that the way it should happen. Then they can contribute what they want to see in there as well. Stuart said that is not too complicated and make this a simple process and say hey this is what we are thinking. We want to get ourselves positioned so we can be aggressive and identify the things that we want to go after or the things that all ready happening because of the plan.

Patrick said the nice thing about doing it the way that you are proposing is this is a combination of 20 different failures and 20 different positive factors. The plural side deal you want to talk about on hindsight there were meeting where the plural side chief officers. So I think by getting the people together and say here is what we are proposing we want your input. When something comes before them in the future it's not what is happening here but you got someone that is pitching us on why we should be brought into this and taking our tax dollars away from our school districts. Stuart said that is not intentional but if the community knows that you are talking to Delta City or Fillmore City they are going to get the same message that is a good base line. So if there is value in having us come and help explain whether it's to your council meeting or however you need to do that. So we will look to the board to direct us to help message that.

Stuart said I would suggest looking at creating project areas in the places that you have identified where the solar projects go and where the substations are. I think we should begin the process for those energy related and getting with the county and setting up in that IPP area just to have that in your back pocket. Commissioner Draper we currently have CDA that encompasses most of the Magnum property and a little bit of the solar project. IPP itself raised up and said we didn't include them in the 4600 acres in that area. Right now it would include the county we would

have to incorporate them in that. So all of that new growth can happen and they can come and get input. This thing is totally at the discretion of the county.

Nick said I think the best way going forward, if this board can develop a rough draft an outline of the policies are. The way we are willing to work to get those things and what we expect of people who want to develop here. Those concepts can be taken to the municipality and say here is what the county is thinking. Patrick said to also include here is what your Economic Development board is thinking we want to get your feedback we all want to be on the same page then advise it to the commission. Stuart asked Commissioner Draper if they want it to go the Planning and Zoning before the committee or after. He said after. Roger said it will carry more weight if the committee and the School Board are on board before you go to the planning commission.

Patrick said as we talk us to need to get the go ahead and just lay the groundwork. They are going to pull conditional use permit in a project area. So my advice from a policy stand point is if you are going to do a real energy project in Millard County whether you are going to have an incentive or not, you should put them in a project area so those dollars can be captured for new growth and used for affordable housing. What you can do is you can move money from one project area to another project area. If you have 300 Million in solar projects and you are capturing that new growth, that is revenue that can be put towards building rail spur. Mayor Holt said there is new development outside Fillmore city limits. It was an 8 million investment to bring sewer and water out to the site so they are dealing with this conversation right now. We want to develop but we can't come up with that kind of money. So we come in with that kind of knowledge, we know that you are being approached with this but we have identified the areas where it's not as hard let's figure out how to do this.

Stuart said we will draft a policy circulate it to this board have the appropriate meeting so once that's done we can get there feedback. We make sure everyone signs off on it then we can go to the planning commission at that point we will go to the commissioners to guide us on that.

6. Other Business

The next meeting will be held on Tuesday September 22nd at 8 am in Delta.

Stuart said that they went on a tour with the Commissioner and it coincided with the inland port, so we want to do a tour with Senator Sandle since he did SB-95. David Eure he over sees SITLA and have them come to see some of the targeted sights. Jack Edge know what we have going on here the inland ports has been in conversations with Magnum and they are talking about executing the zoning. I think it is important to have leadership to see what is going on down here. There are really huge opportunities for the inland port to be plugged in on. What Jack has been saying in his vision is Hydrogen is going to be huge. We have a play in Utah to make it huge so he defiantly needs to know more about Millard County.

Stuart said the application for SB-95 is due at the end of the month some of the things that we have put together are work on; **Workforce** getting together something with the workforce service to able to project out if a project came in. Not just with our existing labor force but without kind labor force that can be made available in a short time. **Broadband** because of representing the county on the six county ARG with other Economic Development Directors this is just not a focus that is unique to Millard County a lot of the other counties in the six county are grappling with that and the six county ARG are looking into using some of their Federal Cares dollars to look at that. To show them we will take of our SB-95 money to use that along with this policy there is multiple places where we could put in rail spur and have it manufactured in rail connectivity. It might be interesting to put some money on identifying and maybe quantifying then looking towards our resident engineer and doing a pulmonary assessment on some areas that would be prim for rail investment as we talk about to the inland port.

Mark said one of the challenges as we get into this is the business here are going to be on a matrix, the county matrix there is a big pipe level of general information. We are going to be getting into the weeds by creating that but the base lines can make a difference. So how do you measure success this is where we are at and where we are going?

Stuart said Millard County is part of the 6 county AOG. I am not sure how much experience you have with them but they got a new director and he is very forward thinking. They have dollars and we what suggest if getting in on that right now, they have 150 thought a year in grant money they have a regional planner. We have suggested going to each county and grappling with just that. Looking at regional significant things like broadband and also county specific things because every county is different. So we are hoping to partner with him. They are the regional Economic Development body they have the comprehensive Economic Development strategy. Which they were to create from EDA said they redid the said in 2019 and it complicated it goes back to metrics and politics.

Mark asked where we are headed, what is the course of Millard County over the next ten years are we slipping away because everyone on the table has jobs. Stuart said I think it has to do you want to have change.

7. **Adjournment**

The meeting was adjourned at 10:00 am.