

Unified Economic Opportunity Commission Meeting Minutes

August 30, 2023 · 10:00AM – 12:00PM · Utah State Capitol, Committee Room 445

<https://utah-gov.zoom.us/j/89679360105>

Commission Members Present:	Governor Spencer Cox, Speaker Brad Wilson, President Stuart Adams, Commissioner Lee Perry, Mayor Dawn Ramsey, Ryan Starks, Joel Ferry, Margaret Busse, Sophia DiCaro, Carlos Braceras, Craig Buttars, Sydnee Dickson, David Damschen, Scott Cuthbertson*, Jonathan Freedman*, Ben Hart*, Stephen Lisonbee*
Commission Members Excused:	Dave Woolstenhulme, Casey Cameron * Non-voting member
Chairs and Presenters:	Sen. Ann Millner, Sen. Scott Sandall, Sen. Lincoln Fillmore, Sen. Luz Escamilla, Sen. Evan Vickers, Sen. Kirk Cullimore, Sen. Chris Wilson, Rep. Jefferson Moss, Rep. Karianne Lisonbee, Rep. Robert Spendlove, Rep. Cal Musselman, Rep. Casey Snider, Marvin Dodge, Cameron Diehl, Ty McCutcheon, Andrew Gruber, Thom Carter, Vic Hockett, Kori Ann Edwards, Kyle Palmer

10:00 AM - Welcome and Opening Remarks, Commission Chair Gov. Spencer J. Cox

Governor Spencer J. Cox welcomed everyone and thanked members of the working groups and subgroups who have been working so hard over the course of the summer. He welcomed Jonathan Freedman, the new CEO of World Trade Center Utah, to his first UEOC meeting.

10:05 AM - Overview of UEOC Lifecycle and Timeline, Kyle Palmer

UEOC Director Kyle Palmer reminded the commission of the changes made to the pace of this year's meetings. This has allowed groups to do a lot of the groundwork over the summer without having UEOC meetings in between their smaller meetings. This means the groups are ready with a lot of great ideas today.

He announced the cancellation of the September 27th UEOC meeting, making the October 18th meeting a busy one where the commission will essentially end its work for the year (aside from the final recap meeting before the session begins).

He thanked all of the commission's partners for all of their work.

Gov. Cox added that as everyone is heading into Legislative Interim meetings in earnest, the collaboration that he has seen between all stakeholders (including the legislative and executive branches who have been involved) and the ideas that the UEOC chooses to endorse here make a difference. He said that he cannot thank

legislative leaders enough for their willingness to engage in this process. It is good governance to find good solutions and to work on them outside of the legislative session so that things can move quickly.

10:10 AM - Working Group on Growth & Transportation, Sen. Kirk Cullimore, Rep. Calvin Musselman, & Carlos Braceras

Sen. Kirk Cullimore explained that the working group has divided its work into three subgroups: Transit & Transportation, Growth Policy Alignment, and Growth & Infrastructure.

Cameron Diehl, Co-Lead of Transit & Transportation, presented the following items:

- Electrification-related infrastructure grants: This idea came from experts in the electrification space. The purpose is to create a competitive grant program to help communities with electrification infrastructure by aligning the grant opportunities at the federal, state, and local levels. This will enable communities to put electrification infrastructure in the ground across the state so that we can overcome range anxiety and some of the other obstacles to converting. A small state investment here could generate a significant return in terms of federal dollars or private sector dollars that could come in and match state dollars.
- Transit Innovation Grants: This concept came out of the Utah League of Cities & Towns conference in the spring as a strategy for increasing transit ridership in the state. Diehl thanked Gov. Cox for asking that question broadly during the session; members of the League answered it with the idea that transit looks different in every region of Utah. Because of that, tools for increasing ridership need to be flexible. Rather than putting state money into one bucket, communities can come to the state to seek matching funds, and those dollars can go into the following programs:
 - Shuttles that provide first/last mile connections or park and ride services
 - Fare-based pass program for K-12 students or ticketed events (e.g. Eccles Theatre ticket would serve as a TRAX ticket)
 - Increased service (frequency) for transit hotspots
 - Enhance rural transit by providing funding for Good Neighbor program

Margaret Busse asked about the overall capacity of our transit system.

Carlos Braceras said that the UTA is still recovering from COVID; currently it is running at about 60% of what it was prior to the pandemic. The buses are around 80%; they tend to come back faster. There is room for growth, and plans are underway.

He mentioned the challenges that Moab faces with park visitors. The state was able to provide the capital cost for a solution, and the city has committed to running it. That is the hope with these grants: To provide an entry point.

Ty McCutcheon presented the work of the Growth & Infrastructure subgroup:

- Development Capacity Market Analysis: Support a comprehensive market analysis on likely and desired growth, capacity, and the rate at which the market will consume infrastructure investment.

The idea here, McCutcheon explained, is to build upon the work that MPOs are already doing (which rolls up into the integrated Statewide Transportation Plan). This will result in more robust inputs around the capacity of the state's infrastructure and the remaining lands that can be developed around it and then to overlay that with a market analysis to see what will likely have been built, how the market is going to deliver, and at what pace.

Currently, the subgroup is identifying the pieces of information that are already available across various groups that interface with the state's planning processes and then designing an analysis that will make clear the areas where those can be supplemented with additional consulting capacity to give the state these more robust tools.

The market is going to deliver certain product types at certain densities at those nodes, and those areas will be absorbed on a certain time horizon. What is not clear is exactly what that will yield and when. The reason knowing this will be so helpful is that it will us the state to determine whether it should incentivize a more intense type of development that the market is currently unable to deliver, or whether it is more cost effective to create new transit nodes for development to occur at once the existing nodes have been consumed.

This type of information will be an important guide to policy making and will play out in infill areas of the state's existing urban infrastructure, as well as the greenfield areas that need new infrastructure.

Cullimore noted that the work of the Growth Policy Alignment subgroup is like the work that the whole of the UEOC is doing broadly. Andrew Gruber presented the subgroup's items:

- Coordinating Growth Impacts: A concurrent resolution to express the state's commitment to considering cross-issue growth impacts in program design and performance evaluation.

Gruber explained that Utah's growth as the fastest-growing state in the nation impacts several key aspects of its functioning—transportation, water, housing, and the economy, to name a few. Consideration of the impacts of one area on another is in the best interest of Utahns. The Legislature and other state leaders have created several good policies in this area in the last few years. For example, the Governor's Office of Economic Opportunity has done a good job of implementing cross-issue consideration in their work with the EDTIF program. This resolution aims to make cross-issue consideration more of a standard practice in both state and local government.

Ben Hart saluted the good work being done by this group. Now is a really good time to think about what we want to do with our incentive program, and a time to diversify the economy. This recommendation is something we could use to really lean into the positive changes made to the incentive program; it will help future generations' growth concerns.

- Implementation of Existing Growth Policies: Endorse a draft statement emphasizing the need to allow time for implementation and evaluation of recently adopted growth alignment policies.

Gruber said that the Legislature has done a lot of heavy lifting in recent years. Giving these policies adequate time to make a difference will allow us to “determine their effectiveness, prior to further significant modification,” as the draft statement says.

Mayor Dawn Ramsey said she appreciates this. She echoed Gruber in saying that the Legislature has accomplished significant changes recently. Local leaders get to see the water reach the end of the road—so if we have faith in these programs and policies, she said, let us have time to implement them.

Scott Cuthbertson added that he thinks this will allow us to grow the economy in a way that creates enduring prosperity and addresses quality of life issues. He applauded the wisdom in waiting to see how the policies that we have in place are working. He referenced data showing that the EDTIF and REDTIF programs have been greatly successful. This recommendation will allow us to recalibrate instead of pulling back on our incentives.

Gov. Cox agreed.

Braceras finished by briefly listing items that are in the works for the October meeting.

10:30 AM - Working Group on Water, Energy, & Natural Resources, Sen. Scott Sandall, Rep. Casey Snider, & Joel Ferry

Rep. Casey Snider presented the work of the Water Infrastructure subgroup:

- Facilitate a firm handoff to Utah Water Ways
- Increase K-12 students' understanding of water in Utah
 - Direct Utah Water Ways and State School Board to develop teacher resources and materials about Utah's water systems, water conservation, water pollution, agricultural water, etc.
- Create a 20-year water roadmap
 - Includes all water infrastructure (drinking water, agriculture, stormwater, and wastewater treatment)

Sen. Scott Sandall reminded the group that a year ago, the state did not have enough water. This meant that water was a huge focus then, but may not be in our view as much after such a good winter. He wants to make sure it remains a priority. He presented the work of the Water Savings subgroup:

- Support Division of Water Resources' building block for a comprehensive water planning process
- Saved Water Statute: Modify to make "saved water" permanent
- Define "water accounting" and provide rulemaking authority

Sandall explained his vision for this item before continuing: The state has expensive repairs and upgrades to agricultural water systems that need to happen. To encapsulate that water, it will go into pipes to reduce evaporation and leakage loss. He believes that in the next generation, water will become valuable enough that it will pay off to put all of that water in a pipe from the moment we divert it from the stream until it gets to the plant route. This will free up 40-50% of agricultural water—and meanwhile, the amount of land that can be irrigated remains the same and the crop production on that land increases.

- Allow temporarily fallowed land to remain Greenbelt
- Modify state water statute to require telemetry and metering
 - Additional \$500,000 in ongoing funding to DNR for increased telemetry efforts

Joel Ferry said that for a number of reasons, Utah is being driven into a new world in the energy sector. With that comes some growing pains and changes. Like water, energy is a basic utility for all citizens. State leaders need to do everything they can to ensure access to reliable, affordable, and sustainable energy. He presented the work of the Energy Transition subgroup:

- Support the San Rafael Energy Research Center building block

Utah has been blessed with incredible natural resources. The center is growing to be able to support the state in new ways.

- Support litigation and pre-litigation efforts

Outside forces are pushing the state into difficult positions. PLPCO directly handles federal regulations and rules for land issues, but there are not always resources for every energy-related challenge.

The group is also working on asset mapping and creating an incentive for critical minerals extraction and processing. These items will be ready in October.

He continued with the work of the Nuclear Energy Development subgroup:

- Update “renewable energy” to “clean” in statute
- Value nuclear and pumped storage hydropower as clean in the Community Renewable Energy & the Energy Resource Procurement Acts
- Allow nuclear energy to be eligible for Renewable Energy Systems Tax Credits

As we look at the retirement of some of our coal plants, scheduled 10-15 years out, we want to prepare to fill in those gaps.

Senate President Stuart Adams thanked Ferry for this report, saying that there is probably nothing more important to Utah or its economy than water and energy. Energy drives the economy in every industry. We would not have companies in Utah if we did not have cheap, reliable energy. On water, he said he likes the idea of actually giving incentives to developers if they put in nice architectural features or if they put in open space, but we surely ought to give density incentives for people to put waterwise systems in from the very beginning.

Commissioner Lee Perry said that he is seeing a lot of zeroscape in his area. We need more businesses and more people to do the same thing.

Sandall said that this has been an extremely good and hardworking group. He thanked them for their efforts. He added a comment about the lack of regulatory barriers to nuclear development in state statute. The next step, though, is to figure out how to incentivize it. We do not have a clear roadmap for how we will do this. There may not be roadblocks, but we need to answer this question.

10:50 AM - Subcommittee on Housing Affordability, Sen. Lincoln Fillmore & Rep. Stephen Whyte

Sen. Lincoln Fillmore presented the work of the Data subgroup:

- Database on Moderate and Affordable Housing needs, supply, and demand
- Inventory of existing programs and policies
- Database of “For Sale” product
- Housing Authority data: Survey

The Funding subgroup:

- Utah Housing Preservation Fund
- Office of Homeless Services
- Olene Walker GAP financing: Ongoing money to create 1,400 new permanent assisted, affordable, supportive housing that otherwise would not be available for people who would otherwise be homeless because of addiction or mental health issues
- Housing and Community Development support staff and administrative overhead

The third subgroup, Policy, is trying to address the following questions:

1. Will the policy result in more housing units that are directly affordable to the buyer or renter?
2. Will the policy result in more homeownership?

The goal is to increase the availability of homeownership. Below are the areas where the subgroup is finding consensus:

- Off-site construction: The Church of Jesus Christ of Latter-day Saints is using this model to build temples now. Things are fabricated off-site and then brought to a site to be constructed there. This does not fit within current code, but a draft policy will be ready at the end of September.
- Parking: Coming up with a common definition of what qualifies as a parking space

The subgroup has not yet found consensus on the following:

- Setbacks
- Make the general plan a legislative act at the municipal level
- Damages

Ramsey thanked the subcommittee for its work. She recently learned that in January of this year, Utah was number one in the nation for new housing starts. She appreciates that the subcommittee is focused on asking whether new policies will actually result in affordable housing; this is a priority for the League of Cities and Towns as well.

Pres. Adams gave a brief report on the First-Time Homebuyer Assistance Program, passed earlier this year. He thanked the Utah Housing Corporation, the development community, and the League for their part in delivering homes. Right now, there are about 250 people who have either applied or been funded. The average price of these homes is \$370,000, so the program seems to be functioning. The biggest users of the program include Saratoga Springs, Magna, and Lehi; Utah County leads the way at 39%, followed by Salt Lake, Washington, and Weber counties.

David Damschen added that we know that existing homes are not selling, which means that this is just about the only game in town. This program represents about \$91MM of inventory. The whole point of the First-Time Homebuyer Assistance Program is to incentivize the builder community to build more affordable homes. He also mentioned the incredible impact Wayne Niederhauser has had and continues to have. The supply-demand imbalance is even worse at lower income levels, so “we are fighting the war on all fronts.” He thanked the Governor and the Legislature for their commitment to this issue. He finished with feedback he received from a young couple whose dreams of home ownership were fulfilled sooner than they hoped through the First-Time Homebuyer Assistance Program.

Pres. Adams emphasized that this is a partnership, saying that the development community needs the partnership of municipalities.

Gov. Cox cited a recent study in Sweden that found that most new homes are built by families with above-average incomes. The homes freed up when they move, however, are most often bought by families with below-average incomes. This is the reason for the emphasis in Utah on new construction and adding supply. This program adds supply in the range of below-average income families, which is why he is so proud of what is happening there. With new construction, we are not hurting someone every time we help someone else. This program could not have been more timely. He thanked Pres. Adams.

11:05 AM - Working Group on Government Efficiency, Sen. Evan Vickers, Rep. Robert Spendlove, & Marvin Dodge

Marvin Dodge informed the commission that there are around 1200 websites connecting residents to the State of Utah. He briefly explained the developing citizen portal and other automation efforts, including digital verifiable credentials.

Utah County Commissioner Amelia Powers Gardner presented the following recommendations:

- Require PTIF account for all tax entities receiving property tax distributions

- This requires uploading one file, rather than writing a check. Gardner listed several disadvantages to writing checks.
- Create a one-stop shop for requesting birth and death certificates, marriage licenses, etc.
 - Oversight would remain at the county level.
 - Nothing changes at any of the entities; all changes occur online.
 - Can be combined with digital verifiable credentials and DTS's current work.
- Multi-County Appraisal Trust projects:
 - Automate property characteristic review
 - Automate commercial valuation service for rural counties
 - Centralize Treasurer's System

Sen. Evan Vickers informed the commission of the working group's extensive discussions on restructuring boards and commissions. He noted that there is value to boards and commissions, so their approach will preserve the benefits while attempting to outline criteria.

Sen. Dan McCay presented the criteria that he and others have outlined so far, highlighting the concept of hibernation. When a board or commission is not active, it can be shelved in order to keep it alive without fully staffing it. When a need arises for the board or commission to meet regularly, there will be a process to take it off the shelf and notify the Governor's Office so they can staff it again. One of the benefits of this method will be staffing boards and commissions according to the specific issues they are being tasked to address at a given time.

Busse commented her support for this, noting how frustrating it can be to staff boards and commissions that are not active.

Damschen expressed a concern about requiring PTIF accounts, given that only a certain number of accounts can be created or issued. He and Gardner decided to finish discussing offline.

Rep. Robert Spendlove and Sophia DiCaro presented the group's last recommendation: Support a request for additional one-time funding for the Customer Service Initiative for FY 2024-2025. Spendlove said that Utah should be seen as a leader in customer service.

DiCaro gave a brief background on the initiative, emphasizing the importance of getting accurate, timely feedback on services in order to improve. Phase II of this project is

about making sure we integrate these changes in all agencies and continue the momentum. This is part of a much bigger cultural shift.

11:20 AM - Working Group on Technology, Innovation, & Investment, Rep. Jefferson Moss, Sen. Chris Wilson, & Ryan Starks

Busse presented Foreign Credentialing, building on the efforts of the past few years. She explained the pathways that have been cleared recently and identified the high-demand positions which continue to experience significant barriers to entry: Dentists, psychologists, architects, engineers, social workers, and medical and osteopathic physicians.

The working group recommends streamlining the process for applicants that are already licensed in other jurisdictions to obtain licensure in Utah. This can be accomplished by increasing DOPL's ability to accept alternative yet substantially similar qualifications, creating clear authority to evaluate license classifications to better match Utah licensing, clarifying authority for bridge programs, and addressing individual chapters that are geographically restricted.

Rep. Jefferson Moss listed the group's remaining items, to be completed before the October meeting:

- Support funding for critical sources including the Innovation Lab
- Innovation and immigration projects
- Data privacy and AI

11:35 AM - Subcommittee on Talent, Education, & Industry Alignment, Sen. Ann Millner

Vic Hockett gave an update on the subcommittee's work in the following areas:

- Generative & Predictive AI
- Life Sciences
- Cyber Security
- Behavioral Health Technician

The subcommittee's approach has been to Convene in meetings, Collect data, and Act to address gaps with current funding and identify existing gaps. Hockett gave an overview of the current programs being administered in each of the above priority areas.

The following policy proposals are being developed:

- State Youth Apprenticeship Governance Structure
- NGA – Youth Apprenticeship Policy Academy
- TRU, USBE, Melisa Starks, Brittney Cummins

The following RFAs are being developed:

- Life Sciences Workforce Development
- Talent Ready Connections Program
- Computer Science for All – Generative & Predictive AI
- Behavioral Health Expansions

11:45 AM - Subcommittee on Women in the Economy, Sen. Luz Escamilla & Rep. Karianne Lisonbee

Sen. Luz Escamilla reported that members of the subcommittee held a roundtable discussion with business leaders from the 100 Companies Championing Women luncheon. Common themes from the discussion included access to affordable childcare, flexible location and hours, and benefits for part-time positions.

Members have been coordinating with other stakeholders and issue experts on childcare and other topics to develop recommendations.

The subcommittee is in the early stages of implementing the Childcare Solutions & Workforce Productivity Plan, which was supported by the UEOC last year.

Motion

“I move to support the recommendations of the UEOC Subcommittees and Working Groups as presented and send them to interim legislative committees for consideration and action.”

- Motion: Senate President Stuart Adams
- Second: Ryan Starks
- Motion passed unanimously

11:50 AM - Approval of Minutes

Motion

“I move to approve the May 31, 2023 meeting minutes of the Unified Economic Opportunity Commission.”

- Motion: Senate President Stuart Adams
- Second: Margaret Busse
- Motion passed unanimously

11:55 AM - Concluding Remarks: Governor Cox, Speaker Wilson, President Adams

Gov. Cox reminded everyone to appreciate the fact that this is happening nowhere else in the nation. This level of collaboration is truly remarkable in our country today.

12:00 PM - Adjourn