



Military Installation Development Authority

Board Meeting

June 15, 2010

The Military Installation Development Authority Board held a public meeting on Tuesday, June 15, 2010, at 9:00 a.m. at the Davis Applied Technology College in the Haven J. Barlow Board Room, 550 East 300 South, Kaysville, Utah. Vice Chair Jerry Stevenson welcomed the group and called the meeting to order and conducted until Chairman Stuart Adams arrived. The following were present and excused.

Present

Stuart Adams
Jerry Stevenson
Gary Harter
Joe Ritchie
Bruce Burrows
Don Wood
Mike Ostermiller

Staff & Visitors

Rick Mayfield
Ron Richins
Detlef Galke
Paul Morris
Cory Shupe
Reid Dickson
John Petersen

Travis Lish
Beverley Jacobs

Approval of Minutes

Mayor Don Wood made a motion to accept the minutes for the May 4, 2010, MIDA Board Meeting. Gary Harter seconded the motion followed by a unanimous vote to approve the minutes as presented.

Consideration of Resolution 2010-09 – a Resolution of the Military Installation Development Authority (“MIDA”) Amending the Fiscal Year 2009-2010 Annual Budget

Ron Richins and John Petersen reviewed the final FY 2010 budget with the Board reminding them that the budget had been amended on April 3, 2010. At that time, the budget amounts for the NSA project were unknown. Anticipated expenses and income through the end of June are projected and now included in the final budget.

Mayor Bruce Burrows made a motion that Resolution 2010-09 – A Resolution of the Military Installation Development Authority amending the FY 2009-2010 Annual Budget be adopted. Mayor Joe Ritchie seconded the motion followed by a unanimous vote to accept the final amended budget.

Consideration of Resolution 2010-10 – A Resolution of the Military Installation Development Authority (“MIDA”) Adopting an Annual Budget for Fiscal Year 2010-2011

The proposed FY 2011 Budget, which will begin on July 1, 2010, reflects the estimated expenses and income from the NSA Project. There are a few items that will extend through December 2012 which may require amending the FY 2011 budget. The proposed budget was thoroughly discussed noting the following:

- In the past, MIDA has received revenue from UDA for staff support. However, MIDA has not yet received a contract so the estimated amount may change. It was also proposed that beginning in FY 2011 that MIDA pay the bulk of the office rent; UDA has been paying for half of the rent.
- MIDA will be receiving an additional \$5 million from UDOT. These funds have been allocated to assist with the completion of the gatehouse and road for Falcon Hill.
- There was an increase in the proposed salary expenses. This was due to the hiring of Detlef Galke who is assisting with the finances and billing for the NSA project.
- Projections for the legal work and construction on the NSA project are only estimates. Since MIDA also will be responsible for inspections, MIDA may also need to purchase a vehicle.

Rick Mayfield gave a brief overview regarding MIDA’s funding explaining that the Legislature had originally appropriated \$11 million for MIDA. Sunset Ridge had lobbied to get these funds, and they anticipated that the funds would be used exclusively for the Falcon Hill project. However, since no other funds had been appropriated for MIDA’s operation, it was assumed that these funds were also meant to operate MIDA. Sunset Ridge has been most gracious in working with MIDA.

Since the funds were first appropriated, the amount of the allocated funds were reduced. In addition to that, MIDA was given the extra task of working with the Air Force on a hotel in Park City. This assignment was given without additional operation funds.

The UDOT funding was restricted fully for costs related to the construction of the gatehouse and the road for the Falcon Hill project.

Rick mentioned that the NSA project information was not open to the public, but reported that the deadlines were all being met successfully. The MIDA team has been moving the project forward as rapidly as possible which could not be done without the MIDA Board’s support.

Stuart Adams mentioned that there has been a marked shift in events. First, MIDA was created in an effort to stabilize Hill Air Force Base. From there it moved to the creation of the Falcon Hill project and then to the Park City Air Force Hotel. Now it has moved to the NSA project. MIDA is an important organization that is proving its functionality in being able to respond rapidly to moving the economy forward. MIDA is an asset to the State as it is helping generate jobs as it promotes economic development.

Mayor Bruce Burrows made a motion to adopt Resolution 2010-11 – a Resolution of the Military Installation Development Authority to adopt the Annual Budget for Fiscal Year 2010-2011. Mayor Don Wood seconded the motion followed by a unanimous vote to adopt the FY 2010-2011 budget.

Consideration of Resolution 2010-11 – A Resolution of the Military Installation Development Authority (“MIDA”) agreeing to pay the employee portion of the Utah Retirement Systems Contributory Plan

It was proposed that a Resolution be adopted to pay the employee portion of the Utah Retirement Systems Non-Contributory Plan. It was found that the Resolution had been erroneously stated as a “Contributory Plan.” After a thorough discussion, it was found that the proposal for this Resolution was in error, as was the audit finding, as this was not an issue for a non-contributory plan. Either the Chair or the Executive Director, Rick Mayfield, already had the authorization to sign. A Resolution is not needed.

Updates

- Falcon Hill

Travis Lish, from the Sunset Ridge Team, informed the group that because of the efforts of many people, including Senators Hatch and Bennett and Congressman Bishop, that the Air Force has finally given approval. Contract negotiations are currently in process with Northrop Grumman. Once the contract is signed, then work can begin. It is anticipated that the paper work will all be in place with an announcement being made by the end of June. Once the announcement has been made everyone will be notified and MIDA will need to plan a ground breaking ceremony to recognize and show appreciation for all those who have assisted. If it weren't for the key people, as well as the support of the MIDA Board, this project would not have succeeded. The media will be notified.

The first thing that needs to happen before construction can begin on Building 1575 is the com lines will need to be relocated. Then the footings and foundation work can begin. The building will have 152,000 square feet and will be five (5) stories high with a basement.

Staker Parsons has indicated that they are still available to assist with the road and will be using a tellabelle (a piece of equipment that uses a conveyor to move dirt) to ensure the least possible disruption in the traffic flow.

There is another company that has indicated an interest in locating at Falcon Hill. Construction work for that building will take one (1) year. This new building can be built in 50,000 square feet increments and will be expandable. Building 1575 cannot be expanded.

Now that things are going to start moving, the Development Team Meetings will begin meeting again weekly.

EDC Utah has indicated they are working on a project to create a composites certification in the State. If this comes to fruition, then additional companies would want to locate near the Base.

Travis was shown appreciation for his report and all the work Sunset Ridge has done.

- Air Force Hotel

The Air Force has not made a formal announcement on the highest ranked offeror for the Air Force Hotel. However, the Air Force has been negotiating with their best ranked offeror. This offeror had included a piece similar to the triangle piece in their proposal. The triangle piece is unique and has been carefully crafted to meet MIDA, the Air Force, the city and county needs and cannot be replicated. If negotiations with the highest ranked offeror fail, then the Air Force will turn to their second highest ranked offeror.

The triangle piece is vital as it will provide the operating funds for the project. It is critical to get the commercial part up and running so funds can start being generated. MIDA is ready to move, but must wait for the Air Force. It has been suggested that the Air Force's San Antonio people come to Utah to talk about the options.

Other Business

During the Legislative session, it was found that several legislators were unaware of MIDA's mission. It was suggested that MIDA do an outreach for the legislators educating them on MIDA's role in the State's economic development. It was suggested that the developers and the Air Force also be invited to address the legislators. It is important that MIDA obtain legislative support.

No one ever envisioned all that is happening with MIDA. However, it is exciting to have so many great things happening all at once. The Board and staff were shown appreciation for all their efforts.

Next Meeting

The next meeting will be held on Tuesday, July 6, 2010 at 9:00 a.m.

Gary Harter made a motion to adjourn. Mayor Bruce Burrows seconded the motion followed by a unanimous vote to adjourn at 10:25 a.m.