



PAROWAN CITY ECONOMIC HEALTH AND DEVELOPMENT COMMITTEE MEETING

TUESDAY, SEPTEMBER 9, 2025 – 5:30 P.M.

Parowan City Council Chambers - 35 E 100 N, Parowan, UT 84761

Office: (435) 477-3331

Commission Members Present: Mike Keil (Chair), Todd Gale, Rick Anderson, Tracey Wheeler, Jason Green (alternate), Councilmember David Harris

Excused: Jared Meibos, Lori Eichelberger, David Mineer, Jr. (alternate)

City Staff Present: Mollie Halterman, Mayor; Dan Jessen, City Manager; Callie Bassett, City Recorder

Public Present: Councilmember John Dean, Jennelle Zajac

Call to Order

The Economic Health & Development Committee meeting was called to order by Chairman Mike Keil at 5:56 p.m.. Dan Jessen, the City Manager, greeted the attendees and thanked them for their presence.

Rural Communities Opportunity Grant Application

Dan Jessen provided a comprehensive overview of the grant application process for the Rural Communities Opportunity Grant. He explained that this grant application is part of a larger strategy involving two grants that will work in tandem. The primary reason for the meeting was to obtain an official recommendation from the Economic Development Committee for the grant application to the Governor's Office of Economic Opportunities.

Dan outlined the project's scope, which involves building a new heavy haul road with underground utilities, starting from a drop-off point on Main Street. The project aims to realign the airport road and extend it around the airport, unlocking the potential of the industrial park. The total grant application is for approximately \$7.2 million, with an 80-20 split, requiring a match of \$1.44 million from the city.

He detailed the funding strategy, which includes:

1. A development agreement is in place with Kurt Goodfellow, who is responsible for extending utilities and constructing a gravel road as part of the requirements outlined. This commitment originates from a development agreement that predates Dan Jessen and is now being actioned as part of the larger strategy. The original stipulation was that Kurt would extend the utilities and build a gravel road, while the city aimed to secure grant funding to enhance the road and utilities further. Kurt's efforts in extending these utilities, from the existing undersized utilities out to the hangars, form a critical part of the strategy, and this investment will be acknowledged as match dollars for the grant.
2. Applying for the Rural Communities Opportunity Grant for \$600,000 to be part of the match. This grant will serve as a substantial portion of the required \$1.44 million city match for the larger infrastructure project aimed at unlocking the potential of the industrial park. The project involves constructing a new heavy haul road with underground utilities starting from a drop-off point on Main Street, realigning airport road, and extending it around the airport to provide enhanced access and utilities. This improvement is crucial as the area currently sits 90% vacant due to inadequate utilities. The \$600,000 from the Rural Communities Opportunity Grant is

strategically tied to other funding sources, including potential in-kind contributions and a partnership with South Central Communications, who are set to run fiber optics at their cost, qualifying as match dollars.

3. The city has identified potential in-kind contributions, which are crucial to support the infrastructure project by fulfilling part of the required match for the grant. One of the city's potential contributions includes the provision of materials necessary for construction, specifically supplying road base. These in-kind contributions not only assist in meeting the financial obligations required for matching grant funds but also demonstrate the city's commitment to the infrastructure development project. By offering these materials, the city can leverage existing resources to reduce out-of-pocket expenses while actively participating in the enhancement of the area's infrastructure.
4. A partnership has been established with South Central Communications for the installation of fiber optics infrastructure. South Central Communications has agreed to cover the costs involved in laying down the fiber optics, which will be considered as match dollars for the grant application. This arrangement positions South Central as an official partner and shareholder, allowing their investment to contribute significantly to the project's funding requirements. The installation of fiber optics is pivotal for the development and appeal of the industrial park, offering high-tech connectivity that is attractive to potential businesses that might occupy the area, such as data centers or other technology-based companies. This strategic partnership with South Central Communications not only reduces the financial burden on the city but also enhances the industrial park's marketability by providing state-of-the-art communication infrastructure.

Dan emphasized the importance of this project for unlocking the industrial park's potential, mentioning that it would provide utilities and infrastructure to an area that is currently 90% vacant due to lack of utilities.

The committee discussed various aspects of the project, including:

- FAA regulations and airport zoning overlays were discussed in the context of the project's impact on the airport's vicinity. Dan Jessen elaborated on how various zones affect potential development, noting that most of the zoning overlays cover the city but don't have significant restrictions except for areas right off the runway ends. He detailed a critical trapezoid-shaped Runway Protection Zone (RPZ) and other zones resembling a butter dish, referring to them as relatively non-restrictive on the sides but more stringent on the ends. These zones dictate permissible activities and structures, limiting constructions like schools or hotels within certain areas. Dan further explained the state's requirement for cities to adopt airport overlay zones to safeguard airports from urban encroachment. Tracey Wheeler's query about FAA regulations stemmed from her flight training experience, seeking clarity on how visual markers used during flights might be affected if buildings were constructed nearby. Dan reassured that specific FAA zones, glide ratios, and signage clearances were already enforced in the area to address such concerns.
- The committee explored the potential for trading unusable property located near the runway protection zone. This discussion centered on the idea of potentially exchanging land to benefit both the city and the current landowner. The property in question, described as having significant restrictions, presents challenges to its current owner, including zoning limitations that transform the lot into what was termed by Dan Jessen as "completely useless" land due to these restrictions. The dialogue highlighted possible trades or arrangements that could be enticing, such as offering the landowner different

parcels that might have better commercial viability or not fall within such restrictive zones.

Additionally, the conversation broached the concept of a tax benefit. Rick Anderson suggested the landowner could leverage a parcel write-off as a donation, potentially endowing him with a commercial application advantage. Despite these discussions, Dan expressed skepticism, explaining that negotiating with the landowner has proven challenging given his tendency to demand commercial value for the unusable property, which the city sees as unreasonable given the circumstances.

However, the appeal of overcoming this negotiation barrier remains high, considering city plans for the adjacent areas, including the potential for developing a shuttle parking lot at the edge of the zone. Such a feature could position Parowan as a more strategic transportation hub, benefiting stakeholders and the city's broader development objectives.

- Negotiations with a property owner crucial for the road realignment presented significant challenges. The property owner, referred to during the meeting, was hesitant to agree with the proposed road alignment that would enable the creation of a new road and improve utilities in the area. This reluctance complicated efforts to develop infrastructure vital for unlocking the potential of the industrial park. The committee discussed the property's history and its restrictions, which made it less valuable and difficult to develop.

Rick Anderson and other committee members considered several potential solutions, including land trades. They suggested offering the owner different parcels that might not be impacted by the same zoning limitations, thus providing more reasonable commercial opportunities. Despite these suggestions, Dan Jessen highlighted the difficulty in negotiations, citing the owner's previous contentious experience with eminent domain issues at a different location, which may have influenced his current stance. This has led to skepticism about reaching a mutually beneficial agreement since the owner seemed uninterested in leveraging what was perceived as a land that held minimal practical value, much to the city's frustration.

The discussion also touched upon additional strategies, such as proposing a tax benefit approach, where the landowner could potentially write off the property as a charitable donation, thereby receiving a financial advantage while assisting the city's development goals. Despite these various ideas, the committee remains aware of the potential delays and complications that stubborn negotiation stances might pose to the overall project timeline and objectives.

- Negotiating surrounding the potential development of the area adjacent to the airport included discussions about future possibilities for utilizing land near the runway protection zone. The committee considered various strategic opportunities such as establishing a shuttle parking lot for Brian Head. They discussed how a shuttle system could be beneficial, envisioning a scenario where tourists or visitors coming off I-15 at the north interchange could directly access a shuttle

service to Brian Head. This would alleviate the necessity of driving through town, reducing traffic within Parowan. Such infrastructure could serve as a central transportation hub, not only for those flying into the nearby airport but also for those driving from surrounding areas. The discussion highlighted the prospects of aligning this shuttle concept with UDOT's broader transportation initiatives, should a shuttle system in the canyon be implemented.

The land in question, currently held by a reluctant property owner, was the focus of significant discussion due to its strategic location and restrictions. Despite current limitations, the committee recognized the potential for this site to host a transportation facility. They envisioned a future where this land could substantially serve increasing traffic needs, support shuttle operations, and ultimately boost Parowan's role as an access point to nearby attractions, significantly enhancing the city's economic development efforts.

After the discussion, a motion was made to apply for the grant.

Motion: Rick Anderson moved to apply for the Rural Communities Opportunity Grant from the Governor's Office of Economic Opportunity. The motion was seconded by Tracey Wheeler.

The motion carried unanimously.

Staff Updates

Mollie Halterman mentioned that she was waiting for AI data related to the fair weekend for the past 4-5 years. She promised to send this information to everyone via email once it becomes available.

Adjournment

A motion to adjourn was made by Rick Anderson and seconded by Jason Green. The motion carried, and the meeting was adjourned at 6:25 p.m.



Callie Bassett, CMC
City Recorder

Date Approved: 3/10/2026