

MINUTES
OF THE KANE COUNTY
BOARD OF COMMISSIONERS TOWN HALL MEETING
FEBRUARY 8, 2022
AT THE KANAB CENTER
20 N. 100 E., KANAB, UT

Present: Chairman Andy Gant, Commissioner Brent Chamberlain, Commissioner Wade Heaton, Attorney Van Dyke, Clerk/Auditor Karla Johnson and, Deputy Clerk/Auditor Candice Brown

Also Present: Kresta Blomquist, Camille Taylor

CALL MEETING TO ORDER: Commissioner Gant

WELCOME: Commissioner Gant

People in attendance:

James Bermant	Phil Bell
Grant Ramsay	MB Kat
Dale Taylor	Sunny Stroeer
Zach Hascall	Cory Unsworth
Terry Edwards	Natalie Brannon
Paul Gagner	Anson Clarkson

Here are the agenda items for the town hall meeting on Tuesday night.

1. Information on Transient Room Tax (TRT) - Camille Taylor

- Video presentation on the value of tourism in Kane County

- Additional Information- Camille stated that Kane County has the 4th highest dependent tourism economy in the State of Utah and because we are a tourism dependent economy when tourism suffers, Kane County suffers.

- 15 - 20 minute Q & A regarding TRT

1. Troy Johnson: Can you provide links to the videos that you showed? Camille said that she had two minor edits and then she would make sure Troy got it.
2. Grant Ramsay: Why are we promoting Kanab instead of Kane County? Camille said that they have had two ad agencies both say you just don't advertise counties. When people travel they don't usually know what county they are in.
3. James Bermant: One of the things you are talking about is the TRT tax reference of vacation rentals. We talk about promoting tourism but we are not promoting quality of life for the people that want to live here, because there is nowhere to live and the county is talking about no more R-1 and R-1/2. If we are going to bring in visitor's we need more affordable housing.
4. Unidentified person: Is the public able to get a list on a yearly basis on how the TRT money is spent? Commissioner Gant said that we budget that line by line at the end of each year for the following fiscal year and it is all public information.
5. Unidentified person: Are we ever going to be able to talk about building employee housing for tourism related industry? She thinks it should go on an agenda. She also thinks that whatever they put out on TRT money should be user friendly. Commissioner Chamberlain addressed the affordable housing question saying that it takes resources to do anything. They have started the process and will have some money coming in that has to be used for affordable housing beginning next year.
6. Unidentified person: How long has the TRT policy been in effect? Karla said that it pre-dates her, so it is over 30 years old.
7. Unidentified person: Do you have what the TRT payment is for the Kanab Center? Karla said that it is \$117,000 per year for the bond on the Kanab Center. The utilities are \$50,000-\$60,000 a year to heat the building and all of that is coming out of TRT.
8. Unidentified person: is any of the TRT money going into building the Visitor's Center? Short answer is yes, they will talk more about it in item 3.

2. Information on Local and Special Service Districts (LSD, SSD) - Commissioner Heaton

- Summary of handout - What is a Local or Special Service District? The role of these districts is to provide services that perhaps small parts of the county might want and they are willing to pay for.

Attorney Van Dyke said that there are two ways these are formed. 1) Grass-roots type of mechanism where property owners get together and form a petition saying they want the county/city to provide this service to the area and then there is a process where eventually they can create a district for those property owners. 2) If the county or city, both entities can create these types of districts and initiate the process by saying that it is a good idea to have a specific service in this specific area. Districts are a good idea because residents in unincorporated areas want municipal type services and the county says that they can have whatever they want to pay for so they will help form a district. Districts are a fluid thing and change from time to time and some of them never change. There are two main differences in the type of districts. The main legal difference is that a local district is a 100% separate from the county. The county has almost no say or control over that type of district other than if it's an appointed board, then the county will continue to appoint board members to that district. Special service districts are still a complete separate entity but the commission does still have some ability to withdraw authority from those districts.

- 15 - 20 minute Q & A regarding LSDs and SSDs

Andy Crofts said that he works for the East Zion Special Service District and wanted to make sure that he understood right that no special service districts receive county money. Commissioner Heaton said that he is not a county employee and works for the other entity and there is no county money that goes to that entity and no district money comes to the county. They are two very specific separate entities. Attorney Van Dyke said that there is one exception to that. There are a couple of revenue sources that the county receives they are PILT funds, Secure Rural Schools funds and Mineral Release funds that go to special districts and then they also receive a 1% hospital tax.

Grant Ramsay said that he has a bone with the East Zion Special Service District. He said that he did not like the annexation process. Grant's second question was about the Human Resources Special Service District and the 1% sales tax. What happens when it is not approved by a vote, who is going to take care of the hospital? Grant also mentioned that the Long Valley Sewer District has a pump out station on his property in Mt. Carmel Junction, they have an easement for it but it takes up a big piece. Two board members have approached him about putting an open lagoon next to his trailer park. This will not fly because they have a back flow from the customer across the street. It floods their basement. He said that if the county wants to do something like that they can buy it from him or give him some kind of lease or something on that property, rather than just the easement for a pump station. Attorney Van Dyke said that to begin imposing the 1% sales tax it had to go to an election but that is the only time it went to the ballot. From his understanding, there was overwhelming support at the initial election for it and then every 10 years the County Commission has to reauthorize it. Commissioner Chamberlain said that with the pump-out station Grant needs to go talk to the Long Valley Sewer Special Service District.

James Bermant said that he is not sure how many County Commission meeting he has come to asking for fire service and they keep approving more and more housing. He said that it is time to get serious about this.

Unidentified person: Is the funding sources for each of the types of districts the same? Attorney Van Dyke said it depends on how the district was created. At the initial creation of a district we have to say whether they are allowed to do a property tax assessment or not or if they are allowed to just do a fee or not. It varies across all the districts, most of them do not have the authority to impose a property tax and they have to rely on a fee that they set themselves.

Unidentified person: Could a special service district ever petition the county to switch from a fee to a property tax based source of revenue generator? Yes, it requires the same process that was used to create it.

Grant Ramsay: Is the Water Conservancy an LSD or SSD? It is an SSD

Troy Johnson: I have set in a couple of Commission meetings where the Commission has approved names. He asked if the Commission does approve names. Commissioner Gant said that the Water Conservancy SSD is 100% appointed so we take applications and approve them. Commissioner Heaton said that most SSD's the Commission does appoint the board member but in some cases municipalities appoint their own person to the board. In the creation of the districts in the bylaws, it states exactly how the boards will be populated.

Hal Johnson: On the PILT funds, it was mentioned about a million dollars a year payment into those taxes. Do all of the LSD's and SSD's have claim on it? If there is not sufficient funds or taxes to be self-sufficient is that where it goes? Is there an appointed reason/purpose where the PILT funds can be allocated? Attorney Van Dyke said that PILT funds go directly to the county general fund. We do not send those funds to any districts. There are a couple other sources of federal funds. The first is Secure Rural Schools and it is money the federal government sends because they shut down logging. Half of the money goes to the school district and half comes to the county but the county sends it to a district because otherwise it would lower our PILT payment. Then there is Mineral Lease Revenue funds that are similar. Hal asked if the funds are fungible by the county and if they can be interchanged between departments. Attorney Van Dyke said that it is a direct pass through to the district. The PILT funds that come and stay with the county go directly into the general fund and can be used for anything.

Unidentified person: I have a question on fire districts because it sounds like Kane County is going to be getting a lot of these because people live out in the rural areas want them. she has never wanted one and wants to know if there is a requirement that says for you to be included the fire engine is going to get to you within a certain amount of time or will you be required to pay a fee and will still be in the same position you are in now? Commissioner Gant said that is up to the local board and that is why we like them. You get to pick your people on the board and you decide what kind of coverage you want and

what you want to pay for it. Commissioner Heaton said that when we start the creation of these districts we need lots of input from the public.

3. Local Service District's request to expand service capabilities - Commissioner Chamberlain

Commissioner Chamberlain said that the Zion Mountain Local Service District is an elected board. The County Commission appointed the first three members and from there on out they elect their own members from landowners within the property there. East Zion has made a request to the county. A process leading to either the county building the visitor's center or they will build one themselves. If the ZMLSD builds a visitors center it does not affect anyone else's taxes. The only source of revenue that they would be available to them would be generated within the districts area. They have started a process which is a request that the county provide the visitor's center. They do have a petition that they are prepared to file if the county does not agree to go forward and build the visitors center. The petition is signed by nearly 90% of the landowners there.

Grant Ramsay: Grant stated that he is all for a visitor's center on East Zion. He is nervous that if the switchbacks ever happen to slide off they are going to close the park. All the park cares about in Zion is Zion Canyon. He appreciates the commission doing the trails and promoting East Zion.

Jim Rushton: Jim read a letter from some of the property owners. The letter said that ZMLSD landowners showed very high support with over 90 % signing. They feel the project would be best carried out by local interests and they believe the county should support adding Parks and Recreation services under the local oversight of the ZMLSD for their community. They have the confidence that by Kane County, allowing this to be administered as a local project of the district, all concerned will benefit and the project will be consistent with Utah State Law.

Unidentified person: He gave a scenario of the visitor's center being paid for partially from the tourist tax. People stopping there are going to have to have a place to park. If we (the County) put in a visitor's center and a parking lot that could handle 1,000 cars. Have you thought about charging those cars to park in a parking lot? Have you thought about building that place and the county controls it and makes money from the money that the county invests? He said that we can go ahead and give it to the special district up there and watch them pull in all the funds. Commissioner Chamberlain said that we haven't made a decision and haven't responded to the request.

Unidentified person: Have you come up with an idea? Commissioner Chamberlain said that we have had a fair amount of pushback from people.

James Bermant: James read an article that said Kane County Officials plan to harness a low interest \$15.5 million loan from the Community Impact Board (CIB) to develop the facilities on their side of the park. What happened to the CIB loan? Commissioner Chamberlain said that the county has approval for a CIB loan. The CIB would more than likely be willing to transfer that obligation to the LSD if the LSD request it and the county agrees to it, but we haven't done that yet.

James Bermant: If it were to transfer to the LSD, would the county still be responsible? No, it would be the LSD's responsibility.

Micah Young: From a business owners perspective the conveniences of the west side, people pay more to stay there and they love the convenience of the shuttle. Having a visitor's center on the east side will bring the conveniences to the east side therefor, people start to pay more for their lodging, activities, and they spend more money in the towns. He thinks the natural flow of money towards TRT and money that can be made from the community, county and individual towns.

Cory Unsworth: Do the districts ever redistrict and change the boundaries? Commissioner Chamberlain said that there is nothing to prevent them from starting that process. If the area that they are trying to annex is apposed then it will not happen. It would be up to the district to do it, not the county.

Unidentified person: About the \$15 million pre-approved loan that the county is qualified for, she would feel better if the people investing in it would reapply for the loan.

Hal Johnson: Worst-case scenario and the projected increases of revenue for whatever reason don't occur and TIF by itself can't fund the payments. Is the county a backstop? What are the odds that it will end up being not the LSD that secures the CIB loan, but the county? Commissioner Chamberlain said that it will not be the county that secures the loan in any way if the LSD takes this on. The TIF that Rob referred to is partially TRT payments it is also new property taxes and sales taxes all added together. Within a short order of time, there will be enough development up there that the property taxes alone should satisfy the obligation for the CIB loan. Very little risk.

Hal Johnson: If the LSD cannot secure it, what are the odds that the county will proceed on it? That is what the meeting is for, to see if the county wants to do it or not.

Troy Johnson: As you reference TIF, is this part of the RDA that has been talked about? Commissioner Chamberlain said a brief summary is that the RDA was established countywide, they have created a CRA and in that CRA what the state regulations allow you to do by creating that is to collect the new additional revenue and to take a portion of it to make TIF (TAX Increment Financing). The TIF has to be spent in the area that it is created and used for designated things.

Sunny Stroer: Do we have any numbers or models on the expected economy from the visitor's center? Commissioner Chamberlain said that Kem C. Gardner Policy Institute conducted a study. It potentially created about 500 jobs in Kane County and its economic benefit was around \$10 million a year in increased economic benefit to Kane County businesses. It would be a big economic impact.

Sunny Stroer: Does the county want to have control over that investment versus handing it over to someone else? Commissioner Chamberlain said that was the original intent. For the last several years we have been working towards Kane County building this but we have heard from a lot of people that thought we shouldn't be in that business.

Patty Kubeja: What are the different boundaries and can you explain them? Commissioner Chamberlain said that basically the Zion Mountain Local Service District includes about 3,000 acres that is primarily along Highway 9 from Zion National Park going east about four miles and a little bit north maybe 1-2 miles. The Zion Mountain Special Service District is generally centered around Zion Ponderosa. They might touch boundaries in a couple of spots. The service district borders Zion National Park by about 5 miles on the east side. The CRA incorporates all of the LSD and a portion of the SSD.

Grant Ramsay: When we voted on the East Zion Initiative, I thought that was only on a shuttle system. It didn't include anything about the visitor's center, but you are stating that people have informed you that they are against the visitors center. He doesn't see how that vote has anything to do with the visitors center. Commissioner Gant said that the message has been conflated between the Prop 10 as a vocal on East Zion. They are totally separate and not connected in any form.

Motion to adjourn made by Commissioner Gant and motion carried with all Commissioners present voting in favor.

WHERE UPON MEETING WAS ADJOURNED



Andy Gant Chairman



Karla Johnson Clerk/Auditor

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