MINUTES OF THE
KANE COUNTY REDEVELOPMENT AGENCY/ CRA
MEETINGS TO BE HELD TUESDAY May 2, 2023 2:00 P.M.
IN THE SCHOOL BOARD ROOM AT THE KANAB CENTER

PRESENT: Member Kubeja, Member Heaton, Member Meyeres, Attorney Van Dyke, Clerk/Auditor Chameill Lamb, Assessor Ryan Maddux, Deputy Clerk/Auditor Candice Brown

CALL MEETING TO ORDER & WELCOME: Member Kubeja

CONSENT AGENDA: Approval of November 22, 2022 and December 22, 2022 Minutes

Motion to approve the Consent Agenda and Minutes from November 22, 2022 and December 22, 2023 made by Board Member Heaton and motion carried with all Board Members present voting in favor.

REGULAR AGENDA:

1. **Discussion/Review Kane County Redevelopment Agency Resolution No. RDA-2022-11:** a Resolution authorizing the Glen Canyon Solar A Project - Community Reinvestment Project Area Plan as the official plan for the Glen Canyon CRA Project Area and related matters.

This resolution was passed back in December and they haven't had a meeting of the RDA with the new Members. They decided it would be a good idea to bring everyone together and review what had happened before they took their jobs as the new RDA. They need to make a decision on if they are going to participate with the TIF financing on this project.

Member Heaton mentioned that from a Land Use standpoint, Planning and Zoning and the County Commission have sent some recommendations to SITLA regarding this project. From a project standpoint this can move forward with or without the RDA or CRA. They have the approvals they need. Right now they are just focused on the finance side of it with the RDA and CRA.

Member Kubeja said with this resolution they went forward with the official plan that AES presented to us. She doesn't think anything has changed since December that she is aware of. Member Kubeja is more interested with the financial, besides the effects of what is happening with the grazing rights that are on SITLA. That is a big concern also for members of our community.

Member Heaton said the December meeting was where the CRA was established, but they left out the portion that matters. That was his vote because he didn't feel like he had all the information he wanted and he hadn't heard from the school district board. He now feels that this is probably not something that they need to wait on the school board for a decision.

Assessor Ryan Maddux said the past commission asked him to run some general numbers as it pertained to the CRA and what that would look like with the personal property aspect. He said personal property is a bit different than real property. When a new business comes on or a business that used taxable person property, that value is never considered new growth. It comes into the county and is a one-time money and then it goes away. With the creation of CRA's they added a component that when the program ends the new growth of that personal property coming out does actually convert into new growth and it is the only time that it will ever turn into new growth.

Member Heaton asked if new panels come in, if it will reset and bring us back to where we started.

Ryan said yes it does. On the personal property the local assessors don't get to decide how it goes, they are just collecting the data and money and then sending the bills. The state sets the rates for the depreciation tables for all the different classes of personal property. They start year one and then that adjusts. The state will do market studies and adjust them, so that can even change throughout the year.

Member Kubeja asked if the county does not participate, is there still tax dollars that come in from that personal property tax?

Ryan said absolutely, the tax dollars will come in and that money will come to the county every year.

Member Kubeja mentioned that if we do participate we can eventually add some new growth, depending on how long we participate. Without it we will not ever get new growth.

Member Heaton said if this is going to take away rights or uses that he feels are more important, then he is a no on this. The reason we are having these discussions is because SITLA has already made their decision. Now we are talking about what the School District and Kane County can get out of this financially if this is going to happen. He doesn't want anyone to think that the county's participation or lack or participation is based on dollars.

Attorney Van Dyke said the difference between the county/taxing entity participating or not participating, assuming that they are going to move forward with their project, if there is no participation by the taxing entities they still will be taxed. There is two portions of those taxes that Ryan has set forth. There is the Privilege Tax that is like a real property tax, which is almost non-existent comparatively. That is treated like new growth in any other situation. The Business Personal Property Tax, which is the huge portion of it. With that portion they pay that tax regardless, but if the taxing entities don't participate it is not treated as new growth and so the effect of that is a tax shift. All the businesses in the county that are currently paying the business personal property tax, this results in them paying less tax and AES picking up the difference. If the taxing entities do participate, it means all the businesses out there right now continue to pay their same amount of business personal property tax and then the taxes that are assessed to AES are treated kind of like new growth. Depending on how the RDA chooses to spend those funds within these participation agreements with an interlocal agreement, this is what triggers how much the taxing entities will get.

Jason Burningham said personal property is treated differently for purposes of how Utah Local Governments treat certified tax rates. He restated that in Utah there is no way to grow your budget other than two ways. You can either grow your budget if your overall economic tax base grows. The other way is through Truth in Taxation. These two are primarily the only ways in which a local government in Utah can in essence increase their prior year budget, relative to property tax.

Ryan believes what makes Utah's taxing system better than others, is the fact we cannot create budget creep anymore. You are held to the monies you collected from the year before and it doesn't allow to creep up, because that is what creates problems. It helps to keep our entity officials and elected officials accountable for the budget and money that they are spending. The final thing Ryan said about new growth, is that if you choose to not capture it then it is not something you can capture in the future.

2. **Discussion/Review Kane County Redevelopment Agency Resolution No. RDA-2022-12:** a Resolution authorizing the Glen Canyon Solar A Project - Community Reinvestment Project Area Budget as the official budget for the Glen Canyon CRA Project Area and related matters.

   Refer to item #1

3. **Diversion of Property Tax for a Community Reinvestment Project Area:** Discussion and Consideration to Authorize the Kane County Redevelopment Agency to enter into an Interlocal Agreement with Kane County, related to the Glen Canyon Solar A Project – Community Reinvestment Project Area

   The Commissioners decided to table this item because they felt that they were not ready to make a decision today.

   Mayor Schmuker said the Town Council of Big Water has approved to look at this and go forward with the County to look at it and see if it is the best way to go or not. They feel like AES has been very honest with us about what their intentions are. If it benefits the town of Big Water by entering into this agreement with the county then they would be for that. They did send a letter to the Commission stating that they are positive about moving forward with looking at all the options.

   Member Kubeja clarified that the monies that would be generated would come into the general fund, not specifically to Big Water and it would be at the discretion of the Commission in the budgeting process if they gave money.

   Ryan said the way it works is Big Water probably wouldn't generate any additional monies from this, because it is not under Big Waters umbrella of taxing entities. They don't have the authority to be taxing this group, only those taxing entities that this project falls under will be allowed to tax it.

   John Reese said Johanna and AES have been awesome to work with on this. His biggest heartburn is with SITLA and the State of Utah. They care about one thing and that is making more money for them. They don't care about any existing uses of the land or about taking care of the land. John's main concern is that this will affect about 700 acres of his current grazing permit. His next concern is, what is coming next? Are they going to want to double or triple the size in the coming years?

   Johanna Kraus-Darden, with AES, called SITLA and asked them how they make their grazing permittees whole and they told her they don't. They are a trust and need to make money, which would be the highest and best use. To Johanna she saw that as, if they see this as higher and best use, then we can use that same thought on making solar higher and best use to Kane County.

Harold Hamblin said after reading about the CRA and it using taxpayer's money to help this company invest in our area. He questions how much we will get out of it. As a taxpayer he would like to see them use the Community Reinvestment Projects in the things that bring jobs in and people that can earn a living and stay here. When it comes to a community or investment project that involves taxpayer dollars, put the taxpayer first.

Johanna said the mechanism of the CRA intrinsically creates Affordable Housing Dollars that is where those dollars have to go. When we talk about creating jobs and where those tax dollars go, by law with this CRA 10% of those dollars will go to affordable housing. This is a benefit that the CRA is legally bound to be able to provide to the County if it is participated by.

John Reese hopes that as this goes forward the communities of Big Water and Church Wells benefit from this the most.

Motion to adjourn made by Member Heaton and motion carried with all Members present voting in favor.

WHEREUPON MEETING ADJOURNED

Patty Kubeja
Chairman Patty Kubeja

Chameill Lamb
Secretary Chameill Lamb