



Governor's Office of Economic Development

State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

SPENCER P. ECCLES
Executive Director

CHRISOPHER M. CONNABEE
Managing Director, Corporate Recruitment
And Business Services

MEMORANDUM

TO: Governor' Rural Partnership Board
FROM: Lt. Governor Spencer J. Cox, Co-Chair
SUBJECT: GOED's Canyonlands Conference Room, 60 East South Temple 3rd Floor, SLC
DATE: November 18, 2013, 9:30 a.m. (MST)
SUBJECT: Governor's Rural Partnership Board Meeting Minutes

MINUTES

In Attendance: Board Members

Lt. Gov. Spencer Cox, Co-Chair
Brian Higginbotham, USU Extension
Gil Miller, Utah League of Cities & Towns
Linda Gillmor, Millard County, E.D.
Mayor Dave Sakrison, Moab City
Mike Angus, Oil Gas & Mining
Mike McCandless, Emery County
Tammie Lucero, Uintah County E.D.
Wes Curtis, So. Utah University

GOED Office Staff:

Spencer Eccles, Director GOED
Sophia DiCaro, Deputy Director
Chris Conabee, Managing Director
Brad Petersen, GOED Outdoor Rec. Mgr
Gibson Peters, Office of Energy
Kelleigh Cole, GOED Broadband
Cameron Findlay, PTAC – Cedar City
Vicki Varella, Director of Tourism
Kaitlin Eskelson, Office of Tourism
Carol Lynn George, State Science Advisor

Others:

Alison Weyher, Summit County E.D.
Brennan Wood, Cedar Cty/Iron County
Brent Boswell, Nephi, Juab County
Brian Higginbotham, USU
Deborah Hatt, SEU AOG
Irene Hansen, Duchesne County E.D.
Dave Connine, USDA
David Connelly, UVU
Eric Isom, Quest
Jed Christensen, Dept. of Ag.
Kevin Christensen, Sanpete County E.D.
Sen. Kevin VanTassell
Kira Slawson, UTRA
Commisioner Leonard Blackham
Lyle Nelson, Morgan County
Mitch Zundel, Box Elder County
Nick Tatton, Price E.D.
Roger Jones, BRAG
Russ Cowley, 6-Cnty AOG
Ryan Starks, Heber Valley E.D.
Sterling Brown, Farm Bureau

GRPB Staff:

Delynn Fielding, Rural Director -- Dan Royal, Rural Analyst -- Jake Hardman, Rural Outreach
Myrna Hill, GOED Staff

1. **Lt. Governor Spencer J. Cox – Welcome Comments:** Lt. Governor Cox, welcomed everyone to the meeting, thanking everyone for their kindness, support, and confidence in him in his new position.
2. **Approval of Minutes:** Motion to Approve minutes of September 17th meeting as written was made by Gil Miller; motion was seconded by Mike McCandless. Motion passed unanimously without corrections.
3. **Spencer Eccles / Chris Conabee Comments:** Spencer commented he is very pleased with the appointment of the new Lt. Governor, and feels this will be greatly benefit the Governor's Rural Partnership Board. He then thanked Chris Conabee, Delynn Fielding, Jake Hardman, and Dan Royal for the tremendous effort they have put forth, and the passion and results he sees in the Rural Program on a daily basis. Selecting this group is proving to be the right decision.

Chris added it has been their vision to have a webcast to broadcast the GRPB meetings, so people can attend the meetings without having to travel. He announced there will be some program changes to look at today. He also announced we will discuss the #1 Priority from every county in the State. He reminded the goal isn't to push programs out to rural communities; but to hear from rural areas what they want. Dan will be working on this process. He emphasized this hasn't been done before is because it's hard to do; even so, the group will begin working on this process.

Spencer also expressed thanks to his Deputy Director, Sophia DiCaro, who keeps things running, and to Vickie Varella, Director of Tourism, who is a key component in rural Utah.

4. **Voting for the new GRPB Co-Chair:** Lt. Governor Cox began the process of voting for his replacement as the new GRPB Co-Chair. Wes Curtis distributed the section of the Operational Procedures of the Utah Rural Development Council regarding filling vacancies which states: *"If a vacancy occurs in the office of Chair, the Governor's Rural Partnership Board shall select a replacement to fill the remaining vacated term of chairmanship."* If one of the existing officers is chosen, such as vice-chair or secretary, then someone would also have to be picked to fill that vacancy. An email containing a number of suggested names to fill the vacancy was emailed to Board members. It was decided each Board member should vote for two people; the top three will be forward from the first round of voting to a second vote. The candidates are: Carl Albrecht, Jody Dale, Irene Hansen, Stewart Jones, Tammie Lucero, Mike McCandless, Mike McKee, Ethan Miglioni, Gil Miller, Joe Piccolo, Darren Smith, Steve Styler, and Christine Watson. The first ballot had a tie for 3rd place, so a new ballot was distributed.

The candidates for the 2nd round of voting were: Mike McKee, Gil Miller and Steve Styler. Each of the candidates expressed why they would like to be elected as the GRPB Co-Chair. Following the final vote, Steve Styler was selected as the new Co-Chair.

5. **Number 1 Priority List – Action Report for Rural Utah:** Delynn asked those attending by webcast or phone to email him, so they know who and how many are participating in the meeting. Delynn then explained, he, Dan, and Jake went to each county and inquired what their #1 priority is – what is it they want solved, resolved, or taken care of. Jake's assignment is the easy ones; Delynn's assignment is the ones that are impossible. This presentation is a result of Chris Conabee's inspiration.
- 1) Beaver County – Establish an Economic Development Council and Plan; they are in the process of doing that, and meetings are being set up. Also, the Rural Fast Track Grant has been adjusted for Tourism for Beaver County.
 - 2) Box Elder County – An Overall Water Infrastructure Plan. This is a tough one and is still under consideration.
 - 3) Cache County – Wants to widen and upgrade SRI-30 from Logan northwest to where it connects with I-15; they are having meetings with UDOT.
 - 4) Carbon County – Is a Coal to liquid fuel project. There are two companies who offer specific assistance. It will not only affect Carbon County, but also Sevier, Sanpete, and other counties. If we can get the process going, it will make coal an ingredient to fuel.
 - 5) Daggett County – Wants the creation of a Mountain Bike Trail, to promote Tourism diversification; this is in process. Brad Petersen, who was hired as the Outdoor Recreation Director, has already had 4 meetings with others scheduled, also in Rich County and Carbon County, and in Blanding where they deals with trails. There are discussions regarding \$¼-Million in funding and tying into Fast Track Grant changes. Brad has met with the Mountain Bike Association, County Officials, and Economic Development people in Wyoming, regarding trails and infrastructure and bringing in business and people to support this initiative. They will put together a business plan, so it will work, and Tourism will be ready to help with marketing strategy.
 - 6) Duchesne County – Duchesne and Uintah Counties are putting together a proposal for the Governor's Support through Congress for a Uintah Basin Air Quality Improvement Program; and have asked that we hold back until things get sorted out.
 - 7) Emery County – Mike McCandless and Linda Gillmor have been working on a Natural Gas Line Extension Policy, which is going through legislation and meetings are being held in that regard.
 - 8) Garfield County – Is involved a Panguitch Industrial Park Study.
 - 9) Grand County – Ongoing O&M Funding for USU Moab building project.

- 10) Iron County – Wants the Governor's Support for the Southeast Technology College Building Funding. This was completed October 28, 2013.
 - 11) Juab County – Wants Water Development; which is being worked on. Also company specific assistance for a Sewing Plant that is awaiting an application; this is moving forward.
 - 12) Kane County – Wants Better Communications with GOED and EDCUtah. Jake is regularly scheduled to visit there; EDCU will also schedule regular visits.
 - 13) Millard County – An 18 Mile Power Line Upgrade has been approved. Linda and her group have been working on this project; Rocky Mountain Power is working on it also.
 - 14) Morgan County – Needs Small Business Funding from Rural Fast Track. This and the infrastructure are being worked on.
 - 15) Piute County – A Feasibility Study for an Industrial Park and Fast Track adjustment.
 - 16) Rich County – Governor's Support for 3 Creek Grazing Proposal; a letter has been sent to the BLM and Forest Service. They also want support for Trails around Bear Lake for diversification of Tourism.
 - 17) San Juan County – Rural Fast Track adjustment for Tourism and Trails around Blanding for diversification of Tourism.
 - 18) Sanpete County – Develop three new 4-year Programs at Snow College; this is in process.
 - 19) Sevier County – Is a company specific expansion for a company that builds aluminum ramps for airplanes -- Timberline GSE. This is in process.
 - 20) Summit County – Fast Track Grant for Tourism and Eastern Summit business.
 - 21) Tooele County – Central Highway project for an interchange from I-80 to their Industrial Park. Meetings are being held with UDOT. As Tooele County, by necessity, eliminated their Economic Development staff and 25% of their other staff, it is understood that we should do anything we can to assist them with economic development efforts.
 - 22) Uintah County – Governor's Support of the Congressional Uintah Basin Air Quality Improvement Program.
 - 23) Wasatch County – Rural Fast Track Adjustments for Tourism; has been approved.
 - 24) Washington County – Workforce Development; Jake is working on this project.
 - 25) Wayne County – Rural Fast Track Adjustment for Tourism; has been approved.
6. **Carol Lynn George ACT "Job Ready" Program:** Carol introduced herself as the State Science Advisor; she has a responsibility for Workforce development, and also agency programs such as the ACT Work Ready program. The Community & Economic Development office of the Workforce Development Division was created to help states and counties implement successful economic development initiatives based on WorkKeys® tools and products through ACT Certified Work Ready Communities. This program provides value in various areas: workers can earn certificates in soft skills, such as applied mathematics, reading for information, and dispersing information. They are nationally recognized, and adds value to the worker and increases their skills. There is also a set of tools people can use to increase their content knowledge and abilities. It can be helpful to people who are trying to re-enter the workforce or enter the workforce for the first time. Chris also noted the program is important to companies, such as Boeing, to be able find what abilities an applicant has before they make an investment. Carol added the program also has value at the company level. Often times companies have positions that have a lot of turn-over or the position is hard to fill, or the position is filled with the a person who doesn't work out. In such cases, a company can profile the position, and follow a candidate around for several days to get a specific score that a person would need to be successful in that position. Thus far, the State has several companies already involved in the program, or are interested in being involved – Rocky Mountain Power, UTA, Department of Workforce Services, and others see that by increasing the skill levels of their workforce in general with these tools, the number of accidents actually decrease. Linda added Ashgrove Cement, a company shared by Juab and Millard Counties, requires this training, and their local DWS is helping them with the recruitment process; their parent company does the profiling for them. Linda asked if Carol has an idea of what it would cost a medium sized company to profile an entry-level position. Carol replied, the DWS is currently offering a number of jobs to be profiled for free with employers who want to start testing the program to see if it will work. Also, a profile for a similar job could be used as a criteria to evaluate an employee. Spencer Eccles added GOED got involved with the program about 1½ years ago, and wants to make sure everyone understands the program. Governor Herbert's letter of support and more information is available on the website.

7. **Kaitlin Eskelson Tourism Marketing to Customers Within Utah:** Vicki Varella introduced Kaitlin, stating a month ago she came from Visit Salt Lake where she was Tourism Director for 7-years, to join the State Office of Tourism to be the Director of Partner Relations, where she is charged to increase opportunities for collaborations. She has responsibilities over the Welcome Centers, Scenic By-Ways, and Tourism Trade. Kaitlin will talk about the toolkit for In-State Marketing.

Kaitlin discussed how to integrate rural communities into the tourism programs to attract regional and in-state visitors to rural destinations. In-state visitors traveling from the Wasatch Front provide the greatest source of tourism revenue to rural destinations, and they recognize the importance of providing a program to help harvest the in-state tourism and travel marketing. One program they are working on is the KSL “Just Down the Road” Campaign to promote travel opportunities just down the road, with a brief description to spur people to action. This is a \$1 to \$1 match. The contact is Jennifer Archer at KSL Media Group. They recently hired a PR company, Turner Company from Denver, which is very dedicated to these campaigns and the unique travel experiences offered in Utah. To participate, she suggested attending one of their quarterly PR Committee meetings; the contact is Rebecca Katz (rkatz@utah.gov), Office of Tourism Public Relations Coordinator.

Another initiative is a Cooperative Digital Marketing Campaign through a media company to buy down costs; this is also on a \$1 to \$1 match. Contact Lorraine Daly (ldaly@utah.gov) at the Office of Tourism for more information.

Social Media, is rapidly expanding, and can capture the audience to engages visitors. They invite partners to share content and provide coverage and visual content on the various sites. They invite any and all photos of rural destinations to be submitted. All content submissions should appeal to in-state visitors and encourage people to travel more than 50 miles. The Contact at Office of Tourism is Diane Wilson, (dianew@utah.gov).

Finally, there is a statewide Calendar “*Now Playing Utah*”, for events and activities. For-profits and non-profits can contribute listings to the calendar free of charge. Kaitlin encourages all the partners to submit their events. The events feed is displayed on the homepage and events pages on visitutah.com as well as nowplayingutah.com. The contact is Diane Wilson (dianew@utah.gov).

They also have a fairly substantial co-op program that targets out-of-state visitors, but they encourage any and all that feel it might benefit their business, can apply for the co-op grant. Contact is Kelly Day (kday@utah.gov), Office of Tourism Cooperative Marketing Manager. Kaitlin plans to start traveling to every county to address their needs; contact Kaitlin (keskelson@utah.gov) with any questions. Kaitlin is also working on Webinars and is organizing a Newsletter that will have summaries of all available opportunities.

8. **Items Suggested by Local Rural Officials:**

- a) **Natural Gas Infrastructure Finance Tools Legislation:** Linda Gillmor reported she and Mike McCandless attended a meeting at GOED on October 29th, which included Questar, OED, GOED, Zions Bank, Rep. Nelson, Sen. Okerlund and Daggett, Emery, and Millard Counties, to fine-tune legislative efforts to create options for communities and businesses to build natural gas infrastructure, where Questar reviewed the progress they are making with Public Service. The infrastructure can already be done, and financial organizations are available to help cities and counties through the process. There needs to be follow-up work with the Community Impact Board, but things are looking positive.

Mike McCandless added there are many issues with Questar’s current rate change – one deals specifically with what has been discussed since 2004. It has come to a point where they propose that their current tariff have the overhead cost for a line extension and be absorbed into their rate. They had intended to do that in the past, but said they couldn’t subsidize or share the costs, but then realized that in Salt Lake Valley developers are subsidized and pay zero for a gas line. That means in rural Utah, the cost of a line will be reduced by about 50%. And the subsidizing that had been occurring needs to be spread out across the state. They hope that will be in testimony at the Legislature in January, and a resolution in place by February.

The Revolving Loan Fund Program may be modeled after an existing program called the Utah Small Business Credit Initiative, which is designed to stimulate lending and activity for small businesses in Utah that cannot obtain credit from a financial institution without this assistance, but are credit-worthy borrowers. These are low-interest hard-to-secure, variable-length loans. It is a tool where you can go get a direct loan or a loan guarantee administered through Gordon

Walker's Office in the Department of Community & Housing. We have options to create a Revolving Loan Fund and/or a Loan Guarantee Program. The model was talked about in the July hearings of the Public Utilities Intro Committee; Senator Oakerlund has been the champion behind this, and deserves a lot of credit for his support. The House Sponsor was Rep. Merrill Nelson.

Senator VanTassell added that these dollars come from the Treasury Department; approximately \$13.2-million was set aside of which \$4-million as carved out for equity investments.

- b) Lt. Governor Cox asked Mike McCandless, although not listed on the agenda, to talk about Negotiations with Coal Mines and Miners: Mike reported it is a challenging situation – Coal is struggling, and they are also now dealing with a labor dispute between Rocky Mountain Power and the local Union at Deer Creek Mine, that provides all the coal for the Huntington Power Plant, which employs about 220 direct employees and is the single largest mine in Emery County. The average employee is 58 years old and has tenure of about 32 years. The challenge is the risk of losing that employee is probably averaging between \$27 and \$32 per hour, and the economy is huge for that area. They have been working in good-faith negotiations without a contract since January this year. In September, the company provided notification to the Union that in another 60 days, at completion of the cycle, they have the option of selling or closing the mine. That date is looming heavily over the community. This has led to the majority of workers who have 20 years of seniority and can get their health benefit to choose to retire. Mike knows personally, 102 out of the 220 that have made this decision that had to be made by November 12th. They now have a workforce of about 118. There will still be a permanent resolution; however they sent a letter to employees on November 12th, that stated that PacifiCorp will continue to operate the mine without a contract. This still doesn't provide any certainty, and is still a cloud over their heads. Mike said the outcome could be if they make a decision to sell, more than likely that transition process would result in a closure of the mine from three months to a year, while they transition ownership; and likely change from the last union mine in Utah to a non-union operation. This would probably result in at least double-digit unemployment in every county within a matter of months, and probably at least 5 to 15 mine supply shops will go out of business. Through the BEAR program and Economic Gardening, we are already struggling to keep some of those alive. He has reached out to Chris and others to help monitor the situation. We are hopeful they can negotiate a contract that will be acceptable, and hope this is resolved soon.
- c) Newly Formed Eastern Region Energy Consortium: Mike McCandless reported he and Tammie Lucero have been discussing petroleum related issues for some time, and opportunities for their communities to leverage more closely their relationships. They have some transportation opportunities in Carbon and Emery Counties that don't exist in the Basin. The Basin sits on some of the world's best reserves of multiple types. They have had a good relationship, but have never taken the next step to formalize it.

Tammie welcomed Senator VanTassell, Commissioner McKee and Irene Hanson to report on the newly formed Consortium. Carbon and Emery Counties are struggling right now with unemployment, while the Basin has very low unemployment. The Eastern Region Energy Consortium was recently formed by Economic Development Professionals and Elected Officials from each of the counties involved, to attempt to work out some of their shared issues. Irene stated the Uintah Basin is kind of the energy hub of Utah, and makes huge contributions to the overall economy; but they are seeing risk to their economy and businesses every day, and believe that with education and partnerships involving the entire Eastern Utah Corridor as the key to gain more momentum, most of these things can be overcome with a broader understanding of what's happening. Energy is the health and wealth of the Utah economy.

Senator VanTassell discussed ways this consortium can help the partners along the Eastern Corridor, explaining resources in Eastern Utah relating to energy is tremendous, yet each community has various challenges. Even though the Basin has large deposits of natural gas and large amounts of oil shale, etc., that brings tremendous opportunities, they have air quality and transportation issues. The Consortium has been looking at a regional approach, to find ways to work together to capitalize on opportunities. Looking at the bigger picture, rather than in each community, everyone wins.

- d) Rural Policy Research Institute (RUPRI): Wes Curtis reported on a Draft Proposal to create a vehicle for rural connectivity and collaboration on a National Scale. Keynote Speaker at the 2013 Rural Summit in Cedar City, Charles Fluharty. Founding Director of the Rural Policy Research Institute, has been working the last year or so to put together a national vehicle with the idea to be able to connect states together so that rural communities in states can collaborate and coordinate to share information with regards to Best Practices, Best Policies, and Research-type Initiatives. In doing this, he has been working closely with the Secretary of Agriculture; and Wes has been involved in planning. About 3 weeks ago, they had a meeting in Nebraska which Wes attended, where he became aware that what Chuck is doing ties in with what we are also doing, and explains why this could be important. He has talked to Mike McCandless, Irene Hansen, and others about doing a research project to evaluate the economic impact the conversion of our plants to natural gas, and of coal's existing markets disappearing. In talking to Mr. Fluharty in Nebraska, he learned he is working on a similar project in Western Kentucky. He also learned the Federal Government is putting a lot of money into researching what the economic future will be in those coalmining counties in the Appalachian areas. Mr. Fluharty also has involved Mike Benson, SUU's former President who is now in Kentucky. The bottom line is, because we are aware of what is going on at that level, we may be able to tie into a project that has hundreds of thousands research dollars to answer questions that we need to answer here.

Action: Wes proposed a motion that the Governor's Rural Partnership Board support this concept. Motion was seconded by Gil Miller; the motion passed unanimously, with no opposition.

9. **Other Items:** Rural Fast Track: Chris Conabee gave the historical background on the Fast Track program, and explained how things will be handled going forward.

Spencer Eccles added to help people know where to go to find the help they need, Vicki is working on a key initiative with GOED – which is the Integrated Global Branding Strategy. It will involve internal branding and promotion of existing programs we have – the BEAR program, the Business Resource Centers, **Utah Small Business Growth Initiative (USBGI)** program administered by the Department of Treasury. We have just never done a very good job of getting information out.

In closing, Lt. Governor Cox noted, on occasion it is important to step back and look where we are, and where we've been and at all we've accomplished.

Action: Motion to dismiss was made by Mike McCandless; and lunch was served.

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