

RESOLUTION NO. 2873

A RESOLUTION RATIFYING THE ENTERPRISE ZONE APPLICATION

WHEREAS, the Utah Enterprise Zone Program was established in 1988; and

WHEREAS, eligible businesses may claim tax credits as an incentive to relocate or expand in these zones; and

WHEREAS, Grand County was granted designation for an Enterprise Zone in 1998 and 2004 providing a tool to help attract businesses and encourage expansion among existing firms; and

WHEREAS, the Enterprise Zone designation expired on December 31, 2007 requiring that the County resubmit an application to be approved prior to December 31, 2008 for businesses in the zone to be eligible for tax credits in 2008; and

WHEREAS, on December 16, 2008 the County Council conducted a public hearing to receive comments on resubmitting an application for the Enterprise Zone designation; and

WHEREAS, on December 16, 2008 the County Council adopted Resolution Number 2865 and authorized the Council Administrator to prepare an application for submission to the Governor's Office of Economic Development (GOED); and

WHEREAS, the Council Administrator has prepared and submitted an Enterprise Zone Application to the GOED; and

WHEREAS, the GOED has approved the application for five years, expiring on December 31, 2012 (attached as Exhibit A).

NOW, THEREFORE, BE IT RESOLVED the Grand County Council hereby ratifies the Enterprise Zone Application (attached as Exhibit B) and all the County obligations contain in the GOED-approved application.

PASSED, ADOPTED, AND APPROVED by the Grand County Council in open session on this 20th day of January, 2009 by the following vote:

Ayes: Greenberg, Ballantyne, Conrad, Baird, Ciarus, Holyoak

Nays: Graham (abstain)

Absent: _____

ATTEST:

Diana Carroll
Diana Carroll, Clerk/Auditor

GRAND COUNTY COUNCIL

Robert Greenberg
Robert Greenberg, Chair

EXHIBIT A



**Governor's Office of
Economic Development**

State of Utah

JON M. HUNTSMAN, JR.
Governor

JASON P. PERRY
Executive Director

GARY R. HERBERT
Lieutenant Governor

December 30, 2008

Gene Ciarus, Chairman
Grand County Council
125 East Center Street
Moab, UT 84532

Dear Chairman Ciarus:

Your application for renewal of your Utah Enterprise Zone designation has been reviewed and approved. Congratulations on the quality of your proposal. It is clear that Grand County plans to make good use of this program. The designation covers those specific areas outlined in your proposal and for which legal boundary descriptions may be found at the Grand County offices. The period of designation is for five years from the beginning of this calendar year. This designation will expire December 31, 2012.

All eligible businesses expanding or locating in the zone may qualify for tax credits available under the program. Credits may be claimed from the beginning of the tax year in which the designation is made. Under this designation, businesses may claim credits from January 1, 2008. .

If you have any questions about the designation, please contact me at (801) 538-8804. Again, congratulations on receiving this designation.

Sincerely,

Les Prall
Enterprise Zone Coordinator

LEP/mdh

cc: Shawn Warnke



EXHIBIT B

Enterprise Zone Application

Applicant Information

Applicant: Grand County
125 East Center Street
Moab, UT 84532

Contact Person: Shawn Warnke, Council Administrator
Phone: 435-259-1347
Fax: 435-259-2574
admin@grand.state.ut.us

Economic Information

Grand County qualifies and has a need for an Enterprise Zone for the following reasons:

- Population growth from 2002- 2007 was below 75% of state average
- Population density is below 7 persons per square mile
- Unemployment rate during 2008 was above 125% of state average
- Non-Agricultural wages during 2007 was below 75% of state average
- Percentage of people living in poverty during 2008 was above 125% of state average
- Distance to Utah city over 50,000 population is over 150 miles
- No County regional center with a population over 10,000
- Total percentage of public land ownership is above 75%

Grand County qualified Local Contribution Requirement under 63M-1-405:

Grand County will waive the business license fee for the following year in which a business shows evidence that they participated and received an Enterprise Zone tax credit. Additionally, the County will be responsible for public awareness of the program through efforts to publicize the tax credits available to eligible businesses.

Public meetings for public support and consensus:

The Grand County Enterprise Zone plan is consistent with and is based upon community goals and objectives identified in the Economic Development Work Plan approved by the Grand County Council in June 2003. The Economic Development Work Plan was prepared by a committee including representatives from Grand County, Moab Chamber of Commerce, the Moab office of Utah

Department of Workforce Services and individuals representing local real estate agents, retail tourist businesses, financial services, utilities, and lodging. Public meetings were held by the Grand County Council on June 17, 2003 to discuss the plan.

On December 16, 2008 the Grand County Council held a public meeting to discuss and approve a resolution to re-apply for Enterprise Zone status. This resolution is contained in Exhibit A. Following the public discussion period the Council voted unanimously to approve the application.

Community assessments including local infrastructure and labor force:

Grand County's General Plan includes aims and objectives of the Economic Development Work Plan. Below is a summary of the General Plan elements that support the Economic Development Work Plan.

In February 1999 the Grand County Council approved the Highway 191 North Corridor General Plan Amendment, which outlined future development guidelines along Highway 191 between Arches National Park to the south and Interstate 70 to the north. This plan amendment identifies commercial and industrial "nodes of development" that allow for and encourage commercial community growth and at the same time preserve the "wide open spaces" visual amenity identified by local residents as a valuable and important component of life in the high desert.

In April 2000 the Grand County Council approved the Airport Limitation Zone Amendment to the Land Use Code. This amendment created development regulations for future industrial and commercial growth at Canyonlands Airport along Highway 191, 17 miles north of Moab City.

In April 2001 the Grand County Council approved the North Corridor Gateway General Plan Amendment. This amendment seeks to promote quality economic development projects along the Highway 191 stretch from the Colorado River Bridge to the north, down to Moab City limits to the south.

In April 2003 the Grand County Council approved the Crescent Junction to Thompson Springs Future Land Use Plan. This plan outlines an approach to encourage commercial and industrial development along the stretch of Interstate 70 between Crescent Junction to the west and Thompson Springs to the east, with the aim of promoting this area as a site for future economic development, highlighting the availability of culinary water and accessibility to the Interstate Highway System.

Grand County will work with Grand Water and Sewer Service Agency, and Moab Valley Fire Protection District to update its Public Facilities Analysis. Final approval of the Public Facilities Analysis update is expected in 2010. This study will provide a thorough understanding of current infrastructure deficiencies as

well as the costs and means of financing future infrastructure improvements and capital projects.

Employment training programs administered by Workforce Services are offered on an ongoing basis to local residents looking to acquire and update job skills.

Local zoning ordinances:

The Grand County Land Use Code presents the local development requirements for both residential and commercial/industrial projects. The land use codes are consistent with modern planning practices and include the location and extent of zones, permitted uses within zones, and development requirements. Grand County operates a building department that within the unincorporated areas of the county.

Identification of areas to receive Enterprise Zone benefits:

Contained in Exhibit B is a map that identifies the boundaries of the Enterprise Zone. The following zones within Grand County are proposed as being eligible for Enterprise Zone Credit.

- All commercial and industrial zones within unincorporated areas of Grand County are proposed for Enterprise Zone status.
- Grand County Range and Grazing (agricultural) zones are proposed for Enterprise Zone status to allow for value-added agricultural products to be considered for the current tax credits.
- Grand County Rural Residential (agricultural) zones are proposed for Enterprise Zone status to allow information technology and rural manufacturing enterprises to take advantage of the tax credits in order to encourage expansion and growth.

Goals and objectives for growth:

Grand County seeks to increase economic development opportunities by encouraging new businesses to consider the Enterprise Zone as a location for operations, and encouraging existing Grand County businesses to expand services, product lines and overall operations in the Enterprise Zone.

The County considers the rural quality of life, the outdoor recreation opportunities and the surrounding natural beauty of the area as major amenities to encourage businesses to relocate or expand here.

Evaluation:

Mining, a principal economic activity in Grand County during the 1960s and 1970s, has continued to decline, with the overall percent of the workforce involved in mining dropping from 2000 to 2002 from 6 to 2 percent. During the past 15 years Grand County has made the transition from a mineral based economy to a tourism based economy dominated by trade and services. While there are economic benefits to tourism, many of the jobs created are low paying and often seasonal.

Community leaders are concerned that there is a lack of high paying jobs for skilled workers, and that there are few local opportunities for high school graduates. Further, the economy has become overly dependent upon tourism. The Enterprise Zone is consistent with our economic development strategy aimed at attracting companies providing better paying, more secure non-retail employment opportunities.

Data about expected use and projected benefits of the Enterprise Zone:

- Ten to twenty eligible businesses are expected to claim Enterprise Zone tax credits.

Number of jobs to be created and wage levels expected:

- Each of the ten to twenty eligible businesses is expected to provide two to three jobs per business.
- Jobs are expected to pay in excess of \$10- \$15 per hour.
- Businesses are also expected to take advantage of tax credits for equipment and building renovation.

Amount of new investment reasonably expected:

- It is anticipated that businesses planning to expand or relocate to the area, will invest approximately \$2 to \$3 million.

Industry and job targeting:

The County has identified several target industries with the potential to achieve the goal of diversification and the creation of higher wage, non-seasonal employment. These include outdoor and medical/surgical product manufacture, health information, information technology, and video and film production. Current recruitment efforts are focused on health information and video and film production.

Commitments from businesses:

Local businesses have demonstrated their commitment through their participation in the Moab Chamber of Commerce.

Member entities have committed to providing the following incentives and assistance:

- Small business incubator services through Southeastern Utah Association of Local Governments
- Availability of low interest revolving loan funds through the Southeastern Utah Association of Local Governments

Copy of county's economic development strategic plan to show coordination between county, municipality, and zone goals:

One of the goals contained in the Grand County/City of Moab Economic Vitality Five-Year Action Plan is to:

“Encourage local entrepreneurship and small business development and expansion by expanding financial and other resources available to entrepreneurs and small businesses.”

Moreover, one of the objectives to meet this goal contained in the Grand County/City of Moab Economic Vitality Five-Year Action Plan is to:

“Work with applicable businesses in effectively utilizing the benefits of the Enterprise Zone, the Recycling Zone and other Utah incentive programs and promote expansion of these zones to include more local businesses.”

The executive summary of the Grand County/City of Moab Economic Vitality Five-Year Action Plan is contained in Exhibit C.

Proposed means of assessing the effectiveness of zone plan, programs, and activities:

The project will be considered successful according to the number of businesses taking advantage of the program, the degree to which program incentives were instrumental in attracting new employment and specifically by the number of year round jobs paying at least \$10- \$15 per hour created as a direct result of program efforts. Other criteria will include the number of zone qualifying companies recruited to Grand County and local business expansions, the number of these companies that take advantage of the Enterprise Zone, and the number of jobs they provide.

Ability to implement the action steps of its plan:

The County is fully capable of implementing the action steps of the plan. Grand County cooperates and coordinates with representatives from the Moab Chamber of Commerce, Utah Department of Workforce Services, Small Business Development Center, Utah Department of Community and Economic Development, and other local businesses.

Exhibit A- Resolution to Re-apply for Enterprise Zone

RESOLUTION NO. 2865

**A RESOLUTION TO APPROVE THE APPLICATION OF THE
ENTERPRISE ZONE DESIGNATION IN GRAND COUNTY**

WHEREAS, the Utah Enterprise Zone Program was established in 1988; and

WHEREAS, an Enterprise Zone comprises an area identified by local elected and economic development officials and designated by the state; and

WHEREAS, eligible businesses may claim tax credits as an incentive to relocate or expand in these zones; and

WHEREAS, Grand County was granted designation of a county-wide Enterprise Zone in 1998, providing a new tool to help attract businesses and encourage expansion among existing firms; and

WHEREAS, current zoning regulations that are in place would apply to all current businesses, and any future business that would be looking to take this credit.

NOW, THEREFORE, BE IT RESOLVED the Grand County Council hereby approves the application of the Enterprise Zone to assist Grand County residents with an additional state tax credit.

PASSED, ADOPTED, AND APPROVED by the Grand County Council in open session on this 16th day of December, 2008 by the following vote:

Ayes: Ciarus, McNeely, Graham, Langianese, Lewis, Greenberg, Holyoak

Nays: _____

Absent: _____

ATTEST:

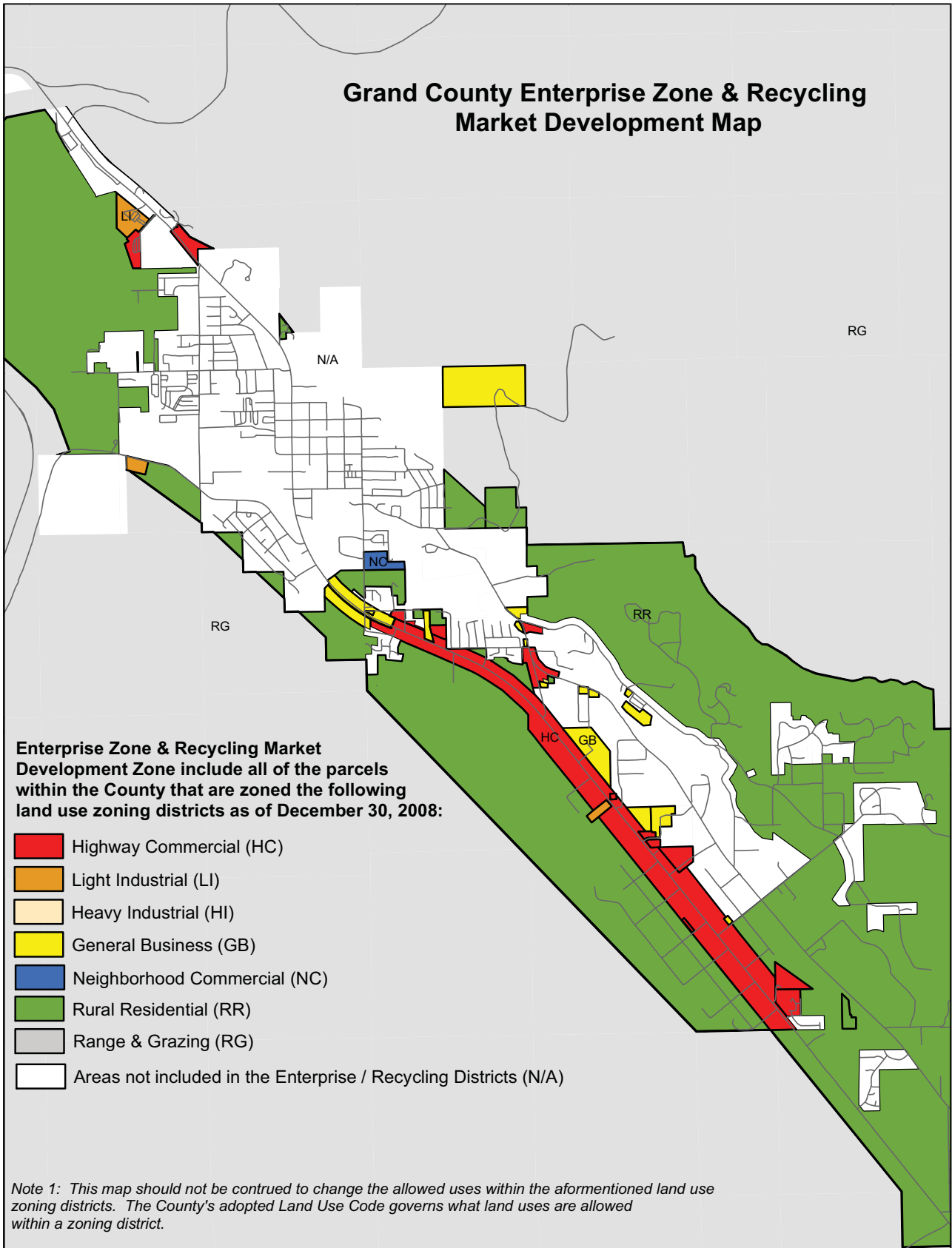
GRAND COUNTY COUNCIL

Diana Carroll
Diana Carroll, Clerk/Auditor

Gene L. Ciarus
Gene L. Ciarus, Chair

Exhibit B- A Map Identifying the Boundaries of the Enterprise Zone

Grand County Enterprise Zone & Recycling Market Development Map



Enterprise Zone & Recycling Market Development Zone include all of the parcels within the County that are zoned the following land use zoning districts as of December 30, 2008:

- Highway Commercial (HC)
- Light Industrial (LI)
- Heavy Industrial (HI)
- General Business (GB)
- Neighborhood Commercial (NC)
- Rural Residential (RR)
- Range & Grazing (RG)
- Areas not included in the Enterprise / Recycling Districts (N/A)

Note 1: This map should not be construed to change the allowed uses within the aforementioned land use zoning districts. The County's adopted Land Use Code governs what land uses are allowed within a zoning district.

Note 2: This map shows Moab and Spanish Valley. Though not shown all parcels that have the aforementioned land use zoning districts as of December 30, 2008 are included within the Enterprise Zone & Recycling Market Development Zone.

Note 3: Parcels that are rezoned to the aforementioned land use zoning districts after December 30, 2008 are not included in the Enterprise Zone & Recycling Market Development Zone until the County submits and the Governor's Office of Economic Development approves an amendment to this map.



Exhibit C- The executive summary of the Grand County/City of Moab Economic Vitality Five-Year Action Plan

Mission Statement: To seek opportunities to build a strong community through a broad-based, sustainable and environmentally sensitive economy; to serve as a catalyst for increased business retention, expansion and attraction, and to help create quality job growth in Grand County.

Goal 1: We will work with entrepreneurs and small businesses to increase long-term employment opportunities. We will pursue providing more business counseling and education, easier access to capital, and more employee training programs. We will also work to provide new and expanding businesses with incentives, improved physical infrastructure and streamlined rules and regulations to permit businesses to grow.

Goal 2: We will work with businesses on the facilitation of infrastructure needed to grow through the development of public projects, health care, airport service, adequate housing, and transportation planning.

Goal 3: We will support the development of natural resources and the protection of resources important to the ongoing health of tourist businesses. This includes working with energy exploration companies to provide employee training resources.

Goal 4: We will work to protect and enhance the scenic assets and quality community life of Grand County. This includes community clean-up campaigns, downtown improvements and efforts to promote the preservation of agricultural land use.

Goal 5: We will work to help local residents develop new job skills and career opportunities, which in turn will attract business investment.

Goal 6: We will work to improve local higher education, both to provide educational options for local residents and to develop destination-oriented higher education programs.

Goal 7: We will work to enhance tourism-related economic development, including efforts to expand convention and conference activities and film and video projects.

Goal 8: We will work to expand and promote cultural and recreational activities.

Goal 9: We will work to better inform local elected officials, local businesses, and local residents of economic development activities, trends, and opportunities, and we will present for approval to Grand County and Moab City an annual work plan.