

ALTERNATIVE FUNDING MECHANISM'S

FUNDING OPPORTUNITIES BASED ON LEGISLATIVE ACTION IN 2007

1. Industrial Assistance Fund

- a. Section 63-38f-903 (1)(a) provides authorization for the Industrial Assistance Fund program. This should be amended to read as follows. The proposal would strike up to 50% and substitute no less than 30% to defined rural areas.

~~“up to 50% no less than 30% shall be used in rural areas defined as all 4th, 5th, and 6th class counties along with towns and cities of less than 10,000 population in 3rd class counties. and...”~~

- b. Add to Section 63-38f-903 (1)(c) Funds may be used for expansion, relocation, and retention in rural areas

2. Rural Utilities Infrastructure Investment Tax Credits

- a. The credit is only available in those areas as defined as ‘rural.’
- b. Utility and community jointly develop application to credit the utility industry (either directly or through tax credits) for the investments they make in line extensions or facility upgrades based on the economic development contribution the project makes. This would be structured similarly to the current Enterprise Zone tax credits.
- c. The size of the tax credit is to be determined.
- d. The improvements are part of the company’s rate of return base.
- e. The Investment Credit Request is jointly submitted by the utility and community, and reviewed by the GOED Board in consultation with GRPB to determine validity of Economic Development importance.

3. Rural Enterprise Fund

- a. Only available in those areas as defined as ‘rural.’
- b. The County applies for funding for use at any place in the county (county or town).
- c. Multi-county projects are encouraged.
- d. All applications must demonstrate consistency with the county’s overall plan.
- e. Local cash or in-kind matches will be considered as a criterion in rating proposals.
- f. The Grant Committee is Governor’s Rural Partnership Board, in conjunction with GOED board.
- g. The maximum grant amount will be determined by the GOED Board in consultation with GRPB.
- h. Rural Counties do not necessarily have a grant limit per year.
- i. The grants can be for flexible purposes, i.e. building, infrastructure, housing, etc.
- j. Advertising, marketing, engineering, feasibility studies and other ‘soft’ costs are limited to an amount determined by the GOED Board in consultation with GRPB.
- k. Some of the prioritization criterion are:
 - i. Job creation
 - ii. “But for these dollars” . . . the project will not happen.
 - iii. Leverage from other participating partners i.e. Private, CDBG, CIB, EDA, etc.
 - iv. The amount of participating dollars.
- l. Funds are available for new, relocating (in or out of state companies), and existing expanding businesses.
- m. The program must be responsive - fast approval process of with in 30 days. With e-mail, conference calls etc. communications and action does not need to be drawn out.
- n. In the event multiple projects are under consideration, those proposals impacting sites approved as EDCUtah SURE Sites have priority.
- o. SURE Site preparation and development is a valid usage.
- p. Any unexpended funds will be carried over from year to year.

4. Creation of an Disadvantaged Rural Communities Utilities Infrastructure Fund

The fund will serve as a means to pay upfront utility costs traditionally paid directly by the affected business. As a result, rural utility extensions can be incredibly expensive and will stop the development.

- a. The PSC would approve the addition of the Tariff Rider (1/10th to 1/4th %) on each utility's bill, to be set aside by each regulated utility and municipal utility system (Electric, Telecommunications & Natural Gas).
- b. The fund will be used to cover all or a portion of up-front utility costs of new development projects, business expansion projects and business retention projects.
- c. The fund will be distributed to projects by the GOED Board in consultation with GRPB through an application based process.
 - i. In order to be eligible for disbursement of the funds, ongoing planning efforts between the utilities and County Officials is required.
 - ii. To apply for disbursement of funds, the local (county) government will file an application jointly with the utility and the affected business entity for consideration.
- d. Some of the key components are,
 - i. Mandate a tariff rider enabling Utilities and Municipal Utilities to collect the fund from customers
 - ii. Distribution of funds are to be targeted to Disadvantaged Rural Communities as defined in SB57 from 2005 session
 - iii. GOED Board in consultation with GRPB will oversee distribution of funds in a similar fashion to the Industrial Assistance Fund monies.
 - iv. Funds collected will be retained by utility until use.
 - v. Eligible counties and utilities are to engage in coordinated planning activities in order to qualify for disbursements of funds. This process would require annual planning activity between the utility and county to prioritize activities with at least 4 follow up meetings per year between the utility and the county to coordinate efforts.
 - vi. A cap of 5% of gross annual revenue is the maximum amount to be held by the utility company for the program. If the amount reaches this threshold, the tariff rider (charge on the customer bill) will be discontinued until disbursements are made and the available funds reduced.

SOLUTIONS THAT CAN SERVE AS PARTIAL MATCHES FOR INFRASTRUCTURE PROJECTS

5. **EDA** –GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT FACILITIES and ECONOMIC ADJUSTMENT ASSISTANCE GRANTS
6. **HUD** - CBDG - Community Development Block Grant Entitlement Communities Grants
7. Municipal Bonding (Keep in mind, however, East Carbon)
8. Local Special Service District with Taxing Authority