

**UTAH QUALITY GROWTH COMMISSION
MEETING MINUTES**

**Wednesday, January 25, 2006, 11:00 a.m.
Department of Natural Resources Room 2000
1594 West North Temple Street - Salt Lake City, UT**

MEMBERS PRESENT

ALLEN, Dave	Summit County Rancher
BARBER, Brad	Member-at-large
BILLINGS, Lewis	Mayor, City of Provo
BLACKHAM, Leonard	Commissioner, Dept Agriculture & Food
CAIN, Camille	Weber County Commissioner
CHRISTENSEN, Carlton	Vice-Chair; Salt Lake City Council
DAVIS, Jaren	Utah Association of Realtors
KOHLER, Mike	Wasatch County Council (Available by phone)
LOFGREN, Dan	Chair ; Utah Home Builders
SMITH, Darrell	Mayor, City of Draper
STYLER, Mike	Director, Dept. of Natural Resources

MEMBERS EXCUSED

PAGE, Carol	Davis County Commissioner
RICHARDS, Flint	Utah Farm Bureau Federation

GOPB STAFF

BENNETT, John	Project Manager
BOHN, Laura	Project Manager
HANSEN, Mike	Manager, State and Local Planning
NEILSON, Nancy	Administrative Assistant

GUESTS

JARDINE, Janice	Salt Lake City Council Staff
PRICE, Ann	Forestry, Fire and State Lands (FF&SL)
RAMJOUE, George	Wasatch Front Regional Council (WFRC)
SLATER, Bruce	Utah Department of Environmental Quality (DEQ)

Agenda item #1 –Welcome and Introductions – Dan Lofgren

Dan Lofgren welcomed everyone and invited the guests to introduce themselves.

Agenda item #2 – Public Comments

N/A

Agenda item #3 – Approval of Minutes from December 6, 2005 Meeting

Action taken:

Dave Allen made the motion to approve the December 6, 2005 minutes; the motion was seconded and approved unanimously.

Agenda item #4 – Approval of Resolution honoring LeRay McAllister

“A RESOLUTION HONORING SENATOR LERAY MCALLISTER” is the title of the resolution to be signed by Dan Lofgren, Commission Chair and Carlton Christensen, Vice Chair. It is hoped that a personal privilege will be granted the Utah Quality Growth Commission to honor Mrs. LuJean McAllister and her family on the Senate Floor on Wednesday, February 2nd, 2006. A leather binder with pictures and information on all conserved lands will be presented to her with the resolution.

Mr. LeRay McAllister died last year in December and was a former Utah State Senator. Mayor Lewis Billings of Provo City attended the funeral. He recommended the President of the Senate be involved in the presentation as well as Lieutenant Governor Gary Herbert.

The next meeting for the Quality Growth Commission is scheduled for February 2nd and it is hoped that all Commission members could attend the meeting and the McAllister presentation afterwards. The meeting would have to be held offsite and the Commission members could ride Bus 23 to Capitol Hill for the presentation.

Action taken:

Mayor Lewis Billings made the motion to adopt the resolution with a change in the last paragraph. The word ‘promises’ would be changed to the word ‘aspires.’ Dave Allen seconded the motion and approval was unanimous.

Agenda item #5 – Report on meeting with Capital Facilities Appropriations Committee RE: McAllister Fund Base Budget. Dan Lofgren and John Bennett

Dan and John reported on two meetings with the Capital Facilities Appropriations Committee. The first meeting was an informal ten minute presentation. A couple of questions were curious in nature but otherwise it went well. The Nature Conservancy attended this meeting also.

In the subsequent meeting, “Senator (Peter) Knudson presented the request for \$5 million in one-time funding and \$1 million in ongoing funding for the LeRay McAllister Fund. Co-Chair Buxton and Pres. Hunsaker, Becker and S. Clark and Sen. Dmitrich spoke in favor of this funding.

“Rep. Harper expressed the concern of having too much public land which would decrease the tax income from private ownership.

“John Bennett, Project Manager, Quality Growth Commission, Governor’s office of Planning and Budget, responded to questions from subcommittee members. He stated that the LeRay McAllister Fund money was used to acquire conservation easements and the needed restoration of public property. He clarified that more money goes into restoration than acquisition on new property.

“MOTION: Rep. Hunsaker moved to recommend as a priority time to the Executive Appropriations Committee funding the LeRay McAllister Fund in the amount of \$5 million in one-time funding and \$1 million in ongoing funding. The motion passed with Reps. Barrus, Harper and Morley voting in opposition to the motion. Rep. Becker stated a potential conflict of interest.” (From minutes of the Joint Capital Facilities & Administrative Services Appropriations Subcommittee Monday, January 23, 2006, 2:00 p.m.)

The one million dollars in ongoing funds would replace the \$482,600.00 currently in place. The Executive Appropriations Committee is the next step for this proposal.

Agenda item #6 – Planning Grant Subcommittee Report: Review staff recommendation regarding nonperforming grants. Brian Carver and Laura Bohn

Six County Association of Governments sent a letter requesting a six month extension in regards to their Critical Lands Planning Grant because “of extenuating circumstances involving their Regional Planner and project manager.” The letter further stated “...the SCAOG Regional Planner...has experienced a medical circumstance with a family member that requires his absence from work.”

Also requesting an extension is the Farmington City. They need a three month extension to draft the final report even though the work has been completed.

Action taken:

The motion was made to approve the staff recommendation to grant the extensions. This includes the requirement that they include plan elements for each county. Jaren Davis made the motion and Mayor Darrell Smith seconded the motion. The motion carried unanimously.

When Chairman Dan Lofgren brought up the discussion Envision Utah is having about procuring funds for planning because of the surplus in State funds, John Bennett made the following cautionary statement:

“Last year when we were working with the Association of Counties to put planning grant money into the LeRay McAllister fund, the Legislative Council’s Office seemed to indicate that they didn’t think the Quality Growth Commission itself has the authority to do planning except in a limited way. And so you recall that that money wound up in GOPB as opposed to having the Quality Growth Commission handle the funds directly. We then had the Commission work to approve it. I only mention that as a caveat because it may be that that will have to be the route that we would have to follow. That the money would have to be

channeled to GOPB as opposed to being channeled through the Commission. And the Commission would then have to – probably, from our point of view...dole that out and evaluate applications; that sort of thing with the idea that Envision Utah would be part of that discussion and however that worked out. But ultimately, as a heads up, unless the Act is changed which is possible too, that would be the likely outcome of that request.”

Lunch: (Ordered through Apple Spice Junction – 359-8821)

Agenda item #7 – Presentation on Economic Report to the Governor: Robert Spendlove, Manager Demographic and Economic Analysis Section, Governor’s Office of Planning and Budget

“So right now were talking about economic indicators. What things are indicating how our economy is growing?

“Exports in Utah increased 28% in 2005. Again to an all time record of over six billion dollars. Utah is now the sixth fastest growing state in the nation in export growth. Utah’s largest exports for markets transports are essentially Western Europe, East Asia and Canada.

“We don’t measure; we don’t get data on it (imports). The census bureau gives us information, this is from the census bureau, on exports but we don’t get that kind of information on imports. This is only international exports. It includes all goods exports. The increase is related to the price of gold and oil and is a big part of it.

“Gold is by far Utah’s largest export. Gold is a huge export from Utah 2.1 billion dollars of this 6.1 billion. However ...not over 90% of the gold exported from Utah is not mined in Utah. So 2.1 billion dollars of gold is sent; we only mine about 200 million dollars of all precious metals.

“What Kennecott does, is they’ll mine it in Nevada, Idaho, and Wyoming (or) wherever; bring it into Utah, they refine it in Utah and then it is exported from Utah to the rest of the world. So it counts as a Utah export but we don’t get severance taxes from it; we don’t get a lot of royalties from it. There are some jobs tied to it from the refining process but not the mining jobs. That’s why we take, especially the gold exports with a little bit of grain of salt. However, the value of the product coming out of the Kennecott mines has skyrocketed in the last few years.

“Mineral exports in the State of Utah have gone up 450% in one year from about 97 million dollars to 537 million dollars. Mineral exports are now the 3rd largest export from the State of Utah. And because of these exports China has jumped from our 20th largest trade partner to our fifth largest trade partner. So that’s the real story in my opinion is seeing huge mineral exports.

“So quickly, where are those minerals coming from? There’s our precious metals, they are around 220 million dollars; coal, industrial minerals, base metals; gone from 690 million dollars to 2.1 billion dollars a dramatic increase. We’ve seen a 26% increase in copper prices a doubling of molybdenum prices.

“Molybdenum is a base metal that is mined primarily at the Kennecott Copper Mine. It occurs naturally with copper. So Kennecott is not only seeing this 26% increase in copper but a doubling of molybdenum. Molybdenum is used primarily as an industrial lubricant; like in oil refineries and things like that. But it’s also used as a steel hardener, especially with high temperature steel which is why we’re shipping so much of it to China.

“Molybdenum is now the most highly produced base metal in Utah. And the values of base metals (in order) are now molybdenum, then copper, then magnesium, then bur lie. So because of this enormous increase in price and in production it’s become a huge deal in the State.

“But another trend that we’re seeing is in coal prices. Since the 80’s we’ve seen coal prices dropping. But in just the last year or two we saw them flat lined in 2004 but we’ve actually seen them increase in 2005 even in coal prices. I’ve heard stories that there are a lot of coal mines preparing to come back on the line again. So we are pretty much seeing increases everywhere with our mineral production. And non-fuel mineral production has also gone up dramatically; 52% in one year; from roughly two billion to three billion dollars.

“Everything in this presentation is out of the (ERG) Economic Report to the Governor. For more information contact me or go into your book and there’s more information there too.

“Defense spending increased 5% in 2004. So not huge increases but that’s based on a dramatic increase in the early 2000’s. We saw defense increases of 25% from ’02 to ’03. And then as a share of the State’s total economy we’re seeing defense spending also. So essentially what that is, is the privatization of defense spending. So rather than having government employees do everything, they’ll give these huge contracts (prime contracts) to one company that then subcontracts out to all other companies to do the work of the defense department. These companies are primarily in Box Elder and Weber Counties.

“(The) BRAC (Base Realignment and Closure Commission) process turned out very positively for Utah. The Defense Department had recommended closing the Deseret Chemical Depot and realigning Fort Douglas and Hill Air Force Base for a total impact of around 500 jobs. BRAC came back and they not only recommended keeping Deseret Chemical Depot open but they reduced the impact on Hill Air Force Base. Hill has the potential of benefiting from the latest round of Base Realignment and Closure action.

“Skier visits. This is what I was talking about when I said ‘the Olympics effect.’ We’ve seen a 15% increase in one year. And skier visits are now up 30% since 2002. 30% is interesting because there has been no increase in ski able terrain in the State of Utah. So this represents real growth and this is visits... But what you see is – we saw kind of a lull year. I talk about that perfect storm. During an Olympic year people tend to stay away from the State. People say, “I don’t want to deal with the crowds....or not being able to find a room. So no one came to Utah in ’02. But then after they saw the success of the Olympics; after they saw the venues; after they saw how great it is, they said, “We want to go to Utah and see these ourselves.” So we’ve seen dramatic increase in skier visits.

“And pretty much all of our Tourism indicators are seeing pretty strong growth. The one that isn’t as strong is National Park visits... That even is kind of an international phenomenon. It’s becoming harder for non-Americans to travel in the U.S. since 9/11. And a lot of the visitors to Bryce and Zion’s; southern Utah National Parks are international. Germans just love Bryce Canyon they just can’t get enough of it. But now it’s becoming more difficult.

“We do have some challenges. One of them is our growth in our population. Population growth is good but at the same time it creates struggles and there are things we have to address as we develop policy.

“Our retirement age group population growth is relatively stable but beginning around 2010-2015 jumps to 4 to 5% annual growth; remains there for over ten years. (People 65 years and older) It is something we are going to have to deal with.

“School age population... We are forecasting a growth of 150,000 new students in the next ten years; then falling off after that.

“This year for the first year since ’82 we did not see the births this year surpass last year’s level. We may be seeing the peak right now of our most recent baby boom...

“Between 1990 and 2000 there was total enrollment growth of 30,000. The forecast for next year is 15,000.

“Washington County is no longer a (predominantly) senior (citizen) county. Its migration is entirely economic driven. I don’t see it being a retirement county of the future just because of the nature of the migration.

“Energy prices are something we are really watching. That’s probably one of our highest risks. The last risk we were talking about was internal, this is geo-political. This is something we can’t control. Oil prices are approaching \$70.00 a barrel again. The all time high was \$71.00 a barrel. We have the potential to pass that any day. We’re seeing dramatic increases; there is no sign that is going to stop.

“For more information see the 2006 Economic Report to the Governor. The Excerpts page gives a brief synopsis of the report. The Executive Summary pages are more extensive and then each chapter gives in depth information. You can also go to the website at www.governor.utah.gov/dea.”

Agenda item #8 – Discussion on legislation of interest to the Commission: John Bennett

John Bennett handed out copies of SB 67 and “A Summary of Changes Proposed in Senate Bill 170 2006 General Session of the Utah Legislature: Local Government Land Use and Impact Fee Revisions, Provided by Craig Call, Property Rights Ombudsman for the State of Utah. This document does not represent any official statement or position of the Department of Natural Resources of the State of Utah. Questions or comments are welcome at 801-859-2255 or via email at craigcall@utah.gov.”

SB 67 “Conservation Easement Restricted Accounts” sponsored by Beverly Ann Evans creates the Natural Resources Conservation Easement Account and the Agriculture Conservation Easement Account. “This bill: creates within the General Fund two restricted accounts consisting of grants and donations from foundations, the Quality Growth Commission, local governments, the state, the federal government, and landowners; and specifies that the funds are to be used to monitor and enforce compliance with conservation easements held by the Department of Natural Resource and the Department of Agriculture and Food respectively.”

(3) Upon appropriation by the Legislature, the Department of Agriculture and Food shall use monies from the account to monitor and enforce compliance with conservation easements held by the department.

(4) Notwithstanding Subsection (3), the department may expend donations as directed by the donor without appropriation by the Legislature.

SB 155 “Amendments to County and Municipal Land Use Provisions” by G. Bell, makes minor technical changes to last years land use law (SB 60).

SB 170 “Local Government Land Use and Impact Fee Revisions” by A. Mansell

This bill generated great discussion. This was drafted by attorneys representing the Utah Property Rights Coalition without input from local officials. Some comments were as follows:

“The State would further restrict local control.”

“It is a private property rights bill.”

“It changes land use authority.”

“Cities can’t regulate steep slopes.” (Mike Styler referred to the recent landslide that destroyed townhouses in Utah County. A cost the builder will have to eat.)

“It limits citizens in deciding how land is used.”

“It would, however, encourage equal treatment from town to town.”

“This would be very expensive for government.”

City and county representatives were very concerned about SB 170.

For more information see www.le.state.ut.us .

Agenda item #9 – Report on meeting with Commission on Aging staff re: Joint areas of emphasis

John Bennett met shortly with the State Commission on Aging for the purpose of opening discussions on issues that overlap; that are of mutual interest. For example, when trails are preserved and provided in an

area the area becomes 'transit friendly' which is a positive for the elderly. John encouraged some joint meetings in the future.

Agenda item #10 – Administrative Items.

The next meeting will be held on Wednesday, February 22, 2006 in conjunction with the possible Senate Floor 'personal privilege' presentation to Mrs. LuJean McAllister.

Action Items:

- **Carlton to reserve a room at the City and County Building for February 22, 2006.**
- **John Bennett:**
 - **Check on lunch accommodations/Nancy to follow through for 2/22**
 - **Change the word 'promises' in the Resolution Honoring LeRay McAllister to the word 'aspires.'**
 - **Follow through with discussion on bills of concern for Governor**
 - **Provide copies of SB 170 to commission members.**
 - **Contact Mrs. McAllister regarding February 22nd**
 - **Follow through with 'personal privilege' request for Senate Floor.**
 - **Provide list of Commission members over the years for McAllister binder**
 - **Assist with ongoing discussion of McAllister Fund appropriation.**
- **Laura Bohn:**
 - **Contact cities regarding extensions for planning grants.**
 - **Complete one-pages on each project for McAllister presentation**
- **Mayor Lewis Billings will contact Senate President, John L. Valentine in regards to the McAllister presentation on Wednesday, February 22, 2006 on the Senate Floor.**
- **Staff to assist with discussion of McAllister Fund appropriation.**
- **Nancy**
 - **Follow through with 'free' lunch credit from Apple Spice Junction for 1/25**
 - **Complete leather binder for Mrs. LuJean McAllister.**
 - **Email minutes to Gerlinde Ruth (to get minutes online).**
- **Commission members. All members are encouraged to read SB 170.**

Note: All handouts are filed with the Utah Quality Growth Commission minutes.

Adjourn:

1:50 p.m.