



## **STAFF REPORT**

To: Summit County Council  
From: Lisa Wilkinson, ARPA Coordinator  
Date of Meeting: November 22, 2021  
Type of Item: Presentation of the Proposed 2022 Budget for American Rescue Plan Act (ARPA) Funds  
Process: Work Session

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### **Requested Council Action**

Discussion of ARPA budget.

### **Background**

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law. The \$1.9 trillion economic recovery package, based on President Biden's American Rescue Plan, is intended to provide financial aid to families, governments, businesses, schools, non-profits, and others impacted by the COVID-19 public health crisis.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, ARPA established the Coronavirus State and Local Recovery Fund, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and recover from the economic impacts caused by the public health crisis.

This legislation provided \$1.3 billion in federal money to the State of Utah. Counties in Utah will get \$623 million, \$8,186,172 of which is expected to go directly to Summit County from the US Treasury. Metro cities will get \$290 million. Of that amount, about \$1.63 million will go directly to cities in Summit County. The first tranche of funding was delivered to cities and counties in May 2021. The balance is expected to hit the County's bank account in May 2022.

### **Eligible Expenditures**

The Coronavirus State and Local Fiscal Recovery Fund provides eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers from the public health crisis. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use the funding to meet the needs of their communities. Recipients may use these funds to:

- Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector
- Replace lost public sector revenues, using this funding to provide government services to the extent of the reduction in revenue experienced during the pandemic
- Provide premium pay for essential workers.
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet

**Ineligible Uses**

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund:

1. Offset tax cuts implemented during the public health crisis
2. Deposits into rainy day funds
3. Funding debt services and legal services

**Proposed ARPA Budget**

<b>Projects for COVID-19 Local Assistance Grants</b>	<b>Summit County ARPA Dollars (the "match")</b>	<b>Total Project Cost</b>	<b>Federal/State ARPA Dollars Requested</b>
Mtn Regional Water Projects	\$150,000		
Oakley Well	\$100,000		
Woodside Affordable Housing Project	\$50,000		
Bookmobile/Book Lockers	\$50,000	\$279,944	\$229,944
Joint County Fairgrounds and North Summit Recreation District Outdoor Sports Complex Project	\$0 Note: Council approved \$2m from Restaurant Tax Fund balance	\$3,200,000	\$100,000
Gillmor Parcel (underground infrastructure)	\$2,500,000	\$35,000,000	\$5,000,000
Habitat for Humanity Affordable Housing Project	\$100,000	\$3,862,941	\$200,000
Parkside Affordable Housing Project	\$150,000	\$6,057,000	\$1,250,00

Senior Vans	\$20,000	\$197,653	\$177,653
Weber River Watershed Project and Resilience Fund	\$1,500,000	\$84,000,000	\$1,000,000
Woodland Well	\$50,000	\$1,000,000	\$900,000
NTIA Grant	\$0		\$7,944,891
Transfer Station (solid waste)	\$2,500,000		
Set-aside for 2022 Utah matching grant program	\$500,000		
Admin costs to manage ARPA program	\$50,000		
Regional Planning	\$453,763		
	<b>\$8,173,763</b>		

### **COVID-19 Local Assistance Grants**

During the 2021 First Special Session, held on May 19, the state legislature passed HB 1004, *COVID-19 Grant Program Amendments* (M. Schultz, K. Cullimore). This bill appropriated \$50 million of the state’s American Rescue Plan Act (ARPA) money to the Governor’s Office of Planning and Budget (GOPB) to create a statewide grant program for local governments to complete local and regional ARPA eligible projects. The state hopes to leverage ARPA funds by using both state and local monies on projects which will have high return on investment for residents.

The County hopes to leverage ARPA funds by using state, county, and local monies on projects which will have high return on investment for residents and align with Council strategic effects. To that end, Summit County is encouraging cities and other local governments to partner with Summit County using a matching funds approach plan. In 2021, Summit County applied for eight COVID-19 Local Assistance Matching Grants and supported three COVID-19 Local Assistance Matching Grants submitted by other community partners.

An overview of the COVID-19 Local Assistance Matching Grants we submitted:

#### Habitat For Humanity

Affordable housing remains at a premium in Summit County and engagement among various partners at all levels – government, for-profit, and non-profit – is needed to effectively expand our affordable housing stock. The Silver Creek Village project is our local Habitat’s largest project to

date; and the successful completion will be a replicable model for affordable housing developments in both Wasatch and Summit Counties.

The project was launched in 2019 with a land donation of 26 lots in Summit County. They are currently under construction of Phase I: Two new affordable single-family homes; with Phase II: 10 new townhomes having passed the subdivision approval process and entered the planning and permitting process; and Phase III: 14 more townhomes in the planning stages.

The project cost is \$3,862,941. We have leveraged \$100,000 of Summit County ARPA dollars and have submitted a grant request from the state for \$200,000. The rest of the funds will come from donors and Habitat for Humanity.

#### Redevelopment of Parkside Apartments

The redevelopment of Parkside Apartments is a perfect candidate for the GOPB State Matching grant. This project will benefit those disproportionately affected by the COVID-19 pandemic and its negative impact on the economy.

Primarily to create new affordable housing opportunities, this project will also preserve and improve 42 units that have been critical for decades. The proposed redevelopment approach will allow Mountainlands Community Housing Trust to maintain Rental Assistance for tenants (a rent subsidy funded by USDA's Rural Development office). The Rental Assistance stays with the property even when units turn over, but Rural Development is not providing Rental Assistance to any new projects, so we need to maintain the project in order to keep this benefit.

This project provides affordable, long-term housing opportunities for individuals who might otherwise experience homelessness. Currently, they have seven long-term tenants on fixed or limited incomes whose ability to work has been significantly impacted by disability or injury all of whom pay 30% of their income for rent (less than \$200/month, some as low as \$50/month). There are no other long-term housing options (aside from living with family) for individuals at these income levels in Summit County.

As the units age, it gets harder to cover debt and make the project cash flow, so rather than continue to find money to underinvest in aging units, the plan is to create new housing and improve on what we already have. The lack of opportunities for new land development within Park City necessitates redeveloping and improving existing projects.

The total project cost is \$6,057,000. We will leverage \$150,000 Summit County ARPA dollars and we asked for \$1,250,000 from the state. Additional monies will come from land contribution from Mountainlands Community Housing Trust, community donations and restructuring of existing loans.

#### Summit County Economic Opportunities and Recovery Campus

The focus areas of this project are creating economic opportunities through outdoor recreation and tourism, and removing barriers, such as housing, transportation, and childcare that caused workers to leave the labor force during the COVID-19 pandemic. Specifically, this project, located on the 125 developable acres of the Gillmor parcel in the US-40 corridor, provides new trails, recreational amenities, and connections that will generate new economic activity, as well as provides affordable housing, transit, and childcare to engage workers.

Nationally, more than 5 million Americans left the workforce during the COVID-19 pandemic, the majority of whom were women driven out of their jobs because of the lack of affordable childcare. The economic impact of mothers leaving the labor force and reducing work hours in order to assume caretaking responsibilities amounts to \$64.5 billion per year in lost wages and economic activity.

In response, Summit County's Economic Opportunities and Recovery Campus will construct a new childcare center that will be leased, free of charge, to a childcare provider, such as the local nonprofit, PC Tots, to provide subsidized, affordable childcare to Summit County government and special service district employees, and the community at large. The Park City Community Foundation, another local nonprofit partner in this project, has committed to fundraising to augment the salaries paid to high quality childcare instructors to improve recruitment and retention of providers for this new center.

This project also includes an affordable housing component as well as a transit operations facility for High Valley Transit Special Service District, the County's newly formed rural, regional transit system to expand and improve operations, continuing to provide free transit service to the Wasatch Back workforce. This transit system and the County's transportation system also support the \$4.96 billion generated in gross regional product annually in the Wasatch Back by facilitating the movement of commerce, tourists and Utahns between the area's resorts, trails, local restaurants, and special events.

This project is estimated to cost \$35,000,000. We have asked the state for \$5,000,000. We would like to allocate \$2,500,000 of ARPA dollars and the

additional funds will come from a land purchase through Summit County, monies from Mountain Regional Water Facility and High Valley Transit and a bond to improve County facilities.

#### Weber River Watershed Restoration & Resilience Fund Project

Outdoor recreation contributes more than \$6.4 billion to the Utah economy, employs more than 83,000 people, and is the primary driver behind the tourism industry, according to the Utah Office of Outdoor Recreation. Further, Utah outdoor recreation generates on average \$737 million in state and local tax revenues and \$3.2 billion in wages and salaries.

During the COVID-19 pandemic, the travel, tourism, and outdoor recreation sectors were hard hit by shutdowns and travel restrictions, resulting in significant revenue losses and mass layoffs/furloughs in these sectors nationwide. Between the second quarter of 2019 and the second quarter of 2020, Utah specifically experienced close to a 15% decline in tourism, travel, and outdoor recreation average earnings.

In Summit County, unemployment hit 16.2% in May 2020, up from 2.1% in May 2019 with the biggest losses experienced in the accommodation, food service, arts, entertainment, and recreation sectors at a combined 3,493 jobs lost.

The Weber River Watershed Restoration and Resilience Fund Project benefits these disproportionately affected industries and counteracts the accompanying negative economic impacts from the COVID-19 pandemic by preserving critical forest and trail infrastructure in the Weber River watershed from catastrophic wildfire, on which the tourism and outdoor recreation industries depend.

Additionally, this project has the potential to bolster emerging markets in the timber and wood product industries as large-scale fuel reduction treatments are implemented in the Weber River Watershed to help diversify the Summit County economy after the COVID-19 pandemic. Supporting alternative industries is becoming more important to Summit County as climate change threatens the sustainability of the current local tourism and outdoor recreation economy.

This project is estimated to cost around \$84,000,000. We have requested \$1,000,000 from the state and would like to allocate \$1,500,000 of ARPA dollars. We will look for additional finds from Weber Basin Water Conservatory, Utah Division of Forestry, Fire, and State Lands, United States Forest Service (USFS) Heber-Kamas Ranger District, local landowners,

grants, Mountain Regional Water Special Service District and downstream communities/entities.

In addition to the capital fund that covers the costs of initial fuel treatments on 74,000 acres of the Weber River Watershed, the County will also establish a \$10 million fund that will cover reentry treatments and maintenance of the watershed long-term. The interest generated from this \$10 million will sustain the program. Summit County will contribute monies to this fund, which will leverage other investment from other entities in Utah, such as the Weber Basin Water Conservancy District, and private, high net-worth individuals. We are also exploring the possibility of green bonds, which would leverage foreign investment in the fund as well. Similar projects in other national forests and water systems across the country that have implemented innovative financing structures have leveraged investment upwards of \$81 million over the municipality's initial \$2 million contribution in the form of other municipal contributions, corporate philanthropy, and federal and state grants.

### Senior Vans

During the COVID-19 pandemic, the Center for Disease Control (CDC) has deemed older adults among the people who are at higher risk for severe illness. As a country, our daily lives have changed to follow CDC, state and federal mandates. Furthermore, due to being a vulnerable demographic, seniors are becoming increasingly fearful of leaving their homes and will need more support during this time. We are looking to replace 2 vans currently being used for the County's seniors program (one needs to be ADA compliant) and a food truck to help with transportation to medical appointments, seniors activities, and for meals.

Seniors who get out and socialize are more likely to eat more regularly and consume higher-quality meals. People who live alone often do not maintain healthy diets. Further, many seniors who live alone do not feel it is worthwhile to cook for one, so they sometimes skip meals altogether. Healthy relationships are necessary at every age, but the importance of socialization for seniors cannot be overemphasized. Older adults with a fulfilling social life tend to avoid many of the physical, cognitive, and emotional difficulties that seniors who are isolated encounter. Older adults who are socially active handle stress better. This leads to important increases in cardiovascular health and an improved immune system. High levels of socialization in senior populations help increase longevity. Older adults with diverse social supports are more likely to exercise regularly, which leads to a host of physical, mental, and cognitive benefits. Consistent socialization reduces the likelihood that seniors will experience the depression caused by isolation and loneliness. Similarly, senior socialization

reduces levels of anxiety as well. Socialization helps seniors maintain their self-esteem and sense of worth.

The three vehicles will cost \$197,653. We have leveraged \$20,000 of ARPA funds and we have asked the state for \$177,653.

#### Woodland Well

The community of Woodland needs a new well for culinary water. Design of system improvements was completed in 2019 and much of the work is currently under construction (as of summer 2021). The purpose of this project is to rectify several system deficiencies including insufficient fire flow, system storage capacity, and low distribution system pressure. Additionally, plans were prepared to revitalize the existing spring for increased volume and to correct issues identified during routine sanitary surveys. In the years since design, the spring has proved increasingly unreliable. The spring continues to flow for fewer weeks every year and at lower flows. This trend is attributed to changing irrigation practices within the valley. To ensure a reliable source of water, the Woodland Mutual Water Company (WMWC) has become increasingly interested in drilling a well.

Woodland Mutual Water Company serves water to a wide range of customers from elderly and widowed to single mothers. We know that this sector of citizens has been disproportionately impacted by the COVID-19 pandemic emotionally, economically, and socially. With assistance from the ARPA funds, the water company will be able to continue to provide clean, safe, and reliable culinary water to their customers, while at the same time tempering the financial burden that is already quite heavy for many of them.

The well should cost \$1,000,000. We have leveraged \$50,000 ARPA funds and Woodland will contribute \$50,000. We have asked the state for \$900,000.

#### North Summit Outdoor Sports Complex

Summit County is partnering with North Summit Recreation Special Service District, North Summit School District, and Coalville City on a joint outdoor recreation project that would result in a sports complex in Coalville City that includes two softball fields, two multi-purpose fields, basketball court, and pickleball court. These new facilities would allow North Summit to serve as an overflow site for sports tournaments hosted in the Snyderville Basin or Park City area, or Morgan County when those areas need additional fields. These facilities would also allow North Summit to be the primary host of tournaments as well as special events, such as summer concert series, summer Sundance movies, and others, which will generate new sales tax revenues and economic opportunities in a rural area of Summit County. This

project also advances the Summit County Fairgrounds Master Plan, which was adopted to prepare for future growth and expansion of the County Fair as well as to address transportation conflicts and other challenges experienced on the current site.

Rural communities are among the nation's most vulnerable populations and have proven to be less resilient to the effects of the COVID-19 pandemic. Proceedings of the National Academy of Sciences (PNAS) journal published a survey designed to assess the impacts of the pandemic on health-related and economic dimensions of rural well-being in the North American West. Notably, the survey found that the effects of the COVID-19 pandemic on rural populations have been severe, with significant negative impacts on unemployment, overall life satisfaction, mental health, and economic outlook. Additionally, studies have shown that food service, hotels/lodging, and retail were some of the hardest hit industries during the COVID-19 pandemic. Based on advice from the CDC, people avoided large gatherings and many stayed home in quarantine. Millions of Americans were not eating out, or staying in hotels, or shopping in stores, opting to go online instead. As a result, all these establishments saw major declines in revenues and were forced to lay off workers. The North Summit Outdoor Sports Complex proposed in this project stands to benefit a disproportionately impacted rural population and these hard-hit industries as well as serve as a hub for community health and wellness.

The total project is \$3,200,000. We have asked the state for \$100,000. Additional funds will come from Summit County Restaurant Tax Fund balance, RAP Tax Recreation Bond, North Summit Recreation Special Service District, North Summit School District, and Coalville City.

#### Bookmobile and Book Lockers

The pandemic changed the way libraries provide services beyond their brick-and-mortar spaces. We would like to replace our current aging book mobile and invest in new book lockers. Bookmobiles are, and continue to be an integral, vital part of libraries around the country. Bookmobiles are a central part of library service with the goal to highlight their value and extend their reach. We currently visit rural schools, senior centers and the home bound, all groups that have been hit hard by COVID. During times of crisis, libraries take pride in staying open as vital community centers. COVID-19 made gathering together indoors unsafe, however, and in March 2020, out of concern for the safety and well-being of library staff and the communities they serve, many libraries closed their doors to the public. For libraries, however, closing didn't mean shutting down; rather it required finding new ways to serve and continue supporting their communities—often at a distance in creative ways. We would like to continue serving the community

in a safe way. Book lockers can be access 24/7 with no contact. This will allow residents to pick up their holds whenever it is convenient for them and can offer a safe option to pick up. During the first wave of COVID-19, many library users were not able to borrow books needed for work or school. We are better prepared for the second wave of the virus and a book locker is a great help where readers can get their material without human contact.

Bookmobiles and mobile outreach services provide a place for rural or remote communities to gather. People enjoy coming together to commune. By acting as a place for human connection, bookmobiles can offer a community a way to connect with each other, share stories, and be a social gathering place. Mobile libraries bring resources outside of the library's fixed location to users who otherwise may not get a chance to benefit from them. It also effectively extends the reach of the library's safe learning and social development areas.

The cost of the book mobile and book lockers is around \$279,744. We have allocated \$50,000 ARPA dollars and we have asked the state for \$229,744.

In addition to these eight projects for which we applied directly to the state for funding, we also supported as a partner three grant projects within our community:

- We allocated \$150,000 to Mountain Regional Water to help fund their innovate water projects that include floating solar array on water treatment plant pond, solar panels on Silver Creek tank & turbine and critical water line replacements.
- We allocated \$100,000 to Oakley City for their culinary well project.
- We allocated \$50,000 towards the Woodside affordable housing project in partnership with Park City Municipal Corporation and Mountainlands Community Housing Trust.

## **Additional Projects**

### Recycling Transfer Station

In order to extend the life of the County's landfill and advance the County's greenhouse gas emissions reduction goals, staff recommends constructing a recycling solid waste transfer station to divert recyclables from the landfill and reduce the number of truckloads transporting recyclable materials between Summit County and Salt Lake County. A transfer station is one of the recommendations outlined in Summit County's solid waste master plan. The County recently renewed a contract with Republic Services, the County's solid waste collections hauler due to their commitment to provide \$1 million

toward constructing a transfer station. More details on this item will be provided by Tim Loveday, the County's Landfill Superintendent during this budget presentation. We suggest allocating \$2.5 million in ARPA funds to this project.

#### NTIA Broadband Grant

Summit County recently partnered with All West Communications on a federal NTIA broadband grant to bring Broadband service to Tollgate Canyon. All West provided the matching funds. We asked for \$7,944,891 in federal funds. ARPA money is not eligible to be used for the match requirement on federal grants.

#### Regional Planning and Community Visioning

We suggest allocating or setting aside \$453,763 of remaining ARPA dollars to be used in 2022 or in future years for regional planning and community visioning efforts. This past year, especially, the Council has spoken extensively about the need to work more collaborative with the cities in Summit County and with our county neighbors, such as Wasatch County and Salt Lake County on issues involving land use, development, transportation, and water and air quality. Additionally, we have not done a community survey or visioning process in many years. It is time to engage our residents and hear more directly from them where to prioritize their taxpayer dollars and the County's service provision. These monies will help us advance these efforts.

#### Set-aside for Other State Grants

We anticipate there will be additional opportunities through the state matching grant programs to leverage more ARPA dollars into Summit County for various needs, infrastructure, and services. We would like to set aside \$500,000 of our ARPA allocation for these opportunities to give us flexibility to fund projects in the future or address issues/needs not known at this time.

#### **Timeline**

Summit County has until December 31, 2024, to allocate the ARPA dollars provided by the state. All projects must be finished by December 31, 2026.

#### **Reporting Requirements**

The ARPA funds the county is allocated are subject to the single audit and internal controls state statutes, meaning most likely counties use of the grants will be audited by the state. As such, it becomes extremely important that we track and document all expenditures, ensuring no duplication is occurring and every dollar is spent on eligible items and activities.

If the federal audit findings determine that any funds were expended in violation of ARPA requirements, the county will be required to repay those funds to the state. If the state is forced to repay the funds because a recipient is unwilling or unable to repay the funds, the amount paid by the state will become a past due obligation of the county or city to the state and may be collected as such.

The County is required to retain documentation related to any uses of the funds, including but not limited to invoices, sales receipts, and payroll expenditures. Any subgrants made by the County shall similarly require, as a term of the grant, that the subgrantee retain documentation and shall produce such documentation to the County and the state upon request. We are also required to report expenditures quarterly to the federal government.

### **Conclusion**

Summit County will receive \$8.1 million in federal ARPA funding to be spent on eligible costs to address the negative economic and health impacts caused by the COVID-19 public health emergency. Staff has worked diligently to develop eligible projects for this funding that advance the Council's strategic priorities, as well as reserve dollars to address future needs, allowing the County to remain nimble and adaptable to future opportunities that leverage additional monies for Summit County.