



# Bonneville Research

February 22, 2021

## **Introduction:**

This analysis is intended to provide Millcreek, a Utah Municipality, and the Millcreek City Council with the information required by the Utah Code Section 10-8-2. Appropriations -- Acquisition and disposal of property -- Corporate purpose -- Procedure.

## **Reason for the Study:**

Utah Code § 10-8-2 and case law require a more rigorous review and approval process before the City can provide grants to nonprofit organizations. The process requires that the City complete a Study before the grants are awarded.

## **Critical Elements of the Study:**

In making the Study, the following factors shall be considered:

1. Completion of a study that addresses the following:
  - a. The benefit the City will receive—tangible or intangible—in return for appropriated funds.
  - b. An analysis of how the appropriation will be used to enhance the safety, health, prosperity, moral well-being, peace, order, comfort, or the convenience of Millcreek residents.
  - c. Whether the appropriation is necessary and appropriate to accomplish any of the goals and objectives of the City, such as:
    - i. Removing blight or underdeveloped properties;
    - ii. Increasing the City's tax base;
    - iii. Creating jobs;
    - iv. Retaining jobs, and
    - v. Any other identified public purpose that the appropriation might serve.
  - d. Completion of a financial analysis showing projected financial returns to the City, if any, and the period over which the City will recoup the amount of the appropriation.
2. A finding by the Council that the development will promote the safety, health, prosperity, moral well-being, peace, order, comfort, or the convenience of the Millcreek residents shall be adopted by Resolution citing the Study as evidence to support that finding.
3. The final appropriation shall be completed in accordance with the processes outlined in Utah Code Ann. § 10-8-2:

- a. If the appropriation is made as an amendment to the current year fiscal budget, then the appropriation shall be approved pursuant to the process outlined in Utah Code Ann. § 10-8-2(3)(d).
- b. If the appropriation is made as part of a future fiscal year budget, then the appropriation shall be approved during the regular annual budget process.

**Millcreek Agreement** – Millcreek City proposes to make the following monetary appropriation for the Fiscal Year 2020/2021:

- Pacific Island Knowledge 2 Action Resources, (PIK2AR) of Taylorsville, UT, EIN: 47-4185069

**ANALYSIS:**

- Millcreek City received a grant from the Utah Division of Multicultural Affairs. The official name of the grant is COVID-19 Racial Equity & Inclusion Grant. Millcreek using CurlyMe! a local nonprofit, as Millcreek’s Nonprofit Agent and represented as having a current IRS 501c3 letter.
- CurlyMe! received the \$49,999 and will use \$8,999 for health-related expenses relative to COVID-19, and Millcreek will receive \$41,000, the balance of the grant money.
- Millcreek City plans to use up to \$41,000 of the grant money to help PIK2AR with their rental assistance program (helping folks who need rent assistance related to COVID-19 income deficiencies.)
- PIK2AR will use this money to provide rental assistance to those affected by COVID-19. PIK2AR will distribute the assistance, and Millcreek will reimburse them, up to but not exceed \$41,000 without additional monies being made available and approved by Millcreek City.
- Millcreek City does not have a housing assistance program, and these expenditures will help Millcreek with their goal of improving the Health, Safety, and Economic Wellbeing of Millcreek Residents and Millcreek City has represented that they will keep detailed records of where these funds are utilized.

A summary of anticipated income and expenses is shown on the following page:

<b>INCOME</b>	
Grant: Utah Division of Multicultural Affairs using the agency of CurlyMe!	\$ 49,999
Less to CurlyMe!	\$ 8,999
<b>Net to Millcreek City</b>	<b>\$ 41,000</b>
<b>EXPENDITURES</b>	\$ 41,000
PIK2AR Rental Assistance & Administration	\$ 41,000

Source: Millcreek City, Office of Legislative Services (Revised 2.22.21)

Millcreek City is seeking to use these appropriations to accomplish the following Millcreek City Objectives:

- ii. Increasing the City's tax base by helping residents obtain better employment.
- iii. Creating jobs - the Internet Essentials program will help residents find or improve their employment.
- iv. Retaining jobs, and The Internet Essentials program to help employees find training to improve their employment.
- v. Rental assistance program will help stabilize residents and help them feel more secure and hopeful, even if it is for a short while.
- vi. Any other identified public purpose that the appropriation might serve.

Source: Millcreek City, Office of Legislative Services

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Chapter 2.22.040 of the "Millcreek Municipal Code" - Acquisition Of Services And Supplies, In The Amount Of \$10,000 Or Less

- A. Except as provided herein, whenever the total price of a contract for services or supplies is estimated to be \$10,000 or less, the following procedures shall apply:
  - 1. Where the amount to be paid by the City is \$10,000 or less, a purchase order, service request, check request, or check may be approved by the Mayor or his Designee.
  - 2. Where the amount to be paid by the City is greater than \$10,000, but \$20,000 or less, three independent price quotes shall be obtained prior to such acquisition and a purchase order, service request, check request, or check must be approved by the Mayor or his Designee.

Chapter 2.22.050 of the "Millcreek Municipal Code" - Acquisition, Services, And Supplies, In An Amount of Greater Than \$20,000 provides that Except as provided herein, whenever the total price of a contract for services or supplies is estimated to be greater than \$20,000, an invitation for bids or a request for proposals shall be issued prior to acquisition and the following procedures shall apply:

- J. Notwithstanding the above, if the Mayor or his Designee determines in writing, a copy of which shall be given to the Council at the next regular Council meeting, that the method described above is either not practical or not advantageous to the City, a contract may be entered into as provided in Utah Code Ann. § 63G-6a-101 et seq.

## **CONCLUSION AND REQUIRED FINDING:**

The municipality of Millcreek's purpose for the above-listed appropriation will be to seek presentations by or responses from citizens or other interested persons or groups regarding the proposed expenditures. It will thereby support Millcreek City's efforts to enhance the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality. The appropriations are necessary and appropriate to accomplish the reasonable goals and objectives of Millcreek, a Utah Municipal Corporation, in the areas of economic development, job creation, affordable housing, blight elimination, job preservation, the preservation of historic structures and property, and any other public purpose.

## **NOTES:**

*Every reasonable effort has been made to assure that the data contained in this Study reflect accurate and timely information, therefore the following must be noted.*

- Pacific Island Knowledge 2 Action Resources or Pik2AR filed and received a Utah State Business Registration on 11/19/20.
- CurlyMe! is currently registered to do business in the State of Utah as an Active Domestic-Non-Profit and has evidence of an IRS Letter recognizing it as a Tax Deductible 501(c) (3) entity dated on March 01, 2018.
- Pacific Island Knowledge 2 Action Resources or Pik2AR and CurlyMe! do not appear to have a State of Utah Solicitation Permit as required to seek charitable contributions. However, these expenditures are an appropriation of monies for any purpose that, in the judgment of the municipal legislative body, provides for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality.

## **GENERAL LIMITING CONDITIONS**

*Every reasonable effort has been made to assure that the data contained in this Study reflect accurate and timely information, and it is believed to be reliable.*

- *The Study is based on estimates, assumptions, and other information developed by Bonneville Research from its independent research effort, general knowledge of the region, primary data sources including Millcreek, the Utah State Division of Corporations, and consultations with the Client's representatives.*
- *No responsibility is assumed for inaccuracies in reporting by the Client, its agents, or any other data sources used in preparing or presenting this Study. This report is based on information collected during November and December of 2020 and February of 2021. Bonneville Research has not undertaken any update of its research since these dates. Bonneville Research makes no warranty that any of the projected values or results contained in this Study will actually be achieved. This report is not to be used in conjunction with any public or private offering of securities or other similar purposes. This Study is qualified in its entirety by and should be considered considering these limitations, conditions, and considerations.*

## **Robert Springmeyer**

Robert Springmeyer, the Chairman of Bonneville Research, performed this 10-8-2 Appropriations Study.

Mr. Springmeyer is actively involved in redevelopment and other economic impact projects. He has provided independent economic and redevelopment analysis for numerous urban renewal agencies within the State and completed "Fair Value Analyses" for Holladay and South Salt Lake Cities. Mr. Springmeyer is the Chairman of Bonneville Research. He has directed the Economic Analysis/Tax Studies completed for the Downtown Alliance, the Utah State Tax Review Commission, Salt Lake County, Brigham City, Salt Lake, Sandy, Bountiful, and South Jordan Cities, including the Urban Renewal Agencies of Salt Lake, Taylorsville, Holladay, South Salt Lake, Draper, West Jordan, Ogden, South Jordan, Sandy, and Murray. He is educated in Political Science, Economics, and Business Management, and has consulted with local governments for over 40 years. He has been listed in Who's Who in Finance and Who's Who in the West.