



FIVE COUNTY NEWS FROM 'R' VIEW

VOLUME XIII NUMBER 3

THE OFFICIAL NEWSLETTER OF THE FIVE COUNTY ASSOCIATION OF GOVERNMENTS
SERVING BEAVER, GARFIELD, IRON, KANE AND WASHINGTON COUNTIES IN SOUTHWESTERN UTAH

MAY- JUNE 2018

Executive Director's Dialog



Bryan D. Thriot,
Executive Director

It was announced on June 21, 2018 by the United States Department of Commerce that a large investment will be made to equip a new biotech and makerspace facility in St. George, Utah. The U.S. Department of Commerce's Economic Development Administration (EDA) is awarding an \$875,048 grant to Dixie State University (DSU), of St. George, Utah, to purchase

equipment and support networking activities for the launch of DSU's Innovation Plaza. According to grantee estimates, the project is expected to create 260 jobs.

According to the EDA Deputy Assistant Secretary for Regional Affairs Dennis Alvord, "Dixie State University has worked to pursue a strategy designed to create new economic opportunity through innovation." He also said that "This project will help allow for the expansion of locally-based enterprises by providing them with the tools they need to grow and thrive."

Innovation Plaza is re-purposing the former East Elementary School building on south 700 East in St. George and will boast a 10,000 square-foot laboratory for biotechnology, medical, and environmental training research. It will also house a 6,000 square-foot entrepreneurial makerspace to create a hub for skills-training, with a focus on expanding biotechnology innovation in the region. This project was made possible by the regional planning efforts led by the Five County Association of Governments. EDA funds the Five County Association of Governments to bring together the public and private sectors to create an economic development roadmap to strengthen the regional economy, support private capital investment, and create jobs.

Jyl Hall, director of public relations at DSU, said "Innovation Plaza is another piece of the puzzle in the University's overall plan for growth." She also stated, "It's part of the strategic plan to grow how many students we can accommodate, but we are

being very careful and methodical about that growth and we want to make sure it is quality growth." "Programs like this new technology center ensure that is happening. By having quality programs in place, DSU is helping prepare students for quality careers after they graduate," she said.

Dixie State University is a strong economic partner in the southwest region, and has a strong partnership with the Five County Association of Governments. Many local, state, and federal contributors have made this investment grant application and award successful, and we are happy to see their hard work accomplished with this competitive federal investment from EDA. The Innovation Plaza will be another positive step, and powerful addition to diversifying jobs in the local Utah economy. This grant will enable entrepreneurship, innovation, and bio-technologies to continue to expand in the region and be a benefit to future job growth.



Former East Elementary School building will be transformed by Dixie State University into Innovation Plaza.

This project fits perfectly with our regional Comprehensive Economic Development Strategy, or CEDS. As a result, we envision innovative products originating at Dixie State from students, and community members and future companies finding their way to areas like Tech Ridge in St. George.

Please contact Five County AOG to find out how to partner with EDA on future project investments.

MEETING SCHEDULE:
The next meeting of the Steering Committee, which is the governing board of the Association, will be held at 1:30 p.m. on Wednesday, August 8, 2018, inside the Garfield County Courthouse, 55 South Main Street, Panguitch, Utah.

Opportunity Zones Designated in the Five County Region

The U.S. Department of the Treasury has just endorsed Governor Gary Herbert's nominations for the Qualified Opportunity Zone Census Tracts. All six of the Five County AOG's recommendations were included in the Governor's nominations. These tracts consist of one zone in Beaver County, one in Garfield County, two in Iron County, and two in Washington County.

Opportunity Zones are designed to channel capital toward increasing economic growth in poverty-stricken, underdeveloped areas. The proposal is simple: Government will give taxpayers who invest in designated areas favorable capital gains treatment, incentivizing development and investment in areas that desperately need it. The capital gains are both short and long term — offering immediate tax breaks on untaxed capital gains and the opportunity to sell investments free from capital gains tax after a decade. The Opportunity Zone program originates from the federal Tax Cuts and Jobs Act, Congress' \$1.5 trillion tax cut passed last year. The Opportunity Zones policy, however, went largely unnoticed, as there was much partisanship regarding the tax cut which diverted attention from more arcane elements of the bill. While they received little recognition, unlike the massive press coverage other provisions of the Tax Cut bill received, Opportunity Zones have the potential to be a commonsense solution to stimulate economic growth and spur development.

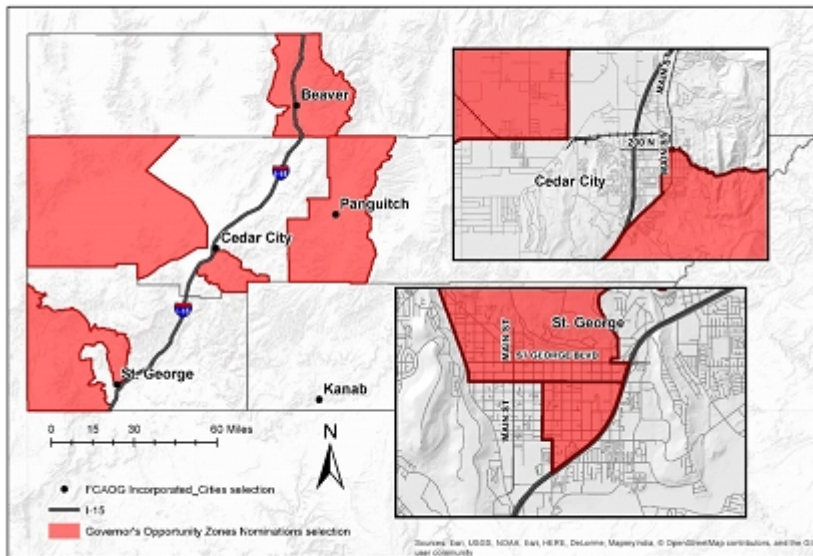
The Beaver County Opportunity Zone serves as an area of economic interest because Beaver City is the County seat, as well as the largest city in the county. Interstate 15 runs through this zone, which can spur an array of business development and provide an opportunity for economic diversification.

The Garfield County Opportunity Zone includes Downtown Panguitch and the town of Hatch, which can serve as gateway communities for Bryce Canyon National Park, and the Escalante National Monument. The "Mighty Five" tourist route passes through western Garfield County drawing many visitors and potential economic development.

The Iron County Opportunity Zones includes areas of economic interest such as Port-15, one of rich iron deposits, 11 operating utility-scale power plants, a plastics manufacturing cluster, and Downtown Cedar City.

The Washington County Opportunity Zones includes locations such as Downtown St. George, the City View development project, Dixie State University and the Dixie State Innovation Plaza, the Shivwits Indian Reservation, and the Goldstrike mining district in western Washington County.

Five County Qualified Opportunity Zone Nominations from the Governor



Tracts in Kane County did not meet the criteria to be recommended for Opportunity Zones.

The Opportunity Zones program is young and there is still much to be learned. Five County AOG Executive director Bryan Thiriot has been asked to serve on a state-wide Opportunity Zones committee. If you have any questions regarding this program please contact Nate Wiberg at nwiberg@fivecounty.utah.gov

The following is a short question and answer primer on this new and evolving program:

Q. What is an Opportunity Zone?

A. An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation authority to the Internal Revenue Service.

Q. What is the purpose of Opportunity Zones?

A. Opportunity Zones are an economic development tool that is designed to spur economic development and job creation in distressed communities.

Q. How do Opportunity Zones spur economic development?

A. Opportunity Zones are designed to spur economic development by providing tax benefits to investors. First, investors can defer tax on any prior gains until the earlier of the date on which an investment is sold or exchanged, or December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund. Second, if the investor holds the investment

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**WHAT IS INSIDE THIS LATEST
EDITION OF THE
FIVE COUNTY AOG'S
NEWS FROM 'R' VIEW
NEWSLETTER?**

- ★ Executive Director's Dialog: Dixie State University's new Innovation Plaza receives significant federal grant funding.
- ★ Opportunity Zones have been designated in the Five County region.
- ★ Five County Economic Diversification Summit (EDS) Held - Projects, Objectives, Actions, and Solutions Identified.

Please submit articles, or suggestions for them, to our Newsletter editor via e-mail to (newsletter@fivecounty.utah.gov) or in writing to: FCAOG Newsletter Editor P.O. Box 1550; St. George, Utah 84771-1550.

For information on AOG services, please call (435) 673-3548, or visit our website at: <http://www.fivecounty.utah.gov>

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