

A RESOLUTION BY THE TOWN COUNCIL OF BLUFF, UTAH TO WITHDRAW ITS CURRENT BID TO THE SAN JUAN SCHOOL DISTRICT FOR THE FORMER BLUFF ELEMENTARY SCHOOL AND TO SUBMIT A SECOND BID WITH CONTINGENCIES ON FUNDING

WHEREAS, the Town of Bluff (Town) and the San Juan School District (School District) have engaged in conversations and negotiations about the Town securing the former Bluff Elementary School (School);

WHEREAS, these conversations and negotiations have been ongoing since at least early 2019;

WHEREAS, at the start of the process, the Town had made a request that the School be given or sold to the Town as the School would serve a public purpose to the Bluff community;

WHEREAS, the School District subsequently determined that it needed to sell the School and not give it away for a nominal amount, at which time the Town then suggested a price of \$250,000 which represented a ballpark figure of slightly more than \$60,000 per acre;

WHEREAS, the Town's offer of \$250,000 to the School District for the School was not a contingency offer; the town was working with the Permanent Community Impact Board (CIB) and Zions Bank to secure the funding;

WHEREAS, during the past months while working with the CIB staff and at their recommendation, the Town increased its request for a grant from \$500,000 to \$1,592,422 as the CIB requires a project to be completed in its entirety upon conclusion of the project;

WHEREAS, in early 2020, the COVID-19 virus took hold in the United States and in Bluff's community; this virus has resulted in a crashed economy, substantial unemployment, and devastation to health and welfare of US citizens;

WHEREAS, the oil and gas market was already in a down-turned economic cycle and with the impact of COVID-19 and the crashed economy, the CIB funding will be impacted and it is anticipated that the requested \$1,592,422 will be offered as a loan/grant package;

WHEREAS, because Bluff recently incorporated in August 2018, it is unlikely that Town could meet the funding obligations that would support a loan of even 50% of the almost six million dollar figure;

WHEREAS, the Town is a tourism-driven town that relies on revenue from sales tax, transient tourist tax, municipal energy tax, and resort tax; the Town will apply for its property tax for the first time in June 2020;

WHEREAS, the Town and the Community would greatly benefit from buying the School but it is not economically feasible in this current economic climate nor is it fiscally responsible to encumber the Town with debt that could be as high as \$1,592,422 in a probably combination of a loan and a grant from the CIB;

WHEREAS, the Town voted on June 16, 2020 to withdraw its application to the CIB and to focus on finding alternative funding for a more manageable sum;

WHEREAS, the Town has been notified that the bids will be reviewed by the School District on June 23, 2020 and, to avoid undue prejudice to the School District, time is of the essence;

WHEREAS, in the best interests of the Town, the Town must withdrawn its bid for CIB funding for this project and should notify the San Juan School District of the same; and

WHEREAS, the Town will withdraw its original bid of \$250,000 and make an alternative offer for the same amount but with a contingency for securing funding within 120 days.

THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF BLUFF, UTAH:

SECTION 1. Withdrawal of Bid for the Former Bluff Elementary School and Submit a Bid for \$250,000 With a Contingency Funding Provision. The Town hereby withdraws its initial request to purchase the former Bluff Elementary School and replace it with a bid for \$250,000 that contains a contingency for securing funding within 120 days.

SECTION 2. Effective Date. This Resolution shall become effective upon passage.

APPROVED BY THE TOWN COUNCIL OF THE TOWN OF BLUFF, UTAH, ON THIS 16th DAY OF JUNE, 2020 BY THE FOLLOWING VOTE:

	YES	NO	ABSTAIN	ABSENT
Town Council Member Hook	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Town Council Mayor Leppanen	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
Town Council Member Murray	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Town Council Member Sayers	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Town Council Member Sosa	<u> </u>	<u>X</u>	<u> </u>	<u> </u>

Mayor: _____

Mayor Ann K. Leppanen

Attest: _____

Town Recorder Sosa

RESOLUTION NO. _____

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