



40-8698

General Office: 7700 Iron Drive, Grand Junction, CO 81501  
Corporate Office: 200 West Michigan Avenue, Jackson, MI 49201  
Registered Office: 100 East First South, Salt Lake City, UT 84111

(303) 245-5460  
(517) 787-8415  
(801) 534-0734

R. B. Sewell  
Manager of Operations

INTRO PUBLIC DOCUMENT ROOM



October 9, 1978

U. S. Nuclear Regulatory Commission - Mill  
Licensing Section  
Fuel Processing and Fabrication Branch  
Division of Fuel Cycle and Material Safety  
Washington, D. C. 20555

Re: Docket #40-8698

THIS DOCUMENT CONTAINS  
POOR QUALITY PAGES

Attention: Mr. J. E. Rothfleisch

Gentlemen:

By letter dated September 19, 1978 to Quality Development Associates, Inc., Dr. Lois Martin Bronfman requested additional information relating to the development of Ticaboo. A copy of this letter is attached for your information. A second attachment to this letter is submitted to respond to the requested information.

If you have any further questions, please feel free to contact me.

Sincerely,

*R. B. Sewell*

RBS:pn

enclosures

cc: Dr. Lois Martin Bronfman w/enclosures  
Oak Ridge National Laboratory

*add info*

11133

7811168818

RESPONSE TO  
QUESTIONS - OAK RIDGE REGIONAL LABORATORY  
Dr. Lois M. Bronkman of 9/19/78

1. Describe and explain the status of arrangements to finance the school.

Response: Financing arrangements for school facilities at Ticaboo have not yet been completed. A number of options have been explored including; a conventional general obligation bond issue, the establishment of a non-profit corporation which would issue tax-exempt financing and the use of a tax-exempt lease arrangement. School construction costs are estimated at \$1.3-1.5 million. Plateau Resources Limited has expressed a willingness to prepay sales and use taxes on their facilities if that would help the district finance school facilities.

A meeting is set for October 10, 1978, in Panguitch, Utah with members of the Garfield School District to discuss the issues surrounding school facilities at Ticaboo. Financial experts from Plateau Resources Limited, Quality Development Associates, and Boettcher and Company will attend. It is hoped that a specific proposal for school financing will evolve from this meeting.

2. What is the history in Utah and in Garfield County of the passage of school bond issues?

Response: According to the school superintendent in Garfield County, every school bond proposal which has gone to the voters in recent times has received approval. The most recent issue occurred in 1971, for the approximate amount of \$400,000. The district presently has about \$200,000 in outstanding debt.

We have not done an exhaustive survey of bond issues throughout Utah, but the general national skepticism on increasing property taxes for any purpose prevails here also. It should be possible, however, to finance school capital facilities at Ticaboo without raising the current mill levy because of the increases in assessed valuation which the mine and the mill will provide. (This was documented in previous correspondence)

3. What is the status of arrangements for the special service district for Ticaboo?

Response: A resolution proposing the creation of a special service district at Ticaboo to provide water and sewer service to the community was adopted at the regular meeting of the Garfield County Commissioners

-continued-

on September 5, 1978. A copy is attached as Exhibit A. A public hearing on the creation of the district will be held in Panguitch on October 10, 1978, at which time, barring a protest of the majority of those present at the hearing the district will be established.

4. What is the status of bonding to reduce developmental costs?

Response: Tax exempt bond financing is presently being arranged to finance at least 75% of all capital improvement costs for the water and sewer systems at Ticaboo. The type of financing will allow for these costs to be amortized over a 20 year term at an approximate interest cost of 6.5 percent per annum. Due to the need to develop separate electric systems for the mine and mill facility and for Ticaboo, because of the inability to connect the two systems across B.L.M. land, it will not be possible to make use of industrial revenue bond financing for the system at Ticaboo.

5. What is the status of plans for the formation of a special tri-county agreement to provide police protection?

Response: Plateau Resources Limited has not been directly involved in any of the discussions regarding a special tri-county agreement to provide police protection in the eastern half of Garfield County as well as parts of Cain and Wayne Counties. Even so, we are aware, in general, of some of the discussions that have taken place. We believe that Garfield County officials have discussed the possibility of establishing a Deputy Sheriff in the Ticaboo area. These discussions have included the possibility of this Deputy Sheriff providing contract services to parts of both Cain and Wayne Counties. It is our understanding, on a second-hand basis, that both Cain and Wayne County officials have indicated an interest in such an arrangement. We believe that discussions along this line are on-going at the present time.

6. The costs of conventional housing sound high relative to your estimates of the income available for housing. Using your figures, no single wage earning families could afford even the lowest priced modular housing Ticaboo Development Corporation could provide. This situation is true even if the site is developed entirely with tax exempt bonds. Note: a lending institution is highly unlikely to count future income from other family member when evaluating capacity.

Response: We agree that the costs of conventional housing sound high relative to our estimates of income available for housing. However, it must be kept in mind that those estimates were and still are very preliminary. Both Plateau Resources Limited and Ticaboo Development, Incorporated are investigating means to reduce those costs. In addition, the wage figures used are those presently in existence and do not reflect additional payments due to mining contracts which would substantially increase the wages paid to a number of employees. Also, these wage figures



may be adjusted at a later date when Plateau is no longer providing a mine camp. Further, we believe that it is valid to assume that many of the Ticaboo families will have more than one wage earner and that lending institutions would certainly consider the entire expected income when evaluating any families financial capabilities. Thus, we believe that manipulation and adjustment of the above factors as well as the willingness of lending institutions to consider entire expected family income will result in most workers being able to afford reasonable housing at Ticaboo.

Kitchen, office and warehouse help are positions filled primarily by workers' spouses or single individuals. It is expected that this will continue to be the case. Further, most of the labor-trainee jobs are presently held by younger individuals who are single. It is possible that many of them might rent housing units designed for two or more unrelated individuals living together. It is obvious that salary levels for these positions would have to be upgraded to allow an individual to purchase a housing unit at Ticaboo.

7. Are lower cost modular units available within a \$1700 transportation cost radius?

Response: The only supply centers of adequate modular housing within a \$1700 transportation cost radius for Ticaboo are Grand Junction, Colorado or Salt Lake City, Utah. Transporting from Grand Junction would save about 50 miles, but Salt Lake City offers the most economic modular units, and those best suited for the Ticaboo development.

8. Are any provisions available to assist families in securing down payments? Is there any documentation to support the notion that the workers are likely to have cash available for down payments and closing costs? This problem could be exacerbated if FHA financing is not available. What is the status of FHA approval?

Response: Plateau Resources Limited is considering how it can assist individual employees who do not possess the resources to meet down payment requirements or can not qualify for available permanent home financing. Possibilities would include mortgage guarantees advanced by Plateau or lease/purchase arrangements involving properties owned by Plateau. Similar programs have been adopted by other resource industries which desire to place as many of their workers in permanent housing as possible. It is anticipated that any kind of mortgage assistance program would be advanced on an individual basis, tailored to each worker's particular circumstances.

Ticaboo Development, Inc. is confident that FHA mortgage insurance can be obtained for the permanent housing at Ticaboo. They have met several times with FHA representatives to review preliminary aspects of the project. Formal filing of all documents required by FHA will be completed in October, six months prior to when the first permanent houses will be needed.

FHA has not yet committed to accepting the 51 year lease



term under which lots will be developed at Ticaboo, however HUD/FHA regulations allow for FHA participation in mortgages on leaseholds, providing the lease term is 50 years or more. Given that FHA has participated extensively in insuring lease holds in Hawaii, where the 50 year lease term is considered adequate, it is likely that the lease hold arrangement will be accepted.

9. Where are the low paid workers expected to live? Laborers and kitchen staff incomes are insufficient to afford the mobile homes. Will they bring their own?

Response: Rental housing will be provided by Ticaboo Development, Inc. for those workers who either can not afford to purchase housing or who choose not to. Some single-status workers are expected to occupy housing together. Most of the service support jobs are expected to be filled by spouses or other family members of workers. Many workers, especially construction workers, are expected to bring their own mobile housing units to the area.

10. The all electric homes at Ticaboo will need reliable electric supply. How will this be provided and who will bear the financial responsibility for installation?

Response: As mentioned, separate electric generation and transmission facilities will be needed for Ticaboo, at least for the short term. Negotiations are presently underway with Utah Power and Light, the principal public utility in Utah, to manage and operate the facilities at Ticaboo. Such an arrangement may include provisions for Utah Power and Light to purchase the electric generation and transmission facilities installed at Ticaboo. The cost of electric facilities at Ticaboo will be underwritten by the developers.

11. Have you documented projected length of visits to Bullfrog or potential interests in a motel or long term recreation-oriented housing?

Response: See Exhibit B, attached.

12. Will the 20 million dollar tax assessment occur prior to construction of the school?

Response: It is projected that school facilities will be needed at Ticaboo in September of 1979. Increases in assessed valuation will occur during 1979 and 1980 with tax revenues resulting from that increase received by the school district in 1980 and 1981. Thus, a one to two year lag would be experienced by the district. It is anticipated that a pre-payment of sales and use taxes, or a bond issue structured to finance cost as well as initial years debt service, would be used to compensate for this lag period.

13. Who is financing road construction at Ticaboo?

Response: The developer is financing road construction at Ticaboo. Attempts will be made to recover part or all of these costs via the sale of lots, leasing of commercial facilities, etc. The developer feels that it is more likely that these costs will be recovered from lots that are not sold to people associated with the Plateau Resources Shootering operation.

14. How much of the costs for development are being assumed by Plateau Resources? Please cite any special arrangements which the company has made to assist the developer in his project.

Response: A portion of the costs for development will be paid directly by Plateau Resources Limited. These costs that will be paid directly by Plateau are related to an estimate of costs of providing construction housing if Ticaboo did not exist. In addition, a subsidiary of Plateau Resources Limited will enter into a joint venture agreement with Ticaboo Development, Incorporated to develop the community. It is contemplated that both the subsidiary and Ticaboo Development, Inc. will contribute certain assets to this joint venture. Detailed business arrangements, while not yet firm, are considered confidential.

October 9, 1978

EXHIBIT A

Panguitch, Utah  
September 5, 1978

The Board of County Commissioners of Garfield County, Utah, met in special public session, at the regular meeting place of said Board in the Garfield County-Panguitch City Courthouse, Panguitch, Utah, on Tuesday, September 5, 1978, at the hour of 10:00 o'clock A.M., with the following commissioners being present, constituting a quorum of said Board:

\_\_\_\_\_, Commissioner and  
Chairman  
\_\_\_\_\_, Commissioner  
\_\_\_\_\_, Commissioner

Absent: \_\_\_\_\_

There were also present at said meeting:

\_\_\_\_\_, County Clerk and  
Auditor  
\_\_\_\_\_, County Attorney

During the course of the meeting, the special agenda item concerning the creating and establishment of a special service district for the Ticaboo townsite was called up by the Chairman for consideration by the Board. Following due discussion thereof, the following Resolution initiating proceedings pertaining thereto was submitted, approved and adopted by the Board. The Resolution is as follows:



Resolution No. \_\_\_\_\_

Date: September 5, 1978

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF GARFIELD COUNTY, UTAH, INITIATING PROCEEDINGS FOR THE CREATION AND ESTABLISHMENT OF A SPECIAL SERVICE DISTRICT WITHIN GARFIELD COUNTY; DESCRIBING THE BOUNDARIES THEREOF; SPECIFYING THE TYPES OF SERVICES TO BE PROVIDED WITHIN SAID DISTRICT; PROVIDING FOR A NOTICE OF INTENTION OF THE COUNTY TO ESTABLISH SAID DISTRICT; CALLING A PUBLIC HEARING ON THE PROPOSAL TO CREATE THE DISTRICT; AND PRESCRIBING OTHER MATTERS AND DETAILS RELATING TO THE CREATION AND ESTABLISHMENT OF A SPECIAL SERVICE DISTRICT.

BE IT KNOWN AND REMEMBERED:

THAT, the Board of County Commissioners of Garfield County (the Board), upon its own motion, hereby finds, determines and declares that the public health, convenience and necessity requires the establishment of a special service district within Garfield County (the County) for the purpose of providing water and sewerage services within the area of the special service district, which services shall be paid for only by the residents, property owners, businesses and inhabitants of said area; and

THAT, to accomplish the foregoing purpose the Board proposes to create a special service district within the County, the territory and jurisdiction of which shall be as described in paragraph 3 hereof, as permitted by and in accordance with the provisions of Article XIV, Section 8 of the Constitution of Utah and Title 11, Chapter 23, U.C.A., 1953, enacted pursuant thereto entitled "Utah Special Service District Act" (the Act); and

THAT, the area of the proposed special service district does not contain any part of the area of any other special service district, or any municipality or improvement district now existing;

THEREFORE, the Board of County Commissioners of Garfield County RESOLVES as follows:

1. The definitions set forth in Section 11-23-2 of the Act shall have the same meaning when used in this Resolution unless the content hereof clearly indicates a contrary meaning.

2. A special service district shall be established pursuant to law, which, upon establishment, shall be named and known as Garfield County Ticaboo Special Service District No. 1 (herein called the District)

3. The proposed District shall include the area of the Ticaboo townsite, Section 16 of Township 36 South, Range 11 East, S.L.M.

4. The proposed District shall be empowered to and shall have the authority to provide any or all of the following services within the territory of the District as and to the extent they are deemed necessary or desirable by the governing body thereof: (1) water supply and delivery, and (2) sewerage collection and disposal. These services may be provided through facilities or systems acquired for that purpose through construction, purchase, gift or condemnation or any combination of the foregoing means, or by any other means available to special service districts as provided by law. The acquisition of facilities, systems and property may include the appurtenances thereof and may be for partial or joint ownership interests therein.

5. Upon establishment of the District, the governing authority of the County or the governing authority of the District, as appropriate, may levy taxes annually on all taxable property within the District and may by resolution or ordinance impose and collect periodic fees or charges to pay for all or a part of the services, systems, commodities or facilities to be provided by the District. All taxes levied for the District shall be properly authorized in accordance with the Act and shall be in addition to all other taxes levied by the County or by any other public corporation, district or political subdivision in which the District is located. The governing authority of the District shall have the authority to adopt such regulations as are necessary to assure

the proper collection and enforcement of all fees and charges imposed.

6. A public hearing is hereby called and set on the creation and establishment of the District. Said public hearing shall be held on \_\_\_\_\_, 19\_\_\_\_, at the hour of \_\_\_\_\_ o'clock \_\_\_\_ M. at the regular meeting place of the Board of County Commissioners of Garfield County, Utah, in the Garfield County-Panguitch City Courthouse, Panguitch, Utah. All interested persons may attend this hearing at which time and place the Board will give consideration to all protests which may have been filed and shall hear and consider all interested persons desiring to be heard. The hearing may be continued from time to time.

7. Upon adoption of this Resolution, the County Clerk shall give notice of the intention of the County to establish the District. Said notice shall be given by publication of this Resolution, in its entirety, once a week during three (3) consecutive weeks in the Garfield County News, a newspaper having general circulation in Garfield County, the first publication of which shall be not less than twenty-one (21) days nor more than thirty-five (35) days before the hearing date specified in paragraph 6 above. Upon publication of this Resolution, as provided above, the following heading shall be placed hereon:

NOTICE OF THE INTENTION OF GARFIELD COUNTY,  
UTAH, TO ESTABLISH A SPECIAL SERVICE DISTRICT

When so published, this Resolution, in its entirety, shall be considered to be the Notice of Intention required by Section 11-23-7 of the Act, containing: (1) a description of the boundaries of the District, as set forth in paragraph 3 above, (2) a general description of the types of services proposed to be provided within the District, as set forth in paragraph 4 above, (3) a statement regarding the levying of taxes within the District and the imposition



of fees and charges to pay for the services to be provided, as set forth in paragraph 5 above, (4) the designation of a time and place for a public hearing on the establishment of the District, as set forth in paragraph 6 above, and (5) such other information concerning the proposed District as is contained in this Resolution.

8. Upon establishment of the proposed District it shall be a separate body politic and corporate and a quasi-municipal public corporation distinct from Garfield County, with all of the rights, powers and authority now or hereafter granted to special service districts by the Act and other applicable laws.

(a) In accordance with the Act, the Board of County Commissioners as it is comprised from time to time, shall be and act as the governing authority of the District and shall supervise and control all of the activities thereof. The Act also permits the governing authority to delegate to an elective or appointive administrative control board or to designated officers or employees the authority to perform the activities, functions and operations of the District.

9. No part of the proposed District described herein is included within the boundaries of any city or town now existing, and no territory of the District is included within the boundaries of any improvement district or other special service district of Garfield County.

10. The Board may, by resolution adopted at the time of establishment of the District, create an administrative control board in accordance with Section 11-23-24(1) of the Act. The administrative control board shall consist of three persons, each of whom shall be a qualified elector of the District, and each of whom shall be appointed by the Board. The administrative control board will be initially appointed for terms of office in accordance with Section 11-23-24(5) of the Act.

11. At the public hearing, for which provision is made in paragraph 6 above, or at any time prior thereto, and in accordance with Section 11-23-9 of the Act, protests against the establishment of the District or the furnishing of specified types of services within the District may be made orally or in writing by any interested person. Any protest made may be withdrawn by the protestant at any time before the Board of County Commissioners establishes or abandons the proposed District.

12. In accordance with Sections 11-23-9 and 11-23-11 of the Act, if persons constituting and consisting of over Fifty percent (50%) of the qualified voters of the territory proposed to be included within the District file written protests within fifteen (15) days after the conclusion of the public hearing specified in paragraph 6 above against the establishment of the District or against the specified types of services to be provided within the District, the Board shall, in the former instance, abandon the proposed establishment of the District, and in the latter instance, eliminate those types of services objected to from the resolution finally establishing the District. Any person who has filed a written protest within the time specified in 11-23-11 and whose property has been included within the District notwithstanding such protest may apply as provided in the Act to the district court of Garfield County for a review of these actions of the Board in establishing the District.

13. The officers and employees of Garfield County are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

14. If any one or more sections, sentences, clauses or parts of this Resolution shall for any reason be held and adjudged inapplicable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, but shall

be confined in its operation to the specific sections, sentences, clauses or parts hereof held inapplicable or invalid. The inapplicability or invalidity of any section, sentence, clause or part of this Resolution in any one or more instances shall not affect or prejudice in any way the applicability or validity of this Resolution in any other instance.

15. All resolutions and regulations of Garfield County which may be inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such conflict or inconsistency. This repealer shall not be construed to revive any resolution or regulation, or part thereof, heretofore repealed.

APPROVED and PASSED this 5th day of September, 1978.

BOARD OF COUNTY COMMISSIONERS  
OF GARFIELD COUNTY

ATTEST:

By Jay Proctor, Chairman

Edra R. Miller  
Garfield County Clerk

Commissioner Proctor voted \_\_\_\_\_

Commissioner LeFevre voted \_\_\_\_\_

Commissioner Ott voted \_\_\_\_\_



Other business not pertinent to the above Resolution appears in the minutes of the meeting upon the completion of which the meeting was duly adjourned.

DATED this 5th day of September, 1978.

Jay Proctor, Chairman  
Board of County Commissioners

ATTEST:

Edra R. Miller  
Garfield County Clerk

STATE OF UTAH           )  
                          : ss.  
County of Garfield )

I, Edra R. Miller, the duly qualified and acting County Clerk of Garfield County, Utah, do hereby certify that the foregoing pages numbered from one to eight inclusive, are a true, complete and correct excerpt of the record of the proceedings of the Board of County Commissioners of Garfield County, had and taken at a lawful meeting of said Board held at the Garfield County-Panguitch City Courthouse in Panguitch, Utah on Tuesday, the 5th day of September, 1978, at the hour of 10:00 o'clock A.M., as recorded in the official book of records of the proceedings of said Board kept in my office. I further certify that the meeting recorded therein was duly held, that the proceedings recorded were duly performed and that the persons therein named as being present at said meeting were present as recorded.

WITNESS my signature and the seal of Garfield County, Utah, this 5th day of September, 1978.

Edra R. Miller  
Garfield County Clerk

EXHIBIT

VI MOTEL OCCUPANCY AT TICABOO

From Construction Work Force

<u>MONTH</u>	<u>TOTAL MAN DAYS</u>	<u>ROOMS OCCUPIED PER WEEK</u>	<u>OCCUPANCY (%)</u>
March, 1979	378	14	11.3
April, 1979	1,098	41	33.0
May, 1979 - July, 1980	48,888	72	60.0
August, 1980	1,134	42	33.8
TOTAL	51,498	Average Occupancy = 54.3%	

# VI. MOTEL OCCUPANCY AT TICABOO

From Recreation Traffic

<u>MONTH</u>	<u>EXPECTED VISITORS</u>	<u>OCCUPANCY (%)</u>
January	1,824	9.8
February	2,736	16.3
March	9,120	49.0
April	16,416	85.0
May	38,304	90.0
June	41,952	90.0
July	16,416	85.0
August	17,328	85.0
September	18,240	85.0
October	14,592	78.4
November	4,560	25.3
December	912	4.9
YEARLY		58.6



METHODOLOGY:

Expected visitors per month  
x 3 days (average visitor stay)

Total visitor days

x .1 (percentage needing motel accommodations)

Total visitors requiring motel accommodations

+ 2.5 (average visitors per room)

Visitor rooms required

+ 2160 (visitor rooms available per month)

Expected Monthly Occupancy