

# Utah Inland Port Authority Board | 2018

## Utah Inland Port Authority Board Meeting Minutes

November 26, 2018 • 4:00 p.m. – 6:00 p.m.  
Salt Lake Community College Westpointe Center  
2150 West Dauntless Avenue  
Salt Lake City, UT 84116

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**Board Members Present:** Carlos Braceras, D.Gregg Buxton, Stuart Clason, Lara Fritts, Ben Hart, Michael Jensen, Derek Miller, James Rogers, Nicole Cottle, Garth “Tooter” Ogden (by phone)

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**Board Members Absent:** Francis Gibson

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**Others participating in meeting and staff:** Craig Sabina, Nick Tarbet, Larry Shepherd, Robert Nutzman, Jennifer Bruno, Sheila Page, Jill Flygare

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**Others in attendance:** Kathy Van Dame, Terry Marasco, Tom Wadsworth, Deeda Seed, David Sheer, William Fisher, Aldo Tavares, Marlene Jennings

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### Welcome

Chairperson Miller welcomed the public and board members to this Utah Inland Port Authority Board Meeting.

### Pledge of Allegiance

Board Member Clason lead the Pledge of Allegiance.

### Approval of Minutes

Chairperson Miller entertained a motion to approve the minutes of the previous meeting and asked if there were any changes to the minutes prior to their approval.

### Discussion:

Board Member Braceras offered the following corrections to the minutes at the request of a constituent:

On page 5, in the discussion on the makeup of the technical committee, John Baza is the director of the Division of Oil, Gas and Mining in the Department of Natural Resources.

Board Member Clason, not Board Member Gibson suggested the inclusion of SITLA.

### Motion:

With those corrections, Board Member Braceras moved to approve the minutes of the October 25, 2018 Utah Inland Port Authority Board.

Board Member Fritts seconded the motion.

Motion was approved unanimously.

### Discussion Items:

#### **#1 Executive Director Search**

Chairperson Miller introduced Craig Sabina, of McDermott & Bull Executive Search, the firm selected to conduct the Inland Port Authority’s search for an executive director.

### Presentation:

Craig Sabina provided background on McDermott & Bull Executive Search and outlined the process the firm will use in conducting the search for an executive director for the Inland Port. He invited board and public feedback on the job description that has been drafted for the position. He anticipates that the process will result in three or four qualified candidates that the board can review.

Chairperson Miller asked for a discussion of the expected timeline for the search. Mr. Sabina suggested that the process would take between 60 days and six months and that the factor that could lengthen the timeline would be the availability of board members to convene for interviews.

Chairperson Miller requested additional discussion on the job description that had been drafted for the position. Mr. Sabina noted that he had expanded the document initially crafted by the board to organize it in a way that it better sells the position to potential candidates, with focus on the opportunity, the community, the economic vitality of the region, and the job requirements.

Chairperson Miller requested that the document make clear that the board is not looking to hire someone who will build or operate an inland port. He noted that while there are models of inland and sea ports where the board and its

executive director function as the private landowners yet the case of Utah, there are already multiple private landowners. He sees the responsibilities of the Utah Inland Port Authority and its executive director as the “municipality” that will oversee the development and guide its parameters, rather than as owner/operator.

Board Member Fritts said she would like to see in the description additional information included on the roles and responsibilities as a startup organization (an understanding of finance, bonding and tax increment) and an inclusion of work that has been done to date and links to documentation of studies and reports created previously toward this effort. He thanked the various municipalities that provided input and information to this effort.

## **#2 Tax Differential Policy**

Chairperson Miller asked Board Member Hart to provide an update on the drafting of policies and procedures regarding business plan pipeline, project area development, and tax differential.

Board Member Hart noted that shaping tax differential policy for the inland port is similar to, but different in significant ways from what many would recognize in state statute governing RDA, CRA or tax increment policy for local municipalities. He recognized the responsibility and stewardship given to the board and its need to be deferential to and involving and coordinating with taxing authorities within the area. Board Member Hart met with West Valley City, Salt Lake City, Salt Lake County, Salt Lake City School District and is reaching out to other taxing entities to understand their existing policy for how they approach tax increment. The policies of those entities have been combined together into a single draft policy statement to define the parameters for how the tax differential should be used by the inland port authority. He feels the resultant policy provides good guiding parameters for a conservative and wise use of tax differential, its percentages, requirements and formulas to calculate the tax differential, and sets priorities for its use. He believes the inland port’s policy should be in line with and coordinated with the tax increment policies of the communities with the additional understanding of the purposes behind the existence of the inland port. He has provided to the board a draft document and policy statement as a discussion item, open for amendment.

Chairperson Miller invited conversation and feedback on the draft.

Board Member Cottle commended Board Member Hart for his work on the draft statement in bringing together the disparate policies of various entities in a way that tax payer monies can be handled appropriately, accounted for, and will accomplish the inland port authority’s goals.

Vice Chairperson Rogers expressed appreciation for the work done on the draft policy and asked that the board involve the taxing partners for their feedback on the draft document.

Board Member Hart noted that feedback and involvement of the taxing entities was a high priority in this effort.

Chairperson Miller asked if that follow up with other taxing entities could be completed and a draft document could be presented to the board for consideration and adoption at its next meeting. Board Member Hart said he would work to that end.

## **#3 Technical Committee Update**

Chairperson Miller reported on the formation of the Technical Committee to advise the board. The Wasatch Front Regional Council (Ted Knowlton), and Department of Environmental Quality (Scott Baird), and the Utah Department of Transportation (Lyle McMillan) have provided names of those who will represent their entities. The Gardner Policy Institute at the University of Utah, Salt Lake City, the Department of Natural Resources, the Community Impact Board, and the State Institutional Trust Lands have not yet formally responded with the name of their representative for this committee.

### **Action Items:**

#### **#1 Letter of Support for County Application**

##### **Discussion:**

Chairperson Miller asked Board Member Clason to provide background and information on this request.

Board Member Clason reminded the board that the original Utah Inland Port Authority legislation, SB234, contained language for the completion of 2550 South from 5600 West and 8000 West. Salt Lake County has applied for the monies for that project.

Board Member Cottle noted the importance of this east-west connector road for the surrounding community and development in the area.

Board Member Braceras spoke to the importance of this road and expressed that he would abstain from the vote on this item so as to not appear conflicted, as his agency (UDOT) has authority in this matter.

Board Member Jensen stated that the road is in his district and is a big deal for the area. He also noted that the application process for this funding is required by both state statute and county ordinance.

Chairperson Miller noted that he and Vice Chairperson Rogers had previously provided a letter expressing tentative support and this item is brought up now for the board to consider giving formal approval to the letter of support.

Board Member Fritts acknowledged the importance of having transportation infrastructure around the inland port. She asked if the county intended to request reimbursement of the Utah Inland Port Authority through the tax increment for the \$4 million that are its matching funds for this project and whether there would be fees paid to the county for the use of these funds.

Board Member Clason said the answer to both questions was no. Board Member Jensen added that these funds are set aside so no request would be needed.

Chairperson Miller asked if there was any public comment specific to this letter of support for the county. There was no public comment.

**Motion:**

Board Member Jensen moved that the board authorize the chair and vice chair to sign the letter of support.

Board Member Hart seconded the motion.

Motion was approved unanimously.

**#2 Interim Administrator Search**

**Discussion:**

Chairperson Miller reminded those in attendance that at its last meeting the board decided to seek an interim administrator to fill the gap over the five to six months until a full-time executive director could be found. That administrator would be tasked with public engagement, a visioning process, convening and leading the technical committee, and helping with administrative support. The position was publicized, and a number of applicants responded. He stated the board's intent to move to a closed session later in the meeting to review and discuss the professional competence of the applicants.

Chairperson Miller asked the board for comments. Seeing none, he invited public comment on this item. There was no public comment.

Chairperson Miller suggested that since it was likely that the third action item on the agenda would also likely require the group to move to a closed session that it might be best to continue immediately to the board discussion and public comment on that item and group the closed session for later in the meeting. Hearing no objection to that plan, he proceeded to the next agenda item.

**#3 Update on Request for Proposal: Legal Support**

**Discussion:**

To provide context for this agenda item, Chairperson Miller explained that the board was grateful for the legal services from the Utah Attorney General's office but as a quasi-legal entity of the state, the board should have its own legal support and not continue to lean on the AG's office. He expressed gratitude to Board Member Cottle for preparing a request for proposals for legal services. That RFP has received a number of responses and it is the intent of the board to move to closed session to session later in the meeting to review and discuss the professional competence of those who had provided proposals. He then asked for board member comments on this item.

Vice Chairperson Rogers noted his positions on the Salt Lake City Council and RDA board where he witnessed the RDA board solicit outside counsel at the expense of several hundred thousand dollars. He raised the question as to whether or not the board should consider hiring someone in-house rather than contracting with a law firm.

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Board Member Hart offered that in this case there may not be justification for a full-time attorney as there may not be enough work currently to keep the person busy. In the long term full-time counsel may be necessary, but for now a contract for services as required seem prudent.

Board Member Cottle agreed that over the long term there would likely be need for full-time counsel, but for now those qualified to offer the level of legal services needed – someone with a great deal of expertise – would be leery of accepting an offer of full-time employment from the inland port authority until much further down the road. She believes costs for legal services can be controlled through the contracting process.

Board Member Fritts asked if the Utah Inland Port Authority was required to use the legal services of the Attorney General's office or if the board could seek outside legal services.

Sheila Page, representing the Utah Attorney General's office offered that the Utah Inland Port Authority was an independent agency with the ability to hire outside legal representation, particularly because of the broad range of legal issues the Authority will encounter.

Board Member Jensen stated that he had similar concerns and questions on costs as Vice Chairperson Rogers while he feels that over the long term a full-time in-house attorney will be needed.

## **General Comments to the Board:**

Chairperson Miller invited public comments to the board.

Kathy Van Dame called the board's attention to a memo prepared by Kevin Cromar and James Holtcamp and presented to the Air Quality Advisory Board on November 13 concerning rail switcher engines and their emissions. She will submit the memo to the Utah Inland Port Authority's website.

David Sheer questioned the role of the technical committee in the planning process and its makeup including three members some feel will represent the interests of extractive industries. He feels the membership of the board reflects a will to move the project in a certain direction.

Deeda Seed shared concerns about having three fossil fuel interests serving on the technical committee. She feels that the Utah School and Institutional Trust Lands Administration is a property owner in the inland port area and to avoid conflict should not be a part of the technical committee. She asked if the inland port would be environmentally friendly or a transportation hub to move fossil fuels.

Aldo Tavares asked if meetings of the technical committee would be open to the public and raised questions about opportunities for public comment on all agenda items.

Terry Marasco shared concerns on the makeup of the technical committee and questioned participation by representatives of DAQ and DNR because of their role in permitting projects in the area. He spoke of diesel engine emissions in the inland port. He asked if the tax differential draft was a public document and was told yes, it is on the website.

William Fisher said he was disappointed in the way the Utah Inland Port Authority was created by the legislature and that Salt Lake City didn't get to approve the plan. He is also concerned about the increase in pollution that will come from development in the area.

Marlene Jennings questioned the percentages in the tax differential use document and urged the board not to leave out affordable housing and education.

## **Report of Chair and Vice Chair:**

Chairperson Miller reminded the board that it has a report due to the legislature's Executive Appropriations Committee on November 30. That report will be posted publicly on the inland port website.

Wednesday, December 5, 2018 the Utah Inland Port Authority Board will tour the Northwest Quadrant. The tour is open to the public, though seating is limited.

The chair and vice chair propose a standing meeting time for the board for 2019 of the 4<sup>th</sup> Wednesday of each month from 4:00 pm to 6:00 pm. Adjustments to this meeting time may occur as necessary.

## **Closed Session**

Chairperson Miller announced that the board would move into a closed session. He reminded the public that if there were items that required a vote of the board, the board would reconvene in public meeting for those votes following the closed session.

**Motion:**

Vice Chairperson Rogers moved that the board enter closed session to discuss the character and professional competence of applicants for interim administrator and legal counsel.

Board Member Jensen seconded the motion.

Roll call:

Carlos Braceras - yes  
Gregg Buxton- yes  
Ben Hart- yes  
James Rogers- yes  
Derek Miller- yes  
Michael Jensen, - yes  
Lara Fritts- yes  
Nicole Cottle- yes  
Stuart Clason- yes

Motion was approved.

**Return to Public Session**

Chairperson Miller thanked those who waited while the board was in closed session. He noted that the board had a good discussion on the professional competence of candidates and a decision was made to further conversation with a particular candidate for the position of interim administrator, but the board was not yet ready to take a vote on that item. He announced that the board had determined to hold further discussion on responses to the request for proposals for legal services at a subsequent board meeting and would not be voting on that item at this meeting.

**Motion:**

Board Member Clason moved to adjourn.

Board Member Jensen seconded the motion.

Motion was approved unanimously.