

UIPA Authority Infrastructure Bank Loan Approval Committee

DRAFT MEETING MINUTES

Utah Inland Port Authority Board Meeting Minutes
Tuesday, April 16, 2024 - 3:30 pm
Utah State Capitol, Room 445
350 State Street, Salt Lake City, UT 84103

Committee Members Present: Steven Allred, Duncan Evans, Daniel Royal, Kirt Slaugh, Jonathan Ellis

UIPA Staff: Ben Hart, Benn Buys, Larry Shepherd, Carol Watson

Others in Attendance: Andy Pierucci, Matt Smock, Mike Miller, Dave Anderson, Jason Combes, Phillip Hoskins, Mark Horne, Jared Larrabee, Seth Perrins, Jordan Hales

1. **Welcome**

AIB Loan Approval Committee Chair, Steven Allred, welcomed the committee members, staff and public to this loan approval committee meeting.

2. **Presentation: Consideration of Loan Applications**

Chair Allred said he had asked staff to address the following standard questions when presenting loans to the committee for review:

1. What objective criteria were used to select the applicants from other applicants that may have applied and wish to have these low interest loans?
2. Tell us about the applicant's credit history, ability to repay the loan, management ability, business experience, ability to leverage public and private funds, and collateral they may have to back up the loan repayment.
3. What recourse does the Authority or the State have if the applicant is unable to repay the loan?
4. Is the collateral sufficient to make the Authority whole if the applicant is unable to make the repayment obligation?
5. Describe the public impact and the public benefits including the effect on the community and the effect on job creation.
6. Does the Inland Port Authority or any other entity get any ownership rights or other guaranteed public benefit from these loans?
7. Would this loan likely not occur in the current market, or if it did occur would it have a different scale or terms or would it not be as timely?

8. How will this loan contribute to sustainability in market transformation in Utah?
9. Are there any crime issues relating to the business or the location?
10. Are there any economic ties or conflicts of interest between this applicant and any member of the Inland Port Authority board or authority staff?
11. Please describe the environmental review done for the associated project area.

Benn Buys, UIPA Deputy Director and Chief Financial Officer, reminded the committee of its statutory authority with respect to these loans.

UTAH CODE 11-58-106 and 63A-3-4

“The loan committee may recommend for board approval an infrastructure loan from the inland port fund to a borrower for an infrastructure project undertaken by the borrower.”

“Infrastructure project” includes an inland port, intermodal facilities, sewer, electricity, roads, and water systems.

“An infrastructure loan shall bear interest at a rate not to exceed .5% above bond market interest rates available to the state.”

Loans are administered and serviced by the Division of Finance.

Benn Buys then presented the loans and responded to the questions asked by the committee chair.

Savage Transload Network - Tooele County Transload Expansion

Loan Terms: \$2.4 million loan, 10 years, 3.04%

Use of funds: Tooele Railport expansion including one rail-to-truck or truck-to-rail transload track, which will double existing transload capacity, one conveyor, three transload racks

Repayment source: Company funds, including new revenue from the facility

Company in business since 1946

Dun & Bradstreet report shows on-time payments, strong likelihood of continued viability

Savage Transload Network - Iron County Transload

Loan Terms: \$5 million loan, 10 years, 3.04%

Use of funds: 4 rail-to-truck or truck-to-rail transload tracks with approximately 100 railcar spots, a switching lead track which will allow the Railport to sort cars delivered by Union Pacific, and 15 acres of improved property, including 2 acres of dimensional product laydown area

Repayment source: Company funds, including new revenue from the facility

Collateral: Differential from project area

Spanish Fork City - Project Area Infrastructure

Loan terms: \$10 million, maximum one year, 3.47%

Use of funds: \$3 million for regional sewer lift station, \$2 million for easements and materials for 138 KV power line, \$4 million for land right of way acquisition for roads

Repayment source: \$50-70M bond on tax differential to Public Infrastructure District sponsored by UIPA

Collateral: Differential from project area

Zenith Bolinder - Project Area Infrastructure

Loan terms: \$4.875 million, one year, 3.47%

Use of funds: installation of a water system, tank, pump station, well/water system, wastewater treatment system, roads, and power plant.

Repayment Source: \$30M bond on tax differential and mill levy to Public Infrastructure District sponsored by UIPA.

Collateral: 242 acres of land comprising the project area, differential from project area

3. **Oath of Office - New Board Member**

Daniel Royal was sworn in as a new member of the AIB Loan Approval Committee. Carol Watson, Notary, administered the oath.

4. **Approval of Minutes, April 25, 2023 AIB Loan Approval Committee Meeting**
Committee member Slaugh moved to approve the minutes from the April 25, 2023 committee meeting. Committee member Ellis seconded the motion. The motion was approved unanimously.

5. **Loan Recommendations from the Committee**

Savage Transload Network - Tooele County Transload Expansion

Committee member Evans moved that the Loan Approval Committee recommends that the Utah Inland Port Authority approve an infrastructure loan from the inland port authority revolving loan fund of \$2.4 million to Savage Transload Network with terms of the loan being 10 years at 3.04 percent interest rate, payable in 10 annual payments. Additionally the Loan Approval Committee has determined that this project benefits the UIPA project areas within Tooele County. Committee member Royal seconded the motion.

A roll call vote was taken.

Daniel Royal - Yes
Duncan Evans - Yes
Jonathan Ellis - Yes
Kirt Slaugh - Yes
Steven Allred - Yes

Savage Transload Network - Iron County Transload

Committee member Slaugh moved that the Loan Approval Committee recommends that the Utah Inland Port Authority approve an infrastructure loan from the inland port authority revolving loan fund of \$5 million to Savage Transload Network with terms of the loan being 10 years at 3.04 percent interest rate, payable in 10 annual payments. Committee member Ellis seconded the motion.

A roll call vote was taken.

Daniel Royal - Yes
Duncan Evans - Yes
Jonathan Ellis - Yes
Kirt Slaugh - Yes
Steven Allred - Yes

Spanish Fork City Project Area Infrastructure

Committee member Ellis moved that the Loan Approval Committee recommends that the Utah Inland Port Authority approve an infrastructure loan from the inland port authority revolving loan fund of \$10 million to Spanish Fork City with terms of the loan being one year at 3.47 percent interest rate, payable in one year. Committee member Evans seconded the motion.

A roll call vote was taken.

Daniel Royal - Yes
Duncan Evans - Yes
Jonathan Ellis - Yes
Kirt Slaugh - Yes
Steven Allred - Yes

Zenith Bolinder - Project Area Infrastructure

Committee member Royal moved that the Loan Approval Committee recommends that the Utah Inland Port Authority approve an infrastructure loan from the inland port authority revolving loan fund of \$4.875 million to Zenith Bolinder with terms of the loan being one year at 3.47 percent interest rate, payable in one year.

Committee member Ellis seconded the motion.

A roll call vote was taken.

Daniel Royal - Yes

Duncan Evans - Yes

Jonathan Ellis - Yes

Kirt Slaugh - Yes

Steven Allred - Yes

6. **Adjourn**

Committee Chair Allred adjourned the meeting.

Committee Chair, Steven Allred