

Utah Inland Port Authority Board 2024

DRAFT MEETING MINUTES

Utah Inland Port Authority Board Meeting Minutes
Monday, January 6, 2025 - 10:00 am
Utah State Capitol, Room 445
350 State Street, Salt Lake City, UT 84103

Board Members Present in Person: Abby Osborne, Ryan Starks, Jerry Stevenson, Jefferson Moss, Jonathan Freedman

Board Members Present Electronically: none

Non-Voting Board Members Present in Person: Victoria Petro, Bill Wyatt, Joel Ferry

Non-Voting Board Members Present Electronically: none

Board Members Absent: none

UIPA Staff: Ben Hart, Ariane Gibson, Larry Shepherd, Kaitlin Felsted, Jenna Draper, Amy Brown Coffin, Nick Archambault, Carol Watson, Lynne Mayer, Stephanie Pack, Danny Stewart, Diana Gardner, Allen Evans, Stephen Smith, Sebastian Abril, Lindsay Pedersen, Mona Smith, Scott Wolford

Others in Attendance: Shawn Webb, Andy Pierucci, Carolyn Erickson, Jared Stewart, Seth Martindale, Sydney August, David Johnson, Joan Gregory, Sachet Sullivan, Heather Dove, Elizabeth Weight, Katie Pappas, Jackie Allred, Gordon Odendahl, Lane Wilkes, Ann Florence, David Bennett, Benn Buys, Jim Shank, Paul Larsen, Spencer Layton, Dan Strauch, Deeda Seed, Brett Behling, Ashlee Larsen, Stan Holmes, Tussy King, Andy Hulka, Sherry Stevens, MaryBeth Bingham, Edward Castro Bennett, Lynn Carrol

1. **Welcome**

Board Vice Chair Ryan Starks welcomed the board members, staff and public to this Utah Inland Port Authority Board Meeting.

2. **Approval of Minutes, December 11, 2024 Board Meeting**

Board Member Stevenson moved to approve the minutes from the December 11, 2024 board meeting. Board member Freedman seconded the motion.

The motion was approved unanimously by the board members in attendance (board members Abby Osborne and Jefferson Moss had not arrived when this vote was taken).

3. **Executive Director Report**

Executive Director Ben Hart provided his report. He began by noting that the board does not plan to meet during the Utah Legislative Session and the next meeting is scheduled for late March. He discussed the continuing negotiations on the purchase of the former SLC landfill, saying that UIPA is optimistic to close that purchase in the near future. He thanked the current owners and other stakeholders for their efforts toward the property purchase and ultimate remediation. He outlined the need to amend a previous decision of the board relative to the allocation of funding within the UIPA/Salt Lake City interlocal agreement. This will move the \$2.5 million from the interlocal bond funds that had been approved for wetland protection to use for landfill remediation, while allowing for the \$2.5 million for wetland protection to come from general tax differential funds. This action is simply changing the funds that these monies will come from and board action is needed to remain statutorily compliant. The exact amounts and details will be in the board motion later in the meeting.

Stephanie Pack provided an update on activities in the Tooele Valley Project Area. The project area was created just over a year ago. In that year, a public infrastructure district was created in March of 2024, a short-term AIB loan was approved in April 2024 to help fund necessary infrastructure within the project area, and the Surface Transportation Board approved the Savage Tooele Railroad which will provide 11 miles of new rail serving the region. She discussed business recruitment efforts in the project area, infrastructure improvements, marketing, and sustainability efforts.

4. **Presentation: Policy Updates**

Amy Brown Coffin, Chief Risk & Compliance Officer, discussed changes to BP-07 - Procurement policy, and mentioned that for the annual review of BP-10 - Records Retention policy there are currently no recommended changes.

Ariane Gibson, Chief Financial Officer, discussed changes to BP-11 - Personnel policy relative to UIPA's separation from state payroll and state human resources, and changes to leave policies.

5. **Presentation: Budget Update**

Ariane Gibson presented the quarterly budget update, reviewing revenues and expenses during the current fiscal year.

| | |
|-----------------------------------|---|
| Adopted Budget Form for: | Name: Utah Inland Port Authority |
| Utah Inland Port Authority | Fiscal Year Ended: 30-Jun-25 |

Part I Revenues

| Source of Revenue (a) | Prior Year Actual Revenue (b) | Current Year Estimate (c) | Ensuing Year Approved Budget Appropriation (d) |
|--|-------------------------------------|---------------------------------|---|
| Taxes | | | |
| Property Tax Differential - Current | 15,638,136 | 25,908,409 | 30,000,000 |
| Sales Tax | 877,699 | 888,000 | 900,000 |
| Intergovernmental Revenue | | | |
| Legislative Appropriation | 3,198,400 | 3,183,200 | 3,183,200 |
| Other (specify): | | | |
| Miscellaneous Revenue | | | |
| Interest Earnings | 1,038,084 | 805,000 | 750,000 |
| Other (Specify): Lease Rent | 789,998 | 501,523 | |
| Contributions and Transfers | | | |
| Transfer from UDOT for Infrastructure Fund | 6,500,000 | | |
| Beginning Balance | 15,060,398 | 22,852,110 | 22,241,290 |
| TOTAL REVENUES | 43,102,715 | 54,138,242 | 57,074,490 |

Part II Expenses

| Expenditure (a) | Prior Year Actual Exp. (b) | Current Year Estimate (c) | Ensuing Year Approved Budget Appropriation (d) |
|--|----------------------------------|---------------------------------|---|
| Operating Expenses | | | |
| Personnel | 2,817,501 | 2,973,000 | 3,305,000 |
| Travel | 67,845 | 48,000 | 70,000 |
| Office Lease | 205,581 | 283,000 | 330,000 |
| Legal fees | 500,081 | 465,000 | 300,000 |
| General and Administrative Expenses | 616,534 | 224,000 | 300,000 |
| Technology & Licenses | 348,701 | 324,000 | 400,000 |
| Professional Services | 1,548,914 | 1,501,000 | 2,000,000 |
| Other (Specify): Office Build Out | | 100,000 | |
| TOTAL OPERATING EXPENSE | 6,105,157 | 5,918,000 | 6,705,000 |
| Inland Port Development Activities | | | |
| Salt Lake City Differential Allocation | | | 8,175,079 |
| Acquisition of Property | 2,970,573 | 4,230,000 | 3,500,000 |
| Publicly Owned Infrastructure and Improvements | 3,563,414 | 6,100,000 | 1,900,000 |

| | | | |
|--|-------------------|-------------------|-------------------|
| | | | |
| | | | |
| Fees & Transfers | | | |
| SLC Housing Affordability Payment | 1,373,945 | 2,281,781 | 2,600,000 |
| Transfer to Series 2021 Bond | 6,237,516 | 1,984,340 | 6,500,000 |
| | | | |
| TOTAL DEVELOPMENT, FEES & TRANSFERS | 14,145,448 | 14,596,120 | 22,675,079 |
| | | | |
| Allocation to Fund Balances | | | |
| General Fund | 3,489,242 | 4,517,442 | 4,400,000 |
| Property Tax Differential Fund | 13,584,390 | 29,106,680 | 23,294,411 |
| Infrastructure Fund | 5,778,478 | 0 | 0 |
| | | | |
| Closing Balance | 22,852,110 | 33,624,122 | 27,694,411 |
| | | | |
| TOTAL EXPENDITURES | 43,102,715 | 54,138,242 | 57,074,490 |

6. Presentation: Authority Infrastructure Bank Loan Application

Ariane Gibson, provided details on an AIB loan for rail infrastructure in Tooele. The loan to Savage will assist in reviving Union Pacific’s abandoned Warner Branch in Tooele County, build five new miles of track, and connect the Lakeview business park and transload facility near Burmester, Utah. The loan terms are \$10 million for 10 years at 3.45%.

Andy Pierucci from Savage expressed thanks to UIPA for the proposed loan and for the partnership with the state that is unique in all the areas where Savage does business. He noted that this will be the first new railroad built in the US in 82 years and the first built in Utah in 110 years. This rail will offer multi-modal service to a business park that otherwise would have been solely truck-served, with each rail car taking 3 to 4 trucks off of the roads. The rail service is expected to eliminate nearly 5,000 commercial truck trips annually in the first year of operation and 20 million truck miles over 20 years of operation. The total cost of the project is \$25 million. The additional \$15 million will come from company capital.

The approval of an AIB loan is a three-step process. The loan is first reviewed by the Authority Infrastructure Bank Loan Committee, with that committee’s recommendation it goes to the UIPA Board for approval (the step being taken in this meeting), then final approval comes from the Utah State Legislature’s Executive Appropriations Committee.

7. Presentation: Business Incentives Consideration

Stephanie Pack, Associate Vice President of Regional Project Area Development, discussed the proposed incentive for Project Charm. The company name is not mentioned at this time to allow for a simultaneous incentive process to be conducted by the board of the Utah Governor’s Office of Economic Opportunity. The UIPA Incentives Subcommittee has reviewed this application and sent it to the full board with their recommendation. This is a steel fabrication company locating in Brigham City, in the Golden Spike Project Area. The company will invest over \$200 million in capital expenditures on the project that will create about 250,000 square feet of rail-served fabrication space. Once completed, the project is expected to create 263 high-paying jobs. The proposed incentive is a 30% rebate of company’s property tax liability for no more than 25 years. The project is in competition with a site in Arizona.

Stephen Smith, Associate Vice President of Regional Project Area Development, discussed the proposed incentive for Project Bold Horizon. AeroVironment is an aerospace and defense

company potentially locating in the Northwest Quadrant. The project has expected capital expenditures of \$42 million. The proposed incentive is an annual tax rebate of 10% of the assessed property value for no more than 25 years. Shawn Webb from AeroVironment provided some background on the company and this project. The aerospace manufacturing project they are considering locating in the Northwest Quadrant is expected to employ over 500 people.

8. Presentation: Resolution 2025-01 Amendment to Castle Country Project Area Plan

Jenna Draper, Associate Vice President of Regional Project Area Development, discussed the proposed amendment to the Castle Country Project Area Plan to include an industrial park adjacent to the San Rafael Energy Research Center working on research and development of reliable alternative energy sources. An additional parcel recommended for inclusion in the project area by Emery County is projected to create 1,100 jobs. Part of this area is the inactive Fossil Rock mine formerly operated by Rocky Mountain Power. The third site being added to the project area is located in Green River City where Project Greenfield will use algae to clean water and remove carbon dioxide from the air utilizing solar power and providing only clean water and biochar as outputs.

9. Presentation: Amendment to Skyline Corridor Project Area Plan

Jenna Draper, Associate Vice President of Regional Project Area Development, discussed the proposed amendment to the Skyline Corridor Project Area Plan to include a parcel in Salina City for housing development and some parcels in Manti City focussed on light manufacturing and other needed services.

10. Public Comment

Board Vice Chair Starks opened up the public comment period and invited those in the room to submit comment cards for an opportunity to speak.

One comment was made, sharing concern about industrial development near the Great Salt Lake and waterfowl habitat.

11. Policy Updates

Board member Stevenson moved to approve BP-07 Procurement and BP-11 Personnel as presented. Board member Freedman seconded the motion.

The motion passed with a unanimous vote of all board members present (Board member Moss had departed the meeting prior to this and subsequent votes).

12. Approval of Authority Infrastructure Bank Loan

Board member Freedman moved that the Utah Inland Port Authority Board approve an infrastructure loan from the Inland Port Authority Revolving Loan Fund of \$10 million to Savage Tooele Rail with terms of the loan being 10 years at 3.45 percent interest rate, payable in 10 annual payments.

Board member Stevenson seconded the motion.

The motion passed with a unanimous vote of all board members present.

13. Approval of Business Incentives

Board member Stevenson moved that the Utah Inland Port Authority Board approve for Project Charm an annual Project Area Incentive/Property Tax Differential Rebate equivalent to 30% of the assessed property tax, post completion of the development. This rebate will be provided yearly for no more than 25 years, provided continued operation within the Project Area during that time. Incentive approval is subject to the completion of contract agreement.

Board Chair Osborne seconded the motion.

The motion passed with a unanimous vote of all board members present.

Board member Freedman moved that the Utah Inland Port Authority Board approve for Project Bold Horizon an annual Project Area Incentive/Property Tax Differential Rebate equivalent to 10% of the assessed property tax, post completion of the development. This rebate will be provided yearly for no more than 25 years, provided continued operation within the Project Area during that time.

Incentive approval is subject to the completion of contract agreement, review of facility daily water usage, and submission of Corporate Stewardship plan.

Board member Stevenson seconded the motion.

The motion passed with a unanimous vote of all board members present.

14. Approval of Amendment to Interlocal Tax Differential Allocation

Board Chair Osborne moved that the Utah Inland Port Authority Board amend its June 24th, 2024 decision regarding funds allocated under the direction of its interlocal agreement, and that the following amounts shall be funded at the following levels:

\$4,994,079 for landfill remediation

\$2,600,000 air cargo development for SLC airport

\$400,000 baseline & preferred studies

\$150,000 train crossing safety signage

Board member Stevenson seconded the motion.

The motion passed with a unanimous vote of all board members present.

15. Adoption of Resolution 2025-1, Amendment to Castle Country Project Area Plan

Board Chair Osborne moved to adopt Resolution 2025-1, A Resolution of the Utah Inland Port Authority Board Adopting Amendments to the Castle Country Inland Port Project Area Plan.

Board member Freedman seconded the motion.

The motion passed with a unanimous vote of all board members present.

16. Closed Session

At 11:15 am the board voted to move into a closed session meeting held at the Utah State Capitol, 350 State Street, Room 445, Salt Lake City, UT 84103, and via electronic meeting, for the purpose of a “strategy session to discuss the purchase, exchange, or lease of real property” as allowed and described in Section 52-4-204 of Utah Code and sections 52-4-205 of the Open and Public meetings act. Board member Stevenson made a motion to move into closed session. Board Chair Osborne seconded the motion.

Vote:

Jonathan Freedman – yes

Jerry Stevenson – yes

Abby Osborne – yes

Ryan Starks – yes

Jefferson Moss – absent

Closed session ended at 12:05 pm.

17. **Adjourn**

Board Vice Chair Starks adjourned the meeting at 12:05 pm.

Board Chair Abby Osborne

Written Public Comments submitted during and after the meeting:

Joan Gregory - Emigration Canyon - 1/7/2025

Fast tracking massive industrial development next to Great Salt Lake

I am concerned, the people are concerned that the Savage Project and the other industrial development being subsidized in Tooele County will induce significant new vehicle traffic - the Romney Group estimated 50,000 new daily vehicle trips from their project alone. If you add up all the subsidies that Savage Industries is getting to build this rail line - that is going to create so much NEW truck traffic - it's tens of millions of dollars. Tax dollars are subsidizing public harm.

The bottom line is that UIPA is fast tracking massive industrial development next to Great Salt Lake in an area that already has inadequate water resources and that fails to meet air quality standards for healthy air.

Also, the Brigham City project - which will negatively impact the environment - is next to a critically important area for migratory birds.

You are continuing to subsidize industry with tax dollars at the expense of public health and well-being.

You talk about partnerships. What about partnerships with the people? The people need water, their wells are drying up. The people need clean water to drink. The people need clean air to breathe. Thank you for listening to my comment.