

Utah Inland Port Authority Board 2024

DRAFT MEETING MINUTES

Utah Inland Port Authority Board Meeting Minutes
Monday June 24, 2024
1:00 pm
Carbon County Administration Building, Commission Room
751 E 100 N, Price, UT 8450

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

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

Board Members Absent: None

UIPA Staff: Ben Hart, Benn Buys, Larry Shepherd, Stephen Smith, Mona Smith, Scott Wolford, Kaitlin Felsted, Allen Evans, Jenna Draper, Amy Brown Coffin, Dain Maher, Max Ivory, Nick Archambault, Carol Watson, Lynne Mayer, Stephanie Pack

Others in Attendance: Katie Pappas, Elizabeth Weight, Brett Behling, Wayne Jackson, Dennis Alldredge, Forest Turner, Ren Hatt, Layne Miller, Roger Swenson, Lenise Peterman, Lacey Meyer, Andrew Romney, Dave Murray, Wayde Aston, Larry Jensen, Tony Martines, Shanny Wilson, Randy Moore, Aidan Mortensen, Gordon Odendahl, Mike McCandless, Leonard Carson, Brooke Larsen, Larry Ellertson, Donald Ludlow, Brook McCarrick, Jenny Mayer-Glenn, Kris Bell, Monica Hilding, Nick Johnson, Deeda Seed, Liesa Manuel, Joan Gregory, Arden Cook, Brice Wallace, Terry Marasco, Jen Hart, Andy Hulda, Angela Price, Katie Lewis, Shannon Bond, Nicole Rosenberg, Taylor Stevens, Blake Thomas, Kate Bradshaw, Nick Tarbet, Lindsey Nikola

1. **Welcome**

Acting Board Chair, Jerry Stevenson welcomed the board members, staff and public to this Utah Inland Port Authority Board Meeting (Board Chair Osborne attended virtually).

2. **Approval of Minutes, May 20, 2024 Board Meeting**

Board member Freedman moved to approve the minutes from the May 20, 2024 board meeting. Board Chair Osborne seconded the motion.

The motion was approved unanimously.

3. **Executive Director Report**

UIPA Executive Director Ben Hart provided an executive director's report, thanking those who have welcomed the UIPA team to Carbon and Emery Counties. He spoke of future project area creation, mentioning a project area in Fillmore and one in Sanpete and Sevier counties later this year, with two to three anticipated being created next year. He noted that there will likely be regular amendments to existing project areas with the hope that there will be no more than one amendment per project area each year. He spoke of the logistics focus of the port authority - how UIPA is optimizing rail transportation in the state, our relationship with coastal ports, and optimizing air cargo.

4. **Presentation: Statewide Logistics Strategy development update**

Donald Ludlow, Vice President for CPCS, provided an update on the logistics strategy under development. The foundations of the logistics vision are that logistics will give Utah a competitive advantage, that advantage will draw new business and grow existing business in the state, and Utahns will benefit economically. Donald touched on the three areas of emphasis that Director Hart had mentioned: Capturing the widest possible share of the existing air cargo market and developing Utah into an international air cargo gateway, creating a robust and interconnected rail system, and partnerships with coastal ports to provide inland container services.

5. **Presentation: Updated Strategic Business Plan**

Kaitlin Felsted, UIPA Marketing and Communication Director, provided an overview of the updated business plan. The plan's core objectives are 1) Support Regional Economies, 2) Enhance Logistic Efficiency, 3) Safeguard Environmental Integrity, 4) Uphold Transparency and Compliance.

Regional economic development includes strategic recruitment and project management, logistic and infrastructure development, and community and economic partnerships. Enhancing logistics will include a focus on air cargo optimization, rail system upgrades, and intermodal gateway expansion. Environmental stewardship includes conducting thorough assessments, supporting sustainable business practices, and community engagement in sustainability. Transparency and compliance will require open operations, accessible documentation, audits and training to maintain ethical standards, meaningful community engagement and inclusion.

Board Member Petro requested the inclusion of workforce development in objective 1, to ensure that the plan emphasizes the prosperity of local residents as it attracts and grows new business.

Board Member Wyatt spoke to the development of an air cargo strategy and the complex nature of developing international air cargo. The high value commodities that move by air can bring high value jobs.

6. **Presentation: Policy Updates**

Amy Brown Coffin, Chief Risk & Compliance Officer, presented a review for the following policies, which will be before the board for approval in its next meeting.

BP-01 - Open & Public Meetings

BP-03 - Communications & Media Policy

7. Presentation: Contract for Real Estate Representation

Amy Brown Coffin discussed the contract for real estate representation. An earlier agreement was terminated early and a RFSQ was conducted. Staff recommends that the board approve a five-year contract with Collier’s Intermountain, LLC with a cap not to exceed \$2 million.

8. FY 2025 Budget Hearing

Benn Buys, Deputy Director and Chief Financial Officer, presented the proposed budget for Fiscal Year 2025. He provided expenses and revenues for the prior and current years with the projected amounts for FY25. The budget presented is included below.

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	

9. Presentation: Resolution 2024-11, PTIF Authorization

Benn Buys presented a resolution that will request authorization for UIPA users to the Public Treasurer's Investment Fund (PTIF) administration system.

10. Presentation: Salt Lake City Interlocal Agreement Tax Differential Expenditures

Amy Brown Coffin explained the process in the interlocal agreement between UIPA and Salt Lake City for allocation of Salt Lake City generated tax differential. The process and discussion resulted in some agreement on use of the funds, but absent a unified recommendation to the board Amy will present the UIPA staff recommendation and Rachel Otto, Chief of Staff to Mayor Mendenhall, will offer the city's recommendation.

The UIPA staff recommendation includes \$2,497,039.50 from the Community Differential for the Great Salt Lake Shoreline Preserve (with the recommendation that the land be held by the Utah Department of Natural Resources); \$400,000 from the Environmental Differential for the Baseline & Preferred Studies; \$2,497,039.50 from the Environmental Differential for Great Salt

Lake Leachate Protection; \$150,000 from Environmental and Community Differential for Train Crossing Safety Signage; and \$2,600,000 from Economic Development with additional funds from the Community & Environmental Differentials for Salt Lake Airport Air Cargo Development.

Rachel Otto spoke of the Northwest Quadrant Review Committee, an informal advisory body that includes city staff, city council staff, community members, community council chairs, heads of NGOs, and other stakeholders. The priority issues identified by the group include the Great Salt Lake Shoreline Preserve, dynamic train crossing signage, and the baseline study. The city recognizes UIPA purview in allocating economic development differential to air cargo development, but absent more information on west side community and environmental benefits the city is not ready to support expenditures from funds other than economic development for that purpose. While the city supports landfill remediation and is a partner in seeing it through, it is of the opinion that landfill remediation is not an appropriate intended use for the environmental differential.

Ben Hart spoke of the unique role that the inland port can play in the remediation of the former landfill because of the tools it has been given and the need for Salt Lake City participation in the remediation.

Rachel Otto suggested adjusting the dates of the process for determining city differential allocation under the interlocal agreement so it can occur earlier and not bump up against the UIPA fiscal year budget process.

Board Member Stevenson expressed that the process of ownership and remediation of the landfill needs to move forward soon.

Board Member Petro advocated for clarity and a unified approach on landfill remediation and other important environmental challenges affecting the people of the west side.

Board Chair Osborne spoke in support of the air cargo expenditure, emphasizing that 92% of air cargo leaving Salt Lake City leaves by truck to out of state airports. Optimizing air cargo at the Salt Lake airport will decrease trucks on the road.

Board Member Ferry discussed the Great Salt Lake Shoreline Preserve as a conservation buffer against encroachment into critical wetlands and waterfowl habitat. The land purchase and creation of the preserve has participation from Salt Lake City, Salt Lake County, UIPA, Utah Department of Natural Resources, conservation groups, and other entities. He spoke of the potential contamination plume from the landfill site moving towards the Great Salt Lake saying the more action we can take now to clean it up, the less expensive it will be in the long run.

11. Presentation: Amendment to Iron Springs Project Area Plan

Scott Wolford, Vice President of Project Area Development, presented an amendment to the Iron Springs Project Area Plan. The amendment proposes to add three additional parcels to the project area, an additional 1,400 acres, and will bring the total size of the project area to 2,300 acres. This additional land is currently zoned as light industrial, a use in line with what UIPA would recruit to the area. The Iron County Commission approved a resolution on April 13, 2024 asking that UIPA consider including this land in the project area.

12. Presentation: Draft Historic Capitol Project Area Plan

Jenna Draper, Associate Vice President of Regional Project Area Development, presented the draft plan and budget for a proposed project area in Fillmore, UT, to be known as the Historic Capitol project area. The draft plan and budget for the project area has been made publicly

available on the Utah Public Meeting Notice website and the UIPA website. The project area plan and budget draft includes detailed information regarding the logistical, economic and environmental considerations of each project area. The Fillmore City Council passed a resolution last year supporting the creation of this project area.

Dennis Alldredge, Fillmore City Council Member, told the board that the city is expecting a population increase of 20% by 2040, creating a need for a tax base to support the expanding and aging population. Anticipated benefits from the project area include economic stimulation, job creation, business growth, improved infrastructure and public services, enhanced quality of life, revitalization, reduced blight, sustainable development, innovation, and entrepreneurship. Currently Fillmore City has unused logistical assets and maximizing the use of these assets can foster responsible and sustainable economic growth, creating more jobs within the community to retain young people who might otherwise relocate to urban areas for better employment opportunities.

Wayne Jackson, Fillmore City Planner, said this project area will provide incalculable public benefit.

Incentives offered within the project area will favor light or medium manufacturing, agriculture, technology, and other industries complementary to existing businesses.

This presentation was informational only. Action from the board on this project area creation is anticipated at the August 2024 meeting.

13. Presentation: Resolution 2024-12, Adopting the Castle Country Project Area Plan

Jenna Draper, Associate Vice President of Regional Project Area Development, presented the plan for the creation of this project area in Carbon and Emery Counties. This project area was previously presented at the May, 2024 UIPA board meeting. The Carbon County Commission and Green River City have previously passed resolutions requesting the creation of the project area.

Commissioner Larry Jensen spoke of the region's coal history over 130 years. Currently there are no operating coal mines in Carbon County. In 2012, 63% of the county tax base was shouldered by mining and related industry. Today, that burden of taxation has shifted to individual taxpayers. Business growth can help to offset this additional burden that has fallen to residents.

Mayor Ren Hatt of Green River City spoke of the aging population in his city and the need for jobs so younger residents can stay in the city. Green River City wants to attract new businesses in both renewable and nonrenewable energy, logistical management, technology, agriculture, medicine, mineral processing and other sectors. The proposed project area has access to rail and I-70.

Incentives for the project area will favor the following industries, hydrogen and other alternative energy sources, light to moderate manufacturing, heavy manufacturing, carbon fiber, warehousing, distribution, rail infrastructure, utilization and carbon dioxide sequestration. Since the last presentation of this project area plan, a cultural resource strategy has been developed outlining that the Utah Inland Port Authority will not support development or construction that would result in the destruction of cultural and archaeological resources. Also, UIPA has developed an interlocal agreement regarding one of the parcels near Wellington. Tax differential for this parcel will be split 50/50 between UIPA and the taxing entities, while other parcels will remain at a 75/25 split.

14. Public Comment

Acting Chair Stevenson opened up the public comment period and invited those in the room to submit comment cards for an opportunity to speak. Online participants were invited to raise their hands virtually if they wish to speak.

Comments made included opinion that Salt Lake City tax differential not be used for landfill remediation, concern that the Castle Country project area will increase production and transportation of fossil fuels, a request that tax differential allocation include more input from local residents, concern about UIPA’s involvement in landfill remediation, thanks for the opportunity to comment virtually and a request that virtual comments be allowed in each meeting, and a request for transparency in decisions regarding landfill remediation.

15. Approval of Contract for Real Estate Representation

Board Chair Osborne moved to approve the contract for Real Estate Representation as presented. Board member Freedman seconded the motion.

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

16. Adoption of FY 2025 UIPA Budget

Board member Freedman moved to approve the FY2025 budget as presented. Board member Moss seconded the motion.

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

17. Adoption of Resolution 2024-11, PTIF Authorization

Board member Freedman moved to adopt Resolution 2024-11, A Resolution of the Utah Inland Port Authority Board Authorizing Public Treasurer’s Investment Fund (PTIF) Authorized Users. Board member Starks seconded the motion.

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

18. Salt Lake City Interlocal Agreement Tax Differential Expenditures

Board member Starks moved to adopt the expenditure of Salt Lake City generated tax differential as follows:

Great Salt Lake Shoreline Preserve	\$2,497,039.50	Community Differential
Baseline & Preferred Studies	\$400,000	Environmental Differential
Great Salt Lake Leachate Protection	\$2,497,039.50	Environmental Differential
Train Crossing Safety Signage	\$150,000	Environmental/Community Diff.
Air Cargo Development Airport	\$2,600,000	Economic Development with Support additional funds from Community & Environmental Differentials

Board member Moss seconded the motion.

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

19. **Adoption of Resolution 2024-12, Adopting the Castle Country Project Area Plan**
Board member Freedman moved to adopt Resolution 2024-12, Adopting the Castle Country Project Area Plan. Board member Starks seconded the motion.

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

20. **Adjourn**

Acting Board Chair Stevenson adjourned the meeting.

Board Chair, Abby Osborne

Written Public Comments submitted during and after the meeting:

Katie Pappas – Salt Lake City, UT – 6/22/2024

Written Comments

I'm glad the 6/24 UIPA board meeting is being held in Price so local folks have the opportunity to weigh in on the Castle Country Project Area. It may be their only chance to speak to this board. However, there are also agenda items that will be voted on today that affect Spanish Fork, Fillmore, Cedar City and Salt Lake City and a budget presented that all Utahns should be able to weigh in on. Unfortunately, as in past meetings, UIPA has limited public comment to those present in the room. No virtual public comment has been taken for some time, even though UIPA policy allows for it. What about people who, for whatever reason, are unable to physically attend any of your meetings?

While all UIPA project area plans can impact the future well-being of our state, the Castle Country Project Area stands alone in its potential to enable increased production, processing and transportation of fossil fuels. UIPA's partnership with Savage Services raises concerns about whether Utah will indeed transition to necessary, more sustainable energy in the future and seems to tip the scales in favor of fossil fuels. Apparently "nothing is off the table". Carbon and Emery counties have an opportunity to adopt industries that will economically benefit their communities going forward, protect the health and well-being of their people, cut reliance on unsustainable industries of the past and preserve their amazing landscapes. I hope they will be thoughtful in their choices and prioritize what's best for local communities over short term profits.

UIPA should not incentivize any project that enhances fossil fuel use. If you choose to, that will be your legacy.

In addition, there is a pressing need to protect countless cultural sites in the area, including Nine Mile Canyon. Even the dust and vibrations of large, heavy trucks in the area can damage these sites. I hope you'll continue to develop your Cultural Resource plan.

I'm also concerned about the Interlocal Agreement. Salt Lake City has acted in good faith for over a year now on an agreement with UIPA that would determine how their share of tax differential is spent. Countless hours have been invested by city and community partners. UIPA has repeatedly upended that process. How the money will be allocated will now be decided by this board, a board with no voting member having community or health expertise. It's problematic because money intended for community mitigation could be redirected to a landfill mitigation that only benefits UIPA. These misguided, overbearing tactics erode public trust. I believe the state of Utah has an important role to play in the success of rural Utah, but this is not how you do it.

Stan Holmes - Salt Lake City - 6/23/2024

Castle Country Project Area / Comment Responses

Public Comment Questions to the UIPA Board

submitted 6-23-2024 by S. T. Holmes in advance of the UIPA Board's June 24, 2024 meeting:

~ Q: Where are the UIPA Board's responses to public comments that have been submitted online to the Board and appended to the minutes of each Board meeting?

Q: Who on UIPA's staff is responsible for organizing and posting the Board's responses?

~ On my recent [June 18, 2024] visit to Green River City, a city official showed me a wall map of UIPA's proposed Castle Country project areas in Emery County --Green River-West and Green River-East-- and mentioned business entities with established property interests in different parcels. In Green River-West, for example, one sizeable parcel is owned by a uranium-vanadium concern. Another parcel, under separate ownership, has in the past been considered for a refinery capable of processing crude oil, perhaps shipped there by rail from a transloading facility near Price. Presumably, UIPA officers know what the city official knows about these parcels.

Q: Why is there no mention of a uranium-vanadium facility or operations in UIPA's Castle Country project area plan and budget?

Q: And what have been UIPA's interactions with business entities --such as Energy Fuels LLC-- associated with radioactive materials operations at White Mesa, in San Juan County?

Q: Why is there no mention in UIPA's Castle Country project area plan that the Utah DAQ once approved an air quality permit [since lapsed] for an oil refinery in what is now a Green River-West parcel?

Q: Is Emery Refining LLC or an affiliate waiting for UIPA's project area approval to once again pursue a refinery permit?

~ On the same Green River City visit, I stopped at Ray's Tavern, which is arguably the most popular burger-and-beer spot for adventurers coming off Green River raft trips. If there's a leading public hub for local information in the city, Ray's is a contender. Imagine my surprise that neither the manager nor any of the staff had heard anything about the Inland Port project area destined for Green River. They got their first news about this from me.

Q: What specific measures did UIPA take, in conjunction with Green River City officials, to inform local residents about UIPA's Castle Country plans and to solicit public input in a timely fashion?

~ This spring, Utah officials and taxpayers were warned about the risks of extending public financial backing to too many projects with long pay-back timelines.

Q: As UIPA considers another PID and the 10th project area --with #11, Fillmore, in the wings-- how would UIPA and its legislative backers reply to yellow and red flags raised by Americans for Prosperity, the Utah Taxpayers Association, and Utah's fiscal responsibility officials [treasurer, auditor, etc.] sounding the alarm about so many commitments underwritten by public funds?