

Utah Inland Port Authority Board | 2019

Utah Inland Port Authority Board Meeting Minutes

January 23, 2019 • 4:00 p.m. – 6:00 p.m.
Governor's Office of Economic Development
60 E South Temple, 3rd Floor
Salt Lake City, UT 84111

Board Members Present:	Lara Fritts, Derek Miller, Francis Gibson, Garth "Tooter" Ogden, Nicole Cottle, D.Gregg Buxton, Ben Hart, (by phone)
Board Members Absent:	Carlos Braceras, James Rogers, Michael Jensen
Others participating in meeting and staff:	Christopher M. Conabee, Paul Morris, Nick Tarbet, Robert Nutzman, Larry Shepherd, Jill Flygare, Tom Wadsworth, Aimee Edwards, Owen Barrott, Craig Sabina, Jim Grover, Kamron Dalton, Cassidee Feinauer
Others in attendance:	Monica Hilding, Marlene Jennings, Dean C. Dinas, Dorothy P. Owen, Melissa Meier, Darren Eyre, Roger Borgenicht, Amy Floor, Kory Neider, Greg Nelson, Michael Cundick, Deeda Seed, Lynn Pace, Kathryn Fitzgerald, Jessica Reimer, Ty Markham, Thea Brannon, Bradey Hooic, Aldo Tavares, Christopher Pengra, Kathy Van Dame, Gary Ferguson, Cinda Johnson, Angie Keeton, Heather Dove, Steve Erickson, Juliette Tennert, Jon Nepstad, Terry Marasco, David Scheer

A. Welcome

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

Pledge of Allegiance

The Utah Inland Port Authority's interim administrator, Christopher M. Conabee, lead the Pledge of Allegiance.

Approval of Previous Meeting Minutes:

Board member Ogden moved to approve the minutes of the December 12, 2018 and December 27, 2018 board meetings.

Board member Cottle seconded the motion.

The motion was approved unanimously.

B. Discussion Items:

#1 Timelines and Process for Public Outreach and Possible Public Outreach Phases 2 and 3.

Interim Administrator Conabee, described the timeline and process for public outreach including stakeholder involvement and public outreach throughout all phases and a focus on scenario analysis (looking, listening to the community, understanding needs) during the initial phase. He spoke of the decision to keep the initial RFP only to Phase 1 as an attempt to be fiscally responsible, learning more about what is needed and judging the performance of the contractor before spending additional monies. Phase 1 will include many surveys and public meeting. Phase 2 will include developing a preferred scenario and receiving technical analysis. Establishing a baseline – exploring what would happen to air pollution, for example, if we do nothing is a critical part of the process. Phase 3 will include identifying an optimal scenario and applying a business strategy and financing strategy. He noted that there is not a calendar for completion of each of the phases though he expects Phase 1 could be completed relatively quickly. He identified other staff assisting on this item with the Inland Port Authority including the board's legal counsel, Paul Morris, Jill Flygare of GOED operations, Tom Wadsworth of GOED corporate recruiting, Aimee Edwards of GOED communications/media, and Cassidee Feinauer of State Purchasing.

Chairperson Miller asked Interim Administrator Conabee to discuss his efforts to lead a similar process for the Utah Point of the Mountain Commission and any applicable thoughts and insights from that experience.

Interim Administrator Conabee spoke of how the process undertaken by the Point of the Mountain Commission identified factors including projected growth that altered the planning process in ways they would have never initially imagined. He emphasized identifying public concerns and working to build scenarios that address those concerns.

Chairperson Miller invited board questions on the public engagement process.

There were no questions from the board.

#2 Utah Open Meetings and Government Records Access and Management Act Training

Chairperson Miller asked the board's legal counsel, Paul Morris, to provide this training.

Paul Morris noted that this training fulfills the requirement for annual open meetings training for the board. Under the GRAMA statute, he discussed with the board what constitutes "protected records" and that they would include documents received from companies including trade secrets, proprietary information about their competitive advantage, or processes or solutions. He noted that in many cases the person providing the documents would need to request that the documents be protected at the time they were given to the board. In fairness to companies the board will deal with,

board members should request and receive the justification for keeping any document confidential prior to receiving the documents. A form for that purpose will be provided. He noted that the board has an approved process for dealing with GRAMA requests.

Paul Morris told the board that compliance with many of the requirements within the Open Meetings Act fall to the board chair and staff – meeting agendas, notices, minutes, recordings, etc. He reminded the board that a meeting requires a quorum, a majority of the members of the board, and that the board can take action with the vote of the majority of those present. To close a meeting requires a 2/3 vote of those present, a roll-call vote, and an acceptable reason for closing the meeting must be stated. Board members are not allowed to email or send text messages to one another during the meeting – deliberations and conversations must be public. Board members are allowed to attend public functions and social events where a quorum of the board may be present but cannot congregate and discuss the business of the board.

Chairperson Miller invited questions from the board. There were no questions.

#3 Presentation from Tooele County

Tooele County officials were unable to attend the meeting and will reschedule.

#4 Tax Differential Policy

Interim Administrator Conabee provided an update on the tax differential policy. Early drafts of that policy produced by Board Member Hart have been circulated to the board and made publicly available. More substantive revisions are in work now and will be presented to the board in the near future.

Paul Morris credited Board Member Hart for his work on the policy and his work with other taxing entities. He noted the difference between tax increment and tax differential and detailed the suggestions he offered for how tax differential will be used among the four funds – administrative, housing, municipal services, and development.

Chairperson Miller thanked Paul Morris, Interim Administrator Conabee and other staff for their professional services to the board in their work on this policy and other items.

Board Member Fritts asked that the board receive copies of the latest draft with enough time in advance of the next meeting to review it. Chairperson Miller agreed.

#5 Executive Director Report

Interim Administrator Conabee reported on some of the recent work of staff. Staff cleaned up some confusing information that was on the public web site about board terms. A media policy has been drafted. Staff plans to issue a news release following board meetings to highlight accomplishments. The purpose of the media policy is to provide a coordinated communication effort for the board. Staff and board chairs have discussed holding board meetings in areas in or near the inland port. Staff is also working on some items that will be needed further down the road such as policies for travel, credit card accounts, and banking. Cassidee Feinauer of state procurement has been working with staff on the RFP for public outreach. Staff has also been coordinating on a process for vetting candidates with Craig Sabina who is conducting the executive search.

The business plan RFP closed on Jan. 18, 2019. There were four applicants. No formal review process has been undertaken by staff awaiting input from the public engagement process to be folded into the business plan. He would like to move forward on that in the coming month.

Chairperson Miller invited comments from the board on the executive director report.

Board Member Fritts suggested that a good location for an offsite meeting of the board would be a school on the west side that is impacted by the inland port. Interim Administrator Conabee agreed that there are schools that will be directly impacted and spoke of his desire as staff to hold meetings and receive public input from those in the area over the next 60-90 days so the board could go in with facts and scenario planning.

Board Member Gibson asked about the timeline for the business plan RFP. He expressed interest in moving the selection of the business plan RFP forward while initiating the public input process.

Chairperson Miller said it was his hope that if the proposals for the business plan were ready for review that selection could be made at the board's next meeting.

C. Action Items

#1 Media Policy

Aimee Edwards reviewed the policy. Its purpose is to respond to inquiries in a coordinated way and not to restrict board members from interactions with the media. The aim is to be responsive to media requests, supportive of board members, transparent, coordinated and professional.

Chairperson Miller noted Aimee Edwards' previous media experience and asked that she speak to the consistency of this policy with similar policy she has seen before.

Aimee Edwards noted that this policy was consistent with policy in the Governor's Office, the Governor's Office of Economic Development, the Point of the Mountain Authority and others she has seen outside of government.

Board Questions:

Board Member Ogden asked about the distribution of news releases from the board.

Aimee Edwards said that news releases would be disseminated statewide to news outlets, to board members, and to any other who would want to be included on the list.

Public Comments:

Aldo Tavares noted that the board had previously opted not to vote on items in the first meeting at which they appeared on the agenda, to allow for public input. This action item has not been on the agenda previously.

Chairperson Miller responded that the board practice mentioned was a precedent, but not a policy of the board. It is his feeling that this item is noncontroversial and needs to be in place as the board and staff move forward with the public engagement process.

Motion:

Board Member Buxton moved that the media policy be adopted as presented. Board Member Ogden seconded the motion. The motion carried unanimously.

#2. Agreement with the Utah Local Governments Trust for Insurance Coverage

Jill Flygare stated that the Utah Inland Port Authority has recently learned that the board does not have liability insurance coverage under the Utah Division of Risk Management. She was tasked with finding private coverage for the board. She has received three quotes for public official's liability and general liability insurance for the board with coverage of \$1-5 million. Company 1 provided a quote of \$5,000 to \$8,000 per \$1 million of coverage with a \$5,000 deductible for public official's liability and the same cost for general liability coverage. Company 2 was \$10,000 per \$1 million dollars of coverage for public official's liability and general liability coverage. Company 3 was \$5,000 for \$2 million of coverage of both public official's liability and general liability coverage.

Paul Morris stated that the most cost-effective option would be the insurance provided by company 3, the Utah Local Governments Trust. He noted that this entity has been around for years and insures most of Utah's smaller counties and hundreds of cities, local districts and school districts in the state. The Military Installation Development Authority (MIDA), an authority similar to the Utah Inland Port Authority, has been insured since its inception with the Utah Local Governments Trust.

Board Questions:

Board Member Buxton mentioned a conversation with Todd Kiser, the commissioner of the Utah Insurance Department, who raised caution about the importance of the training provided by the insurer and verifying that the entity providing the insurance had sufficient assets to cover a serious claim. Paul Morris responded from his experience with training provided and the history of the creation of the Utah Local Governments Trust, its growth and the groups it insures.

Board Member Fritts asked if the board could get just a director and officer's policy and what level of coverage was recommended. Paul Morris responded that under the recommended policy the board was getting \$2 million of coverage of both public officer's liability and general liability for \$5,000.

Public Comment:

Chairperson Miller invited public comment on this item. There were no public comments.

Motion:

Board Member Cottle moved to accept the resolution provided to enter into an agreement with Utah Local Governments Trust for the coverage as detailed, effective January 23, 2019. Board Member Ogden seconded the motion. The motion carried unanimously.

#3. Executive Director Search Update

Craig Sabina, executive director search consultant with McDermott & Bull, provided an update on the search. The firm has engaged approximately 120 candidates and has made six formal recommendations, including one Utah candidate. They will continue their outreach until a candidate is selected. They would like to conduct video interviews with candidates in the next week or two, bringing the top 3 or 4 candidates to Salt Lake City during the third or fourth weeks

of February. An offer could be extended, subject to reference and background checks, in late February or early March with a start date for the new executive director of April 15 or May 1, allowing for some overlap with the time contracted with the interim administrator.

Interim Administrator Conabee asked that Craig Sabina speak to the quality of the candidates recommended. Craig Sabina stated that there were candidates that have been in significant port leadership positions from various areas in the US. There is a candidate that has recently left the US congress and a good local candidate. There is tremendous excitement and interest in this position and this opportunity.

Board Questions:

Chairperson Miller invited comments and questions from the board.

Board Member Fritts asked when the board would see resumes from the recommended candidates. Craig Sabina replied that the resumes have been given to staff and the next step would be to establish a subcommittee to evaluate the group of candidates.

Interim Administrator Conabee noted the importance of moving forward quickly and not leaving these candidates waiting.

Board Member Gibson agreed with moving forward quickly to meet the start date as outlined.

Chairperson Miller clarified that ultimately the entire board would vote to approve the selection of a new executive director but a smaller working group would do the initial vetting of the candidates. Vice Chair Rogers will head that group with Board Members Hart and Fritts participating. Interim Administrator Conabee will also participate with that working group.

Public Comments:

Chairperson Miller invited public comments to the board on the executive director selection process.

Dorothy Owen told the board that initially the community had encouraged the board to look at qualified international candidates for the position. She asked if any efforts had been made to solicit international interest in the position.

Craig Sabina replied that there have been international candidates, though the top six candidates at this point are all U.S. residents.

Motion:

Board Member Buxton moved to create the candidate selection working group as discussed. Board Member Fritts seconded the motion. The motion carried unanimously.

#4 Public Engagement Request for Proposal

At the invitation of the chair, Interim Administrator Conabee discussed the public engagement RFP. The RFP went out on January 7 and closed on January 18. Proposals were reviewed and scored by State Purchasing and GOED staff. There were three respondents, all of whom met the minimum requirements. Names of respondents were not provided in public meeting to protect from any potential negative assumptions surrounding the unsuccessful proposals. One of the respondents has significant experience in this type of public outreach work. An accompanying slide showed the following weighted scores for the three respondents. Respondent A, 52.8; Respondent B, 60; Respondent C, 100. The staff recommends the contract be awarded to Respondent C.

Board Questions:

Board Member Fritts expressed disappointment that there wasn't a more diverse group of reviewers for the RFP and indicated that she would not vote for an item that had not been reviewed by the full depth of the board.

Chairperson Miller and Interim Administrator Conabee noted the need to quickly review the RFP responses and that GOED staff and Salt Lake City Council staff who provide services to the Inland Port Authority Board were invited to participate in the review. Materials were also sent earlier in the day to all board members who had returned signed conflict of interest/disclosure forms. The RFP review was completed quickly so that it did not have to wait until the next board meeting for board approval.

Public Comments:

Dorothy Owen has provided a letter on the public engagement RFP and will hold her comments until the general comment period.

D. General Comments to the Board

Chairperson Miller invited general comments to the board at this time, noting that the board would move to executive session following comments for board discussion of responses to the public engagement RFP.

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Marlene Jennings spoke to tax differential policy and endorsed the comments by Board Member Hart as recorded in the December 12, 2018 minutes where he noted that in considering future board ex-officio positions the board should consider that neither Magna Township nor Salt Lake City School District has a seat on the board. She asked if it was possible to know what comments and input on the tax differential policy came from the Salt Lake City School Board. Dorothy Owen said she was speaking for Richard Holman, co-chair of the Westside Community Council, who couldn't attend the meeting. He led out on the controversial issue of the public market at the Fairpark. The Westside Community Council worked with Salt Lake City on the RFP and offered input from the community in that process. The result was a positive agreement and cooperation. We hope the Inland Port Authority Board will use a similar approach in the future.

Heather Dove, representing Great Salt Lake Audubon, urged the Inland Port Authority Board to support the continuation of the truck ban on the Legacy Parkway. The design and intent of the parkway are beloved by residents. If truck ban is lifted to provide greater access to and from the inland port it would alter the character of Legacy Parkway including increases in noise, pollution, likelihood of accidents and negative effects on wildlife habitats and decreased quality of life for local residents.

Ty Markham, resident of Salt Lake City and Torrey, UT. She expressed curiosity over the mission of the board. Are it's purposes exploratory? She spoke to her experience in the Los Angeles area with traffic congestion and the decision to move away from that and return to Utah. Her fear is that an inland port could create the same problems in Utah.

Michael Cundick, co-director and founder of SLC Air Protectors, said he looks forward to engaging with the board in favor of air quality. We should not sacrifice air quality or health for economic gain. He encouraged the board to protect the ecosystem and air quality and to move at a pace that the public can engage and understand what the board is doing. He encouraged the formation of a community environmental council and asked that an environmental impact study be done.

David Sheer said that the inland port was a law, a board, some staff, and an aspiration for economic benefit. He feels there are people who have decided that this port is going to happen no matter what. He feels we need more information before determining the viability of the port. We don't know the costs of infrastructure, incentives to companies, and costs to the environment. We don't know if a second rail yard will be required with its costs and impacts. We don't know the markets for the goods moving through the port. We don't know if we'll be able to balance imports and exports within the port. Excluding any outcome, including the possibility of not having a port is premature. He questioned whether the public engagement consultant can construct scenarios without more information.

Terry Marasco said he had been touring the inland port jurisdictional area and saw signs marketing various uses for land there, including logistics warehouses. He asked how business activity already occurring in the area was going to impact the business plan of the inland port.

Interim Administrator Conabee replied that privately owned lands within the port's jurisdictional area are entitled and open to development by private owners. Giving his personal opinion, Interim Administrator Conabee suggested that a mass amount of uncoordinated warehousing and package delivery would contribute to the air quality problems that many fear. He said those fears and pressures were spurring the board's desire to move expeditiously. We agree these concerns are real, though we may disagree on how to address them. We can't pretend that doing nothing is a solution. Chairperson Miller reiterated that the lands within the port area are privately owned. The port does not own the land. The state and city do not own the land. The privately owned lands were entitled and zoned by Salt Lake City. The job of this board is to hopefully guide the development so that we don't see some of the problems that would inevitably come if nothing is done.

Dean Dinas asked to what extent the technical advisory committee will interact with the public outreach effort. As the technical advisory committee accepts input from experts how will that information flow to the public? He suggested that the technical advisory committee be empowered to evaluate best available control technologies and environmental impact statements from contractors.

Dorothy Owen provided a letter to the board concerning the RFP for public engagement. Her concerns were with the timeline, the vagueness of the original RFP and the lack of emphasis on environmental issues. She was pleased that when she got the RFP those concerns had been addressed. The RFP lays out a better timeline and talks about doing it right, not just doing it fast. We appreciate you listening to the community on that issue.

Closed Session:

Motion:

Board Member Buxton moved to enter closed session for the purpose of discussing of the character, and professional competence of an individual and to act as an RFP selection committee under the state procurement code. Board Member Ogden seconded the motion.

The motion was approved by a roll call vote.

Board Member Cottle: Aye
Board Member Ogden: Aye
Board Member Fritts: Aye
Board Member Buxton: Aye
Board Member Gibson: Aye
Board Member Hart: Aye
Chairperson Miller: Aye

Return to Public Session:

Chairperson Miller welcomed the board and public back into public session.

Motion:

Board Member Gibson moved to accept staff recommendation and award the contract for public engagement to Respondent C. Board Member Ogden seconded the motion. The motion was approved on a vote of six to one, with Board Member Fritts voting no.

Interim Administrator Conabee announced that Respondent C was Envision Utah and their score including analysis of cost was 142.9. The second place response received a score of 60 points and the third place score received 52.8 points.

Chairperson Miller noted that the contract with Envision Utah would be handled by Interim Administrator Conabee. He noted that the board congratulates Envision Utah and the board and public are eager to get started and are confident that Envision Utah will do a good job.

Adjournment:

With no objection, Chairperson Miller adjourned the meeting.