**Utah Inland Port Authority Board Meeting Minutes**

February 27, 2019 • 4:00 p.m. – 6:00 p.m.

Wasatch Front Regional Council
295 North Jimmy Doolittle Road
Salt Lake City, UT 84116

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| **Board Members Present:** | Derek Miller, James Rogers, Garth “Tooter” Ogden, Nicole Cottle, D.Gregg Buxton, Michael Jensen (P), Ben Hart (P), Blake Thomas (not sworn in) |
| **Board Members Absent:**  | Carlos Braceras, Lara Fritts, Francis Gibson, |
| **Others participatingin meeting and staff:**  | Christopher M. Conabee, Paul Morris, Nick Tarbet, Robert Nutzman, Larry Shepherd, Tom Wadsworth, Aimee Edwards, Craig Sabina, Cassidee Feinauer, Robert Grow, Ari Bruening, Julie Bjornstad, Stuart Clason, Andrew Gruber, Phillip Hoskins, Scott Jenkins, Stan Summers, Shawn Milne, Dan Peay, Scott Barney, Lyndon Ricks |
| **Others in attendance:** | Nathan Anderson, Vern Keeslar, Ethan Peterson, Benjamin Becker, Anthon Stauffer, Ann OConnell, Dorothy Owen, Sylvia Wilcox, Robyn Adamson, Kip Billings, Terry Marasco, Geri Gamber, Rita Vigor, Jeff Hymas, Larry Jensen, Melissa Meier, David Zook, Richard Miller, Tom Freeman, Kathy Van Dame, Kira Kilmer, Marlene Jennings, David Sheer, Steve Erickson, Dean Dinas, Kim Clausing, Richard Holman, Charlotte Maloney, Erin Lamb, Nigel Swaby |

**A. Welcome**

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

**Pledge of Allegiance**

Former Utah Inland Port Authority Board Member Stuart Clason lead the Pledge of Allegiance.

**Approval of Previous Meeting Minutes:**

Vice Chair Rogers moved to approve the minutes of the January 23, 2019 board meeting. Board member Buxton seconded the motion.

The motion was approved unanimously.

**B. Discussion Items:**

**#1 Presentation from Wasatch Front Regional Council (WFRC)**

WFRC Executive Director welcomed the Inland Port Authority Board and visitors to the office. He explained what WFRC is and their role in transportation planning for local governments.

Transportation Planner Julie Bjornstad explained the role of WFRC in creating the Regional Transportation Plan and its necessity in transportation project funding.

**#2 Possible Satellite Port Opportunity Presentation**

Stuart Clason, recently named Regional Economic Growth Director for the Utah Association of Counties, conducted the presentation and shared that multiple counties have expressed interest in working with the Inland Port Authority and are identifying potential port locations. UAC sees the functions of the Inland Port to be to connect the entire state to the global supply chain, to align public and private investment and to grow the overall economic pie of the state. He suggested rethinking the Utah Inland Port from its present approach focused on a single site that would be characterized by local congestion and limited economic benefit toward a model that would include multiple statewide sites, leveraging a statewide transportation network expanding benefits to much more of the state. Under this model he suggested the potential for statewide job creation, broader private investment, increased infrastructure investment, and higher efficiency for movement of Utah goods to the global supply chain.

Phillip Hoskins of Savage Services shared an introduction and overview of the Utah transportation and logistics company. He spoke of the function of the global supply chain and highlighted Utah’s role in the chain. Utah is the crossroads of the west, connected to all major west coast ports and to destinations in all directions. He presented Utah’s rail infrastructure, its reach to half of the state’s counties and the advantages of rail over truck transportation of goods.

Weber County Commissioner Scott Jenkins spoke of land near rail lines in his county and expressed the county’s desire to have a part in the economic activity of the inland port.

Box Elder County Commissioner Stan Summers spoke of the truck traffic that passes through his county and how some of that traffic could stop there and reduce the impact on Salt Lake City.

Tooele County Commissioner Shawn Milne spoke of rail and the facilities in his county for logistics and shipping in the area formerly part of the Army Depot.

Magna Mayor Dan Peay and the Magna City Manager told the board about road improvements in Magna that will allow for increased vehicle traffic and transportation that could be supportive of inland port activity.

Millard County Economic Development Coordinator Scott Barney told the board of opportunity and undeveloped land along the rail spur created for the Intermountain Power Project.

Board Member Ogden noted his position on the board representing rural Utah. He likes the idea of the port model suggested that could move port activity to the rural areas of the state.

Vice Chair Rogers spoke to the lessening of the impact on air quality by moving port activities away from Salt Lake City. He asked Phillip Hoskins of Savage Services about the primary products moving by rail in Utah. Mr. Hoskins spoke of the opportunity to move agricultural and energy products from around the state. Vice Chair Rogers asked Stuart Clason how port activities, if moved to rural areas, would be funded. Mr. Clason responded that he would not be supportive of tax differential from Salt Lake County being used to fund projects in other areas of the state. Likewise, tax increment created in rural areas should stay there. State monies invested in the port could be prioritized by project and area. Mr. Clason also spoke to the reduction in mobile source emissions by reducing truck traffic into Salt Lake City through increased use of rail from hubs in rural Utah.

Board Member Jensen, as the representative from Salt Lake County, expressed additional support for the potential benefit to Salt Lake County in reduced emissions that could be realized by additional inland port hubs off the Wasatch Front.

**#3 Envision Utah Public Outreach Update**

Interim Administrator Conabee kicked off the presentation and introduced Robert Grow and Ari Bruening of Envision Utah.

Ari Bruening introduced Envision Utah and its experience in similar activities. He explained the three phases of this process - listening, scenarios, and vision. He shared information on the public meetings held and those that are scheduled and spoke of the online survey that is currently accepting responses. The data collected will be used to create various scenarios including a scenario that will look at what development would still happen in the inland port area if the port were not created.

Robert Grow spoke to the current zoning in the inland port area, primarily light manufacturing, and included in the SLC Northwest Quadrant Master Plan. The land is mostly privately owned and inland port uses will have to honor private use agreements and conditional requirements imposed by Salt Lake City. There is 92 million square feet available for industrial development within the inland port area. The legal framework for the land already exists and significant development is already underway. Mr. Grow also spoke of expected population growth in the state.

Ari Bruening shared information on the expected growth of the value of goods shipped in the US, doubling by 2045, and said that parcel shipments have grown by 50 percent in the past two years alone. He also spoke to Utah’s location as the “Crossroads of the West” and the transportation infrastructure in the Salt Lake Valley. He shared employment data and projections for the area and data compiled on air pollution emissions, particularly mobile source emissions.

Robert Grow spoke to opportunities for clean air plans that could be written into the inland port.

Ari Bruening emphasized that development within the port area was not a question of “if” but rather “how” we want it to develop and the influence the port authority will have. He also shared some of the lessons learned from other ports. He then shared some of the early data received from surveys, noting that it is not a representative sample at this point.

Chairperson Miller asked what could be done to ensure that more responses were received from the west side where the highest impact from the port will be.

Ari Bruening said they are making efforts on the west side and with Hispanic groups to increase responses from that area. He said they were finding that many in the area were unaware of what the inland port is. They are starting to use some targeted online advertising as well.

Interim Administrator Conabee noted that surveys have been prepared in Spanish and that Samoan and Tongan translations were in the works.

Vice Chair Rogers encouraged engagement with the schools, local PTAs and libraries.

Chairperson Miller expressed that where the survey responses come from is important.

Ari Breuning shared survey results as of February 22nd, including responses on the following topics:

How familiar are you with the Utah Inland Port project?

How well has the Inland Port Authority conducted a fair and transparent process?

Questions on the economic need for an inland port and impacts on growth.

Rankings on key inland port considerations and demographic questions

Ari Breuning detailed past meetings and presentations and where future meetings will be scheduled.

**#4 Executive Director Search Update**

Craig Sabina of McDermott & Bull Executive Search shared an update on the search for an Inland Port Executive Director. The company has screened many candidates and narrowed the field to six for consideration by the board. The board’s screening committee narrowed that group to three or four who will be invited to Salt Lake City for in-person interviews with the board. Those interviews will take place in the next few weeks. The remaining candidates all have significant experience in coastal or inland ports or similar entities. The executive search firm will continue to reach out to other potential candidates until a formal offer is accepted and the candidate has been through reference and background checks. He also shared the current schedule with in-person interviews in early March, an offer extended later in March and a target start date between April 22 and May 6, 2019.

Interim Administrator Conabee noted that the process has arrived at a point where the search firm needs more specific information on the salary that could be offered. He suggested that a discussion on that item be included in the closed-session portion of this meeting.

**B. Potential Action Items:**

**#1 Tax Differential Policy**

Chairperson Miller introduced this item and the efforts to date toward finalizing the tax differential policy.

Paul Morris noted the work done by Board Member Hart in working with local municipalities and drafting this policy. He spoke of four separate funds within the policy, the Administrative Fund of up to 2%, the Affordable Housing Fund of 10%, a Taxing Entity Services Fund with a target of 15%, and the remainder put into the Development Fund. 5% of the Development Fund would be targeted for sustainability. The policy looks at the process for taking applications from developers or land owners and creates a framework for allocation of funds to qualifying projects. He shared comments that have been received on the draft policy, many of which were included in the red-line version of the draft shared with the board.

Chairperson Miller invited board comments on the draft policy.

Board Member Hart thanked the interim administrator and counsel for their work on this policy. He thanked the taxing entities for their input.

Chairperson Miller invited public comment specific to the tax differential policy.

Dorothy Owen expressed that this is a complicated document and wants to focus on the issue of trust and building of public trust by the board. Her reading of the language in section 2a of the policy would allow unlimited funding for litigation expenses. She asked that the board reconsider this provision.

Marlene Jennings spoke to the importance of education and wondered how the board could fulfill its stated goals without a commitment to education. She asked that the board make changes to emphasize education in this policy.

David Sheer had submitted a letter to Interim Administrator Conabee. He believes the policy is vague and doesn’t support environmental sustainability and asks why not prioritize projects that have a low or zero environmental impact? He feels the public deserves some explanation of the ranking of various project types.

Chairperson Miller invited final staff comments.

Paul Morris said that the question on litigation expenses was a good point and that the language in the draft was copied from state law. Costs of litigation are not open ended and would be negotiated with legal providers and included in the port’s annual budget.

**Motion:**

Vice Chair Rogers moved to adopt the amended Property Tax Differential Use Policy with additional changes to include under Section 1b (Guiding Principles) “as well as the Authority’s Business Plan *to include an educational component* and applicable City Master Plans.” Additionally on page 5 of 9 under Section 5e (Step Five) “the Board shall review the Executive Director’s recommendation and shall request a briefing at a Board meeting *followed by public comment*, at which time the Board may provide additional guidance…”

Board Member Ogden seconded the motion.

Board Member Buxton asked for additional clarification on the educational component mentioned. Vice Chair Rogers referenced an email inviting high school students to visit Stadler Rail facilities to learn of career opportunities in manufacturing.

The motion carried unanimously.

**#2 Business Plan Request for Proposal (RFP)**

Interim Administrator Conabee asked the board to give staff the authority and direction to create public working groups around issues that are arising from public input. He suggested an Emissions and Air Quality Group, a Traffic & Transportation Group, an Environmental, Wetlands & Recreation Group, an Infrastructure & Rail Group, a Corporate Recruitment, Workforce Development, & Education Group, and a “Constellation” Committee. He suggested each group have 15-20 applicable people.

Chairperson Miller asked what authority these groups would have, whether they would operate as a subset of the board or as part of the public process.

Interim Administrator Conabee stated that the groups would function as part of the public engagement activities.

Chairperson Miller stated that he feels as part of the public process the interim administrator has authority to create such groups without formal action of the board. He also noted the prior creation of a technical committee, which has not yet convened because the need has not yet arisen. He suggested that the membership of the technical committee could also be tapped for support for these working groups.

Board Member Buxton asked that a contact list for staff members be compiled and circulated to the board.

Cassidee Feinauer and Interim Administrator Conabee shared that five staff members and four board members have reviewed and ranked the responses to the Business Plan RFP. They are prepared to share those rankings in private session.

**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 business plan RFP.

Nigel Swaby commented on legislation, HB 433, related to the inland port and recently introduced in the state legislature. He is concerned that the legislation will expand the reach of the port authority beyond the existing jurisdiction. He would like to see the plans for the current area before it is increased. He is also concerned about the provision to prevent political subdivisions from litigating. He wonders about the ability of a municipality to challenge should its zoning authority be overridden. He feels this legislation would create a powerful board that is unaccountable to voters or to cities. He feels all citizens in the state are stakeholders in this process.

Ethan Peterson said the port and other development is the exact opposite of the direction we should be going. Besides contributing to air pollution we need to begin radically changing our economy today to begin moving away from rapid consumption and fossil fuels. Government is ignoring climate change. He shared a report on climate change, an issue he feels should be central to any discussion on the inland port.

Steve Erickson spoke to HB 433 and his concerns including raising the amount of tax differential available for administrative uses from 2% to 5% and expanding the time frame for collection of tax differential funds. He is troubled by the prohibition on litigation by political subdivisions and time limits for lawsuits. He wonders if the board participated in drafting this legislation or if they will endorse it.

Kim Clausing is a resident of Tooele County and thanked the board and visiting officials for talking about the port’s impact on outlying areas. She spoke of the inland port in Illinois and its increasing traffic problems. She is concerned about traffic congestion between Tooele and Salt Lake Counties along I-80.

Richard Holman questioned the discussion at this meeting of adding additional areas around the state to the inland port. He feels we have an unplanned port and shouldn’t be adding additional unplanned areas and ideas. What we heard today dramatically changes the role of the inland port authority as it exists. Public engagement is also needed within other counties that may be impacted. The approach discussed today could include a shift by the inland port toward attracting high-tech, high-wage jobs rather than warehouses.

Charlotte Maloney is concerned about traffic issues connected with the port. She has lived in areas where there is much truck traffic. She is concerned about air quality and feels the state should only be looking at projects that will reduce poor air quality.

Dean Dinas spoke to the free flow of information to the board, and from the board to the public. Best quality information needs to be flowing to the board from technical advisors and other knowledgeable sources.

Robyn Adamson spoke to the incidence of asthma and childhood asthma. Cleaner fuels will not take care of all the air quality issues. She shared concerns about HB 433, the continued truck ban on the Legacy Highway, and depleted uranium storage in the west desert.

**Closed Session:**

**Motion:**

Vice Chair Rogers 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 Buxton seconded the motion.

The motion was approved by a roll call vote.

Board Member Buxton: Aye
Board Member Cottle: Aye

Chairperson Miller: Aye
Vice Chair Rogers: Aye

Board Member Ogden: Aye
Board Member Jensen: Aye

**Return to Public Session:**

**Motion:**

Board Member Buxton moved to end the closed session. Board Member Ogden seconded the motion.

The motion was approved by a roll call vote.

Board Member Buxton: Aye
Board Member Cottle: Aye

Chairperson Miller: Aye
Vice Chair Rogers: Aye

Board Member Ogden: Aye
Board Member Jensen: Aye

Vice Chair Rogers welcomed the board and public back into public session.

Interim Administrator Conabee said the RFP for the business plan was close, within 15% for the first and second place applicants. Once cost was factored in, one applicant won the RFP by more than 15%.

Cassidee Feinauer said the winning applicant is CPCS.

**Adjournment:**

**Motion:**Board Member Ogden moved to adjourn. Board Member Cottle seconded the motion. The motion carried unanimously.