

# Utah Inland Port Authority Board | 2019

## Utah Inland Port Authority Board Meeting Minutes

March 27, 2019 • 4:00 p.m. – 6:00 p.m.  
Governor's Office of Economic Development  
60 E South Temple, 3<sup>rd</sup> Floor  
Salt Lake City, UT 84111

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**Board Members Present:** Lara Fritts, Francis Gibson, Garth "Tooter" Ogden, Nicole Cottle, D. Gregg Buxton, Ben Hart, Carlos Braceras, James Rogers, Michael Jensen, Blake Thomas, Derek Miller (by phone)

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**Board Members Absent:** none

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**Others participating in meeting and staff:** Christopher M. Conabee, Paul Morris, Nick Tarbet, Robert Nutzman, Larry Shepherd, Jill Flygare, Tom Wadsworth, Aimee Edwards, Craig Sabina, Robert Grow, Ari Breuning, Lyndon Ricks

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**Others in attendance:** Jeff Adams, Lindsey Petersen, Erin Lamb, Kira Kilmer, Victoria Bovee, Ethan Petersen, Finn Epperson-Valum, Thea Brannon, Linda Johnson, John Wilkes, Dean Dinas, James Miska, Georgie Corkery, Nathan Haslem, Sam Lovelland, Jamie Henn, Nick Wells, Sayuri Juarez, Maura Shanchez, Susan Corth, Liz Buirley, Terry Marasco, Jim Mellor, Kent Anderson, Thom Canter, David Scheer, Elizabeth Braymen, Nancy Phillip, Karen Nichols

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### A. Welcome

Vice Chair Rogers welcomed the public and board members to this Utah Inland Port Authority Board Meeting.

### **Pledge of Allegiance**

Vice Chair Rogers lead the Pledge of Allegiance.

### **Approval of Previous Meeting Minutes:**

Board Member Jensen moved to approve the minutes of the February 27, 2018 board meetings.

Board Member Ogden seconded the motion.

The motion was approved unanimously.

### **B. Discussion Items:**

#### **#1 Legislative Update**

Legal Counsel Paul Morris provided an update of legislative items from the 2019 State of Utah legislative session relevant to the inland port.

### **CHANGES TO INLAND PORT AUTHORITY ENABLING LAW – HB 433**

HB 433 amends the Utah Inland Port Authority enabling legislation and other sections, It:

1. Corrects some errors and clarifies certain provisions by adding some definitions. It specifies that the authority can own and operate an Intermodal Facility but not public infrastructure in the authority jurisdictional land. The authority can issue assessment bonds. It changes the hiring deadline for the Executive Director to July 1, 2019.
2. Creates the "hub and spoke" model. It establishes the authority jurisdictional land as a project area and allow for other project areas to be created in other parts of the state, with the consent of the local governing body and the landowner.
3. Changes the property tax differential definition, collection, and distribution:
  - a. Increases the maximum for administration to 5%;
  - b. Allows for the sharing of new growth in property tax revenues with the other taxing entities;
  - c. 10% of the tax differential is set aside for affordable housing money in the authority jurisdictional land. It will be paid to the RDA from which it is generated.
  - d. Excludes the collection, judgment, and general obligation bond levies from the definition of differential;
  - e. Grandfathers some facilities which received a certificate of occupancy prior to December 1, 2018, so they are not part of the property tax differential and it grandfathers the RDA agreements entered into prior to October 1, 2018;
  - f. Sets the base year for the authority jurisdictional land at 2018 and the grandfathered RDA contracts at 2017;
  - g. Clarifies that property tax differential will be collected on pre-certificate of occupancy taxable value above the base year but the authority cannot spend differential in the authority jurisdictional land until the business plan is adopted; and,
  - h. Allows for adding 15 years of property tax differential collection to projects if the board determines that there is a significant benefit.
4. Establishes litigation parameters so a lawsuit challenging: (i) a project area in the authority jurisdictional land needs to be brought within 30 days of the board's adoption of the business plan; and (ii) a project area

plan or project area in a project area plan for the other satellite project areas needs to be brought within 30 days after the effective date of the project area plan.

5. Promotes significant pollution reduction in building operations, use of renewable energy, and less polluting truck traffic:

- a. Allows the authority to issue commercial property assessment clean energy (CPACE) bonds to incentivize the landowners to development energy efficient and renewable improvements as part of their construction; and,
  - b. Provides for renewable energy projects within the authority jurisdictional land to aggregate the customers to achieve the 5 MW threshold to receive beneficial energy rates.
  - c. Encourages all class 5 through 8 trucks entering the authority jurisdictional land to meet 2007 or later emission standards.
6. Provides that the authority will receive the point of sales portion of the sales and use tax for items brought from out of state and delivered to the project area site. Half of the tax will be shared with the entity that would have received it if the authority was not involved. The effective date is delayed until January 1, 2020 to allow the tax commission time to implement these provisions.
7. Allows the authority to work with GOED and use EDTIF funds if the parties agree.
8. Requires disclosure of a personal financial interest from board members of governmental bodies that own property in the authority jurisdictional land.

## **ENVIRONMENTAL MONITORING OF INLAND PORT AREA AND AIRPORT – SB 144**

SB 144 directs the Department of Environmental Quality to establish and maintain monitoring facilities to establish a baseline for air and water quality in the inland port area and a baseline for the air quality at the Salt Lake International Airport. The department will measure the environmental impacts from development and operations in the inland port area. The data will be published on the department’s website and an annual report will be given to the Inland Port Board.

## **INFRASTRUCTURE LOAN TO THE INLAND PORT AUTHORITY SB 268**

SB 268 amends 63B-27-101(3) to allow the Inland Port to borrow from the Transportation Infrastructure Loan Fund administered by UDOT: “(b) \$5,000,000 to the Inland Port Authority created in Section 11-58-201, for highway, infrastructure, and rail right-of-way acquisition, design, engineering, and construction, to be repaid through tax differential.”

Vice Chair Rogers emphasized several points during the presentation, including noting that the administrative fee of 5% compares to a 10% fee often charged by municipalities’ RDAs and highlighting the clean/renewable energy and emissions provisions. He also thanked Representative Gibson and Senator Buxton for the environmental monitoring included in SB144.

Chairperson Miller emphasized the provision that grandfathers the deal made between Salt Lake City and Stadler Rail, noting that the agreement was negotiated in good faith and the company has moved forward based on those agreements.

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

Prompted by a recent experience with a local entity, Legal Counsel Paul Morris reminded the board that any documents given to the board become public documents unless appropriate statutory justification and documentation for keeping them private is provided beforehand. He also cautioned the board that using “reply all” to substantive issues raised in group emails that include a quorum of the board are the equivalent of meeting in person and a violation of the open meetings statute.

## **#3 Current Zoning of the Utah Inland Port Authority Jurisdiction**

Interim Administrator Conabee introduced the presentation, saying there is often misunderstanding in the public of current baseline zoning within the area administered by the inland port.

Ari Breuning and Robert Grow of Envision Utah presented the following:

- Prior planning has identified large areas for preservation and other areas for industrial development.
- Under existing zoning rights, more than 150 million square feet of industrial development could be built in the Inland Port area.
- This will lead to a substantial increase in vehicle trips and miles driven.
- Although vehicles are getting cleaner, the increased driving mileage means area emissions likely will not decrease.
- It’s not a question of whether the area will develop, but of how.

- With the currently scheduled process of research and planning, the UIP can drive stakeholders to more efficient transportation models that will reduce overall emissions and create a global example of clean manufacturing and distribution.

Interim Administrator Conabee noted that the state, or a city, or county cannot regulate or restrict truck traffic due to federal law, but the port authority can determine what types of vehicles, including clean vehicles, it will allow within the port area.

#### **#4 Envision Utah Public Outreach Update**

Ari Breuning and Robert Grow of Envision Utah shared the dates and locations of public engagement meetings already held and those scheduled in the future as well as the stakeholder meetings held.

Input from stakeholders included the following top items they wanted to see in the port:

- Preserve water flows and wetland buffer
- Use rail to reduce truck traffic
- Opportunities for small and local businesses
- Increase manufacturing outbound freight
- Companies with long-term business plans
- Return unused land to SLC
- Remediate landfill through tax increment

And the following top items they did not want to see in the port:

- Political Fight
- “Too many cooks in the kitchen” – disorganized planning
- Restricting historic uses of wetlands North of I-80

From public meetings and online comments the following themes have recurred:

- Air quality and wetlands impacts as the top concerns
- Legacy Parkway truck ban
- Concern over low-paying jobs
- Confusion regarding legislature/legislative process from both initial UIP bill and messaging around SB248 SO2/SO3
- Confusion regarding plans to build north of I-80
- Do not recognize agreements to allow use of tax increment to subsidize infrastructure
- Rail blockage in neighborhoods

As of March 26, 2019 the Utah Inland Port Survey has received 2780 responses. There has been success in increasing responses from areas near the inland port jurisdictional lands. Most respondents are very or somewhat familiar with the project. Most respondents believe that the Utah economy is growing quickly enough and does not need the additional stimulus the port could provide and most believe the port will worsen growth-related impact such as air quality, traffic, crowding, etc.

The most important issues ranked by respondents to the survey include air quality, traffic/congestion, habitat impact, resource needs, and accountability and transparency. Survey respondents who reported lower income levels were much more likely to rank job creation in the port as an important issue.

Public Working Group meetings are organized in the month of April on the following topics:

1. Air Quality – April 8th
2. Workforce, Education, and Corporate Recruitment – April 11th
3. Environment, Recreation, and Habitat – April 16th
4. Roads, Rail, and Air – April 18th
5. Transportation and Port Technology – April 23rd
6. Satellite Port Development – April 25th

#### **#5 EDCUtah Market/Recruitment Update**

Theresa Foxley, CEO of the Economic Development Corporation of Utah (EDCU) gave a presentation on marketing and recruitment efforts and opportunities for new manufacturing projects.

She shared an overview of the founding and mission of EDCU. She reviewed the performance indicators for EDCU over the past two years and the current year’s new project starts. She also provided breakdown of recent projects, showing the number of new manufacturing projects and new distribution/warehouse projects over recent years and trends in industrial projects over that time. She spoke of manufacturing jobs as the “Holy Grail” of economic development, being both middle-class creating and middle-class sustaining and bringing indirect impacts that are higher than the typical office or distribution project.

Board Member Hart noted the importance of cooperation and collaboration between the State of Utah, EDCU and the municipalities in winning business projects and new opportunities for the state. He said that the advanced manufacturing jobs, with their large multiplier effects, are the jobs that the inland port should pursue.

## **#6 Financial Advisor Request for Proposal (RFP) Update**

Legal Counsel Paul Morris spoke to the need for a financial advisor to assist in calculating the property tax differential. He suggested securing the services of a firm for these calculations through an RFP.

Board Member Hart supports the idea of selecting a reputable professional company to perform this type of calculation for the board. He also suggested that the board may need in the near future a financial advisor to support other port authority functions and processes.

Interim Administrator Conabee asked the board if there was any objection to having staff start the process of an RFP for a financial advisor. No board member objected and Interim Administrator Conabee said staff would work toward bringing an RFP to the next board meeting.

## **#7 School District – educational partnership with Stadler**

Theresa Mbaku, career and technical education director for the Salt Lake City School District and Megan Ware, human resources manager for Stadler Rail, offered this presentation.

This partnership is a collaboration between the Salt Lake City School District, Salt Lake Community College, Stadler Rail, the Governor's Office of Economic Development, and the Department of Workforce Services.

The Salt Lake City School District (SLCSD) is the oldest public school district in Utah. The boundaries for the district are identical to the city limits for Salt Lake City. The district employs about 1,300 teachers who instruct about 25,000 students K-12. A CTE pathway is a sequence of two or more CTE courses within a student's area of career interest.

Pathways are designed to connect high school classes to college, industry certifications, and/or a career.

The students in the SLCSD work very closely early on in their high school years with the CTE coordinator in their school and their guidance counselor to determine the pathway that the student is most interested in completing.

Stadler Rail has been in Salt Lake City for 2.5 years. The company is moving into their new building this week. Stadler Rail is a Swiss company and the apprenticeship program in Switzerland is seen as the gold standard. This advanced manufacturing company invests in talent by providing an "earn and learn" apprenticeship opportunity containing a paid-work component and an educational component. Individuals get relevant skills and knowledge with zero debt and the company benefits in recruiting, training and retaining talent. Students come out of the 3 year program (senior year of high school and two following years) with an associate's degree.

Board Member Hart emphasized the value of this program and said this is one way that the inland port can provide something meaningful to the community. He hopes this work-based learning model can expand through the state.

Vice Chair Rogers asked about the number of students applying. The program will launch in April with an open house for students and parents. Information about the program is being shared digitally as well as through in class outreach and field trips to the Stadler Rail plant.

Board Member Ogden asked about opportunities for students off the Wasatch Front. The response was that this particular program is just for Salt Lake City School District at this time but it is a model that other districts can use.

Board Member Hart mentioned that this program has inspired legislation to create a statewide apprenticeship effort and GOED's Talent Ready Utah program will be working with industry and education around the state to create similar programs.

Vice Chair Rogers expressed his support saying this is what he hopes the rest of the industry in the inland port will be doing.

## **#8 Executive Director Search Update**

Craig Sabina of McDermott & Bull Executive Search provided an update on the search for an executive director. We have had responses from very qualified candidates with economic development and multi-modal port experience and in dealing with environmental mitigation within the communities in which they work. Four candidates were brought to Salt Lake City for multiple interview sessions. The search has been narrowed to one or two candidates.

Interim Administrator Conabee told the board that the North West Community Council expressed interest in meeting the candidates prior to the hiring. Staff is working to see if that meeting can be arranged.

Board Member Hart complimented Craig Sabina for his work during this process.

Interim Administrator Conabee spoke to the quality of all four of the final candidates, any of which he felt could do the job. They all have knowledge of the intricate subjects related to ports that will be required.

## **C. Action Items**

#1 None

## **D. General Comments to the Board**

Vice Chair Rogers invited general comments to the board.

Victoria Bovee told the board she moved to Salt Lake City a year ago and found it to be a beautiful city that we can be proud of. She has concerns about plans for fossil fuels transportation and distribution within the port. She is troubled that the national government won't address climate challenges.

Ethan Peterson told the board we have 12 years to move to a fossil fuel-free economy. The inland port is a 40-50 year project continuing fossil fuel infrastructure. That doesn't agree with what scientists say we need to do to protect the planet. He spoke of disastrous climactic events caused by rising temperatures including 100 million climate refugees by 2050. This type of economic development activity contributes to the problem. We should be honest about the moral implications of the decisions made.

Finn Epperson-Valum said the inland port offers economic development and growth, but for who? Promised jobs are low-paying warehouse and manufacturing jobs that will be replaced by automation. The inland port is an economic and environmental disaster. The inland port can't be green. No inland port.

Thea Brannon told the board that the inland port has been a dream since the 1970s. Now this board has the responsibility to oversee the actual creation of the port. It will have an impact on our community. The hub and spoke model will be in some degrees good for the rural parts of the state. Many members of the board are associated with economic development. This doesn't exist in a vacuum. We share this community. She is concerned for the environment. The board has power to restrict what comes in the port and what happens within the port. Make it as clean as possible.

Linda Johnson said she thinks the port will be built. There are things you can do to reassure us that it will be an OK project. Enforce Salt Lake City environmental requirements. Protect Salt Lake residents' lands and tax revenues. The port will increase uncontrolled emissions with no restrictions. She is concerned with diesel trains and switchers. We shouldn't be shipping coal, its time is past.

John Wilkes said Utah is a beautiful state and Salt Lake is a beautiful valley. Great Salt Lake and wetlands are crucial for migratory birds and wildlife. We have already harmed the environment, to harm further is selfish and irresponsible. The port will pollute for profit. Stop the port. Preserve the beauty around us.

Dean Dinas said he appreciates the insight, perspective and outreach the board has provided. He questioned how the board is going to resolve existing zoning within the port jurisdiction. Can the inland port impose conditional use permits on construction? What obligation does Envision Utah and its public working groups to coincide with the inland port's technical advisory committee and share the information so experts have an opportunity to provide live input?

James Miska is opposed to the inland port. He said the board appears to all be white and from privileged backgrounds. He would like to see more balance on the board. The residents of the northwest quadrant are not as white. This port will have global effects as well. Listen to survey results of those who live in the area of the port.

Georgie Corkery said the inland port is a huge threat to health of residents and the Great Salt Lake ecosystem. Air pollution from the inland port threatens wetland birds, noise pollution will also disturb them, light pollution will confuse and disorient them, and toxic runoff will threaten area. The majority of benefit from the port will go to wealthy companies and landowners.

Nathan Haslem spoke about his environmental concerns for the inland port. He spoke of his own employment situation and said \$45,000/year jobs mentioned in the meeting were not that much money. Some of us feel like we have little power to influence this project.

Sam Lovelland said the port authority promises jobs, but he wonders who will benefit. The jobs will be automated. Neighbors of the port will see increased emissions. He does not trust large developers. The citizens will have to bear the brunt of tax subsidies. He opposes the port.

Jamie Henn said the port will expand fossil fuel exports. He is concerned about the impact from burning fuels that would be moved through the port. He encouraged the port to be fossil-fuel free. Utah can be at the forefront of the clean economy.

Nick Wells said that companies will do what is best for shareholders and questioned how much money will be invested in offsetting emissions and pollution. This place will grow, but how? He encouraged investment in alternative fuels. We have to cut back on pollution. The U.S. flag represents freedom and liberty, why invite other sources of authority?

Maura Sanchez said if you care about science and data you wouldn't proceed with this. Let's figure out how to stop this port by any means necessary. Sayuri Juarez, a student at Hillside Elementary, said she doesn't want the inland port to be built. Bad air hurts us and she questioned whether the board will make our air better or worse.

Susan Corth agrees with majority of respondents to the online survey. We don't need more rapid growth. Basing our future on fossil fuels is a dead end scenario. Developers will need to provide infrastructure not tax payers. We need to monitor noise and light pollution.

Liz Buirley said the number one killer globally is pollution. Salt Lake City has a superior economy, why do we need to invite the polluting freight industry to our city and state? Our air quality is out of attainment and our air quality grades in Salt Lake and Tooele counties are Fs. This is a health disaster. Ozone levels cause irreversible damage for young people. Let's be wise about what we are inviting here.

## **E. Report of the Chair and Vice Chair**

Vice Chair James Rogers announced the next meeting of the board to be held on April 24 at 4:00 pm.

## **F. Report of the Interim Executive Director**

Interim Administrator Conabee told the board there is a lot of talk in the community about growth and stopping growth however it is evident from the studies that growth is coming. He believes the port can help to mitigate many of the issues associated with growth by bringing experts to the table for input. He announced the names of the chairs and participants in the six working groups mentioned earlier in the meeting. We have the opportunity to make this a green port and as we get information from the working groups. The business plan and scenario modeling that was approved at the last board meeting are moving forward and he may have a budget to present to the board at the next meeting.

## **G. Tentative Closed Session:**

### **Motion:**

Board Member Ogden moved to enter closed session for the purpose of discussing of the character, and professional competence of an individual.

Board Member Jensen seconded the motion.

The motion was approved by a roll call vote.

Board Member Gibson: Aye

Board Member Ogden: Aye

Board Member Jensen: Aye

Board Member Thomas: Aye

Board Member Buxton: Aye

Vice Chair Rogers: Aye

Chairperson Miller: Aye

Board Member Braceras: Aye

## **Return to Public Session:**

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

## **Adjournment:**

Board Member Gibson offered a motion to adjourn.

Board Member Hart seconded the motion.

The motion was approved unanimously.