

Utah Inland Port Authority Board | 2018

Utah Inland Port Authority Board Meeting Minutes

December 27, 2018 • 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: Carlos Braceras, Stuart Clason, Lara Fritts, Ben Hart, Derek Miller, James Rogers, Garth "Tooter" Ogden (by phone), Nicole Cottle (by phone), Michael Jensen (by phone), D.Gregg Buxton (by phone)

Board Members Absent: Francis Gibson

Others participating in meeting and staff: Nick Tarbet, Larry Shepherd, Robert Nutzman, Paul Morris

Others in attendance: Robyn Adamson, Deeda Seed, Dorothy Owen, Dean Dinas, Kathy Van Dame, Jim Mellos, Carole Stranghn, Lynn Pace, Steve Erickson, Jenny Wilson, Shawn Milne, James W. King

Welcome

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

Pledge of Allegiance

Board Member Clason lead the Pledge of Allegiance.

Discussion Items:

None

Action Items

#1 Project Area Application

Chairperson Miller introduced the discussion and consideration of a project area for Stadler Rail and offered a brief history of the activities and agreements that have brought the project to this point. He noted that the application for an incentive for the company will come before the board later.

Legal Counsel to the Board, Paul Morris, presented the legal requirements for the consideration of this project area including the creation and notice of a draft project plan and its presentation and adoption in a public meeting. He noted that the project area becomes effective on the day the approved plan is published in a general circulation newspaper. That date sets the base year for the project as the year before the creation of the project area - in this case 2017. Creation of the project area alone does not allow for the collection or spending of the tax differential. Separate approval is required for that and will be considered later.

Chairperson Miller invited questions from the board for Paul Morris.

Board Member Fritts asked how long it would take to complete the deal with Stadler Rail following the approval of the project area.

Paul Morris replied that the timing of the deal was unknown as it is subject to the negotiations that will take place.

Board Member Fritts asked how long it would take to ratify the existing agreement that Salt Lake City has with Stadler Rail.

Paul Morris replied that the timing would be subject to the decisions of the board.

Board Member Hart thanked Paul Morris for his assistance with this project area. He noted the need to establish the base year for this project. He thanked Salt Lake City for its work in negotiating the existing agreement with Stadler Rail and suggested that it serve as a template for the deal the board will create with the company.

Public Comment:

Chairperson Miller invited public comment on the project area application.

Dean Dinas asked a question about incentive deals that companies like Stadler Rail will make with the inland port. He would like to know where these incentives come from and if they could be stacked with other federal, state and local incentives and whether or not clean air incentives could be included.

Board Member Hart responded that yes, incentives from various levels of government could be stacked and the Inland Port Authority functions as the local entity in offering incentives.

Board Member Fritts added that the previously negotiated agreement with Stadler Rail included stacked incentives.

Kathy VanDame spoke of her recent confusion with some board actions. She had believed, based on her understanding of the conversation in the December 12 board meeting that the current action item before the board was not specific to Stadler Rail.

Chairperson Miller explained that the item now before the board was not a specific incentive for Stadler Rail, but rather the creation of a project area.

Discussion:

Board Member Fritts said that she would be voting against the creation of the project area, not in any opposition to Stadler Rail with whom Salt Lake City has worked closely, but because the legislation creating the Utah Inland Port Authority says that the authority may receive up to 100% of the tax differential, making it possible for the inland port to not collect any tax differential if it so chooses. Therefore the authority could pass a resolution acknowledging Salt Lake City's agreement with Stadler and allow the RDA to collect 100% of the city's tax increment. The RDA could also negotiate the increment for other taxing entities.

MOTION:

Board Member Clason moved to accept the project area application as presented.

Board Member Buxton seconded the motion.

Discussion on the motion:

Board Member Hart said he liked the suggestion to find a compromise way to handle deals, but supports the current action as a placeholder.

Chairperson Miller offered as clarification that while there has been discussion that the board has the authority to ratify the agreement that was made between Salt Lake City and Stadler Rail, he interprets the suggestion by Board Member Fritts to be that the board would defer its authority under the statute to let Salt Lake City handle the agreement.

Board Member Hart stated that the board should consider and ratify the good work done by Salt Lake City. He would like to see a process going forward that works closely with Salt Lake City and accommodates all stakeholders while reaching the port authority's goals.

Board Member Fritts stated that in offering her suggestion she felt a fiduciary responsibility as a board member to not take any action that could open the board to potential legal action. She feels the adoption of a project area could open the board to legal action.

Interim Port Authority Administrator Christopher M. Conabee and Legal Counsel Paul Morris clarified that the creation of the project area would be required prior to considering any option for adopting a final tax differential agreement with Stadler Rail.

Vote:

The motion carried with affirmative votes from nine board members. Board Member Fritts voted nay.

#2 Public Engagement Request for Proposals Statement of Work

Chairperson Miller officially welcomed Christopher M. Conabee in his new role as the interim administrator for the Utah Inland Port Authority and invited his presentation on the public engagement statement of work.

Christopher M. Conabee told the board that the provided public outreach statement of work was based on similar work done for the Point of the Mountain Commission with the intent to identify those items of importance to the public, put them into various scenarios and bring them back to the public for further input before finalizing and creating a business plan. He described the statement of work and its public engagement activities across three phases (as published). The request for proposals will be completed in the coming weeks according to State of Utah purchasing rules.

Board Comments:

Board Member Braceras noted that the board had been using State of Utah purchasing rules and asked if the board should consider adopting its own purchasing rules.

Paul Morris affirmed that the board has the ability to adopt its own purchasing rules, as its procurements may in some ways differ from those of the State of Utah.

Utah Inland Port Authority Board | 2018

Board Member Braceras suggested that the board consider adopting its own purchasing rules in the future.

Public Comment:

Chairperson Miller invited public comment on the public engagement request for proposal statement of work.

Dorothy Owen, chair of the Westpointe community council, said that her interest was in seeing that at the conclusion of this process that we are in a better position of understanding and affecting a successful port. She is concerned that the timelines are short and the outlines broad. She wants to see environmental and air quality concerns as a factor in every business decision by the port.

Deeda Seed said that the timing of the discussion on this statement of work on public engagement is inopportune. She said the plan's time frame for listening is short and unrealistic and questioned a branding campaign at this time. She said scenario planning is good and asked the board to do it right and not to rush.

Robyn Adamson spoke of air quality concerns and deaths attributed to air pollution in Salt Lake City and her own breathing difficulties. She said the port would double air pollution with its heavy manufacturing and suggested that hemp could clean up the air, water and soil.

Chairperson Miller noted that the zoning for manufacturing that was approved by the Salt Lake City Council is the zoning that will determine the manufacturing activities within the inland port.

Board Discussion

Board Member Hart mentioned his own experience in the last week in Southern California and the air quality problems there. He noted the governor's budget recommendation of \$100 million for air quality. He expressed his support for the interim administrator and the plan for public engagement. He noted that while the plan was aggressive, it needed to move ahead and that all concerns would be heard.

MOTION:

Board Member Hart moved that the interim inland port administrator proceed with the request for proposal for a public engagement plan with the statement of work as discussed.

Board Member Fritts seconded the motion.

Discussion

Board Member Braceras sought clarification that the board would have approval of any consultant selected through the RFP process.

Chairperson Miller confirmed that the board would have the final approval.

Christopher M. Conabee told the public that he heard and appreciated their comments. He noted that he laid out an aggressive schedule because of his sense that people want action and want to be heard. We will not rush through a process. All agree that a port will have air quality issues. This process will aid in determining how we deal with it. He spoke of his experience with the Point of the Mountain Commission and how public comment guided that process and the applicable lessons from that experience for the inland port. This will be a robust process and we will get down to data.

Chairperson Miller echoed that this will be a process based on fact and not fear. We need the data to deal in facts and not conjecture.

Board Member Clason thanked the interim administrator for creating this plan and expressed excitement for the plan to provide additional ways for the public to engage the board in a thoughtful way.

Chairperson Miller shared his excitement as well for this opportunity for public engagement. He expressed gratitude to the members of the public who are already engaged with the board and noted that there are many others whose voices have not been heard who will now have a process to do so. He wants a timeline for public engagement that will be completed in time to inform the business plan. The public engagement and the business plan development have been kept separate so there is no conflict of interest. The board wanted public input to be an independent process that will inform the business plan. There is flexibility in the timeline. It can be slowed or speeded up as appropriate. Whatever we discover in the public process must inform the creation of the business plan.

Vote:

The motion carried unanimously.

General Comments to the Board:

Chairperson Miller invited public comments to the board.

Alan Nauman, a solar contractor involved in the environmental community, said that the port cannot be viewed as a Utah only project, it is a national project. Before we have a new project we need to have a plan to comply with current air quality standards.

Report of Chair and Vice Chair:

Vice Chair Rogers asked that the board look at several board meeting calendar changes which Chairperson Miller accepted.

Chairperson Miller recognized the attendance at the meeting of Tooele County Commissioner Shawn Milne and introduced him to the board. Commissioner Milne will present at the next board meeting on a project the county is working on that has ties to the inland port.

Board Member Clason thanked Commissioner Milne for coming to the meeting and expressed to the board that there is an appetite and interest in the rural counties to partner with the inland port to facilitate the flow of goods.

Chairperson Miller underscored the port as a hub and spoke model that will benefit not only Salt Lake County, but also the entire state and the broader intermountain region.

Motion:

Board Member Clason moved to adjourn.

With no objection, Chairperson Miller adjourned the meeting.