

Utah Inland Port Authority Board 2024

DRAFT MEETING MINUTES

Utah Inland Port Authority Board Meeting Minutes

Thursday, September 5, 2024 - 10:00 am

Utah State Capitol, Room 445

350 State St, Salt Lake City, UT 84103

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

Board Members Present Electronically: None

Non-Voting Board Members Present in Person: Joel Ferry, Victoria Petro

Board Members Absent: Bill Wyatt

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

Others in Attendance: Donald Ludlow, Sean Lewis, Benj Becker, Mark Horne, Katie Pappas, Steve Erickson, Jerry Henley, Erin Farr, Joan Gregory, Deeda Seed, Ann O'Connell, Craig Wallentine, Collin Leonard, Abby Ivory, Scott Drumm, Brett Behling, Jack Ray, Carolyn Erickson, John Krueger, Ross McClintock, Mayor Jed Maxwell, Brook McCarrick, Angela Price, Melanie Hall, Jill Peterson, Jonny Vasic, Tussy King, Reed Hatch, Brice Wallace, Greg Jensen, David Bennett, Matt Smock, Penny Fine, Jen Hart, Charles Akerlow, Andy Hulka, Amy Wicks, Jared Stewart, Aaron Wade, Hannah Bashi, Jake Dreyfous, Nick Johnson, Isaac Higham, Malcolm Nash.

1. Welcome

Board Chair Abby Osborne welcomed the board members, staff and public to this Utah Inland Port Authority Board Meeting.

2. Approval of Minutes, August 1, 2024 Board Meeting

Board member Freedman moved to approve the minutes from the August 1, 2024 board meeting. Board member Moss seconded the motion.

The motion was approved unanimously.

3. Executive Director Report

UIPA Executive Director Ben Hart noted his two-year anniversary at the Utah Inland Port Authority and recognized the accomplishments achieved during that time. He acknowledged that of all the project areas created, the Northwest Quadrant (NWQ) of Salt Lake City will always be a primary focus for the port authority. The role of the port from its inception has been tied to rail infrastructure, economic empowerment, and logistics development, and other things.

Director Hart mentioned his early career and educational focus on tax increment as a tool in economic development. He noted the weight he feels as the port authority uses tax increment - taken from other public uses - and committed that UIPA will use those monies in a deliberate and targeted manner in the best interest of the respective communities where the project areas are located.

Stephen Smith, Associate Vice President of Regional Project Area Development, provided an update on activities in the Northwest Quadrant, noting its importance as an economic center in Salt Lake County and for the entire state. Current growth in the area has about 1.9 million square feet under construction, though slowing some it is the fastest area of industrial development in the state. Areas of focus for the port in the NWQ include remediation of the North Temple Landfill, completion of the logistics strategy development, the baseline study RFP underway with Salt Lake City, the air cargo partnership with SLC International Airport, business retention and expansion outreach, the EPA Clean Ports program, and off-street parking for semi trucks. He mentioned other needs in the area including public transportation, food service options, and child care for workers in the area. He reminded the board of the successful recruitment and business incentive offered to NextEra Energy Resources/Dominguez Grid for their green-tech battery storage system.

Sebastian Abril, newly-hired UIPA Director of Air Freight Strategy and Development, introduced himself to the board and spoke of his background in air cargo. He spoke of what he called "air cargo leakage," that is, the 94% of international air cargo originating in Utah leaves the state by other transportation means where it is put on planes at other international airports. For goods moving into Utah 91% of international air cargo destined here arrives at international airports outside the state and arrives by truck or other means. Logistics requires goods, infrastructure, and capacity. To increase Utah's share of air cargo, his focus to start will be on high value cargo such as medical equipment, life sciences, time sensitive and short shelf life cargo. A hurdle in this area will be temperature-controlled infrastructure for handling temperature sensitive freight.

Director Hart noted from the same study that highlighted Utah's air cargo leakage that only 6% of air cargo capacity leaving SLC is in use. There's a significant opportunity to increase air cargo usage in the state, reducing truck traffic and pollution, without adding any additional flights.

4. Presentation: Statewide Logistics Strategy development update

Donald Ludlow, Vice President for CPCS, provided an update on the logistics strategy under development, specifically focusing on the Northwest Quadrant for this presentation.

He reviewed the logistics study process - assessing freight flow in Utah, conducting stakeholder outreach, and public engagement activities. The Northwest Quadrant is the prevailing logistics cluster in the intermountain region, serving the Wasatch Front, the state of Utah, and multi-state markets. The NWQ is a maturing logistics area with limited development space for future growth. Warehousing, distribution and manufacturing dominate the area. It is an advantageous location with an international airport, rail access, interstate highway access, and adjacency to an economically dynamic region. Challenges include sensitive wetlands, air quality, and the need to balance economic opportunity, quality of life, and natural resources. The NWQ logistics strategy aims to develop enhanced rail access, improve connectivity to coastal ports, and establish SLC airport as an air cargo gateway while aligning with Salt Lake City NWQ Master Plan goals for development and transportation. Potential strategies for the NWQ include business attraction efforts focussing on advanced manufacturing or others that require air cargo or rail access, promoting development of a research and development center, and encouraging rail-served business expansion. Partnerships with airports, railroads, seaports, local transportation agencies, and economic development and land development entities will continue to be very important.

The presentation included maps showing NWQ remediation and conservation areas, rail investment, and airport cargo infrastructure and possible mixed-use area within the UIPA jurisdictional area.

The continuing development of the logistics strategy will include more stakeholder input, the finalization of NWQ project area and statewide logistics strategy, another UIPA board presentation in October, and board adoption of the strategy scheduled for November.

5. Presentation: Legacy Mitigation: Preserving the GSL Shoreline

Jack Ray, President of the Utah Waterfowl Association, provided a presentation highlighting the history and importance of the Great Salt Lake shoreline. He emphasized that the lake and its wetlands not only provide important economic opportunities but are also an ecological resource of international significance. He discussed the historic disappearance of wetlands near the south shores of the Great Salt Lake and the efforts to protect what currently remains. He showed video of the lands adjacent to the shoreline preservation project the UIPA board has provided funding for, saying that if these lands are to exist in this same state 20 or 50 years into the future depends on decisions being made now. Additional needed projects to protect the shoreline will not be inexpensive and will require sustained commitment over time, but they will pay benefits for future generations.

Board Member Ferry emphasized the importance of protecting the GSL shoreline and spoke of additional funding and partners such as that from the Utah Department of Natural Resources and the Utah Division of Wildlife Resources toward moving these projects along.

6. Presentation: Compliance Update

Amy Brown Coffin, Chief Compliance Officer, provided a presentation on UIPA's efforts in compliance and risk mitigation across the organization, including the policies, procedures, and other processes put into place.

7. Presentation: Policy Updates

Amy Brown Coffin, Chief Risk & Compliance Officer, noted the regular annual review of the following policy, and invited board and staff input of any needed revisions.

BP-13 - Authority Infrastructure Bank (AIB)

8. Presentation: Finance Agreements

Benn Buys, Deputy Director & Chief Financial Officer, presented five agreements for financial activities within three UIPA project areas.

- Amendment to BZI Tax Differential Financing Distribution Agreement (Iron Springs Project Area)
- Amendment to Spanish Fork Interlocal Agreement (Verk Project Area)
- Tooele Valley Developer Agreement
- Resolution 2024-15 Tooele Valley Interlocal Agreement
- Resolution 2024-16 Amendment to Tooele Valley Public Infrastructure District Governing Document

Benn spoke of his background as a legislative auditor, where his final audit was an in-depth look at tax increment financing in the state. At the time of that audit there were 236 entities around the state of Utah using tax increment financing. These RDAs, CRAs, and CDAs in 2020 alone received almost \$205 million in tax funding. 87% of that tax increment financing occurs along the Wasatch Front, with 62% of it in Salt Lake County alone. UIPA project areas provide the ability for those financial tools to be used in other, more rural areas of the state. He clarified some misinformation circulating that bond interest was 12-13% when it is actually half that at 6-7%. Bonds backed by tax increment financing are structured so they can never become a liability on local communities. These bonds do not compete with municipal bonds as they are very different and attract different investors. There is no evidence that the market for either bond is saturated.

9. Presentation: Updated Strategic Business Plan

Kaitlin Felsted, UIPA Marketing and Communication Director, reviewed the updated strategic business plan before the board for approval in this meeting.

The plan's core objectives are 1) Support Regional Economies, 2) Enhance Logistic Efficiency, 3) Safeguard Environmental Integrity, 4) Uphold Transparency and Compliance. Since the presentation of this plan last month, based on feedback the updated plan now includes measures of success for each of the core objectives. Also, under Core Objective 1 the plan now includes a focus on workforce development.

10. Presentation: Draft Skyline Corridor Project Area Plan

Scott Wolford, Vice President of Project Area Development and Jenna Draper, Associate Vice President of Regional Project Area Development, presented the draft plan and budget for a proposed project area in Sanpete, Sevier and Wayne Counties, to be known as the Skyline Corridor project area.

Scott highlighted the unique attributes and opportunities in the proposed project area with its proximity to the Castle Country and Central Utah Agri Park project areas, the I-70 corridor and other transportation routes, the quality of workforce, Snow College's contributions in building a skilled workforce pipeline, and the strength of the local communities.

Jenna explained that the proposed area met statutory requirements and was being considered after each participating local government body had invited the UIPA to create this project area. She spoke of the interconnected nature of the local communities and their ready cooperation to fill local needs.

Abby Ivory, the R6 Regional Council Economic Development Coordinator spoke of the local hope

among residents of seeing economic opportunities in the area for their children and how approving this port is a step in realizing those dreams. She anticipates benefits including job creation, improved infrastructure, expanded agricultural exports, more community services, increased higher education, new commercial business, affordable residential housing, supply chain management advances, green technologies, rising property values, and the attraction of new skilled professionals.

Sean Lewis, Ephraim City Manager, sees opportunities to help homegrown local businesses to grow and thrive.

Mayor Lori Nay of Gunnison spoke of efforts 20 years ago to create an industrial park and the companies they have attracted there which now employ about 325 people. She sees the project area as providing tools the community needs to open new opportunities in their industrial park through additional infrastructure.

Mayor Jed Maxwell of Salina spoke of the need for additional financial tools to build needed infrastructure that the project area can provide. He spoke of his city's location along four major highways, adjacent to I-70 and 20 miles from I-15. Salina is located within 10-12 hours of over 38 million people, enhancing its potential as a hub.

11. Public Comment

Board Chair Osborne opened up the public comment period and invited those in the room to submit comment cards for an opportunity to speak.

Comments made include concern over Tooele Valley PID, the development of the Tooele Valley Project Area near Great Salt Lake wetlands, objections to bonding through public infrastructure districts, a request that UIPA remove the Green River West Industrial Park from the Castle Country Project Area, slowing down of financing within project areas, and asking that the UIPA Board allow virtual meeting participants to speak during public comment periods.

12. Approval of Financial Agreement Amendments

Board member Starks moved to approve amendments to the BZI Tax Differential Financing Distribution Agreement and the Spanish Fork Interlocal Agreement as presented. Board member Stevenson seconded the motion.

The motion passed with a unanimous vote of all board members present. Due to another commitment, board member Moss had to leave the meeting before voting occurred.

13. Approval of Tooele Valley Developer Agreement

Board member Stevenson moved to approve amendments to the Tooele Valley Developer Agreement as presented. Board member Freedman seconded the motion.

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

14. Adoption of Resolution 2024-15, Tooele Valley Interlocal Tax Sharing Agreement

Board member Starks moved to adopt Resolution 2024-15, the Tooele Valley Interlocal Tax Sharing Agreement as presented. Board member Stevenson seconded the motion.

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

15. Adoption of Resolution 2024-16, Amending the Tooele Valley PID Governing Document

Board member Starks moved to adopt Resolution 2024-16, Amending the Tooele Valley PID Governing Document. Board member Freedman seconded the motion.

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

16. Adjourn

Board Chair Osborne adjourned the meeting.

Board Chair, Abby Osborne

Written Public Comments submitted during and after the meeting:

Joan Gregory – Salt Lake City, UT – 9/6/2024

PID Tax Exempt Financings

It has become abundantly clear that given the large number of recently established inland port locations across the state, an avalanche of UIPA sponsored tax-exempt offerings are queuing up to use projected port tax differentials.

Why the hurry?

What's the rush?

Does this even pass the slightest test of financial responsibility, when expert economists are predicting that the Feds will likely cut interest rates up to 3 times in the next 6 months--possibly more in 2025?

We suggest:

A moratorium on all tax-exempt financings of UIPA projects

Until a formal financial management process can be put in place.

Joan Gregory – Salt Lake City, UT – 9/6/2024

Virtual Public Comments

My second comment is personal to me. I have severe hearing loss. It is nearly impossible for me to hear what is said in these meetings when I am sitting in the meeting room. But I have no problem hearing these proceedings when I attend virtually.

YET the UIPA Board is no longer accepting virtual comments. So, I am forced to choose between preparing a comment in advance - hoping it will be relevant, coming to the physical meeting, and being unable to hear vs. watching and listening virtually, having relevant comments to share yet not being given the opportunity to SPEAK LIVE ... BEFORE the decisions are made.

The limits the Utah Inland Port Authority places on virtual comments discriminate against me and all those who are hearing impaired or are impaired in other ways, and those who live in areas of the state that are distant from the UIPA Board meeting location in any particular month. For that matter, the limits also discriminate against working people, whose only chance might be to join the meeting virtually while taking their lunch break!

Please return to the practice of allowing virtual comments in UIPA Board meetings.

P.S. Following my comment, Board chair, Abby Osborne, reminded those attending that written comments may be provided on the UIPA website. This misses the point. To be most effective, commenters must be able to tune in and hear the proceedings of the meeting, so they can factor new information presented during the meeting into their comments. Those of us who cannot attend in person, or cannot hear when we attend in person, are missing the critical information provided by presentations made in Board meetings. Our written comments before the Board meeting lack this new information, our written comments made after the Board meeting are often arriving AFTER the vote. TOO LATE to make a difference. This scenario does not allow us to participate in the process. And so, I ask again: Please return to the practice of allowing virtual comments in UIPA Board meetings.

Stanley Holmes - Salt Lake City, UT - 10/3/2024

Public Comment to the UIPA Board meeting of October 7, 2024:

On behalf of the Stop The Polluting Ports Coalition's Satellite Ports Team, Stanley Holmes submits these questions and comments as Written Public Comments to be considered at the UIPA Board at its October 7, 2024 meeting:

A. We have concerns about how UIPA's rationale and planning for regional, statewide, and local logistics-related projects would actually achieve solid, sustainable economic development.

Q.1.

...a. What does UIPA offer that is not already available through public and private transportation and development entities?

...b. Will you please provide references to studies and reports issued by the Kem C. Gardner Policy Institute and other reputable policy research organizations that will substantiate UIPA's contention that significant logistical gaps exist and warrant UIPA's intervention and initiatives?

Q.2. With the growing dedication of public resources, plus continuing gaps in the commitments of private investors, how are UIPA strategic planners measuring prospects of economic success locally and across a statewide network of project areas (aka. satellite ports)?

Q.3. With rapidly developing technology in autonomous material handling and trends toward reducing human employment in both transportation and warehousing, reducing the number of jobs in

sectors with records of poor health and safety, and historically low wages, would likely result in better well-being for more Utahns.

... Why, then, is UIPA focusing much of its economic development on those small sectors with such unfavorable conditions for employment?

B. We have concerns that UIPA's current and future statewide and local logistics model(s) and related development strategy(ies) could negatively affect water quantity and quality.

Q.1. Utah faces water crises on several fronts. Since a significant proportion of the hay and alfalfa produced in Utah is exported as virtual water (as feed or meat), please explain how UIPA's statewide business plan has calculated the amount of virtual water being exported from Utah today and how UIPA's statewide logistics plan would mitigate this problem.

Q.2. What provisions does UIPA's statewide strategic logistics plan make for protecting wetlands, avoiding aquifer depletion, and ensuring water quality and quantity within and between project areas and PIDs?

Q.3. Please describe UIPA's approach to conflict resolution with public and private entities that may compete with UIPA-affiliated entities for limited water resources.

C. We have concerns about how UIPA's incorporation of expanded land and air transportation modes into its logistics and business development plans may degrade air quality in project areas and beyond.

Q.1. With the Salt Lake, Davis, and Tooele counties' airsheds already on the verge of exceeding federal clean air standards, what planning and implementation steps does UIPA's statewide strategic logistics plan take to avoid increasing the likelihood of air quality violations?

Q.2. With regard to UIPA's plans to increase reliance on air cargo,

...a. How would UIPA's approach to protecting Wasatch Front and Tooele airsheds be similar to, or different from, the approach(es) used at specific regional airports statewide?

...b. And how would the air quality standards UIPA sets be monitored, administered, and reported by each air carrier and at each airport?

Q.3.

...a. What cold chain-requisite commodity volumes does UIPA envision that would require logistical capacity beyond what private carriers are already able to handle?

...b. What technologies or processes are UIPA proposing to improve cold chain capacity?

...c. Why should meeting real or potential needs not be left to existing commercial providers?

D. We have concerns about how UIPA intends to handle the storage and transfer of hazardous materials within and between project areas. From our perspective, categories of hazardous materials and potentially hazardous materials include toxic and flammable chemicals, radioactive products and byproducts, coal and coal waste products, flammable oil and methane (aka. "natural gas") in any form, and civilian or military explosives.

Q.1. Please describe those categories of materials that UIPA acknowledges to be hazardous and deserving of special attention by all parties associated with UIPA planning, development, and operations.

Q.2.

...a. What is UIPA's policy for the storage, handling, and transfer of hazardous materials within and between individual project areas / PIDs and across UIPA's expanding network of projects areas (aka. satellite ports)?

...b. Who [or what entity] is responsible for implementation and enforcement of UIPA's policy for storage, handling, and transfer of hazardous materials at and between each project area?

Q.3. How have the project areas been designed for the safe storage, handling, and transfer of hazardous materials?

Q.4. What are UIPA's contractual relationships with its key logistics players, including Union Pacific and Savage Services, to ensure safe handling and transportation of hazardous materials?

Q.5. To what extent are the success of UIPA's logistics and business strategies contingent upon the continuation and/or expansion of fossil fuels production in Sevier, Emery, Carbon, Uintah, Duchesne, and Kane counties and on continued access to export markets for Utah coal, oil, and methane (natural gas)?

Q.6. Aware that the Castle Country Project Area Plan included no references to uranium/vanadium milling or oil refining in the project area's Green River sectors, even though Green River municipal maps already identified those existing prospects within the proposed project area, what assurances can UIPA give the interested public that all known prospective business interests have been disclosed for any and all of UIPA's project areas and PIDs?

E. With regard to our continued concerns about accuracy, transparency, and accountability to Utah taxpayers, please explain why UIPA now requires members of the interested public to agree to the following conditions [copied below] before being allowed to access the Castle Country Project Area Plan online from UIPA's website:

"The data, including but not limited to geographic data, tabular data, and analytical data, are provided "as is" and "as available", with no guarantees relating to the availability, completeness, or accuracy of data, and without any express or implied warranties.

These data are provided as a public service for informational purposes only. You are solely responsible for obtaining the proper evaluation of a location and associated data by a qualified professional. Utah Inland Port Authority ("UIPA") reserves the right to change, revise, suspend or discontinue published data and services without notice at any time.

Neither UIPA nor the State of Utah are responsible for any misuse or misrepresentation of the data. UIPA and the State of Utah are not obligated to provide you with any maintenance or support. The user assumes the entire risk as to the quality and performance of the data. You agree to hold UIPA and the State of Utah harmless for any claims, liability, costs, and damages relating to your use of the data. You agree that your sole remedy for any dissatisfaction or claims is to discontinue use of the data."

Thanks in advance for your provision of complete answers to the questions raised here.

/s/ Stanley Holmes
Salt Lake City, Utah