

# The Salt Lake Tribune

## Over Utah's proposed inland port, residents protest, governor's advisers lobby and sponsor decries 'some issues'



(Scott Sommerdorf | The Salt Lake Tribune) Marlene Jennings, right, a former delegate for Gary Herbert when he ran for governor, returns her shirt to Herbert's office Thursday. Jennings, along with others who oppose legislation for a transportation hub in Salt Lake City, gathered there to urge Herbert to veto the bill.



By Bill Dentzer

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The jockeying over a divisive state plan to create a megacenters for international trade in Salt Lake City on Thursday saw residents in the affected area try to lobby Gov. Gary Herbert in person to reject the proposal, while the governor's appointed economic development advisers took the unusual step to lobby publicly for its passage.

At the same time, the original Senate sponsor cited "some issues" with the amended final version of the bill that passed late on the second-to-last day of the Legislature.

The sponsor, Sen. Jerry Stevenson, R-Layton, said he hoped the issues could be "straightened out" in ongoing discussions involving the governor, other state lawmakers, Salt Lake City Mayor Jackie Biskupski and other city officials.

“We’re still trying to do some things with this,” said Stevenson, noting that he met with the governor, House Speaker Greg Hughes and others Wednesday, the same day Herbert met with Biskupski to review the city’s concerns. Herbert has indicated that he will sign the bill to create the trade hub, and he pledged to work on resolving areas of disagreement among the stakeholders.

“There’s a lot of different issues that cause friction between the state and city government,” Stevenson said Thursday. “I worked really hard to try to fix some of those. I guess all I can say is some of the people I was working with in other levels of government weren’t as committed as I was.”

While supporting the trade-hub concept, Salt Lake City and like-minded counterparts from other local governments, including the County Council, oppose the state plan because it would take final say over land use out of the hands of local elected officials and give it to an appointed board created to run the trade facility. That authority would also get control over millions of dollars in annual local tax revenue. Localities not directly affected by the plan fear the precedent it could set for future state intervention in local affairs.

The bill before the governor, SB234, would create the Inland Port Authority to oversee development of a major trade facility at a location somewhere in the northwestern corner of Salt Lake City. Though the facility itself would be relatively small and self-contained, the authority’s jurisdiction would extend over more than 34 square miles. About 90 percent of that footprint lies within Salt Lake City — more than a quarter of the city’s total area — with the remainder straddling sections of West Valley City, Magna and an unincorporated area of Salt Lake County.

The economic benefits of such a trade facility in Utah, about 700 miles inland from West Coast ports of entry, are what make the proposal so attractive. There is no similar land-based port of entry in the U.S. west of Kansas City, Mo., meaning Utah could become a center for inbound and outbound international trade almost as quickly as transport links could be created.

But the authority would have final say over land use in its jurisdiction and would be entitled to all tax revenue from the area — city, school and county taxes — determining how much to take for its projects and operations and how much to pass along to the local entities.

During the legislative session, city leaders worked primarily with Stevenson on changes to early versions of the bill and thought they were making progress to win back an acceptable level of land use control and reduce how much local tax revenue the authority could claim up front.

But a substitute version of the bill emerged in the House on the evening of March 7, the night before the Legislature adjourned its 45-day session. In spite of dramatic changes from the earlier bill, it passed the House with no real discussion or debate and moved back to the Senate, where Stevenson moved for the chamber to concur. The Senate did so without debate. The whole process, from House introduction to Senate concurrence, took less than half an hour.

“At the point in time that bill came up, I think we would have lost a good piece of the session had I not acquiesced and moved the way that I did,” Stevenson said of his motion to concur. “There’s still something that can go on [with the bill]. The negotiations right now are between the governor and the mayor’s office, and that’s just something I’m just not free to discuss. I’m not sure that it’s over with the way it is.”

Stevenson, who called the port plan “the largest economic development opportunity we will ever see,” said he expected the governor to sign the bill, with modifications potentially to come later. While no specific location has been identified publicly, he said the likely spot for the port facility is the 770-acre former city landfill north of Interstate 80 and west of 5600 West.

The site is owned by the real estate arm of The Church of Jesus Christ of Latter-day Saints, and negotiations are underway for its transfer to the state School and Institutional Trust Lands Administration.

The port facility, Stevenson said, essentially would be “an enormous slab of cement with a lot of railroad tracks on it” and facilities and equipment to move cargo between train cars and trucks. The tax revenue the authority would claim “will be needed to put the port in, but it will also be needed to figure out how to dispose of the landfill, because that’s where the port needs to be is on top of the landfill,” he said.

(Rick Egan | The Salt Lake Tribune) Salt Lake City Mayor Jackie Biskupski, listens as Sen. Jerry Stevenson answers questions about SB234, his inland port bill in the Economic Development committee meeting, Friday, March 2, 2018.

The second-to-last version of Stevenson’s bill called for 2 percent of revenue from area taxing districts to be set aside for operating the authority, an amount he said still “would have been way more than it needed.” The final version of the bill changed the funding formula and method to let the authority take what it would need up front from a larger pool tax revenue before releasing remaining funds to localities.

“Now you’re just going to have the [port] authority determine what it needs to operate, which is probably still considerably less than 2 percent [of tax increment], and they will just determine where that [remaining] money is put back into infrastructure,” he said. “It’s a question of who determines where the money’s spent.”

Other changes in the final version of the bill reduced Salt Lake City's representation on the authority's board and added representatives from the county and West Valley City, a move that capital officials regarded as punishment for opposing the proposal.

Another change added to the final version says transporting, loading or storing of natural resources "may not be prohibited on the authority jurisdictional land," prompting concerns that a coal-transfer operation or similar facility might be destined for the area.



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For the handful of west-side residents who came to Herbert's office in the Capitol on Thursday, asking him to veto the bill, the main issue was local control. Marlene Jennings brought her Gov. Gary Herbert T-shirt to give back to the man whose candidacy she supported at the 2016 state Republican convention and in the voting booth "to remind him that Salt Lake City residents have supported him" and want him to represent their interests "instead of the state's interests in taking authority over a third or a quarter of Salt Lake's area."

Added Dorothy Owen, who leads the Westpointe neighborhood Community Council: "We were told at the beginning that this bill might ruffle a few feathers. The final bill has plucked the bird totally. The state's taken the meat, and they're leaving the entrails to local government to clean up."

She continued: “This time, it’s our community, but any community now will be at risk if this bill is signed, and your community can be served up at the next state banquet.”

The governor was not in his office Thursday when the group visited. Later in the afternoon, the Governor’s Office of Economic Development, members of which are appointed by the governor, issued a news release praising the inland port as “a win for Utah” and noting the governor’s intent to sign the measure “in the coming days.”

The statement seemed to pre-empt action by the governor, who has not said when he would act on the bill.



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