## 'It seems they're on hyperdrive' — at least 9 Utah communities have opened the door to inland port projects

Utah Inland Port Authority is shifting gears to focus on smaller areas across the state, but is it moving too fast?



(Francisco Kjolseth | The Salt Lake Tribune) Trucks carrying shipping containers move in and out of the Union Pacific intermodal terminal at a steady pace, west of Salt Lake City, as seen on Wednesday, Nov. 10, 2021.

By Leia Larsen | May 11, 2023, 6:00 a.m. | Updated: 9:42 a.m.

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Mini "port" proposals keep popping up across Utah, which may signal a shift in strategy and purpose for the Utah Inland Port Authority.

Projects linked to the port authority have emerged in recent months — and a few in just the last week — from Tremonton to Spanish Fork to Cedar City. Details vary across sites. Some, like those in Box Elder and Washington counties, have yet to determine specific locations. And while they're seeking funds and assistance from the controversial quasi-governmental agency initially established to develop Salt Lake City's northwest quadrant, most of these "ports" don't appear to be true ports at all.

Instead, the Utah Inland Port Authority appears to be acting as a development agency of sorts, helping smaller cities and counties develop manufacturing zones along with infrastructure like rail, roads and utilities.



"What we're trying to create are facilities that are the right size for the community," said Ben Hart, the inland port's executive director, "instead of establishing something that's huge, and hoping and praying that people will use it, or that's dependent upon a sea-port relationship. We're not trying to go that direction any longer."

In other words, the port authority's mission to develop a massive international import-export hub in Salt Lake City, piled high with shipping containers and idling semi trucks, appears to be on pause for now, if not outright abandoned. Instead, the focus has shifted to smaller truck-to-train intermodal sites in key areas of the state.

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Port watchdogs, however, have expressed alarm over the rapid rate cities and counties appear to be approving port authority projects without fully formed plans available for public scrutiny. Many weren't even on their radar until being posted on meeting agendas.

"It seems like they're on hyperdrive," said Stan Holmes, a member of the Stop the Polluting Port Coalition who has been tracking these projects since they were first floated as "satellite ports" in 2019. "Really, it's amazing when you take a look at these project area proposals and how many gaps are in them."

There are nine known local governments formally engaged in port projects to date.

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- Washington County passed a resolution to create a port in September 2022 but does not appear to have taken any additional action or selected a specific location.
- Iron County adopted its port resolution in February for the 900-acre Iron Springs Inland Port north of Cedar City, and the port authority approved its plans last month. BZI Steel appears on track to receive a \$10 million loan from the port authority to build a private transloading facility.
- Tooele County approved a resolution for a 140-acre port project area on April 12 that's partly owned and lobbied for by developers Zenith Bolinder. The site is located just south of the Great Salt Lake at the Burmester exit of Interstate 80.
- Beaver County passed a resolution for a port project area on April 18 but does not appear to have taken any additional action or selected a specific location.
- The City of Spanish Fork approved a resolution for a 2,299-acre project area surrounding its airport on May 2. The port authority

board is considering a draft project plan and budget for the site Thursday.

- The City of Tremonton also adopted a resolution on May 2 to create a port project area. The site will be near 1000 North and east of Interstate 15, according to City Manager Shawn Warnke.
- Brigham City voted in favor of a resolution on May 4 to create a port project area. The City Council did not specify a location in their

public meeting.

- Box Elder County's commission approved a resolution for a port project on May 4, but also does not appear to have taken any additional action or selected a specific location. It also appears to be separate from the projects in Tremonton or Brigham City.
- Juab County commissioners unanimously voted in favor of a port project resolution on May 8, Hart confirmed.

"What's really disturbing," said Deeda Seed, a staffer at the Center for Biological Diversity and volunteer with the Stop the Polluting Port Coalition, "is the lack of public information about the business plans for these developments."

The coalition held a protest Thursday morning as board authority board members gathered to discuss Spanish Fork's port proposal.

## **Environmental uncertainties**

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While the majority of the projects haven't been fully fleshed out, the few that have provided detail on their locations could cause environmental harm.

Iron Springs is located in area that has long grappled with water shortages and on habitat that potentially supports the threatened Utah prairie dog. The involvement of Savage Rail has raised suspicion that the port is a front for exporting Utah coal.



nage courtesy of BZI Steel) Rendering shows potential layout of a future inland port north of Cedar City

"There's a lot of sensitivity around energy commodities, in particular mineral extraction," Hart acknowledged. "Those are areas we're going to try and be extra transparent on."

The Tooele County and Spanish Fork locations appear to contain wetlands that are vital in to the Great Salt Lake ecosystem.

"We are not going to allow for the fast track or subsidy of anything that would destroy those wetlands," Hart said. "If somebody would want

to actually destroy or remove those wetlands, there's an established federal process that is open, transparent and fully legally chargeable."

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Although federal regulations have been in place since 1972 to protect wetlands, the U.S. still has some of the highest rates of wetland loss and degradation in the world. In Utah, wetlands in the Great Salt Lake support millions of migrating birds while mitigating flooding and improving water quality for urban areas.

Then there are the issues that come with introducing more truck and train traffic to communities, which bring with them air, noise and light pollution. But Hart said all the port projects will improve air quality by taking trucks off the road, particularly in the busy Salt Lake Valley, while strengthening rural economies.

"Does that mean that those areas then are going to become a little bit of a focal point for truck traffic in and of themselves?" Hart said. "Yes, it will. We want to create an efficient interface between these facilities and the truck traffic."

## Why are Utah communities interested in port projects?

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The cities and counties passing resolutions for port projects, Hart said, are opening the door to begin studying those impacts and whether they want to move forward. Only Iron Springs appears shovel-ready so far.

"The community has to welcome us in as badly as the developer wants us to come in," Hart said. "Unless the community in a public meeting passes a resolution inviting us in, we cannot come in."

That hasn't historically been the case. Salt Lake City's northwest quadrant became a battleground in recent years after the Utah Legislature formed the port authority in 2016. It mandated that the city allow port development and forfeit a large share of its property tax to fund port projects. Lawsuits, protests and pushback ensued.

"They were never afforded that [choice]," Hart agreed. "So now, we feel like this is a much better process."



With all controversy and control wrested from the Salt Lake community, some city leaders said they were reluctant to get involved with the port authority at first. The shift in tone and a pot of money seem to have helped.

"We tried to put some safeguards in there (as we) contemplated our interlocal agreement," said Warnke, the Tremonton city manager. "That said, with the limited experience I've had, I feel very comfortable with what they're representing and what they say they're going to do."

The Inland Port Authority can help communities in a few ways. It collects 75% of the additional property tax generated when improvements come to the project areas, like new buildings and transloading facilities. It uses those funds, called "tax differential," to lure businesses, develop affordable housing and build infrastructure.

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It also has \$60 million in state infrastructure bank funds to issue loans, although BZI's transloading funds for Iron Springs is the only loan that has materialized so far. A member of the port authority's newly formed Loan Approval Committee noted it's "unusual ... for the state to have a revolving loan program that goes to private entities versus other local governments" in a meeting last month. The committee unanimously approved the loan anyway.

The port authority also can support local governments as they seek out manufacturing, shipping and logistics businesses to bring jobs to their communities.



(Francisco Kjolseth | The Salt Lake Tribune) Trucks carrying shipping containers move in and out of the Union Pacific intermodal terminal in Salt Lake City on Wednesday, Nov. 10, 2021.

"They take on those administrative responsibilities with project creation and reporting," Warnke said. "Those are helpful, honestly. We're probably short staffed as it is."

In Tooele County, Council Vice Chair Scott Wardle said the port authority can help create a much-needed tax base to support local schools.

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"What we've had are vast tracks of lands that could be developed, but we haven't developed vast tracks of jobs to go with it," Wardle said. "Over 60% of our population base commutes into Salt Lake."

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At least some of these port area projects already had plans on the table before the port authority became involved, including Spanish Fork and Iron County.



(Trent Nelson | The Salt Lake Tribune) Savage Services operate this recently built "railport" on the Union Pacific tracks in Tooele for loading material between trucks and railcars.

"We've been trying to develop that into our vision for several years," said Shane Marshall, a Spanish Fork City Council member. "So we have a plan. But we found in order to implement that plan we need to invest in infrastructure."

The city had initially explored the traditional route — forming a redevelopment area — to build out the roads, water lines and sewer needed to support a manufacturing and distribution district. They opted to use the port authority instead.

"It helps us realize the economic development opportunity out there," Marshall said. "We could do that on our own, but the port can help us do that quicker."

## Projects on the fast track and possible pressure from developers

Skeptics of the port projects, however, worry these projects are moving ahead a little too quickly.

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"People are running after the money without doing their due diligence," said Seed with the Stop the Polluting Port Coalition. "There's this perception that ... this is a great economic development tool. But it hasn't been substantiated with data."

And it appears at least some developers are lobbying city officials to move faster so they can get a slice of the port authority's public infrastructure bank pie. Emails Seed obtained from Tooele County show developers urging government officials to move quickly on passing their resolution.

"We are having a hard time understanding why this simple one-page resolution allowing (the port authority) to set up a project area in Tooele County is taking so long to enact," wrote Charles Akerlow, a partner in Zenith Bolinder, to the county's community development director on March 23.

(Garry Bolinder and Bruce Bolinder, father and uncle, respectively, of Utah Rep. Bridger Bolinder, appear to be the other developers

involved in the company. They are copied in many of the emails sent to county officials.)

"If Box Elder or Spanish Fork gets in ahead of us," the email continues, "that means we may have to wait until summertime to make our deal ... and there may not be as many (infrastructure bank) funds ... to bridge the gaps in the bond financing for us."

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The County Council adopted its port project resolution at its next meeting.



And the local government officials interviewed for this story denied feeling any undue arm-twisting from either developers or inland port authority officials.

"Our job is to create an agreement that ... balances the interests of development and our citizenry so we create smart growth," said Wardle, the Tooele County Council member. "We're going to move as quickly as we can, but not so fast we don't do the right thing."

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For the Spanish Fork project area, Marshall emphasized the public will get at least two more hearings to learn about plans and offer feedback.

"At the end of the day, whether we have the port's help or not, we have a plan for that area," Marshall said. "I don't think it substantially changes with the port's help, it just gets better."

Editor's note: May 11, 9:42 am, this story was updated with the correct year the port authority was formed.



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