



**Report of the Meeting  
of the  
Board of Trustees of the Utah Transit Authority (UTA)  
held at UTA FrontLines Headquarters located at  
669 West 200 South, Salt Lake City, Utah  
May 24, 2017**

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**Board Members Present:**

Robert McKinley, Chair

Sherrie Hall Everett, Vice Chair

Jeff Acerson

Cortland Ashton

Greg Bell

Necia Christensen

Karen Cronin

Babs De Lay

Charles Henderson

Dannie McConkie

Bret Millburn

Brent Taylor

Troy Walker

**Board Members Excused/Not in Attendance:** Jeff Hawker

Also attending were members of UTA staff, as well as interested citizens and media representatives.

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**Welcome and Call to Order.** Chair McKinley welcomed attendees and called the meeting to order at 1:36 p.m. with twelve voting board members present. The board and meeting attendees then recited the Pledge of Allegiance.

**Safety Minute.** Chair McKinley yielded the floor to Dave Goeres, UTA acting President/CEO, for a brief safety message.

**General Public Comment Period.** Public comment was given by Tammi Diaz and George Chapman.

**Presentations/Informational Items.**

**Overview of the Board Workshop to be Held on June 2-3, 2017.** Trustee Henderson introduced Dan Adams from The Langdon Group. Mr. Adams will be facilitating the board workshop in June. Mr. Adams delivered a brief overview of the approach the board can expect during the workshop.

Trustee Taylor asked if governance would be included on the agenda of the workshop. Trustee Henderson indicated that there is time allocated to that topic on the agenda and said he would have a conversation with Trustee Taylor prior to the workshop.

**Special Presentation to Kathy Fellows and Rachel Staheli.** Chair McKinley recognized Kathy Fellows and Rachel Staheli – two riders who helped stop a bus when it began rolling while its operator was outside the vehicle assessing a mechanical issue. A motion that any citizen who saves a life on a UTA vehicle receive a lifetime pass on UTA was made by Trustee De Lay and seconded by Trustee Walker. The motion carried by unanimous consent.

**President/CEO Report.** Mr. Goeres, as acting President/CEO, delivered a report on the following topics:

- UTA’s Rider’s License
- Proposition 1
- State of good repair work on 700 South
- Cyber security

Chair McKinley indicated that his law firm has done some work for Stadler Rail (Stadler), one of the potential parties in the contemplated Clearfield transaction. He further stated that he had no personal involvement with his firm’s work for Stadler and no financial interest in it. He recused himself from discussion and voting on the matter and asked Vice Chair Everett to assume control of the meeting.

**Resolution: R2017-05-01: Clearfield Conditional Approval.**

**Presentation of Item.** Vice Chair Everett outlined the process that has taken place to date relative to this item. Jayme Blakesley, UTA General Counsel, shared background regarding the potential conflict of a former board member linked to that former board

member's business relationship with Stadler. Mr. Blakesley referenced Utah law and UTA policy related to the potential conflict. He also noted that some of the items the U.S. Attorney reviewed prior to signing the non-prosecution agreement in April related to property transactions and the conflicts of interest of board members. Mr. Blakesley then outlined from a legal perspective actions UTA has taken on the Clearfield transaction conflict of interest concern which include sending letters to Clearfield City (Clearfield), Davis County, and Stadler asking if any current or former UTA officials were involved in the proposed transaction; meeting in-person with Stadler's counsel (Mr. Blakesley read an email from Lucy Andre, counsel for Stadler, who confirmed former UTA board member Sheldon Killpack is involved in Stadler's pre-construction work and may be involved in the actual construction work); and contacting the U.S. Attorney's office. Questions were posed by the board and answered by Mr. Blakesley.

Mr. Blakesley concluded by stating that Mr. Killpack became acquainted with Stadler officials in 2015 when he took a non-UTA trip to Switzerland while serving on the UTA board but added that no business relationship was formed at that time; that Mr. Killpack resigned from the UTA board in 2015; that more than a year passed between the time of Mr. Killpack's resignation and the time he became involved in a business relationship with Stadler; that no other UTA officials are involved in the proposed Clearfield transaction; and that no violations of law or policy have taken place.

Paul Drake, UTA Senior Manager of Real Estate and Transit-Oriented Development, delivered a presentation on the proposed sale of the Clearfield Station property. Mr. Drake indicated actions before the board today include 1) providing consent for Clearfield to seek entitlements on 28.25 acres at the site and 2) providing conditional approval on the sale of the 28.25 acres and an option on an additional 8.75 acres. The conditional approval is designed to protect UTA's interests until the specified conditions are met. The presentation included a table of trade-offs based on two hypothetical scenarios at the site if 1) the property is sold to Clearfield or 2) retained by UTA for transit-oriented development. Questions on the numbers in table, including questions on the rows labeled "Jobs/Residents" and "Land Value," were posed by the board and answered by Mr. Drake. Steve Meyer, UTA Capital Development Director, answered questions about the initial purchase of the property. Mr. Drake concluded by summarizing the conditions required for conditional approval. Additional questions were posed by the board and answered by Mr. Drake. Trustee Bell asked that the property be evaluated to determine if there are legitimate UTA uses for the remnant parcels.

Vice Chair Everett asked about the designation of remnant property versus surplus property. Mr. Blakesley indicated the property slated for sale to Clearfield needs to be removed from the transit-oriented development program and declared surplus prior to the sale. He added that the property in question is being considered for surplus status only because of the purchase request from Clearfield.

Trustee Walker requested adding a condition to the conditional agreement regarding the future zoning of the remnant properties, including zoning for high-density use. Trustee Taylor concurred with Trustee Walker. Trustee Ashton suggested negotiating a repurchase agreement or conditional restriction on the property allowing UTA the right of first refusal should Stadler vacate the property. Trustee Bell agreed with Trustee Ashton. Trustee Bell then expressed discomfort with the two disparate appraisal values and suggested a “highest and best use” study be included in the third appraisal which is currently in process. He further expressed concern that the property has not been listed on the open market to ascertain its true market value. Trustee Cronin remarked that the property is not being surplus by the city government definition of surplus (land no longer needed by the city), but rather is being sold as part of a loosely defined partnership relationship with Clearfield. She remarked that this sale would set a precedent for land UTA owns in other cities and recommended proceeding with carefully considered, “fiscally-minded” action. Trustee Christensen reminded the board that UTA is charged with working with the individual communities it serves to achieve the results they want and the public sentiment in Clearfield was clearly supportive of the land sale to Stadler.

Mayor Mark Stephens of Clearfield City addressed the board. He spoke in support of the sale and to some specific concerns raised by the board, including Clearfield’s intent for zoning and development on UTA’s remnant parcels.

**Public Input.** Online comments were compiled and distributed to the board prior to the meeting. Matt Sibul, in the capacity of acting secretary to the board, stated that a total of 71 comments were received online and that seventy percent were in favor, twenty percent were opposed, and ten percent were neutral to the resolution. Mr. Sibul then noted that the sixteen comments were received from a broad cross-section of residents, business owners, and educational institution officials at the board’s May 10, 2017, public meeting in Clearfield and that all comments were supportive of the Stadler project. Following Mr. Sibul’s summary, in-person comment was given by Mike Bouwhuis representing the Davis Technical College and George Chapman.

**Board Discussion and Decision/Action.** Discussion ensued. Trustee Bell opined that there is a public relations issue with former board member Sheldon Killpack's involvement with Stadler, particularly since his initial introduction to company representatives took place when he was actively serving on UTA's board. Still, Trustee Bell expressed general support for the property sale. Trustee Cronin asked about the assumptions in the trade-offs slide in Mr. Drake's presentation. Mr. Drake responded that the projections assumed strong city and market support and were intended to contrast optimal scenario possibilities on the site. Following a question from Trustee Millburn, Mr. Drake clarified that all the projections in the trade-off slide were calculated using UTA's current transit-oriented development guidelines. Additional questions were posed by the board and answered by Mr. Drake. Trustee Millburn voiced support for the sale. Trustee Taylor said he was not ready to vote in favor of the property sale because job creation and economic development are not in UTA's purview and that trustees, as representatives of the taxpayers, should be focused on getting the best value for the property. He expressed discomfort with the selling the land directly to Clearfield without a bidding process, having a site plan that does not qualify as a transit-oriented development, and not having the third appraisal in-hand. Trustee Taylor suggested alternatives of selling the property at the higher appraisal value with Clearfield funding the purchase from the community development area (CDA) it has in place or recovering funding through zoning changes on the remnant parcels agreed to in the final contract with Clearfield.

Trustee Henderson left the meeting at 3:31 p.m.

A motion to approve the resolution was made by Trustee Christensen and seconded by Trustee Millburn. Mr. Blakesley clarified that the resolution entails removing the property from the TOD program, changing the property designation to surplus, and approving the conditional sale of the property to Clearfield City (including the sale of option to purchase the additional 8.75 acres). Mr. Blakesley then outlined the conditions that would be included in the conditional approval. Discussion ensued. Trustee De Lay expressed dissatisfaction with the zoning, platting, and pricing of the property given the health of the current market. An amendment to the initial motion to include the negotiation of minimum building heights as part of the conditions in the conditional agreement was proposed by Trustee Walker. The amendment was accepted by Trustee Christensen. An amendment to the initial motion to include a reversionary conditions for the property was made by Trustee Ashton. The amendment was accepted by Trustee Christensen. Mr. Blakesley restated the amended motion which was to approve the resolution as drafted with the addition of 1) the inclusion of a reversionary measure for

the property to return to UTA if the contemplated sale is not completed, or that UTA be given a right of first refusal on the property if the contemplated sale is completed and Stadler abandons the property in the future, and 2) the inclusion of a requirement to negotiate with Clearfield a minimum building height on UTA's remnant parcels. Trustee Bell moved for a division of the motion and requested votes on each amendment. Vice Chair Everett called for a vote on Trustee Walker's amendment. The amendment carried by majority consent with nine aye votes from Trustees McConkie, Christensen, Taylor, Acerson, Walker, Everett, Bell, Millburn, and Ashton; one nay vote from Trustee De Lay; and one abstention from Chair McKinley. Vice Chair Everett called for a vote on Trustee Ashton's amendment. The amendment carried by majority consent with nine aye votes from Trustees McConkie, Christensen, Taylor, Acerson, Walker, Everett, Bell, Millburn, and Ashton; one nay vote from Trustee De Lay; and one abstention from Chair McKinley. Further discussion ensued. Trustee Bell asked if Clearfield has made public the price it will be offering to Stadler on the land. Trustee Millburn responded that Clearfield has not. Vice Chair Everett called for a vote on the amended motion. The amended motion was approved by majority consent with eight aye votes from Trustees McConkie, Christensen, Acerson, Walker, Everett, Bell, Millburn, and Ashton; two nay votes from Trustees Taylor and De Lay; and one abstention from Chair McKinley.

Vice Chair Everett declared a short recess at 4:02 p.m.

Chair McKinley resumed control and reconvened the meeting at 4:11 p.m.

**Resolution: R2017-05-02: BP 4.1.10 – Code of Conduct Proposed Revision and Financial Disclosure Process.**

**Presentation of Item.** Chair McKinley stated that 1) the submission of code of conduct forms is required by state law and those documents are considered public and 2) the financial disclosure forms are required by policy and are considered confidential. Mr. Blakesley referenced the federal and state laws related to the code of conduct forms. He then stated that the reason UTA has an elevated standard regarding financial disclosures is to assist in identifying actual or potential conflicts of interest. Mr. Blakesley said UTA's disclosure process is modeled after the federal disclosure process. He added that federal financial disclosure forms are considered personal and confidential.

Riana De Villiers, UTA Chief of Internal Audit, delivered a presentation on the 2016 and 2017 financial disclosures processes and proposed changes to the 2017 process. Trustee Taylor disclosed that he owns a student housing condominium in Provo near the Provo Orem bus rapid transit line currently under construction. He mentioned that a decision regarding how to manage the conflict is pending. Trustee De Lay disclosed conflicts with

her personal residence and an investment property she owns across the street from the Clark Planetarium in downtown Salt Lake City. Mr. Blakesley stated that the location of a personal residence is not considered for purposes of determining conflicts of interest; however, conflicts identified with an investment property require either divestiture of the asset or recusal from voting on topics impacting the asset. Mr. Blakesley added that conflicts are defined as investments within 0.5 miles of a transit station or permanent transit line (bus or rail) and noted that the distance of 0.5 miles is an industry standard. Trustee Taylor opined that he does not agree with the process for determining property conflicts. Trustee Bell suggested that the policy be updated to require disclosure but still allow the disclosing trustee to vote and also to incorporate a provision that the board can vote to require recusal from any trustee with conflicts on case-by-case basis. Mr. Blakesley countered that the state code prohibits board members from voting on anything that would impact their private economic interests. Trustee Taylor proposed that the type of property (raw ground vs. developed property) be considered. Mr. Blakesley mentioned a Denver study examining properties near transit rail lines that showed an overwhelming increase in property value near those lines. He added that properties located near permanent transit lines realize an increase in both value and return on investment. Trustee Ashton disclosed that he owns two properties near ski resorts in the Cottonwood canyons and that clarification is needed on whether these properties present a conflict. When the discussion concluded, Ms. De Villiers finished her presentation. Ruth Hawe, UTA Senior Counsel, provided a summary of proposed changes to the board's financial disclosure form.

Trustees Taylor and Bell expressed sentiments that the proposed changes are excessive, especially those pertaining to travel. Trustee Christensen said the form is "onerous" and requested an electronic option be made available. Chair McKinley suggested referring the policy to the Stakeholder and Government Relations Committee for review with a charge to bring it back to the board for the June board meeting. Mr. Blakesley asked that whatever the board decides, it reaffirm its commitment to transparency. Trustee Taylor recommended constructing the form so it can be disclosed publicly and/or having the disclosure submissions reviewed by a third party.

Trustee Acerson left the meeting at 4:37 p.m.

**Public Input.** No in-person comment was given.

**Board Discussion and Decision/Action.** Brief discussion ensued. Questions were posed by the board and answered by staff.

A motion to table the resolution for committee review prior to the June board meeting was made by Trustee Millburn and seconded by Trustee Christensen. The motion carried by unanimous consent.

**Provo Orem TRIP Property Report.**

**Presentation of Item.** Chair McKinley stated that the property acquisition team was previously authorized to initiate eminent domain proceedings on several properties along the Provo Orem Transportation Improvement Project (TRIP) alignment. Steve Meyer, UTA Capital Development Director, said staff is recommending approval for the initiation of eminent domain proceedings on eleven additional properties. Discussion ensued. Mr. Blakesley stated his preference that the approval be made by resolution and ultimately suggested the request be made by resolution and addressed during the board workshop on June 2-3, 2017.

**Public Input.** No comments were received online. In-person comment was given by George Chapman.

**Board Discussion and Decision/Action.** Brief discussion ensued. A motion to table the item and include it as a resolution incorporating all properties on the Provo Orem TRIP (both properties currently approved for the eminent domain process and properties to be added for approval to initiate the eminent domain process) on the June 2-3, 2017, board workshop agenda, was made by Trustee Millburn and seconded by Trustee Walker. The motion carried by unanimous consent.

**Closed Session.** No closed session was held.

**Action Taken Regarding Matters Discussed in Closed Session.** No closed session was held.

**Item(s) for Consent.** Consent items consisted of the following:

- Approval of April 26, 2017 Meeting Report
- Approval of March 22, 2017 Revised Meeting Report
- Approval of April 12, 2017 Meeting Report
- December 2016/January 2017/February 2017 Financial Reports and Dashboard

A motion to approve the consent agenda was made by Trustee Christensen and seconded by Trustee Millburn. The motion carried by unanimous consent.



**Presentations/Informational Items.**

**Internal and External Audits Update.** Trustee Walker highlighted the work of the internal audit team. Ms. De Villiers then delivered a presentation on the results of audits performed in the first quarter of 2017 and summarized external audit activities during that same period.

**Other Business.** Chair McKinley reminded the board of the Transit Academy scheduled on Wednesday, May 31.

**Adjournment.** The meeting was adjourned at 5:09 p.m. by motion.

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[Video](#) and [audio](#) recordings of this meeting are posted online.