

Twenty Wells Annual Report 2024



12.19.2024

UIPA
UTAH INLAND PORT AUTHORITY

Executive Summary



Dear Twenty Wells Stakeholders,

The Twenty Wells Project Area is a dynamic initiative in northern Tooele County that has made significant strides in its first year as a UIPA project area. Spanning 642 acres within Grantsville City, the project is strategically located along Utah State Route 112, providing easy access to key regional hubs such as the Peterson Industrial Depot Transload facility and Interstate 80. The project area is quickly becoming a cornerstone for industrial growth and transportation connectivity in the region. Twenty Wells will soon boast its own regional transportation asset with the Utah's first rail expansion in 80 years.

A major achievement for the Twenty Wells Project Area is the recent approval granted by the Surface Transportation Board (STB) for Savage Tooele Railroad Company (STR) to construct and operate an 11-mile rail line in Tooele County. This new rail development will significantly enhance the region's logistical capabilities and provide businesses with easy access to rail transport. The rail line is expected to improve regional connectivity and create opportunities for new industries to bloom in Grantsville.

Over the past year, the project area has grown from the initial 498 acres to include the 144-acre Broken Arrow Zone, located between Highway 138 and the Ellerbeck Industrial Lead rail line. This expansion increases the availability of industrial land, offering even more opportunities for development and supporting local industries. The Port Authority Infrastructure Bank (AIB) also approved a one-time loan into the region for key logistical infrastructure.

The Twenty Wells Project Area's focus on infrastructure, connectivity, and sustainability will ensure that it continues to be a key economic driver in Grantsville and northern Tooele County. The foundation laid in the first year is just the beginning, as Twenty Wells will continue to develop into a robust, thriving business hub.

We have loved acting as a partner to develop your community and we look forward to an exciting 2025.

Sincerely,



Stephanie Pack

Associate Vice President

Regional Project Area Development

M: (435) 799-5973

stephanie.pack@utah.gov

Corporate Recruitment



The marketing efforts for the industrial site have been highly successful, reflecting the property's strong appeal and strategic advantages. Enormous interest has been generated from a variety of sources, including GOEO, EDCUtah, and Colliers International, the brokerage team representing the site. This collaborative outreach has resulted in 20 active prospects from a diverse range of industries, such as manufacturing, light industrial, warehousing and distribution, build-to-suit projects, and speculative development. Among these prospects, several are particularly drawn to the site's rail-served capabilities, further highlighting its versatility. It has been a mix of local companies looking to expand their business operations in-state as well as groups from all over the US and internationally who have identified Utah as their spot for expansion or relocation.

A key indicator for project activity is site visits to the project area. In the first year, three projects have reached the site visit stage and have come to Utah in person. Additionally, we have two other prospects in active negotiations, demonstrating ongoing momentum. The diversity and volume of interest reinforce the site's position as a prime location for industrial development, capable of accommodating a wide range of operational needs.

Recruitment
Projects

20

Site Visits

3

In Negotiation

4



Intended Triggering Parcels

No parcels have been triggered or are planned to be triggered in 2025.



AIB Loan Award | April 29, 2024

UIPA Board approved an AIB loan for Savage Transload Network in Tooele \$2.4 million loan to be used for Tooele Railport expansion, one rail-to-truck or truck-to-rail transload track, doubling existing transload capacity, one conveyor, and three transload racks. Repayment will be from company funds including new revenue from the facility.

When to Trigger?

To optimize for maximum tax differential, parcel triggering takes place after improvement is completed. UIPA statute allows us to trigger project areas parcel by parcel, ensuring we capture the most tax increment possible.

1

Construction has completed and the property tax valuation will take into account the entire improvement

2

The tax IDs for the improved parcels are identified and confirmed with the county assessors

3

A resolution to trigger the parcels is taken to the UIPA board for approval

4

Once approved, triggered parcels are flagged by the county assessors and tax differential begins to flow the following tax year

Planned and Executed Infrastructure Builds/Improvements



Savage Tooele Railroad

In May 2024, the Surface Transportation Board (STB) authorized the rehabilitation of six miles of Union Pacific (UP)'s decommissioned Warner Branch by Savage Logistics who will be constructing approximately 11 miles of rail line and establishing a short line rail service from the UP main line off of the Burmester I-80 interchange.

This multi-faceted rail improvement project entails the establishment of a new short line railroad along a railroad-owned, previously abandoned corridor, which will connect a large scale, multi-modal business park to Class I rail lines. This new short line, the Savage Tooele Railroad (STR), will provide the tenants of Lakeview Business Park with modal options in receiving materials and shipping their products. It will also act as a catalyst for economic development in this rural area located about 35 miles west of the greater Salt Lake City metropolitan region. In addition to enabling employment creation, the development and operation of STR represents a safer and more environmentally sustainable freight movement modal choice for the tenants of the business park and will deliver significant economic benefits to the region and to the nation.

STR will serve 1,900 acres of rail-served property in Grantsville. Once built, they will operate a single 12- to 30-car train in each direction, five days per week, between the business park and the interchange with Union Pacific's Shafter Subdivision at Burmester, connecting goods to national and global supply chains.

The Lakeview Business Park tenants shipping their products by rail instead of by truck will equate to the avoidance of nearly 5,000 commercial truck trips in STR's first year of operation, and nearly 30,000 avoided commercial truck trips by its seventh year of operation. As the average distance of these truck trips is 200 miles, enabling rail connectivity into Grantsville via the STR will equate to the avoidance of an average of six million vehicle miles traveled annually by commercial trucks over the first twenty years of the short line railroad operation.

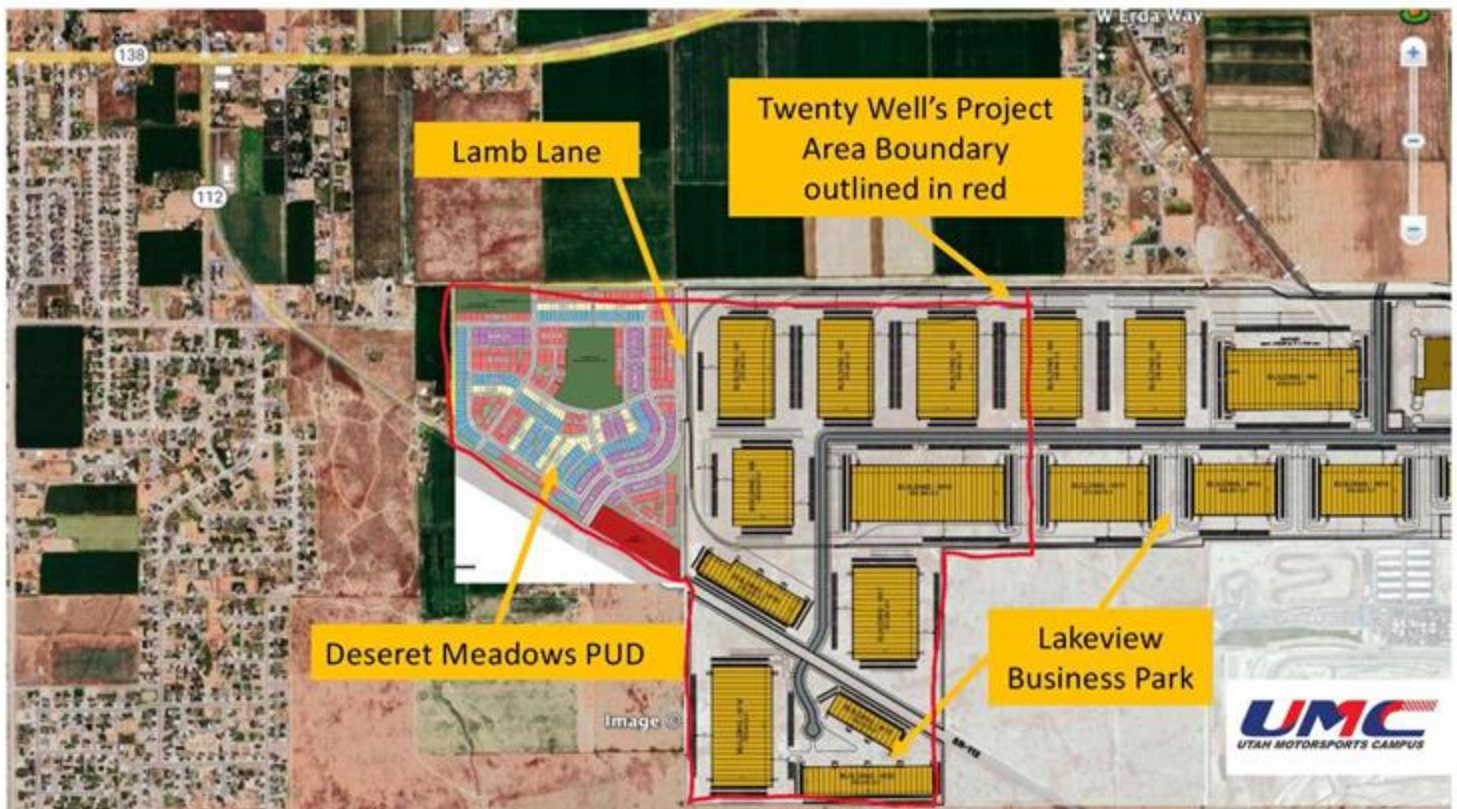
On August 19, Savage hosted a public open house to inform locals on the rail development and proposed rail crossings. Savage was able to finance a quiet crossings to ensure they are good neighbors to Grantsville and other neighboring communities.

Lakeview Business Park



The Lakeview Business Park continues to be a premiere industrial development in the region with over 1,700 acres of Class A industrial real estate. Colliers International represents the Romney Group and Prologis in marketing this site nationally and internationally.

With the progress made on the STR and the world class team putting Grantsville on the map, we anticipate some incredible results in the coming years for this area. The Twenty Wells Project Area will play a pivotal role in the development of the western side of the park.



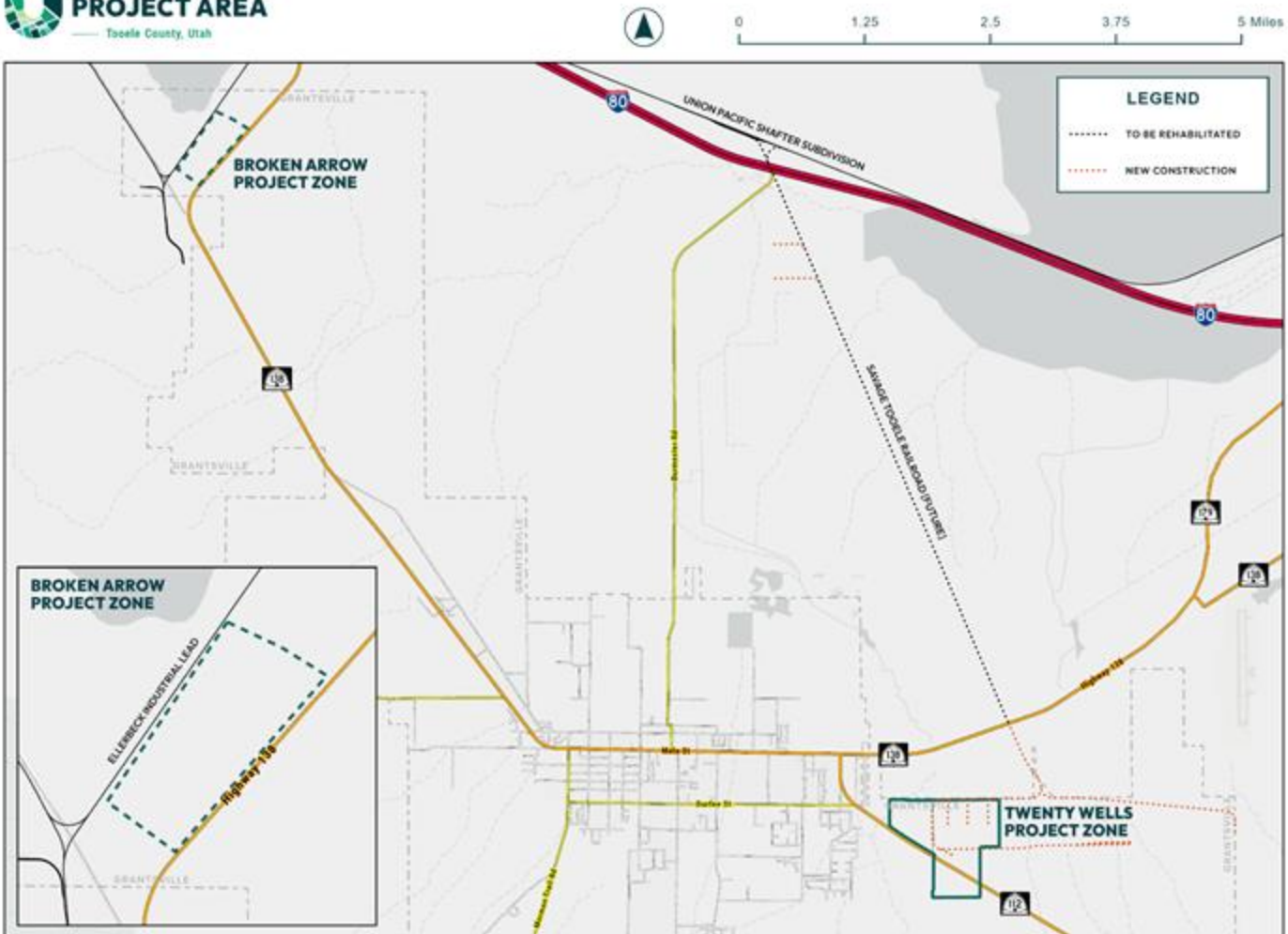
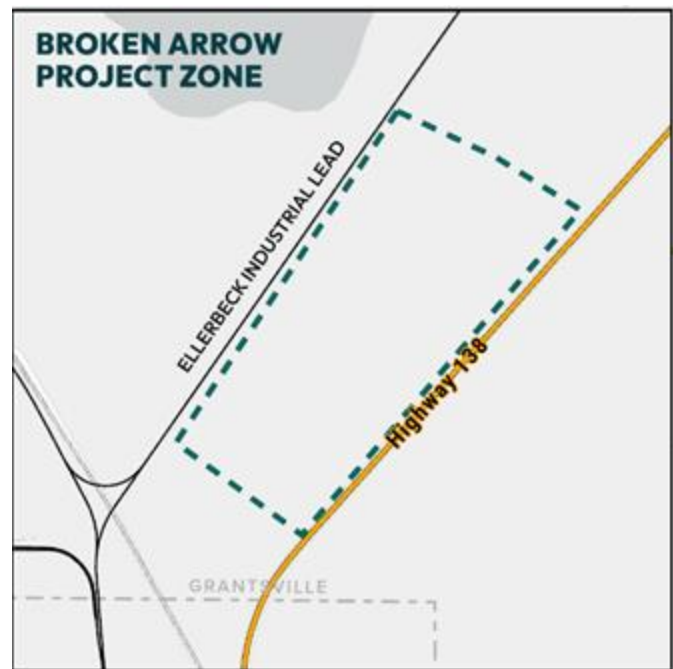
Broken Arrow Zone



The project area amendment (May 2024) added the 144 acre Broken Arrow Zone into the project area. This development is owned by an existing Grantsville employer who is looking to market this rail-served industrial land for development.

This area is undergoing an extension of a water line, a wetland delineation and a robust traffic study to kick off their development due diligence.

This rail served expansion of the project area will add diversity to Grantsville's industrial real estate portfolio.







What's Next?

2025



Project Area Amendment

UIPA, in partnership with Grantsville City, will collaborate on an annual amendment cycle for 2025 in the project area.



Marketing Strategy

National and international marketing and outreach efforts are being implemented to inform and promote the Twenty Wells Project Area.



Corporate Recruitment

Our goal is recruiting a minimum of two successful industrial projects into the project area sites that align with Grantsville's economic development strategy.



Logistics Financing

Key logistical infrastructure will be supported with financing coming from the UIPA Authority Infrastructure Bank in 2025.



Environmental Partnerships

One percent of the generated differential is earmarked for wetland preservation. We intend to operationalize these funds and work to identify wetland preservation projects of regional significance to finance.



Infrastructure

The construction of the STR short line rail and the development of regional transportation projects and kee water infrastructure will be underway in 2025.

Looking Ahead in 2025

2025 Amendment Cycle

Second amendment cycle to kick off spring of 2025

Public Financing

Authority Infrastructure Bank loans to infuse financing into key logistical projects

Recruitment

Announcements for a minimum of two new industrial investments in the project area

Utah Inland Ports Financial Tools

Post-performance Property Tax Incentives:

Eligible companies can qualify for post performance property tax incentives not to exceed 30% of annual property taxes for up to 25 years. Incentive value will be determined by a local incentive committee and will take into consideration the following qualifying factors:

- Targeted industry businesses
- Average wages
- Logistics volume created
- Platform and capabilities of the business



The PID has taxing authority for infrastructure. They are created only with consent of 100 percent of property owners in their boundaries, which may include all of a project area or a single parcel. The PID has taxing authority, and assessed taxes, potentially with differential, can be pledged to bond for money to pay for infrastructure. This is a useful tool in getting money upfront with the backing of future revenues.



The AIB can provide low-interest loans to private entities at a rate .5 percent above the State of Utah's AAA bond rates. The UIPA board emphasized use of rail infrastructure for these loans, and loan terms are negotiated in conjunction with UIPA. To be approved, a loan must be approved by the UIPA loan committee, the UIPA board, and the Legislative Executive Appropriations Committee.

State Incentive Stackability:

Eligible companies who qualify for local property incentives and state incentive programs will be able to stack incentives.

Learn more about financial services that may be available to you



We Are Moving Utah Forward. Make Twenty Wells Your Next Move.



Discover

a place where business growth potential is booming and the quality of life is rich in adventure, culture, and beauty.

Engage

with a connected community that supports business success and offers a skilled and cutting-edge workforce.

Work

in an area that has ample land for a variety of development, opportunities for sustainable practices and the infrastructure to help your business thrive.

Get In Touch and Learn More

Visit Our Website

For additional resources about Twenty Wells and the Utah Inland Port Authority, please visit:
<https://inlandportauthority.utah.gov/>

Reach Out to the Twenty Wells Development Team

To Inquire about being part of the Twenty Wells project site or for more specific details, please contact:



Stephanie Pack

Associate Vice President,
Regional Project Area Development
Email: stephanie.pack@utah.gov
Phone: +1 (435) 799-5973



Connect With Us on Social Media

