



# **PROJECT AREA & PROPERTY TAX DIFFERENTIAL**

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## BP- 04 PROJECT AREA & PROPERTY TAX DIFFERENTIAL USE

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### Revision Table

Version	Effective Date	Revision Author	Summary of Revisions
1.2	May 17, 2022	Jill Flygare	Updated to new policy template Updated recommended changes to policy
2.0	April 4, 2023	Ben Hart	Updated owner to Ben Hart; Updated title to include Project Area; Added project area and business recruitment incentive information
3.0	April 29, 2024	Amy Brown Coffin	Updated to new template; Add project amendment and minor revisions section; Updated Master Plan to Project Area Plan

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### I. Purpose Statement

The policy is intended to ensure compliance with statutory direction and strategic objectives when creating project areas and using property tax differential.

### II. Regulatory / Legislative Requirements

- UCA 11-58-5 Project Area Plan and Budget
- UCA 11-58-6 Property Tax Differential

### III. Scope

This policy is established to encourage the highest and best use of project areas and tax differential and to encourage economic growth through project area investments and sustainable logistics infrastructure.

### IV. References

- UCA 11-58-102 Definitions: <https://le.utah.gov/xcode/Title11/Chapter58/11-58-S102.html>
- UCA 11-58-603 Use of authority money for business recruitment incentive: <https://le.utah.gov/xcode/Title11/Chapter58/11-58-S603.html>

### V. Definitions

Term	Definition
Project Area Plan	Means a plan designed to facilitate, encourage, and bring about development of a project area to achieve the goals and objectives of UIPA, including the development of logistics infrastructure.
Business Recruitment Incentive	As defined in 11-58-603

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Multimodal Facility	As defined in 11-58-102
Property Tax Differential	As defined in 11-58-102

## VI. Roles & Responsibilities

Role	Responsibility
Incentive Subcommittee	<ul style="list-style-type: none"> <li>Review incentive applications</li> <li>Present incentive recommendations to the board</li> </ul>
UIPA Board	Approve incentives

## VII. Policy

The Utah Inland Port Authority (UIPA) was created through legislative authority in 2018, Utah Code Chapter 58, Title 11 (“Authority Act”), and receives use of property tax differential generated from a project area. The Authority Act outlines a statewide public purpose, “working with stakeholders to encourage and facilitate development...to maximize the long-term economic and other benefits for the state.”

## VIII. Project Area Process

The UIPA may create a new Project Area according to the following criteria:

### Public Meetings

At least three public meetings will be held prior to the board’s adoption of a new project area.

1. First Meeting: One public meeting will be held by the local jurisdiction requesting and providing written consent to the project area.
2. Second Meeting: Initial public meeting will be held by the UIPA board of directors to get draft project area findings & recommendations, and public comment will be taken on a publicly available project area plan and budget.

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3. Third Meeting: One public meeting to review and take action on the creation of the draft master project area and budget.

### Board Adoption

The UIPA board may then adopt a project area plan, thus creating a new project area, that includes the following items based upon the requirements defined in UCA 11-58-501:

1. Legal description including area boundaries
2. Authority’s intent and purpose
3. Board’s findings and determination that include:
  - a. Defined public purpose
  - b. Public benefit
  - c. Economic soundness and feasibility
  - d. Analysis of investment that will promote the goals and objectives
4. Completed initial environmental review
5. Project area budget that includes:
  - a. Length of time for project area
  - b. Defined percentages of tax differential
  - c. Approved uses for tax differential
  - d. An estimate of the tax differential to be created
  - e. Year for base taxable value of property in project area
  - f. Estimation of amount of property tax differential used to implement project area
  - g. Estimation of amount of property tax differential used to cover administration cost for project area
6. Written consent from:
  - a. Legislative body of the form of the county or municipality, which may be in the form of a resolution

After the boards adoption the UIPA staff will work with the local county to enact the project area plan, including the disbursement of tax differential.

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### IX. Project Area Amendments

Project area plans may be amended and will follow UCA 11-58-504 Amendment to a project area plan.

Amendments affecting statutory requirements including project area boundaries, the authority’s purpose and intent, and the board’s findings and determination will follow a two-board meeting cycle.

Other changes may be adopted by the board with a single board meeting. These changes may include incentive percentages, targeted industries, and performance indicators.

### X. Minor Revisions

Minor revisions for non-substantive changes (e.g. landowner opt outs, updates to approved board interlocal agreements, environmental reviews, logistics updates, budget updates (after board approved budget), informational items, grammatical corrections, formatting) may be made without board approval but will be approved by the Executive Director. Any minor revisions will be denoted in the amendment/revision table of the project area plan.

### XI. Tax Differential & Project Area Plan

Project areas and tax differential are some of the key financial tools the Authority has to implement the goals, objectives, and the strategic direction outlined in a Project Area Plan. The Authority Act requires and allows tax differential to be used for certain purposes. Tax differential developed within a respective project area may only be used in that project area. The Project Area Plan will stipulate all details related to the funding within a Project Area. All details are subject to statute and locally negotiated parameters. Such parameters would typically include:

#### Affordable Housing

Potentially, ten percent of the property tax differential generated from land within the jurisdictional land area of the Inland Port Authority may be paid to a

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local Community Reinvestment Authority or housing authority for affordable housing.

### Development Funding

- a. Land development, including ongoing operation of a facility;
  - i. UIPA will consult with evaluation experts for any UIPA land acquisition purchases.
- b. Owning and operating an intermodal facility;
- c. Publicly owned infrastructure and improvements;
- d. Encourage, incentivize, or require development that:
  - i. Mitigates noise, air pollution, light pollution, and other environmental impacts;
  - ii. Mitigates traffic congestion; or
  - iii. Uses high efficiency building construction and operation; and
- e. Bonds issued by the Authority.
- f. Other purposes determined appropriate by the UIPA board in consultation with the participating local jurisdictions.

### Regional Improvements

Regional projects and infrastructure may be funded through the aggregation of the tax differential generated from the collective properties within a project area. Infrastructure that connects the system through multi-modal projects is a priority with particular focus on advancing sustainable and smart logistics investments.

- a. Common user improvements, including:
  - i. roads that improve throughput and velocity of cargo flow;
  - ii. rail design, engineering, and construction;
  - iii. land acquisition; and
  - iv. costs associated with mitigating significant impediments to site development.

### Business Recruitment Incentive

UIPA will consider giving business recruitment incentives for businesses looking to relocate to the state or to expand existing facilities within the state. The criteria for the recruitment incentives will be based on capital expenditures for the project and targeted industry.

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There will be created an incentive subcommittee that will have representation from 2 members of the board along with the executive representation from the UIPA staff. The subcommittee will bring the incentive package in front of the entire board for final approval.

The UIPA board will approve the terms and amount of the post-performance incentive.

### Incentive Application & Approval Process

Designated UIPA staff will be the liaison to assist the business with the application process. The application will then be sent to the incentive subcommittee. Further negotiations between incentive subcommittee, liaison, and the business for final application. The application will be brought by the incentive subcommittee to the board for final approval. Once approved for an incentive, the business must submit annually for payment. A thorough review of compliance to standards will be conducted by UIPA staff each year to ensure continued compliance with requirements.

### Incentive Criteria

Incentive criteria will be determined by the board for each project area through resolution.

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