



UTAH INLAND
PORT AUTHORITY

Board Property Tax Differential Use Policy

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BP-04 Property Tax Differential Use Policy

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Revision Table

Version	Effective Date	Revision Author	Summary of Revisions
1.2	June 23, 2022	Jill Flygare	Updated to new policy template Updated recommended changes to policy



BP-04 Property Tax Differential Use Policy

I. Purpose Statement

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

II. Regulatory / Legislative Requirements

UCA 11-58-603

III. Scope

This policy is established to encourage the highest and best use of property tax differential and to encourage manufacturing, a high-skilled workforce, and smart, sustainable logistics investments.

IV. References

None

V. Definitions

Term	Definition
Business Plan	Means a plan designed to facilitate, encourage, and bring about development of the authority jurisdictional land to achieve the goals and objectives of UIPA, including the development of an inland port.
Business Recruitment Incentive	Means the post-performance payment of property tax differential as an incentive for capital expenditure or for the creation of high-paying jobs within a project area.
High-paying job	Means a job created because a development activity within a project area; and pays at least 130% of the average of all wages within the county in which the project area is located for which the incentive is submitted.
Multimodal facility	Means a hub or other facility for trade combining any combination of rail, truck, air cargo, and other transportation services.
Property tax differential	Means the difference between the amount of property tax revenues generated each year by all taxing entities from a project area using current assessed value; and the amount of property tax revenues that would be generated from that same area using base taxable value.



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VI. Roles & Responsibilities

None

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 the jurisdictional land 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.”

Included in the Authority Act is the implementation of a business plan. The Strategic Business Plan (SBP) was adopted in June 2020. The SBP established a strategic direction for UIPA:

- **Vision** – Utah will be a leader in revolutionizing global logistics for the next generation
- **Mission** – Promote sustainable, equitable, and smart logistics investment through partnerships, policies, and programs
- **Strategy** – Responsibly manage public resources to increase utilization of existing assets, repurpose outdated assets, and develop new assets to enable improved statewide logistics
- **Value Proposition** – Improve reliability, increase efficiency, and reduce costs in the statewide logistics system

Tax Differential is one of the key financial tools the Authority has to implement the goals, objectives, and the strategic direction outlined in the SBP. The Authority Act requires and allows tax differential to be used for certain purposes.

1. Affordable Housing

Ten percent of the property tax differential generated from land within the jurisdictional land area of the Inland Port Authority and located within a community reinvestment agency (CRA) is paid to the CRA for affordable housing.

2. Development Funding

- a. Land development, including ongoing operation of a facility;
- 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.

3. 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.



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- 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.

4. Business Recruitment Incentive

UIPA will consider business recruitment incentives for manufacturing and high-paying, high-skilled jobs that meet one or more of the following criteria:

- a. Demonstrate long-term benefit to the community
- b. Significant increase in the number of high-paying, high-skilled jobs
- c. Significant capital expenditure
- d. Drive research, development and innovation
- e. Tie to supply chain within the region

Projects will be assessed on a case-by-case basis with maximum incentives outlined below.

- | | |
|---------------------------|------------------|
| a. \$1,000,000,000 Cap Ex | 20% for 20 years |
| b. \$ 500,000,000 Cap Ex | 15% for 15 years |
| c. \$ 100,000,000 Cap Ex | 10% for 10 years |
| d. 1,000 high-paying jobs | 10% for 20 years |
| e. 500 high-paying jobs | 8% for 15 years |
| f. 250 high-paying jobs | 5% for 10 years |

Application & Approval Process:

Projects will go through an application and approval process with final approval made by the UIPA board. Once approved for an incentive, a company 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.

Applicants submit a complete application with \$150.00 application fee. The application fee will be used toward the cost of services provided in the evaluation including; financial feasibility, preparation of legal documents and agreements, and any environmental services as needed.

Staff will review the application for completeness and submit for financial review.

Recommendations will be made to the appropriate municipality. After final reviews and analysis, recommendation will be made to the UIPA board during a public board meeting for action.

NOTE: May not use property tax differential from one project area for development of a project within another project area.