

Northwest Quadrant

Draft Project Area Plan

May 9, 2023

Definitions

Term	Definitions
Authority Jurisdictional Land	Land within the authority boundary delineated: (a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah Inland Port Authority Amendments, 2018 Second Special Session; and (b) beginning April 1, 2020, as provided in Subsection 11-58-202(3).
Base Taxable Value	The taxable value of property within any portion of a Project Area, as designated by board resolution, from which the property tax differential will be collected, as shown upon the assessment roll last equalized before the year in which UIPA adopts a project area plan for that area.
Development Project	A project for the development of land within a Project Area.
Effective Date	Date designated in the UIPA board resolution adopting the Project Area Plan on which the Project Area Plan becomes effective. It is also the beginning date UIPA will be paid Differential generated from a Project Area.
Project Area	As to land outside the authority jurisdictional land, whether consisting of a single contiguous area or multiple noncontiguous areas, real property described in a project area plan or draft project area plan, where the development project set forth in the project area plan or draft project area plan takes place or is proposed to take place. The authority jurisdictional land (see Utah Code Ann. sections 11-58-102(2) and 11-58-501(1)) is a separate project area.
Project Area Budget	Multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a Project Area.
Project Area Plan	Written plan that, after its effective date, guides and controls the development within a Project Area.
Property Tax(es)	Includes a privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.
Property Tax Differential	The difference between the amount of property tax revenues generated each tax year by all Taxing Entities from a Project Area, using the current assessed value of the property and the amount of Property Tax revenues that would be generated from that same area using the Base Taxable Value of the property but excluding an assessing and collecting levy, a judgment levy, and a levy for a general obligation bond. This is commonly referred to as tax increment.
Shapefile	The digital vector storage format for storing geometric location and associated attribute information.
Taxing Entity	Public entity that levies a Property Tax on property within a Project Area, other than a public infrastructure district that UIPA creates.

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Executive Summary

Numerous stakeholders have expressed significant interest over the previous several decades regarding the development and build-out of the Northwest Quadrant of Salt Lake City and Salt Lake County. In consideration of these stakeholder groups and their concerns, there are many points of agreement upon which the Utah Inland Port Authority (UIPA) can move forward.

A jurisdictional project plan, also referred to as the UIPA Salt Lake Project Area Master Plan, was presented to the UIPA board on November 21, 2022 and approved by the UIPA board on December 14, 2022.

In order to achieve the goal of forward progress, this Northwest Quadrant Project Area Plan is split in two phases. This Plan serves as an authorizing document for UIPA's activities in the Project Area. This transparency is critical to provide all stakeholders with awareness for UIPA's activities and will be updated through public processes as is needed. Both phases will be a combined effort with Salt Lake City, Salt Lake County and other stakeholders.

Project Area Plan Phase 1 – Goals, Objectives, and Activities

Phase 1 of the Project Area Plan provides a public-facing guide for how UIPA will support development and catalyze the economy in the project area.

Alignment

UIPA will coordinate with existing publicly adopted development and infrastructure plans by:

- Coordinating UIPA plans with the [2016 Salt Lake City Northwest Quadrant Master](#) plan
- Working with Salt Lake City, Salt Lake County, Magna, West Valley City, UDOT, landowners, and others to optimize infrastructure alignment
- Supporting strategic infrastructure development

Positioning

Create a vision, identity and brand for the project area that is connected to its unique ecological location, and position the project area as a premier global destination for future-facing advanced manufacturers by:

- Ensuring project area is developed in coordinated manner
- Aligning major landowners with long-term vision and objectives
- Use properties currently under UIPA control to enhance positioning
- Supporting positioning with strategic land acquisitions
- Developing rail access as needed
- Developing non-rail logistics solutions to enable strategic growth in the area
- Seeking funding opportunities to support project area initiatives

Economic Engine

Develop a generational economic engine supporting sustainable growth in the project area by:

Attracting industries and businesses with strong economic multipliers that create high-wage jobs in the region with workforce connections for those in the Salt Lake County area, primarily those identified in the recruitment section below. Our focus will include efforts such as:

- Helping targeted businesses locate or expand to the area using inducements, with a focus on low water using businesses.
- Exploring research opportunities in partnership with colleges and universities within the state, including ecological research.
- Identifying and supporting workforce solutions.

Recruitment Strategy

The Utah Inland Port Authority is authorized to use property tax differential as a business recruitment incentive. The code authorizing this function is found in Title 11 Chapter 58 Part 6 § 603. Incentives will only be given to businesses that meet the long-term objective of creating high wage jobs for Salt Lake County citizens.

Direct recruitment incentives will only be used on the industries:

- Clean Energy
- Biotechnology and life sciences
- Composites and advanced materials manufacturing
- Aerospace and Defense
- Advanced Manufacturing
- Electric and automation technology related to clean technologies
- Environmental technology
- Great Salt Lake preservation research and technology
- Outdoor recreation
- Agritech
- Financial and technology services

UIPA will coordinate with Salt Lake City and other relevant municipalities on this recruitment sourcing strategy and may work in conjunction with the Governor's Office of Economic Opportunity, EDCUtah and other State and regional agencies on recruitment opportunities.

Incentives will be offered as post-performance rebates on generated property tax differential, based on capital investment dollars spent. UIPA will not be tracking wages of jobs created, but rather will target industries that create high-wage jobs.

Per statute, no incentive can be offered to companies that expect to utilize 200,000 gallons or more of potable water per day. No businesses are guaranteed an incentive and the UIPA Board may decline an application at any time for any reason.

UIPA may utilize tax differential on any given parcel in the Project Area. Generally incentive amounts will not exceed 30% of the revenue generated by any business for more than 25 years. All incentives must be approved by the UIPA Board in a public meeting. Incentives will favor the industries listed above, and specifically those that have significant logistics needs. Incentives will only be given to new capital investment by industries listed above. General guidelines for incentives are for businesses that are creating new growth as follows:

New Capital Investment	% of Tax Differential
\$50 million	10%
\$100 million	20%
\$500 million	30%

Variable that could impact the percent of tax differential awarded include the following:

- Anticipated number of jobs created;
- Logistics volume created;
- Platform and capabilities of the business.

Any business that applies to receive a post-performance property tax rebate from the Utah Inland Port Authority must submit a Corporate Stewardship Plan.

The Corporate Stewardship Plan must contain the applicant's strategy to support items such as the following in the Northwest Quadrant and surrounding neighborhoods:

- Workforce development partnerships
- Support for local education
- Public infrastructure development
- Sustainability initiatives
- Other efforts to support the local community

Any further details will be determined in conjunction with Salt Lake City and other municipal entities within the Jurisdiction.

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Timeline

Beginning upon adoption by UIPA Board of Directors and carried forward throughout the duration of the project.

Phase 1 does not include the development of any logistics facilities. No time, money, or resources will be spent towards the development of any logistics facilities until Phase 2 of the Salt Lake Project Area Master Plan is completed.

Project Area Plan Phase 2 – Goals and Objectives

Phase 2 of the Master Development Plan outlines collaborative efforts with Salt Lake City and Salt Lake County to engage vendors to conduct necessary assessments and create infrastructure plans for the Salt Lake Project Area.

Assessments

In cooperation with Salt Lake City and in accordance with procurement policies, hire a vendor(s) to conduct a Community Impact Assessment, a Health Impact Assessment and a Traffic Assessment according to the standards set forth in the SLC – UIPA interlocal agreement. In order for these assessments to be able to accurately determine the impact of planned logistics infrastructure activities by UIPA, such will necessarily need to be done following UIPA's completion and approval of such logistics infrastructure plan.

Logistics Infrastructure Plan

In cooperation with Salt Lake City, Salt Lake County and in accordance with procurement policies, hire a vendor with significant experience to develop recommendations for logistics infrastructure within the project area.

Phase 2 Timeline

Beginning upon adoption of this plan by the UIPA Board of Directors with anticipated completion in **24-30 months**.



Purposes and Intent

By adopting this Project Area Plan, UIPA will be maximizing long-term economic benefits to the Project Area, the region, and the State; maximize the creation of high-quality jobs, and other purposes, policies, and objectives described herein and as outlined in the Port Authority Act.

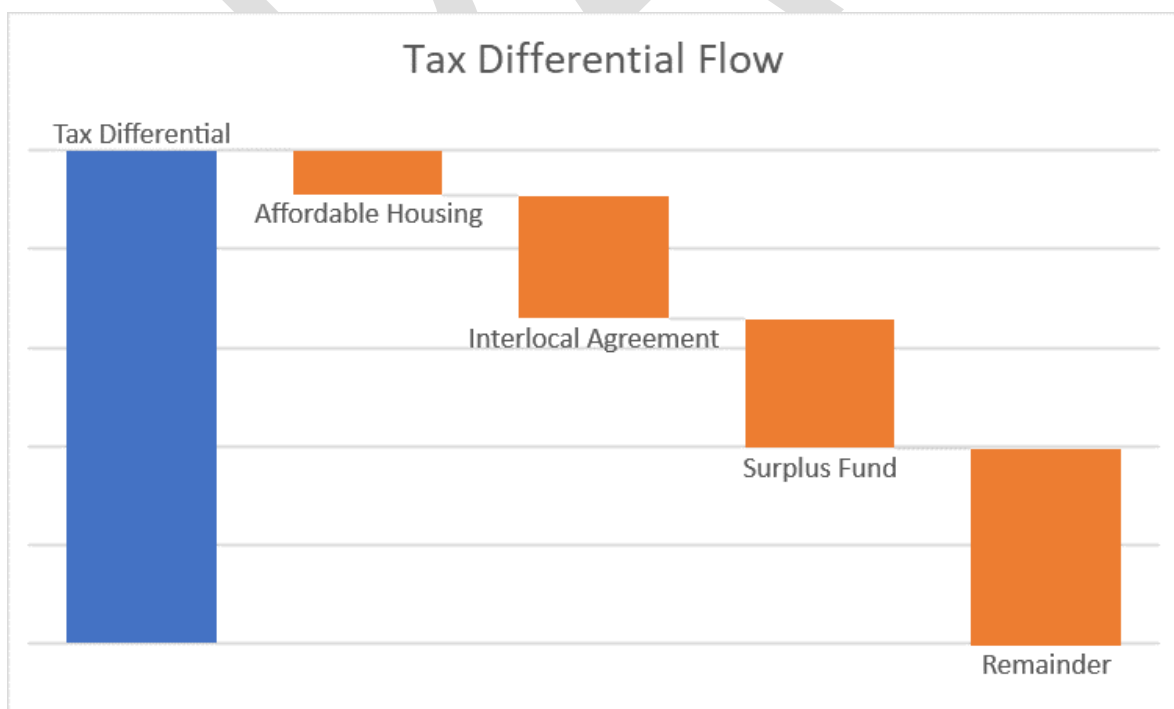
Area Boundaries

The authority jurisdictional land was provided in the electronic shapefile that is the electronic component of H.B. 2001, Utah Inland Port Authority Amendments, 2018 Second Special Session. Pursuant to subsection 11-58-202(3), the authority maintains an [accurate digital file of the boundary that is easily accessible by the public](#).

A legal description of the authority jurisdictional land for this project area boundaries and a map can be found in [Appendix A](#).

Project Area Budget

Tax differential revenue received by UIPA from the Salt Lake Project Area is committed to various uses based on debt obligations and the interlocal agreement entered into with Salt Lake City, as shown in the chart below.



Tax Differential

75 percent of tax differential collected in the Project Area from taxing entities other than Salt Lake City (“Nonmunicipal Differential”) are remitted to UIPA as provided by Utah Code Ann. 11-58-601. The amount of tax differential to be remitted to UIPA for property in the Project Area from property taxes

assessed by Salt Lake City ("City Differential") is governed by Utah Code Ann. 11-58-604. The following language from the Interlocal Agreement summarizes such provisions:

- a. UIPA shall receive, for a period of 25 years, 25% of the City Differential (the "25% Set Percentage").
- b. UIPA shall receive an additional percentage of the City Differential which shall decrease over a period of 25 years as follows (the "Decreasing Percentage"):
 - 40% for the first tax year after the effective date of this Agreement, decreasing 2% for each year so that by 2029, the payment is 28%;
 - 10 % from 2030 for seven years; and
 - 8% from 2037 to 2047 - at which time the payment of the City Differential to UIPA shall be 0%.

Affordable Housing

10 percent of City Differential is remitted to the Redevelopment Agency of Salt Lake City.

Interlocal Agreement

The amount of City Differential received by UIPA is governed by Utah Code Ann. 11-58-604. The use of such City Differential is governed by the UIPA/Salt Lake City Interlocal Agreement dated October 25, 2022 which provides a process for allocating funds to environmental mitigation (40%), mitigation for communities (40%), and economic development (20%).

Surplus Fund

Following affordable housing and interlocal agreement obligations, 40 percent of remaining tax differential funds are paid to the bond trustee to be held in the surplus fund. This occurs until the surplus fund reaches \$15 million.

Remainder

Remaining tax differential funds from the Salt Lake Project Area will be used to pay bond obligations (interest-only payments begin in 2025 and principal payment begins in 2034), UIPA operating costs, project costs in the Salt Lake Project Area, and tax incentives for business recruitment and workforce support.

Workforce Support

According to allowances within statute to support industry within a Project Area, the Port Authority may use tax differential to support workforce support programs within the jurisdictional area. These programs must be tied to the development of high wage careers and be supported by public providers of secondary education training.

Protection of Natural Resources

According to allowances within statute, the Port Authority may use tax differential for acquiring a conservation easement within the boundaries of the jurisdictional land, for purposes of perpetual preservation of land from development and to create buffer areas between jurisdictional and non-jurisdictional land.

Nonmunicipal Tax Differential Timeline for Taxing Entities other than Salt Lake City

UIPA received pre-designation Nonmunicipal Differential for the Salt Lake Project Area beginning in November 2019 and will continue to receive it until November 2044. The UIPA Board may extend the receipt of Nonmunicipal Differential for the Salt Lake Project Area for an additional 15 years through resolution. Additionally, the board may designate individual parcels as post-designation parcels, which allows differential to be collected for 25 years beginning at the time of designation. The purpose of this post-designation status is to allow the collection of differential over the full 25 year period on a parcel once substantial development begins. Since much of the project area may not be developed for years, this enables the full range of public financing options. Like the project area itself, the board may extend post-designation tax differential for an additional 15 years.

Yearly Budget

UIPA adopts a yearly budget each year which includes Salt Lake Project Area tax differential projected revenues and expenditures. For FY2023, projected tax differentials were \$7.5 million and budgeted expenses were \$3.725 million. Uses of these funds include the affordable housing payment, property site development, and master plan studies. Future budgets will be adopted by the board prior to the start of each fiscal year on July 1.

Environmental Review

The [Northwest Quadrant Sustainability Action Study](#) was completed in 2022, presented to the UIPA board on December 14, 2022, and adopted by the UIPA board on February 27, 2023. It is being adopted as part of this Project Area Plan and Budget.

Written Consent

Pursuant to UCA 11-58-5, this is not required.

Project Area Performance Indicators

UIPA will monitor and record the economic benefit of this Project Area and report this information bi-annually to the UIPA Board and key stakeholders. UIPA will work with Salt Lake City and Salt Lake County to determine the right key performance indicators. The following represent likely performance indicators that UIPA will report on:

1. Business recruitment into the area by targeted industry
2. Capitol recruitment in targeted industries
3. Affordable housing units created with associated occupancy and affordability levels
4. Improvements to road, rail, and air
5. Commodity flow by type and value
6. Environmental mitigation initiatives and outcomes (from UIPA/SLC Interlocal Agreement)
7. Community mitigation initiatives and outcomes (from UIPA/SLC Interlocal Agreement)
8. Green technology / alternative fuel infrastructure and adoption

Conclusion

While there is no statutory requirement for the UIPA board to adopt a project area plan for the authority jurisdictional land, UIPA executive leadership determined that the previously adopted UIPA Salt Lake Project Area Master Plan would best be adapted as a Northwest Quadrant Project Area Plan and Budget. This approach will allow for:

- Future project amendments, which will follow the statutory requirements pursuant to 11-58-504. It is anticipated that project area amendments will follow the completion of interlocal agreement studies and Phase II actions.
- Annual project area preparation and adoption, which will follow the statutory requirements pursuant to 11-58-505.

Staff Recommendation

The Staff of the Utah Inland Port Authority recommends the Port Authority Board approve the Northwest Quadrant Project Area Plan, which will supersede the previously adopted UIPA Salt Lake Project Area Master Plan.



Requirements

Pursuant to UCA 11-58-501-1a, the authority is not required to adopt a project area plan for a project area consisting for authority jurisdictional land.

The UIPA Act outlines certain steps that must be followed before a Project Area Plan (for land outside the authority jurisdictional land) is adopted. The requirements are as follows:

Statutory Requirement

A draft of the Project Area Plan must be prepared.

A Project Area Plan shall contain:

- (a) Legal description of the boundary of the project area;
- (b) The Authority's purposes and intent with respect to the project area; and
- (c) The board's findings and determination that:
 - (i) there is a need to effectuate a public purpose;
 - (ii) there is a public benefit to the proposed development project;
 - (iii) it is economically sound and feasible to adopt and carry out the project area plan; and
 - (iv) carrying out the project area plan will promote the goals and objectives stated in Subsection 11-58-203(1).

The UIPA Board shall hold at least one public meeting to consider the draft Project Area Plan.

At least 10 days before holding the public meeting, the board shall give notice of the public meeting:

- (a) to each Taxing Entity;
- (b) to a municipality where the proposed project area is located or any municipality that is located within one-half mile of the proposed area; and,
- (c) on the Utah Public Notice Website.

After public input is received and evaluated and at least one public meeting is held, the UIPA Board may adopt this Project Area Plan, with such modifications as it considers necessary or appropriate.

Source: UCA 11-58-502 Public meeting to consider and discuss draft project area plan – Notice – Adoption of plan

In addition, after the Project Area Plan is adopted, its adoption must be properly advertised and notice given to certain governmental entities, along with an accurate map or plat, all as provided in the UIPA Act.

Source: UCA 11-58-503 Notice of project area plan adoption – Effective date of plan – Time for challenging a project area plan or project area



Board Findings & Determination

Pursuant to UCA 11-58-501-1a, the authority is not required to adopt a project area plan for a project area consisting for authority jurisdictional land.

Public Purpose

“There is a need to effectuate a public purpose.”

UCA 11-58-201(3)a states “the purpose of the authority is to fulfill the statewide public purpose of working in concert with applicable state and local government entities, property owners and other private parties, and other stakeholders to encourage and facilitate development of the authority jurisdictional land and land in other authority project areas to maximize the long-term economic and other benefit for the state, consistent with the strategies, policies, and objectives described in this chapter, including:

- (i) the development of inland port uses on the authority jurisdictional land and on land in other authority project areas;
- (ii) the development of infrastructure to support inland port uses and associated uses on the authority jurisdictional land and on land in other authority project areas; and
- (iii) other development on the authority jurisdictional land and on land in other authority project areas.”

Public Benefit

“There is a public benefit to the proposed Project Area.”

UCA 11-58-201(3)b asserts the following public benefit for the jurisdictional land of the NWQ Project Area and the “concern, importance, interest, and impact, due to multiple factors, including:

- (i) the strategic location of the authority jurisdictional land in proximity to significant existing and potential transportation infrastructure, including infrastructure provided and maintained by the state, conducive to facilitating regional, national, and international trade and the businesses and facilities that promote and complement that trade;
- (ii) the enormous potential for regional and statewide economic and other benefit that can come from the appropriate development of the authority jurisdictional land, including the establishment of a thriving inland port;
- (iii) the regional and statewide impact that the development of the authority jurisdictional land will have; and
- (iv) the considerable investment the state is making in connection with the development of the new correctional facility and associated infrastructure located on the authority jurisdictional land.”

Economic Soundness and Feasibility

“It is economically sound and feasible to adopt and carry out the Project Area plan.”

UCA 11-58-601(2)a dictates that “the authority shall be paid pre-designation differential generated within the authority jurisdictional land:

- (i) (i) for the period beginning November 2019 and ending November 2044; and
- (ii) (ii) for a period of 15 years following the period described in Subsection (2)(a)(i) if, before the end of the period described in Subsection (2)(a)(i), the board adopts a resolution extending the period described in Subsection (2)(a)(i) for 15 years.”

Promote Statutory Goals and Objectives

“Carrying out the Project Area Plan will promote UIPA goals and objectives.”

UCA 11-58-203 defines the policies and objectives of the authority, of which carrying out the NWQ Project Area Plan will promote. These goals and objectives are as following:

- (a) maximize long-term economic benefits to the area, the region, and the state;
- (b) maximize the creation of high-quality jobs;
- (c) respect and maintain sensitivity to the unique natural environment of areas in proximity to the authority jurisdictional land and land in other authority project areas;
- (d) improve air quality and minimize resource use;
- (e) respect existing land use and other agreements and arrangements between property owners within the authority jurisdictional land and within other authority project areas and applicable governmental authorities;
- (f) promote and encourage development and uses that are compatible with or complement uses in areas in proximity to the authority jurisdictional land or land in other authority project areas;
- (g) take advantage of the authority jurisdictional land's strategic location and other features, including the proximity to transportation and other infrastructure and facilities, that make the authority jurisdictional land attractive to:
 - i) businesses that engage in regional, national, or international trade; and
 - ii) businesses that complement businesses engaged in regional, national, or international trade;
- (h) facilitate the transportation of goods;
- (i) coordinate trade-related opportunities to export Utah products nationally and internationally;
- (j) support and promote land uses on the authority jurisdictional land and land in other authority project areas that generate economic development, including rural economic development;
- (k) establish a project of regional significance;
- (l) facilitate an intermodal facility;
- (m) support uses of the authority jurisdictional land for inland port uses, including warehousing, light manufacturing, and distribution facilities;
- (n) facilitate an increase in trade in the region and in global commerce;
- (o) promote the development of facilities that help connect local businesses to potential foreign markets for exporting or that increase foreign direct investment;

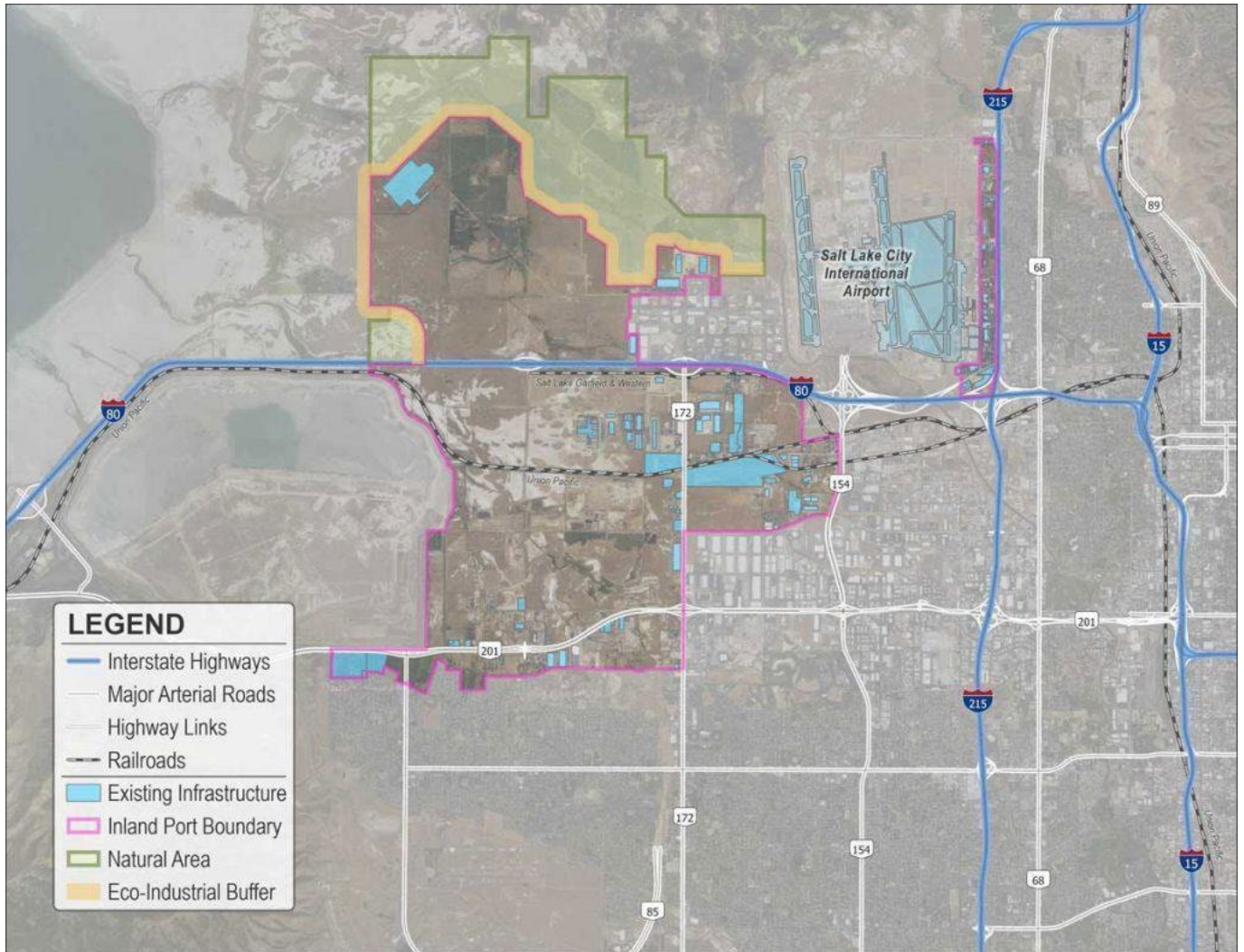
- (p) encourage all class 5 through 8 designated truck traffic entering the authority jurisdictional land to meet the heavy-duty highway compression-ignition diesel engine and urban bus exhaust emission standards for year 2007 and later;
- (q) encourage the development and use of cost-efficient renewable energy in project areas;
- (r) aggressively pursue world-class businesses that employ cutting-edge technologies to locate within a project area; and
- (s) pursue land remediation and development opportunities for publicly owned land to add value to a project area.

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Appendix

Appendix A: Authority Jurisdictional Land Project Area Map



JURISDICTIONAL LAND VIEW