

UTAH INLAND PORT AUTHORITY

Executive Order 2020-01

AUTHORITY JURISDICTIONAL LAND PROPERTY TAX DIFFERENTIAL USE POLICY

September 2020

1) **Background**

- a) On June 22, 2020, the Authority Board adopted a Strategic Business Plan for the Authority Jurisdictional Land (“**Business Plan**”) pursuant to Resolution 2020-01. The Resolution also directed the Executive Director “to create and adopt, by Executive Order, a tax differential policy that is consistent with the Business Plan” (“**Policy**”).
- b) The purpose of this Policy is to establish, consistent with the Business Plan, guidance for property tax differential use by the Utah Inland Port Authority (“**Authority**”) established pursuant to Utah Code Chapter 58, Title 11 (“**Authority Act**”) in the Authority Jurisdictional Land, as defined in the Authority Act (“**Jurisdictional Land**”). Pursuant to the Authority Act, the Authority will receive and use property tax differential generated from the Jurisdictional Land (“**Tax Differential**”).
- c) With regards to the Jurisdictional Land, the Authority Act, provides that 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 . . . to maximize the long-term economic and other benefit for the state, consistent with the strategies, policies, and objectives described in” the Authority Act (“**Act Goals**”).¹ Included in the Act Goals is the implementation of the Business Plan.
- d) The Business Plan established the following strategic direction (“**BP Strategic Direction**”):
 - i) Vision – Utah will be a leader in revolutionizing global logistics for the next generation.
 - ii) Mission – Promote sustainable, equitable, and smart logistics investment through partnerships, policies, and programs.
 - iii) Strategy – Responsibly manage public resources to increase utilization of existing assets, repurpose outdated assets, and develop new assets to enable improved statewide logistics.
 - iv) Value Proposition – Improve reliability, increase efficiency, and reduce costs in the statewide logistics system.

¹ §11-58-201(3)(a)

2) **Tax Differential Use**

- a) Tax Differential is one of the key financial tools provided to the Authority to implement the Act Goals and BP Strategic Direction. The Authority Act requires and allows Tax Differential to be used for certain purposes.
- b) The Authority is required to pay 10% of the Tax Differential generated from land located within a community reinvestment agency to that agency, to be used for affordable housing ("**Affordable Housing Payment**").²
- c) After the Affordable Housing Payment, the Authority is allowed to use Tax Differential to fund its administrative, overhead, legal, consulting, and other operating expenses ("**Administrative Costs**").³ The amount of Tax Differential used for Administrative Costs is determined through the budget process and policies.
- d) After the Affordable Housing Payment and Administrative Costs are covered, the remainder of the Tax Differential may be used to fulfill the Act Goals and BP Strategic Direction ("**Development Funding**").⁴ This includes paying for:
 - i) Land development, including ongoing operation of a development or facility;⁵
 - ii) Owning and operating an intermodal facility ("**Intermodal Facility**");⁶
 - iii) Publicly owned infrastructure and improvements;⁷ and,
 - iv) Bonds issued by the Authority.⁸

3) **Development Funding**

- a) The Development Funding priorities in the Business Plan⁹ are:
 - i) Common user improvements, including highway and other infrastructure, and rail right-of-way acquisition, design, engineering, and construction ("**Regional Improvements**");
 - ii) An Intermodal Facility; and,
 - iii) Costs associated with mitigating significant impediments to site development.
- b) In order to fund Regional Improvements or the Intermodal Facility, the Authority may need to accumulate and aggregate the Tax Differential generated from multiple properties. On a case by case basis, the Authority may use Development Funding for a property specific development,

² §11-58-601(6)(b) and §11-58-602(1)(f)

³ §11-58-602(1)(b)

⁴ §11-58-602(1)(a)

⁵ §11-58-602(1)(c)

⁶ §11-58-206(2)

⁷ §11-58-602(1)(d) and (e)

⁸ §11-58-602(1)(g)

⁹ Business Plan, page 43.

including incentivizing a high value development that will help fulfill the Act Goals or BP Strategic Direction. However, the priority is Regional Development and the Intermodal Facility with particular focus on advancing sustainable and smart logistics investments.

- c) The Executive Director will direct the discussions and negotiation of Development Funding uses and provide recommendations to the Authority Board for budgeting its use and entering into appropriate contracts.



Jack Hedge
Executive Director