

UTAH INLAND PORT AUTHORITY

INTERLOCAL COOPERATION AGREEMENT AMENDMENT BETWEEN SALT LAKE CITY CORPORATION, REDEVELOPMENT AGENCY OF SALT LAKE CITY AND THE UTAH INLAND PORT AUTHORITY

RESOLUTION NO. 2024-06

WHEREAS, the Utah Inland Port Authority Act was amended in the 2022 Utah Legislative Session to change the percentage of exempt area property tax differential distribution to the Utah Inland Port Authority (“Authority”) and to require that the Authority spend 40% of this property tax differential on environmental mitigation projects within the authority jurisdictional land (“Environmental Mitigation Money”) and 40% of this property tax differential on community mitigation projects for neighborhoods adjacent to the Authority jurisdictional land (“Community Mitigation Money”).

WHEREAS, Utah Code 11-58-604 required Salt Lake City Corporation (“City”), the Redevelopment Agency of Salt Lake (“RDA”), and the Authority to execute an agreement by December 31, 2022 that provided for the following:

- A process for how the Authority is to spend the Environmental Mitigation Money and the Community Mitigation Money;
- Include a requirement that the Authority consult with the City in determining how to spend the Environmental Mitigation Money and the Community Mitigation Money;
- Require the RDA to spend the 10% of exempt area property tax it receives for affordable housing; and
- Require the City to agree to facilitate the efficient processing of land use applications relating to the authority jurisdictional land by providing at least one full-time employee as a single point of contact for the processing of the land use applications.

WHEREAS, on October 18, 2022, the Utah Inland Port Authority Board approved via Resolution 2022-11 the execution and delivery of the required agreement with the City, RDA, and the Authority;

WHEREAS, the City, RDA, and the Authority desires to amend the executed required agreement;

NOW, THEREFORE, BE IT RESOLVED by the Authority Board, that the Interlocal Cooperation Agreement Amendment, in the form attached to this resolution as Exhibit A, is hereby approved and the Authority’s Executive Director is hereby authorized and directed to execute and deliver the same on behalf of the Authority. The Effective Date of the Interlocal Cooperation Agreement Amendment shall be the date the last keeper of records for each Party attests and files the Agreement.

APPROVED AND ADOPTED THIS 29th DAY OF April 2024.

**UTAH INLAND PORT AUTHORITY,
UTAH**

By: _____
Abby Osborne, Chair

ATTEST:

By: _____
UIPA Staff

EXHIBIT A

FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT

THIS FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT (“**First Amendment**”) is dated _____, 2024, to be effective on the date the last keeper of records for each Party attests and files the Agreement (“**Effective Date**”), by and between Salt Lake City Corporation, a Utah municipal corporation (“**City**”), the Redevelopment Agency of Salt Lake City, a Utah public entity (“**RDA**”), and the Utah Inland Port Authority (“**UIPA**”), a Utah public entity. The City, RDA, and UIPA are sometimes referred to individually as “Party” and collectively as the “Parties.”

RECITALS

- A. During the general 2022 Utah legislative session, the Utah Legislature enacted HB443, which revised Utah Code §§ 11-58-102, *et seq.* (the “**Inland Port Act**”) to change, among other things, the distribution from Salt Lake County to UIPA, the City and the RDA of exempt area property tax differential, (defined in Utah law as the portion of property tax differential generated by a property tax levied by Salt Lake City in the port authority jurisdictional land (“**City Differential**”). Specifically, Utah Code Ann. § 58-11-604(4) specifies how UIPA may spend portions of the City Differential.
- B. On October 25, 2022, the Parties executed an Interlocal Cooperation Agreement (the “**Agreement**”) to comply with Utah law, to establish a contractual relationship creating certainty on the 25-year distribution of the City Differential to UIPA and to commit to a process for the expenditure of a portion of the City Differential and the efficient processing of land use applications relating to authority jurisdictional land.
- C. Pursuant to the Agreement, the Parties committed to spending a portion of the City Differential defined in the Agreement as Environmental Differential as follows: (a) to engage an outside firm with national expertise to prepare a health impact assessment (“**HIA**”) analyzing the planned inland port development in the authority jurisdictional land within the City; and (b) to engage an outside firm with national expertise to prepare a traffic study using data-based analysis on best practices to mitigate environmental impacts on communities related to logistics hubs, railyards, and truck traffic (“**Traffic Study**”).
- D. Pursuant to the Agreement, the Parties committed to spending the first portion of the City Differential defined in the Agreement as the Community Differential to engage an outside firm with national expertise in community impact assessments to create a comprehensive community impact assessment (“**CIA**”) for the planned inland port development in the authority jurisdictional land and the impacts on the Westside Community (defined in the Agreement).

- E. The Parties agreed that the HIA, Traffic Study, and CIA would be complete by December 31, 2023.
- F. Since executing the Agreement, the Parties have engaged in collaborative discussions with each other and with community stakeholders. The Parties agree that, rather than conducting an HIA, Traffic Study, and CIA, a portion of the Community Differential and Environmental Differential would be more productively spent to establish a baseline evaluation of current development trends and potential outcomes in the port authority jurisdictional land and the Northwest Quadrant. After establishing the baseline evaluation, the Parties desire to establish a mutually agreed upon preferred scenario for future development in the port authority jurisdictional land and the Northwest Quadrant. This preferred scenario would be intended to establish policies and metrics that could serve as an evaluation tool for allocating future resources from the Parties and could also identify potential changes, if any, to the City's adopted Northwest Quadrant Plan. All parties recognize that the UIPA is not responsible for the development trends or any conclusions reached in the baseline scenario.
- G. The Parties desire to amend the Agreement to reflect this new agreement.

For good and valuable consideration, the Parties agree to amend the Agreement as follows. Any sections of the Agreement that are not specifically amended in this First Amendment shall remain in full force in effect. To the extent there is a conflict between the Agreement and this First Amendment, this First Amendment will control.

- 1. **Expenditure of the City Generated Differential.** During the term of the Agreement, within a week of receiving the 25% Set Percentage and the Decreasing Percentage (defined in the Agreement, and collectively, the "**City Generated Differential**"), UIPA will notify the City of the amount of City Generated Differential it received. UIPA shall spend the City Generated Differential as follows and pursuant to the process set forth in Section 1(e), below:
 - a. *Baseline and Preferred Scenario Studies.* The Parties agree that a portion of the City Generated Differential (both the Environmental Differential and the Community Differential, defined below and in the Agreement) will be initially spent on the following:
 - i. *Baseline Study.* After engaging in a competitive process in which the Parties will, at a minimum, have an equal role on the selection committee, the Parties will select and the UIPA will engage a mutually agreed-upon outside firm (which may subcontract with other firms for subject-matter expertise) to analyze the current development trends in the port authority jurisdictional land and the broader Northwest Quadrant, including by

studying current traffic trends, possible health impacts of current development, and possible community and environmental impacts related to current development in these areas (“**Baseline Study**”). The Baseline Study will consider current development trends in the port authority jurisdictional land based on current zoning and the broader Northwest Quadrant, using existing data related to building permit issuance/applications and requests for increased capacity in public infrastructure. The Baseline Study will also rely on existing environmental, traffic, emissions, and demographic data and plans compiled by Salt Lake City department experts. The purpose of the Baseline Study will be to identify the potential impacts on the community, environment (including air quality, water quality, water resources, habitat, wetlands and the ecosystem), residents, economic development, including job creation (types and number of jobs) and Salt Lake City if development continues on pace with the trends identified in the Baseline Study.

- ii. *Preferred Scenario.* Upon completion of the Baseline Study, after engaging in a competitive process in which the Parties will, at a minimum, have an equal role on the selection committee, the Parties will select and the UIPA will engage a mutually agreed-upon outside firm (which may subcontract with other firms for subject-matter expertise) to identify a preferred development scenario for the Northwest Quadrant; the port authority jurisdictional land; the property adjacent to the Salt Lake City International Airport; and property directly affected by development in the port authority jurisdictional land, including the Great Salt Lake shoreline heritage area. The preferred development scenario will take into account the trends identified by the UIPA Logistics Study, UIPA Sustainability Study, Baseline Study, as well as the Parties and stakeholders’ objectives related to optimal economic growth, optimal logistics strategies, community mitigation, environmental preservation, water consumption and water quality, air quality and related human health impacts, sustainable transportation, job creation (both types of jobs and numbers of jobs) and economic development (“**Preferred Scenario**”). The outside firm will establish the preferred scenario by engaging with the community, Salt Lake City Corporation, property owners, developers, Northwest Quadrant jurisdiction businesses, and the UIPA Board, and taking into consideration the priorities of each entity. Such engagement will include conducting a robust and equitable community engagement process using various means of engagement, including, but not limited to public hearings, multiple-language meetings, and small group meetings with key stakeholders and leaders within the community. The outside firm may compensate these community members and stakeholders for their participation in the engagement process, consistent with current city

policies and prior precedent. This engagement will be to effectuate the objective of creating new policies and matrices to guide future decisions related to the expenditure of the Environmental Differential, and Community Differential. The Preferred Scenario will include a list of potential projects or investments the Parties could make to effectuate the Preferred Scenario (“**Preferred Projects**”), which will help the Parties prioritize the expenditure of the Environmental Differential and the Community Differential, pursuant to Utah law. In addition, the Preferred Scenario will establish policies and metrics to serve as an evaluation tool for allocating future resources from the Parties, a plan for regular status reviews and long-term accountability to ensure the policies and matrices continue to achieve the Parties’ objectives under the Preferred Scenario. The Preferred Scenario will identify which policies and metrics are within the scope of authority of UIPA, the City, and/or other entities. The Preferred Scenario could also identify potential changes, if any, to the City’s adopted Northwest Quadrant Plan. The UIPA Board has the authority to make all final funding determinations consistent with this First Amendment and State law. The preferred scenario will provide guidance where any conflicts occur, except in cases where there are cross-cutting regulatory or legal obligations that the parties are required to meet future plans. In such an instance, the Parties will work towards maintaining the intent of the Preferred Scenario while meeting regulatory and legal obligations.

- b. Upon completion of the Preferred Scenario, the outside firm will present the findings and recommendations to the Salt Lake City Council and the UIPA Board, in public meetings, which include public comment opportunities, for potential formal adoption.
- c. Environmental Mitigation Projects within the Authority Jurisdictional Land: Under Utah law, UIPA will spend 40% of the City Generated Differential on environmental mitigation projects in the authority jurisdictional land within the City (“**Environmental Differential**”) according to the following:
 - i. A portion of the Environmental Differential will be used by the City and UIPA to engage the mutually agreed upon and selected outside firm to create the Baseline Study and Preferred Scenario in a timely manner. Any additional Environmental Differential will be spent on either UIPA’s Community Enrichment Grants or other projects, to be mutually agreed upon by the Parties under the terms of this First Amendment.
 - ii. While the Baseline Study and Preferred Scenario are being established, any unspent Environmental Differential may fund UIPA’s Community

Enrichment Grants, particularly grants that mitigate the environmental impacts on Salt Lake City related to the development of the authority jurisdictional land. Such environmental mitigation projects may include, but are not limited to, net zero, electric, or equivalent building; mitigation of truck traffic; protection of wetlands and other areas important to the function of the Great Salt Lake and habitat; construction that supports migratory bird patterns in and around the jurisdictional land; low water usage; solar or renewable energy and/or transportation electrification, including rail, trucks, vans, transit and non-road vehicles and projects related to rail and clean air. The Parties agree that the City and UIPA will establish mutually agreed upon standards for the Community Enrichment Grant applications, prior to releasing any grant applications, to ensure that the Environmental Differential is being allocated pursuant to Utah law.

- iii. Expenditure of the Environmental Differential for Community Enrichment Grants will only occur after the City and UIPA follow the process described in Section 1(e) below. After the establishment of the Baseline Study and Preferred Scenario, the Environmental Differential may fund the Preferred Projects, which will be prioritized pursuant to the process described in Section 1(e) below. So long as it is consistent with this First Amendment and State law, the UIPA board will maintain final approval of any expenditure for Environmental Differential.
- d. Mitigation Projects for Communities within the City. UIPA will spend 40% of the City Generated Differential (“**Community Differential**”) on mitigation projects for communities that are within the City; are adjacent to the authority jurisdictional land; and are west of the east boundary of the right of way of commuter rail used by the City (“**Westside Community**”) according to the following:
 - i. A portion of the Community Differential will be used by the City and UIPA to engage the mutually agreed upon and selected outside firm to create the Baseline Study and Preferred Scenario in a timely manner. Any additional Community Differential will be spent on either UIPA’s Community Enrichment Grants or other projects, to be mutually agreed upon by the Parties under the terms of this First Amendment.
 - ii. While the Baseline Study and Preferred Scenario are being established, any unspent Community Differential may fund UIPA’s Community Enrichment Grants, particularly grants that mitigate the impacts of development of the port authority jurisdictional land on the Westside Community, including but not limited to, projects that address community-identified priorities, including creating quiet zones, railroad crossings, new infrastructure to benefit adjacent communities,

apprenticeship programs, career and youth development, and scholarships for certain careers associated with UIPA, and clean air opportunities related to rail. The Parties agree that the City and UIPA will establish mutually agreed upon standards for the Community Enrichment Grant applications, prior to releasing any grant applications, to ensure that the Community Differential is being allocated pursuant to Utah law.

- iii. Expenditure of the Community Differential for Community Enrichment Grants will only occur after the City and UIPA follow the process described in Section 1(e) below. After the establishment of the Baseline Study and Preferred Scenario, the Community Differential will fund the Preferred Projects, which will be prioritized pursuant to the process described in Section 1(e) below. So long as it is consistent with this First Amendment and State law, the UIPA board will maintain final approval of any expenditure for Community Differential.

iv.

Process to Review and Identify Expenditures for the Environmental Differential and Community Differential. During each fiscal year, within 30 days after receiving the amount of City Differential from the County, the UIPA executive team will first allocate sufficient Environmental Differential and Community Differential to complete the Baseline Study and Preferred Scenario in a timely manner. If Environmental Differential and Community Differential remain unallocated, the UIPA executive team will develop a list of priority projects to spend the Environmental Differential and Community Differential (collectively, the “**Mitigation Money**”), in conformance with the priorities of this First Amendment. By April 15 of each year, the UIPA executive team will submit any proposed use of Mitigation Money to the City’s advisory group of experts, via the Mayor’s office, which will be comprised of members of City departments, including but not limited to, the Redevelopment Agency, Community and Neighborhoods, Public Utilities, and Sustainability, Mayor’s Office and Council Office, and stakeholders invested in the City’s Northwest Quadrant including the Audubon Society and community leaders from westside neighborhoods (“**NWQ Review Group**”). The NWQ Review Group may develop a separate list of priority projects to spend the Mitigation Money. If the NWQ Review Group develops a separate list of priority projects, the NWQ Review Group will share this list with the UIPA executive team no later than May 1 of each year.

- e. The UIPA team and representatives of the NWQ Review Group will seek to develop a joint recommendation to be presented to UIPA’s board no later than June 15 of each year. The Parties anticipate that there will always be more ways to spend the Mitigation Money than there is money available. If there is no agreement on a joint recommendation, the NWQ Review Group’s identified projects and the UIPA executive team’s identified projects will both be submitted to the UIPA Board. Upon completion of the Preferred Scenario, the Parties agree that the list of priority projects will either be the Preferred Projects identified in the Preferred Scenario or

will be identified using the policies and matrices established in the Preferred Scenario and within the scope of authority of the City and/or the UIPA. In all events, UIPA's board shall consider the budget requests and approve a budget after a public hearing at a public meeting located within Salt Lake City boundaries, and such budget will include line-item approval of projects for the expenditure of the Mitigation Money. The UIPA board may approve a multi-year option for significant projects, so long as such projects are consistent with this First Amendment and State law.

- f. Economic Development Activities. UIPA will spend the remaining 20% of the City's Property Tax on economic development projects within the authority jurisdictional land in Salt Lake City. UIPA will use commercially reasonable efforts to incentivize economic development projects that align with Preferred Scenario, the City's Northwest Quadrant Master Plan, and/or the UIPA Northwest Quadrant Project Area Plan.

2. **Interlocal Cooperation Act**. In satisfaction of the requirements of the Interlocal Cooperation Act, and in connection with this Agreement, the Parties agree as follows:

- (a) This Agreement shall be approved by each Party pursuant to Utah Code §11-13-202.5 of the Interlocal Cooperation Act, including by the Board of the RDA, the Salt Lake City Council, and the UIPA Board of Directors.
- (b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party, pursuant to Utah Code §11-13-202.5 of the Interlocal Cooperation Act.
- (c) A duly executed original counterpart of this Agreement shall be filed with keeper of records of each Party, pursuant to Utah Code §11-13-209 of the Interlocal Cooperation Act.
- (d) Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action taken pursuant to this Agreement, and for any financing of such costs.
- (e) Any Party may withdraw from the joint or cooperative undertaking described in this Agreement only upon the termination of this Agreement.
- (f) No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent that a Party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.
- (g) No joint board or entity is created through this Agreement.

(h) The functions to be performed by the joint or cooperative undertaking are those described in this Agreement.

IN WITNESS WHEREOF, the Parties are executing this First Amendment to Interlocal Agreement to be effective as of the Effective Date.

Utah Inland Port Authority, a Utah public entity

Salt Lake City Corporation, a Utah municipal corporation

Name: _____
Title: _____

Erin Mendenhall, Mayor

Approved as to Proper Form and Compliance with Applicable Law:

Approved as to Proper Form and Compliance with Applicable Law:

_____, Attorney for Utah Inland Port Authority

Katherine Lewis, City Attorney

Redevelopment Agency of Salt Lake City, a Utah public entity

Erin Mendenhall, Executive Director

Approved as to Proper Form and Compliance with Applicable Law:

Katherine Lewis, City Attorney

Attest:

Cindy Lou Trishman, City Recorder