



June 18, 2024

Utah Inland Port Authority Board of Directors
c/o Board Secretary Larry Shepherd
60 South Temple
Salt Lake City, UT 84111

Sent via email (LarryKShepherd@utah.gov)

Dear Members of the Utah Inland Port Authority Board,

The purpose of this letter is three-fold.

First, Salt Lake City, as advised by the NWQ Review Group, is pleased to provide its recommendations for allocation of Salt Lake City tax differential, pursuant to the Interlocal Agreement (“Agreement”) between the Utah Inland Port Authority (“UIPA”) and Salt Lake City (“City”).

Second, the City would like to ensure that the Board is fully informed on discussions with UIPA staff related to these recommendations. While the City is not foreclosing more collaboration on remediating the SITLA landfill, we disagree that the environmental or community differential should be used for that purpose.

And finally, we want to assure the Board that we are grateful for the productive and collaborative relationship we have enjoyed with UIPA staff and hope to continue that into the future.

1. The City’s recommendations for differential allocation

By way of background, on March 25, 2024, the City received notice from UIPA that the total City-generated differential in 2023 was \$5,225,490. Under the Agreement, it is divided as follows:

- 20% economic development = \$1,045,098
- 40% community impact = \$2,090,198
- 40% environmental impact = \$2,090, 196

Additionally, we have been informed that there is approximately \$2.918 million in 2022 City-generated differential still remaining, a portion of which is allocated for community and environmental impact.

The community impact differential must be spent to benefit the Salt Lake City community west of the commuter train railway lines and adjacent to the authority jurisdictional land; the environmental impact differential must be spent on projects within the authority jurisdictional land. Under the Agreement, the City is not entitled to weigh in on the economic



development differential allocation; UIPA may allocate it without any consultation with the City, but it must be spent in the authority jurisdictional land.

The City has engaged with the NWQ Review Group (a diverse group of engaged stakeholders), who spent time and resources creating the City’s priority requests. The NWQ Review Group also met with UIPA staff to build trust and a shared list of priorities. The NWQ Review Group felt that meeting was productive and collaborative.

The City’s priority requests for spending the City differential are: (1) initiating the studies; (2) the Shoreline Heritage Preserve property acquisition; and (3) the dynamic rail crossing signage. The other items in the table of proposed allocations below are intended to provide the Board with a broad menu of options of programs and uses that the City, in consultation with the NWQ Review Group, believe would be beneficial to the community and in line with the requirements set out in the law. We believe each of these proposed expenditures are authorized uses of community and/or environmental differential. If the Board would prefer that we narrow or prioritize these proposals further, we would be happy to do so.

The City’s proposed allocations totalling approximately \$7 million in City-generated differential are as follows:

| Item | Description | Suggested amount |
|--|---|------------------|
| Baseline and Preferred Scenario studies | Studies identified in the Agreement | \$1,000,000 |
| GSL Shoreline Preserve | Contribute match funding to land protection and restoration projects benefiting the wetlands and related areas of the GSL Shoreline. | \$3,000,000 |
| Dynamic Rail Crossing Signage | Salt Lake City is piloting TRAINFO sensors and dynamic signage that will allow residents to see where trains are blocking intersections in real time and reroute before getting stuck at a crossing. The City is currently piloting this technology at the 900 W South Temple railroad crossing. There are 8-10 other railroad crossings that would be good candidates for installation of these signs. This funding would allow for sensors and signage at an additional crossing. | \$150,000 |
| Water Assistance Program - match Public Utilities’ and public donations to fund the program. | Inflationary pressures are affecting our residents and in particular our lower income disadvantaged communities. At the same time, these inflationary pressures and drought are causing the need to continue to raise water and sewer rates to ensure we are addressing aging | \$50,000 |



| | | |
|--|--|------------------|
| | <p>infrastructure and water quality. This program could provide ongoing funding to help struggling families with their water bill. This would match funds that Public Utilities uses for the program, and that is donated by City residents.</p> | |
| <p>Water Conservation Microgrant Program</p> | <p>Replacing existing turf landscapes to a more water-wise landscape may be out of reach financially for some in our community. This program could provide one-time seed funding to develop and administer a microgrant (\$500-\$1000) to help residents and businesses convert to more water efficient landscaping.</p> <p>If the microgrant program is successful, consider converting to an ongoing program partnership between UIPA and the City.</p> | <p>\$250,000</p> |
| <p>Food equity microgrants</p> | <p>The SLC Food Equity Microgrant Program is a funding opportunity intended to support resident- and community-led projects that address food inequity and increase access to fresh, healthy, affordable, and culturally relevant food in Salt Lake City. In 2024, we received \$146,440 in requests for a budget of \$50,000</p> | <p>\$100,000</p> |
| <p>Clean Air SLC programs/rebates</p> | <p>E-bike voucher amounts range from \$400-\$1,400 depending on income qualification and type of e-bike.</p> | <p>\$100,000</p> |
| <p>Residential or commercial solar rebates</p> | <p>“Energy equity fund” -- Funds to support residential or commercial solar programs. SLC ran a residential bulk purchase program for residents in 2022, so we have done this (with only the bulk purchase discount). Having funds to match would help more residents participate. There is also a big need for a commercial program that either provides gap financing (as a loan) for businesses going solar before they get tax credits; or would support through grants (more impact).</p> | <p>\$300,000</p> |
| <p>SLC Community Land Trust</p> | <p>Provides for-sale housing units in conjunction with mortgage loans to facilitate homeownership opportunities for low- and moderate-income (LMI) households; maintains the units as affordable in perpetuity; and allows for equity sharing upon the sale of the home to promote wealth building.</p> | <p>\$500,000</p> |



| | | |
|---|---|-------------|
| SLC Home Repair Program | Provides financial assistance to low- and moderate-income homeowners for expenses related to maintaining safe and stable housing in order to preserve the housing stock and the health and wellbeing of the families occupying them. | \$300,000 |
| SLC Fix the Bricks | Program that facilitates seismic improvements for unreinforced masonry homes. | \$250,000 |
| Naturally Occurring Affordable Housing (NOAH) Preservation Program | Provides financial assistance to property owners of NOAH to carry out property improvements in return for a long-term covenant to preserve affordability. NOAH properties, constituting the City's largest supply of affordable housing stock, maintain affordable rents without public subsidy and, therefore, do not have a covenant that requires the property to be rented at an affordable rate. The lack of covenants and subsidies makes NOAH assets vulnerable to either redevelopment or disrepair, both of which create instability for communities. The program incentivizes NOAH property owners to preserve the units as affordable. | \$250,000 |
| Expand transit service buy-ups | Current on-demand service that serves all residential areas in SLC west of I-15 costs \$3M a year. | \$1,000,000 |
| Last year's high-scoring Westside Community Enrichment Grant applications | | Any |

2. Salt Lake City's position on remediating the landfill

Neither the City nor the broader NWQ Review Group supports City differential being allocated to remediate the former landfill. Environmental differential is defined under the statute as differential to be spent on environmental projects within the port authority jurisdictional land. Community differential is defined under state code to benefit the Westside communities adjacent to the jurisdictional land. (See Utah Code Ann. §11-58-604.) These funding streams were specifically negotiated by the City and the State Legislature to benefit Westside communities and the environment in the jurisdictional area, and should not be repurposed for landfill remediation.

When the NWQ Review Group asked UIPA staff for clarification on UIPA's proposal to designate all of the community and environmental differential not needed for the studies toward landfill remediation on the SITLA property, Director Ben Hart responded that if the stakeholder



group was not in favor of this proposal, UIPA would not push that proposed expenditure forward.

Salt Lake City absolutely supports remediating the landfill, and has been a strong partner with UIPA in its efforts to acquire this property, fund the remediation, and achieve its future development goals. The City supported the state code changes in 2023 to dedicate all of the City's increment on the landfill to UIPA for remediation. During the 2024 Legislative session, the City initiated a zoning amendment to prohibit distribution centers on the landfill.

Mr. Hart stated in the May 29th meeting with the NWQ Review Group that the remediation would cost more than \$200M and possibly up to \$700M. This is the first time we have heard that the remediation is expected to cost more than \$150M. The City understands that UIPA intends to use the PID bond proceeds (\$150M) to fund the remediation. We understand that UIPA may have a short timeframe to begin paying the debt service on that bond, and have offered to meet with UIPA staff to brainstorm ways to find a source of revenue to pay the debt service on that bond prior to the landfill development generating revenue. We have been assured that paying the debt service is not an issue, but we do not understand why UIPA wants to dedicate the environmental and community differential to the remediation when it has other funding sources available. Regardless, the City is in no way foreclosing conversation or collaboration regarding the landfill remediation; the City's position is simply that the Community or Environmental Differential should not be used to remediate the landfill.

The City and the NWQ Review Group urge the Board to allocate the City differential on projects that are mutually supported, align with State code and more directly benefit the taxpayers who contribute those funds to UIPA. If the Board desires additional discussion regarding landfill remediation, the City respectfully requests to participate in those discussions separate and apart from the City differential allocation process.

Thank you very much for your time, consideration, and continued partnership.

A handwritten signature in cursive script, appearing to read "Rachel Otto".

Rachel Otto
Chief of Staff to Mayor Mendenhall

Cc: Ben Hart
NWQ Review Group
City staff