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Why a Utah Inland Port Authority?

This is a watershed moment for logistics in Utah. The state is growing rapidly—its population and business dynamism are unsurpassed nationally; its global trade reach is expanding; new technologies are reshaping freight distribution; the global pandemic of 2020 underscores the importance of resilient supply chains.

The Inland Port Authority’s area in Salt Lake County is positioned around the largest cluster of freight activity in the Intermountain West. The Inland Port provides shippers and carriers a place to transact the transfer of international and domestic cargoes. This activity supports Utah manufacturing, retail, restaurants, and e-commerce arriving on our doorsteps.

The Utah Inland Port Authority has the unique responsibility to coordinate significant market demand in logistics-dependent industries with air quality, environmental, and community goals. The UIPA is also charged with channeling logistics and economic development activities statewide, including improving rural Utah’s global trade connections.

For Utah’s residents and businesses, the Utah Inland Port Authority is pivotal. By establishing a strong, resilient, and flexible goods movement network statewide, the Authority will help ensure that logistics activity will remain the backbone of our economy and continue to support our high quality of life.

Why is Logistics Important to Utah?

Utah is increasingly dependent on domestic and global trade to supply its households, stores, and restaurants and to link its thriving businesses to the country and the world. Yet, the logistics system and goods movement network are relatively invisible. Many of us do not think about how the packages arrive on our doorsteps, how food gets to our grocery stores, or how finished products make their way to retail stores. Goods movement is often out of sight, out of mind – until something delays our e-commerce shipments or when global events disrupt access to the critical supplies we need.

More than a third of Utah’s economy depends on logistics. Logistics infrastructure in Utah links producers and consumers together through a global supply chain network from sourcing raw materials, manufacturing, inventory, handling, customs inspection and processing, information and data storage, and warehousing. A
What is an Inland Port?
An inland port is a logistics hub located 'inland'—often far from coastal ports—but with strong connectivity to one or more seaports through multiple transportation modes. Inland ports often rely on the Class I rail network to link international trade gateways in inland distribution hubs, but inland ports depend on other modes—including the highway network and an airport to facilitate goods movement across modes (between airplanes, trains, and trucks), customs clearance, retail and e-commerce warehousing and distribution, and light manufacturing uses.

What makes the Utah Inland Port different and better?
While the Utah Inland Port features all the key elements of other successful inland ports, it stands out in several distinct ways:

- **Sustainability and Innovation**: Focus on sustainable and smart logistics, development, and industry partnerships — attracting firms with a triple bottom line focused on people, planet, and profits.

- **Holistic**: Partnerships with local communities to provide holistic support through workforce development, afterschool/childcare, transit, and other key programs.

- **Statewide**: Development of a statewide inland port system with satellite ports in rural and urban communities.

Logistics activity in Utah is growing rapidly—spurred by Utah’s strong economy and population growth. Utah’s high quality of life, a thriving economy, and a comparatively high birthrate – as well as its strategic location, when combined with a productive workforce, remains a highly logistics-dependent economy. This expansive logistics growth is currently happening throughout the Wasatch Front, as shown by Salt Lake City leading the nation in supply and demand for industrial real estate for both logistics and manufacturing use. We must plan for a strong logistics system that supports our economy and also balances growth-related issues. The Utah Inland Port Authority serves as a coordinating and planning body for the movement of goods to and through Utah.

Communities wrestle with the impacts of decentralized, uncoordinated logistics planning. Often, this has led to high costs borne by consumers, inefficient cargo delivery, congested roadways, and increased air emissions and greenhouse gases. Logistics is important for everyone's lifestyle; however logistics systems can create detrimental, and often unequal, impacts across various communities. The UIPA can help to minimize the inefficiencies of the system by improving connections between businesses that serve Utah or utilize its infrastructure. The UIPA looks at the performance of the system and plan for logistics investments throughout the state to avoid unintended consequences to the community and environment.

The UIPA's goal is to ensure safe, smart, 21st century logistics that promote economic wellbeing without deepening the inequities between our communities. This combination of air delivery services, rail operations, ocean shipping, and truck transportation move these materials and products and connect communities across the state to the rest of the world. The Utah Inland Port Authority will use its resources to identify strengths and weaknesses in our shared logistics network and provide solutions that lead to strong, flexible, and resilient supply chains.
Strong economies require strong foundations. An Inland Port provides shippers and carriers with a place to conduct transactions and transfer the goods Utah households and businesses depend on – an anchor for the economy in the face of supply chain shocks. Development of the Utah Inland Port is a landmark opportunity – the single largest economic development effort in the history of the State.

The Utah Inland Port is an opportunity to benefit businesses and communities throughout the state through improved market access, sustainable and efficient cargo delivery, multimodal infrastructure, and global connections.

Since its original conception in the 1970s, the aim of developing an inland port is to leverage Utah’s multimodal transportation assets, geographic location, skilled labor force, global trade relationships, and logistics-dependent industry mix to establish a major multimodal logistics hub. The logistics industry is at an inflection point, making this a ripe time to plan for the Utah Inland Port. As disruptive technologies revolutionize the industry, Utah can take advantage of these new trends and draw new business investments and cutting-edge research.

Local logistics activity—distribution and fulfillment centers, trucking and rail terminals, manufacturing facilities, and other logistics-intensive enterprises—tend to cluster along major transportation routes in Utah’s cities and towns. No place is this activity more concentrated or voluminous than the northwestern part of Salt Lake County—north of 2100 South, West of I-215, and the location of the Salt Lake City International Airport, Union Pacific Railroad’s intermodal container terminal, and hundreds of freight-focused businesses. This hub of activity lies within or adjacent to the boundaries of the newly-created Utah Inland Port Authority’s (UIPA) jurisdiction. This area is poised to grow significantly over the coming decades fueled by regional population growth, explosive e-commerce fulfillment demand, and the proximity of critical multimodal transportation facilities.

The Utah Inland Port area covers roughly 55 percent of the Northwest Quadrant of Salt Lake City, making up a total of 16,147 acres of land. This area is 43 percent developable, controlled by private developers, and designated for manufacturing and industrial use by Salt Lake City’s Northwest Quadrant Plan. Salt Lake City and community stakeholders initiated the plan in 2007 and formally adopted it in 2016 to carefully address environmental preservation areas, which are all excluded from the Utah Inland Port area. The nondevelopable area of the inland port includes environmentally sensitive lands, including bird nesting areas, wildlife habitat, ongoing mining and landfill operations, and an eco-industrial buffer. The necessary development characteristics for the area are well-known and understood by planners, landowners, government agencies, and construction companies.
This is the largest remaining area that is developable in Salt Lake County. The vast majority of land is privately-owned. The area has unique characteristics conducive to logistics and logistics-enabled manufacturing use, with direct access to I-215, I-80, and I-15. Additionally, the area is just west of Downtown Salt Lake City and adjacent to both the Union Pacific Salt Lake City Intermodal Rail Terminal and Salt Lake International Airport. The inland port is also part of an existing Foreign Trade Zone (FTZ #30), a secure area under US Customs and Border Protection (CBP) supervision to stimulate economic growth, development, and competitiveness.

The Utah Inland Port in Salt Lake County is the first of many potential statewide inland port initiatives to centralize logistics activities in cohesive areas to facilitate sustainable and smart planning and coordination. The UIPA intends to develop a statewide inland port system with multiple facilities throughout the state to catalyze local economic development – especially in rural Utah. The state port facilities are also intended to divert cargo traffic from the Wasatch Front. This means that cargo that does not need to flow through the Wasatch Front will instead be processed in satellite locations. From these satellites, cargo can then be transported to domestic and international markets.
Established in 2018, the Utah Inland Port Authority (UIPA) is a state corporation directed to maximize the long-term economic and other benefits of ‘inland port’ development in northwest Salt Lake County and project areas statewide. The UIPA is governed by a Board of Directors consisting of 11 members. The Utah Inland Port Authority is charged with revolutionizing global logistics for the next generation.

**FIGURE 2: UIPA STRATEGIC DIRECTION**

- **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.

**FIGURE 3: UIPA OBJECTIVES**

- **Position Utah as the Leading Trade and Logistics Hub**
- **Advance Sustainable and Smart Supply Chains**
- **Be a Responsible Steward of the Environment and Local Communities**
- **Effectively Manage UIPA Resources**

**FIGURE 4: UIPA ROLES**

- **Technical Expert** on logistics issues, needs, and opportunities across the state.
- **Sustainability and Innovation Leader** promoting innovative, equitable, and sustainable development solutions in the logistics sector statewide.
- **Facilitator of cross-cutting dialogue** among public, private, and NGO stakeholders for logistics solutions.
- **Financial Catalyst** for policies and programs related to strategic priorities.
- **Responsible Custodian** of public resources to ensure efficiency and effectiveness in operations.
The duties of the UIPA as established in statute are as follows:

1. Maximize long-term economic benefits to the area, the region, and the state;
2. Maximize the creation of high-quality jobs;
3. 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;
4. Improve air quality and minimize resource use;
5. 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;
6. 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;
7. 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;
8. Encourage the development and use of cost-efficient renewable energy in project areas, and pursue policies to avoid or minimize negative environmental impacts of development;
9. Develop and implement world-class, state-of-the-art, zero-emissions logistics that support continued growth of the state’s economy in order to:
   - Promote the state as the global center of efficient and sustainable supply chain logistics
   - Facilitate the efficient movement of goods on roads and rail and through the air;
   - Benefit the commercial viability of developers, landowners, and tenants and users; and
   - Attract capital and expertise in pursuit of the next generation of logistics solutions.

UIPA Powers:

**Land Use.** UIPA has no land use authority in the Utah Inland Port area. Land use authority in this area rests with municipalities – Salt Lake City, West Valley City, and Magna. At the same time, UIPA is required to develop and implement the Strategic Business Plan by working with public, private, and non-profit stakeholders on sustainable, equitable and smart logistics solutions.
Planning. UIPA is chartered to plan and facilitate ‘inland port’ uses in its jurisdictional area and has the authority to establish a foreign trade zone in its jurisdictional area/other project areas. This includes the possibility of satellite port locations that would serve as strategic nodes for the movement of goods in and out of Utah. As a state entity, the UIPA has a unique role to coordinate a statewide logistics system to ensure long-term sustainability, economic competitiveness, and statewide value.

Environmental Sustainability. UIPA is responsible for working with the Utah Department of Environmental Quality to incorporate environmental sustainability policies and promote best practices to meet or exceed applicable federal and state standards. This includes emissions monitoring and reporting, and through strategies that use the best available technology to mitigate environmental impacts from development and uses.

Funding. UIPA obtains funding from state appropriations and property tax differential. Additionally, UIPA may obtain funding in the future from other sources for its lines of business: infrastructure development, strategic investments, development financing, and advisory services. Property tax differential is levied on the difference between current land values and improvements made upon the land to increase its value. The use of tax differential to advance desired activities and outcomes is the primary tool of the UIPA.

About the Strategic Business Plan

The Strategic Business Plan will guide the Utah Inland Port Authority (UIPA)’s approach and strategies for promoting sustainable, equitable, and smart logistics investment through partnerships, policies, and programs for FY2020-2024.

From March to October 2019, UIPA conducted an inclusive community engagement process on topics related to air quality; habitat, wetlands, and recreation; workforce and corporate recruitment; transportation: roads, rail and air; transportation and port technology; and satellite port development. Air quality and environmental impacts are key areas of focus in the plan based on stakeholder input.

This is the UIPA’s first strategic document and will be used by UIPA over the next five years to direct its partnerships, policies, and programs. Implementation plans of specific projects statewide will follow from the plan’s strategies. This document establishes UIPA’s strategies to protect the environment and air quality while advancing investments in sustainable infrastructure, industry, and trade. This is not intended to be a master development plan nor a listing of development projects. UIPA will hold additional public engagement processes and board meetings before making decisions on specific development projects.

The Strategic Business Plan outlines the following goals and strategies. The following pages document the rationale and specific target actions behind each of these overarching goals.
1 – Position Utah as the Leading Trade and Logistics Hub
   1. Promote connectivity to drive economic competitiveness.
   2. Enhance efficiency in the existing statewide logistics system.
   3. Become an ‘inland port of choice’ for west coast seaports.
   4. Maximize foreign trade zone opportunities.
   5. Develop a complementary satellite inland port system.

2 – Advance Sustainable and Smart Supply Chains
   1. Promote sustainable logistics investments.
   2. Initiate sustainable development standards.
   3. Promote sustainable industry practices.
   4. Create jobs of the future.
   5. Advance new technologies.

3 – Be a Responsible Steward of the Environment and Local Communities
   1. Improve traffic and congestion issues in the Wasatch Front.
   2. Enhance community livability.
   3. Coordinate protection of community areas.
   4. Coordinate protection of wildlife, habitat, and wetlands.

4 – Effectively Manage UIPA Resources through thoughtful approaches to governance, culture, organizational structure, staffing, and execution of UIPA’s lines of businesses.
1. Position Utah as the Leading Trade and Logistics Hub

Utah has one of the most diverse economies in the country with many trade-focused industries that depend on an efficient logistics system. Drawing upon the UIPA vision and goals, the UIPA and its partners statewide have the opportunity to elevate Utah’s position as the leading, forward-thinking trade and logistics hub. This is an opportunity to ensure the continued success of these diverse industries. These competitive industries span aerospace and defense, life sciences, outdoor products and recreation, manufacturing and distribution, retail, financial services, information technology, agriculture, construction, and traditional and renewable energy, among others. Many of these industries are location-dependent and rely on a strong logistics system to remain competitive.

Forward planning in logistics will position Utah as the optimal manufacturing and distribution location for businesses to invest in across the Western United States – from the Crossroads of the West, to the Crossroads of the World.

Over a third of the state’s GDP is dependent on the logistics system to obtain, produce, and distribute materials and products to consumers and businesses from end-to-end.

**FIGURE 5: UTAH LOGISTICS-DEPENDENT INDUSTRIES**

<table>
<thead>
<tr>
<th>36% GDP</th>
<th>647k jobs</th>
<th>$26B Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$60 B Utah GDP generated by logistics-dependent industries</td>
<td>33% Utah workers employed by logistics-dependent industries</td>
<td>36% Utah wages generated by logistics-dependent industries</td>
</tr>
</tbody>
</table>

Source: GDP by State and GDP by Metropolitan Area in Current Dollars & Full-Time and Part-Time Employment, by NAICS Industry 2017, Bureau of Economic Analysis

The logistics system links producers and consumers together through complex international supply chain networks and multiple transportation modes. Logistics starts from sourcing of raw materials and ends when businesses and consumers obtain the products they need.

For example, Utah’s outdoor and recreational products industry depends in part on manufactured parts from China and other countries in East Asia. Products may be assembled and finished in Utah and then shipped to the rest of the U.S. and Europe.
A robust and organized logistics system should be agile and able to plan for different contingencies to ensure the state’s future economic competitiveness.

Logistics is an ecosystem comprised of many types of businesses. UIPA will proactively direct the ecosystem in a holistic manner through the inland port to anchor trade, distribution, production, and multimodal activity against supply chain disruptions. The processes and transportation methods are shown in Figure 6 below.

Example Suppliers for the Medical Equipment Industry:
- Most latex materials for gloves are produced in Malaysia (90%).
- Surgical hand instruments are mainly manufactured in Pakistan and Mexico.
- Most personal protective equipment (PPE) is produced in China.

Understanding supply chain linkages for all logistics-dependent industries is critical to planning efficient goods movement throughout Utah.

Utah has an extraordinary set of inland transportation assets with domestic and global connections unmatched anywhere in the Intermountain West. The state is well connected to all West Coast seaports by truck and rail, along with numerous air connections to domestic and international cities. As a result, the state is already well-positioned to be a leading trade and logistics hub.

The US Department of Transportation forecasts that cargo movements in Utah will double in value (+$219 billion) from 2017 to 2045, outpacing expected population growth and the movement of personal vehicles.\textsuperscript{viii}

This increase includes inbound, outbound, and within-state trade, which are driven by population growth, economic growth, shifting global trade patterns, and changes in consumer and business demand. With the expected increase in cargo movement, the newly-created Utah Inland Port Authority intends to coordinate statewide logistics planning to promote logistics innovation, sustainable practices, and more efficient distribution of cargo movements across the entire state.

The top goods Utah trades are parts and components used to manufacture electronics, machinery, medical equipment, and outdoor equipment, along with basic materials such as chemicals, metals, and minerals\textsuperscript{ix}

The state’s top domestic trading partners include California, Nevada, Texas, Colorado, and Idaho for electronics, food preparations, manufactured goods (including outdoor equipment, medical equipment, machinery, textiles), basic chemicals, metallic ores, and coal.\textsuperscript{x}

Internationally, the top trading partners are China, Singapore, Taiwan, and Vietnam for electronics/computers, machinery, medical equipment, and outdoor equipment parts. Peru is also a top trading partner for gold imports into Utah.\textsuperscript{xii} Top international containerized imports are outdoors and sporting equipment, while top exports include various agricultural raw goods (hay and alfalfa).\textsuperscript{xiii}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{Utah_Global_Connections.png}
\caption{FIGURE 7: UTAH GLOBAL CONNECTIONS}
\end{figure}
Figure 8 illustrates the current concentration of truck destinations in and near the Utah Inland Port area. As shown, much of existing warehousing and distribution activity currently occurs outside the area.

**FIGURE 8: TRUCK ORIGINS IN AND NEAR THE UTAH INLAND PORT AREA**

The Utah Inland Port will be a cohesive, centralized trade and logistics area with the aim of catalyzing sustainable, equitable and smart logistics development.

Figure 9 illustrates existing buildings in the Utah Inland Port area. An estimated 16,796,779.4 square feet have been developed, not including areas under construction, and an additional 7,005 acres within the port area are still developable. Major planned developments are also detailed in the map below.
The following table summarizes the largest planned developments in the Utah Inland Port area.

**FIGURE 10: LARGEST PLANNED DEVELOPMENTS IN THE UTAH INLAND PORT AREA (AS OF DECEMBER 2019)**

<table>
<thead>
<tr>
<th>Landowner/Developer</th>
<th>Approximate Acres</th>
<th>Location of Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rio Tinto</td>
<td>1,600</td>
<td>Western and southwestern quadrants of inland port area, below I-80</td>
</tr>
<tr>
<td>NWQ, LLC</td>
<td>1,500</td>
<td>North of I-80, Phase 1 above SITLA parcel</td>
</tr>
<tr>
<td>Utah School and Institutional Trust Lands Administration (SITLA) &amp; Ninigret Group</td>
<td>770</td>
<td>North of I-80 to the south and Salt Lake Garfield and Western rail along the eastern edge</td>
</tr>
<tr>
<td>Suburban Land Reserve (SLR)</td>
<td>500+</td>
<td>Numerous parcels along S. 5600 W, with a large 300-acre parcel just below Salt Lake Intermodal Terminal</td>
</tr>
</tbody>
</table>

Source: Consultations with landowners about their current or expected development, representing 62% of total vacant lands (approximately 7,000 acres) within the Utah inland port area as of December 2019.

While the Utah Inland Port area already includes portions of the state’s most prominent logistics cluster, the area also encompasses the largest undeveloped land area along the Wasatch Front that is planned and zoned for logistics-dependent industries. In short, investments in this area should focus on enhancing economic opportunity through connectivity to Class I railroads, interstate highways, and SLC International Airport.
Strategy: Promote Connectivity to Drive Economic Competitiveness

The Utah Inland Port Authority will work with its partners to promote sustainable, equitable and smart logistics investments across the state to generate high-quality jobs and wages for Utahns. These investments will include but are not limited to:

- **Rail Accessibility**: Promote dual access rail facilities and rail infrastructure development statewide.
- **Roadway Connectivity**: Advocate for improved road infrastructure to facilitate the efficient movement of goods.
- **Truck Parking and Renewable Charging Infrastructure**: Plan and facilitate deployment of adequate truck parking and charging infrastructure.
- **Public Transit**: Promote worker access to inland port facilities via alternative, sustainable modes of travel. Including employer-sponsored, commuting incentive programs.
- **Sustainability**: Establish best practice environmental sustainability standards for development and operations to reduce risk in the statewide supply chain network.
- **Business Attraction**: Complement economic development bids with logistics proposals focused on companies with sustainable and smart supply chains.
- **Digital Infrastructure**: Facilitate deployment of advanced technologies for inland port uses statewide.
- **Industrial-Capable Utilities**: Facilitate deployment of utility networks capable of industrial uses, including gas, electric, water/sewer, and telecom.

These strategies will guide UIPA programs, policies, and partnerships in both the Utah Inland Port in northwest Salt Lake County and in Satellite Ports statewide.

Strategy: Enhance Efficiency in the Existing Statewide Logistics System

In addition to developing new logistics infrastructure, the Utah Inland Port Authority will also work with its partners to maximize the use of existing infrastructure assets. In some cases, this may involve repurposing outdated assets for new uses in order to facilitate imports and exports. Targeted actions will include but are not limited to:

- **Increase Use of Existing Logistics Infrastructure**: Improve connections and frequency to more efficiently transload diversified, import and export commodities.
- **Repurpose Logistics Infrastructure**: Repurpose outdated infrastructure for new logistics uses to facilitate goods movement.
Strategy: Become an ‘Inland Port of Choice’ for West Coast seaports.

The Utah Inland Port Authority seeks for Utah to become the undisputed inland port of choice for West Coast seaports. This will allow the state to diversify its trade gateways, reduce costs of transportation, and become the inland port for sustainable and smart logistics.

Utah is equidistant to each of the major West Coast seaports, with direct rail connections to each (Figure 11). The state’s primary global gateways are located in California; in particular, the Ports of Los Angeles and Long Beach and the Port of Oakland collectively serve as the international gateway for nearly 80% of Utah’s containerized import and export value by sea.iii

West Coast seaports are land-constrained and congested, yet they depend on the rail network to move 30–50% of their containerized imports to the eastern half of the country.iv This makes Utah well-positioned to become the inland port of choice and process rail cargo within the state for consolidation and shipment. This activity will also lower the cost of shipments for Utah goods by creating more economies of scale and by diversifying its trade gateways. UIPA will work with all West Coast seaports to strengthen pre-existing
Strategic Business Plan:

**Partnership Agreements:** Institutionalize pre-existing and growing commercial linkages through partnership agreements with seaports.

**Cargo Processing:** Alleviate seaport congestion and complement growth in rail by exploring opportunities to process cargo in Utah.

**Policy Coordination:** Coordinate policy objectives in data sharing, sustainability, and advanced technologies.

Strategy: Maximize Foreign Trade Zone opportunities.

Foreign Trade Zones (FTZ) allow goods to be moved into the zone for storage, exhibition, assembly, manufacturing, and processing, without going through formal customs entry procedures and payments of duties.

Utah was one of the first states to establish a Foreign Trade Zone.

Salt Lake City currently operates the only FTZ in the state, located by the Salt Lake City International Airport and the Salt Lake Intermodal Terminal operated by Union Pacific. Companies within 60 miles (or 90 minutes) of drive time of the zone are eligible for FTZ certification. This area includes all of Salt Lake, Utah, Davis, Weber, and Morgan counties, along with parts of Box Elder, Summit, and Tooele Counties.

**FIGURE 12: FTZ BENEFITS**

- **Duty/Tax Exemption:** Goods may be exported from the zone free of duty and excise tax. Foreign goods and domestic goods held for export are exempt from state/local inventory taxes.

- **Duty Deferral.** CBP duty and federal excise tax are paid when merchandise is transferred from the zone for consumption, which allows for the deferral of fees on imports.

- **Inverted Tariff.** Importers may have the option to pay duties at the rate of either the original foreign materials or the finished project.

- **Logistics Benefits:** FTZ may offer companies access to streamlined customs procedures.
The state currently has a total of four companies that are FTZ-certified for their own warehousing uses. No manufacturing firms or small businesses in Utah are currently certified or able to use certified facilities.\textsuperscript{xvi}

UIPA target actions to maximize Foreign Trade Zone opportunities statewide are as follows:

**FTZ Designation:** Work with U.S. Customs and Border Protection in evaluating the establishment of a new or expanded Foreign Trade Zone covering both the Utah Inland Port area and satellite ports statewide.

**FTZ Certification Assistance:** Support best-fit distribution/warehousing and manufacturing businesses in attaining Foreign Trade Zone certification.

**Centralized Warehousing to Support Small Businesses:** Promote centralized FTZ-warehousing uses that can be used by multiple businesses to lower small business threshold costs of using an FTZ.
An Interconnected Utah: Satellite Port Development

The State of Utah possesses compelling characteristics for business investment. While Salt Lake City is the leading trade and logistics center in the state, strong logistics infrastructure is present across the state. This includes roadways, rail, and airports for commercial needs:


- **Rail**: 1,351 miles of freight rail in operation by 8 railroads. Two of these are national Class I railroads – Union Pacific and BNSF. Union Pacific is currently the state’s dominant railroad, operating 1,250 miles in the state. Regional and shortline rail operators also provide access along certain rail corridors including Salt Lake Garfield and Western Railway, Savage Bingham and Garfield Railroad, Utah Central Railway, Utah Railway, Salt Lake City Southern Railroad, Kennecott Utah Copper LLC, Deseret Western Railway, and Comstock Mountain Lion Railroad.

- **Airports**: 8 airports service air cargo – Salt Lake City, Price, Moab, Cedar City, Logan-Cache, St. George, Vernal, and Wendover. Air cargo is handled through both air cargo-specific planes and wide-body passenger and cargo planes.
The Utah Inland Port Authority aims to enhance statewide freight efficiency and economic competitiveness through a statewide inland port system. This will ensure trade and logistics opportunities are inclusive, equitable, and sustainable for all Utahns.

**Strategy: Develop a complementary satellite inland port system.**

The Utah Inland Port Authority seeks to develop a system of rural connections or “satellite ports” that form a complementary system of freight consolidating and moving assets throughout Utah.
Satellite Ports will facilitate domestic and international trade statewide from locations outside the Utah Inland Port area.

Satellite ports are intended to catalyze trade activities statewide – especially in rural areas where the satellite facilities can provide the trade/infrastructure synergies necessary to boost imports and exports of key Utah industries. Products that do not need to go through the Wasatch Front will instead be diverted to rural locations. These UIPA target actions are as follows:

<table>
<thead>
<tr>
<th>Satellite Port Designations:</th>
<th>Identify candidates for designation as a Utah satellite port through application processes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities and Infrastructure:</td>
<td>Take stock of opportunities for logistics facilities and supporting infrastructure to more efficiently move cargo from origin to destination.</td>
</tr>
<tr>
<td>Rural Broadband:</td>
<td>Consider rural broadband projects to support smart logistics solutions.</td>
</tr>
<tr>
<td>Sustainability:</td>
<td>Encourage the development of environmentally-sustainable solutions across the state through sustainable logistics, sustainable development, and sustainable industry practices.</td>
</tr>
<tr>
<td>Redevelopment and Reuse:</td>
<td>Facilitate redevelopment and reuse of existing and underutilized infrastructure assets.</td>
</tr>
</tbody>
</table>

To identify candidate locations, UIPA will solicit information related to the following criteria: business rationale and industry demand, network connectivity, financial parameters, economic and environmental benefits and impacts, site preparedness, third party validation, and community considerations.

Conclusion

Utah has all the right ingredients to become a leading trade and logistics hub – a diverse and growing economy, supply chain networks, trade relationships, geographic location, and a strong statewide logistics system.

Through thoughtful and deliberate collaboration between the public and private sectors, the state can transition from being the Crossroads of the West to the Crossroads of the World. The Utah Inland Port Authority will support the state in achieving this goal through the following strategies:

1. Promote connectivity to drive economic competitiveness.
2. Enhance efficiency in the existing statewide logistics system.
3. Become an ‘inland port of choice’ for west coast seaports.
4. Maximize foreign trade zone opportunities.
5. Develop a complementary satellite inland port system.
2. Advance Sustainable and Smart Supply Chains

Sustainability

The globalization of trade began to reshape supply chains in the 1970s, fueled by the advent of containerized intermodal transportation which reduced the cost of global shipping. While producers and consumers have realized savings from global trade, the supply chain networks that produce materials and products needed by consumers and businesses have become lengthy, volatile, and fragile. Products are frequently sourced from multiple continents and are subject to political, economic, and transportation risks. Transporting parts and components from far away also generate carbon dioxide emissions that contribute to climate-related risks.

Supply chain vulnerabilities are increasingly tangible in 2020. The global economy is in a precarious time with record-high debt, recessionary trajectories, uncertainty in long-standing trade arrangements, global pandemics, climate risks, and cyber vulnerabilities. In the face of challenging circumstances, the state must adapt to mitigate the worst impacts through collaboration, innovation, and sustainability.

Global capital markets are increasingly recognizing that sustainable practices reduce risk. We are positioning Utah to be responsive to the market and take advantage of the shift in global capital allocations through new and sustainable technologies.

These practices include lower-emission logistics and supply chain planning, nearshoring (supply chains focused on North American production), and sustainable developments that can reduce vulnerabilities and the environmental footprint of Utah supply chains. Notably, the United Nations International Panel for Climate Change (IPCC) report of 2019 also recognized the need for continued growth in cargo movements while calling for systemic improvements in supply chains, logistics, routing, and fuel efficiencies.

The chief concern of many Utahns about the growth of logistics activity is air quality. The Wasatch Front currently does not meet federal health standards in the Clean Air Act (classified as a nonattainment area for PM2.5 and Ozone by the US Environmental Protection Agency). Greenhouse gases and climate change are also a concern. The Utah Inland Port Authority is working closely with the Utah Department of Environmental Quality – the environmental regulator in the state – on implementing best practices to meet and exceed federal and state standards. This comes through sustainable logistics, development, and industry.
Strategy: Promote sustainable logistics investments.

The logistics market is changing. By 2050, over 30% of heavy-duty trucks moving cargo nationwide will be alternative fuels.\textsuperscript{xx} Utah must position itself to enable the deployment of new technology investments here.

Switching to new alternative fuels and energy sources is important to attract these new business investments in the state, as well as to meet the state’s environmental goals. Alternatives include liquefied or compressed natural gas (LNG or CNG)-fueled vehicles, electric vehicles, and hydrogen fuel cell vehicles. Replacing older rail locomotives and trucks with more efficient ones also has a sizeable impact on reducing air emissions and greenhouse gases. Incentives could encourage landowners and tenants in the inland port areas to use cleaner vehicles within their facilities and to require logistics companies serving them to use cleaner trucks. Vehicles upgrades, such as automatic inflation systems, speed limiters, and advanced automation, can also increase fuel savings and improve energy efficiency.\textsuperscript{xxi}

### FIGURE 16: NEAR AND ZERO-EMISSION VEHICLE TECHNOLOGY

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Power</th>
<th>Technology Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hybrid Electric Vehicles (HEVs)</td>
<td>Diesel and electricity</td>
<td>Electric energy is generated through regenerative breaking. The vehicle’s braking</td>
</tr>
<tr>
<td></td>
<td>powered vehicles</td>
<td>system has an electric motor that helps slow the vehicle and uses some of the energy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>normally converted to heat by the breaks to recharge the battery. Starts by using the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the electric motor, then the gasoline engine cuts in as load or speed increase.</td>
</tr>
<tr>
<td>Plug-in Hybrid Vehicles (PHEVs)</td>
<td>All-electric range of 6 to 40</td>
<td>All-electric range of 6 to 40 miles, then switches to an internal combustion engine</td>
</tr>
<tr>
<td></td>
<td>miles, then switches to an</td>
<td>running on gas when the battery is depleted. Charges through regenerative braking &amp; by</td>
</tr>
<tr>
<td></td>
<td>internal combustion engine</td>
<td>‘plugging-in’ to an external electrical charging outlet.</td>
</tr>
<tr>
<td>Battery Electric Vehicles (BEVs)</td>
<td>All-electric vehicle.</td>
<td>High-capacity battery packs power vehicle. Charges by plugging into an external</td>
</tr>
<tr>
<td>Fuel Cell Electric Vehicles (FCEVs)</td>
<td>Most have all-electric ranges</td>
<td>electrical charging outlet or station. Battery takes 30 minutes (fast charging) to a</td>
</tr>
<tr>
<td></td>
<td>of 80-100 miles, some models</td>
<td>full day (Level 1) to recharge.</td>
</tr>
<tr>
<td></td>
<td>have ranges up to 250 miles.</td>
<td>Rather than recharging a battery, FCEVs store hydrogen gas in a tank. The fuel cell</td>
</tr>
<tr>
<td></td>
<td></td>
<td>combines hydrogen with oxygen from the air to produce electricity, which then powers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>an electric motor that powers the vehicle. No need to plug-in.</td>
</tr>
</tbody>
</table>

The Utah Inland Port Authority will promote truck and rail engine upgrades, near-zero and zero-emissions technology, charging infrastructure, and other target actions as follows:

<table>
<thead>
<tr>
<th><strong>Zero Emission and Near Zero-Emission Fleet:</strong></th>
<th>Incentivize older truck and rail engine upgrades to zero or near-zero emission technology, equipment retrofits, accelerated replacement, and renewable energy sources.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clean Cargo-Handling Equipment:</strong></td>
<td>Promote the use of clean cargo-handling equipment for industrial activity.</td>
</tr>
<tr>
<td><strong>Commercial Charging Infrastructure:</strong></td>
<td>Promote electric vehicle charging and clean energy fueling infrastructure for commercial and passenger vehicles.</td>
</tr>
<tr>
<td><strong>Eco-Driving Training and Education:</strong></td>
<td>Promote fuel-efficient truck driving and rail speeds.</td>
</tr>
<tr>
<td><strong>Dynamic Vehicle Routing and Scheduling:</strong></td>
<td>Use dynamic vehicle routing optimization and scheduling with real-time data sharing to mitigate congestion.</td>
</tr>
</tbody>
</table>

**Strategy: Initiate sustainable development standards.**

Asset management firms, real estate investment trusts, and commercial banks are increasingly redirecting investments to projects that meet energy efficiency and sustainability targets.

The development industry is turning towards more efficient and resilient buildings and construction practices. Sustainable development not only reduces the overall impact on the environment and human health, but also increase property values and profits over the long-term. These practices can include water conservation, energy efficiency, sustainable materials, indoor air quality, environmental sensitivity, and many other factors.

By 2024, Utah Department of Environmental Quality projects that the construction and operation of buildings will become the largest source of air pollution in Utah. Across the country, buildings account for approximately 40 percent of all energy use, surpassing both transportation and industrial activities.

While the Utah Inland Port Authority does not have land use authority within inland port areas, the organization will initiate sustainable development standards. Collaborating with local governments, UIPA intends for inland ports to begin with a focus on sustainability. Specific target actions are as follows:
Site Access Planning: Streamline site access planning in concert with local government and developers to maximize trip efficiency within inland port areas.

Sustainable Development Standards: Establish sustainable development standards for buildings and pavements for construction and completed developments within inland port areas.

Clean Construction Equipment: Promote the use of clean construction equipment for developments within inland port areas.

Truck Parking: Evaluate truck parking demand and promote the development of new, sustainable truck parking sites with auxiliary, renewable energy plug-ins to help minimize idling while addressing truck parking shortages.

Sustainability Certification: Undergo performance-based certification process to obtain the EcoDistricts certification.

Strategy: Promote sustainable industry practices.

The investment community and supply chain partners increasingly see sustainable industry practices as key to long-term value creation.

Supply chains are increasingly lengthy—transporting materials and goods over longer distances—and in turn, consuming and burning more fuel. Businesses can help reduce the environmental impacts of the technologies, manufacturing methods, suppliers, and transportation modes by making strategic choices across their supply chains and by upgrading fleet to more sustainable choices. These choices are recognized not only by environmental organizations but also by financial markets and supply chain partners for their potential to reduce supply chain risk and provide longer-term value creation. This is through focus on the triple bottom line to target not only profits, but also improving social and environmental concerns (people, planet, and profits).

The Utah Inland Port Authority will promote sustainable practices for businesses located or operating within inland port areas. This includes responsible sourcing and procurement, energy efficiency and emission standards, and dust control.

Responsible Sourcing and Procurement: Promote responsible corporate sourcing and procurement through education on environmental impacts through emission inventories that account for impacts both upstream and downstream in an organization’s supply chain.

Energy Efficiency and Emission Standards: Establish energy efficiency and emission standards in coordination with DEQ for businesses using facilities in the inland port areas, and promote enhanced microgrid technologies and renewable energy.

Dust Control: Implement dust control measures such as dust suppressants, installation of hoods, fans, or fabric filters, vegetation, tilling, soil stabilizers, fencing, stones, and frequent use of sweep equipment along paved roads.
Logistics is evolving to meet the increasingly "on-demand" needs of consumers and businesses. New technologies are increasing productivity, accuracy, flexibility, and responsiveness in the logistics industry.

**Strategy: Create Jobs of the Future**

Work-based learning opportunities can help youth and adults alike develop marketable skills and become better prepared for the workforce. For businesses, these programs help maintain and retain a skilled workforce. The state is experiencing labor shortages particularly in the logistics, trucking, manufacturing, and construction industries. Given these trends, workforce development programs will be helpful to addressing needs in logistics-dependent industries statewide.

The current U.S. trucking labor shortage is over 60,000, an increase of 20 percent from the prior year. As the industry loses older drivers to retirement while failing to attract new drivers, the driver shortfall is expected to increase. Industry leaders aim to attract new drivers such as by offering higher salaries, but concerns regarding long hours and safety still prove barriers to hiring truck drivers. New jobs of the future related to trucking will also require increased skills in big data, truck routing optimization, and other skills in smart logistics.

Workforce recruitment and retention in the manufacturing industry is also challenging. The median age of the manufacturing worker continues to rise with difficulty attracting new workers. As manufacturing workplaces become more technologically advanced, they will also require a more highly-skilled workforce. Meanwhile, the manufacturing industry has continued to grow, adding to the shortage – open jobs in manufacturing reached an all-time high at 509,000 U.S. jobs unfilled in Spring 2019.

The construction industry is facing similar labor shortage challenges. Utah contractors cite difficulty filing positions, and real estate developers note the lack of available and qualified labor contributes to increasing costs of construction.
Utah must prepare for workforce changes in the logistics and logistics-dependent industries in order to drive business investments here.

The Utah Inland Port Authority aims to leverage existing workforce development programs and work with partners to develop the next generation of the logistics-related workforce. Specific target actions are as follows:

**Existing Workforce Development Programs**: Support, participate, and enhance ongoing workforce development programs in logistics-dependent industries.

**Workforce Development and Inclusion Program**: Establish a transportation, distribution, and logistics workforce development program with a focus on next-generation logistics including big data, automation, digitization, and sustainable technologies.

**Strategy: Advance New Technologies**

New technology is revolutionizing the logistics industry through digitization, connected and automated processes, and intelligent systems. These tools allow companies to deliver critical materials and products to consumers and businesses quickly through optimized supply chains – enabling more efficient and energy-saving operations. With the rise of these technologies, big data management is also becoming increasingly important for effective data utilization.

Utah has the opportunity to begin its inland port system with the best available technologies at its conception and attract business investment and innovations here.
GPS tracking systems monitor supply chains and gather crucial information (e.g., speed, location, fuel consumption, safety). This data can inform delivery routes to avoid congestion and minimize empty and underfilled miles.

Blockchain technology provides a means to securely collect and manage important information. Blockchain is used in freight processes, such as to monitor goods throughout a supply chain, or to securely handle cargo information and payments (e.g., trade licenses, permits, customs clearance).

Connected cargo-handling equipment monitors operations in real-time, ensuring equipment operates efficiently and gets maintenance when needed. This improves operational efficiency, minimizes idle equipment time, and reduces energy use. A container terminal at the Port of Valencia is testing a connected equipment system, which is estimated to save up to 10% of operating costs.

Smart, connected infrastructure systems use monitoring, data, and analytics to provide insight to and direct efficient, energy-saving operations at logistics centers. For example, motion-based light systems at terminals detect and light up in response to vehicle movement. At the Port of Valencia, Spain, smart lighting systems cut energy consumption by 80 percent. Other smart systems monitor traffic, air pollution, and water pollution.

Safety and security are enhanced by smart technology that monitors physical logistics infrastructure. For example, networked biometric scanners require log-in before entry, and video analytics monitor surveillance systems to detect intrusions and trigger alerts.

3-D printing is increasingly used in specialized applications or as an alternative to maintaining inventories of specialized product components. 3-D printing allows for fast production of and cost-effective prototyping of products. The aerospace and medical industries are among the top industries that currently use this technology, such as to produce specialized or custom devices.

Autonomous and driverless vehicles are likely to become integrated components of logistics systems in the future. Autonomous and semi-autonomous trucking have been developed and tested by several companies. Autonomous systems and drones can also optimize operations at ports and warehouses. For instance, drones are used at some ports to inspect equipment and monitor waterways for oil spills.

Source: Adapted from Riedl, J. “To Get Smart, Ports Go Digital” BCG, April 11, 2018.
UIPA seeks to work with businesses to deploy advanced technologies such as a 5G Network, renewable energy, blockchain, route optimization, and other technologies. Pilot testing of these technologies will also facilitate the growth of these new technologies here in Utah. Targeted actions are as follows:

**Research and Innovation Program:** Form a Research and Innovation program to support advanced technology testing and deployments such as aerodynamics, fuel efficiency, blockchain, automation, platooning, electrification, hydrogen fuels, LNG, and others to improve reliability, efficiency, and cost reduction in the state-wide logistics system.

**Digital Infrastructure Provision:** Serve as a digital infrastructure provider within its jurisdictional area and project areas in coordination with telecom providers and local governments to support integrated operations, digitization, data analytics, and advanced technologies within the logistics industry.

**Informed Decision-Making:** Utilize new technology and big data to make recommendations on logistics and sustainability improvements.

**Conclusion**

Sustainable and smart supply chains generate long-term value creation for the state.

Introducing advanced technologies and sustainable practices to Utah’s logistics system ensures that the state will be competitive on the national and global stage. It also safeguards the unique and natural beauty of the state for the next generation. To this end, UIPA will advance sustainable and smart supply chains through the following strategies:

1. Promote sustainable logistics investments.
2. Initiate sustainable development standards.
3. Promote sustainable industry practices.
4. Create jobs of the future.
5. Advance new technologies.
Increasing population and employment growth means that there will be more personal and commercial vehicles on the road in the future, “unless dramatic changes occur in our land use, funding, and transportation policies” – Wasatch Front Regional Council 2050 Regional Transportation Plan

Over the next 30 years along the Wasatch Front, personal vehicle miles will increase by 1.28% each year, while truck miles will increase by 1.16% based on population and employment growth.\textsuperscript{xxviii}

These figures are baseline values without changes to current policies – these increases would result in considerable congestion, added personal vehicles and trucks on the roads, and increased air pollution. The Utah Inland Port Authority seeks to establish a statewide inland port system with rural satellite locations to divert commercial traffic that does not need to touch the busy I-15 corridor between Provo and Ogden away from the Wasatch Front. Figure 18 illustrates current truck movements coming from, to, and within the Wasatch Front during a typical 14-hour period, indicating connections to all West Coast seaports and with connections throughout the Intermountain West.

\textbf{FIGURE 18: TRUCK MOVEMENTS FROM, TO, OR WITHIN THE WASATCH FRONT}

Source: INRIX Truck Waypoints Data, 2019; Note – up to 14 hours of service time displayed before trip end.
Strategy: Improve traffic and congestion issues in the Wasatch Front.

The Utah Inland Port Authority intends to use a statewide inland port system anchored by satellite facilities to improve traffic and congestion issues related to logistics activities in the Wasatch Front. The UIPA will also work to shift cargo from truck to rail to mitigate congestion related to truck traffic.

One single freight train replaces several hundred trucks, freeing up space on highways. Moving goods by rail instead of truck also lower greenhouse gas emissions by an average of 75 percent.xxix

Specific UIPA target actions are as follows:

**Shift Cargo from Truck to Rail:** Shift increased amounts of cargo originating from and destined for the Wasatch Front from truck to rail. UIPA will focus on improving the quality of rail service – reliability, level of service, and cargo-handling capabilities – to induce modal shifts. Seaport partners will be key to the success of this action.

**Disperse Cargo Traffic from Wasatch Front:** Disperse cargo that does not need to flow through the Wasatch Front to satellite locations around Utah.

**Incentivize Use of Smart, Clean Energy:** While the UIPA does not have tariff authority to influence the conversion of cargo-handling equipment, locomotives, and trucks serving the port to more fuel-efficient sources, UIPA intends to develop incentives to move toward the implementation of renewable energy sources.

**Environmental Quality Monitoring:** Work with the Utah Department of Environmental Quality to expand monitoring efforts and make improvements to environmental sustainability, air quality, and water quality within inland port areas.

Strategy: Enhance Community Livability

The Utah Inland Port Authority will work to enhance community livability and inclusion through development of partnerships, policies, and programs. Beyond air quality-related sustainable practices documented in previous sections, UIPA will also work with local government to support best practice noise and visual strategies, air and water quality monitoring, water resource strategies, emergency protocols, logistics safety campaigns, affordable housing, look and feel of the community, and childcare and afterschool programs. Target actions are as follows:
**Noise and Visuals:** Support best practice noise and visuals to address environmental sensitivities in partnership with local government and private partners

**Air and Water Quality Monitoring:** Support best practice monitoring of air and water in coordination with the Utah Department of Environmental Quality and private partners

**Flood Planning:** Coordinate with local government to mitigate risks of flooding in flood hazard areas.

**Maintain Water Quality:** Promote sustainable strategies related to water resources to address conveyance and drainage, stormwater and hydrology, groundwater, floodplains, surface water habitat and wetlands, and water supply in coordination with municipal policies and statewide through the Utah Department of Environmental Quality.

**Emergency Protocols:** Work with local agencies to study current hazardous waste policies and the adequacy of existing emergency protocols.

**Logistics Safety Campaigns:** Promote campaigns to raise awareness of rail and truck safety practices within communities in partnership with local communities.

**Affordable Housing:** Support affordable housing in local communities to promote equity and workforce housing needs.

**Look and Feel of the Community:** Promote community beautification in partnership with local government, school districts, residential care facilities, libraries, and emergency service stations.

**Childcare and Afterschool Programs:** Advocate for enhanced community childcare and afterschool programs in partnership with local communities.

**Strategy: Coordinate Protection of Community Areas**

Land use conflicts can arise between adjacent land parcels. Because the Utah Inland Port Authority has no land use authority, UIPA is reliant on municipalities to drive land use decisions.

UIPA will work with local agencies to coordinate protection of community areas such as schools, residences, parks, hospitals, other community facilities, and the environment. Figure 19 shows the municipal zoning types established by the 2016 Salt Lake City Northwest Quadrant Plan that overlay the Utah inland port area. There are 6 parks, 8 schools, and residential areas within a half-mile of the inland port primarily located along the southern and eastern boundaries. There are also several known contaminated sites that require careful planning around (21 highest risk sites identified as CERCLA sites).
Manufacturing and industrial use are the largest zoning designations in the UIPA jurisdictional area.

There are a number of known contaminated sites within the jurisdictional area, including brownfield sites and landfill sites regulated under CERCLA (the Comprehensive Environmental Response, Compensation, and Liability Act).

While there are no parks or schools inside the jurisdictional area, a number of parks and schools are within a half mile of its boundary.

Residentially-zoned land is very limited within the jurisdictional area, but more common within a half-mile of the boundary, primarily located along the southern and eastern boundaries.

Land to the West of Salt Lake City and outside of the UIPA area is in the jurisdiction of Magna Township.
The UIPA target actions are as follows:

**Site Planning:** To minimize noise, vibration, and visual impacts, work with private and public partners to coordinate land uses between industrial uses and community areas such as schools, parks, and residences through environmental setbacks, transition zones, non-access easements, and other tools.

**Truck Routing:** Work with state and local government to designate specific routes for truck access to minimize disruption to local communities.

**Rail Access:** Channel warehousing and distribution developments to sites with rail access to more efficiently move goods and minimize trucking activity where unneeded.

**Environmental Quality Monitoring:** UIPA will work with the Utah Department of Environmental Quality, as well as private partners, to monitor and make improvements to environmental sustainability and air quality within the jurisdictional area and project areas.

### Preserve Natural Resources

Great Salt Lake is one of North America’s most important interior wetlands that serve as a nesting and mitigation stopover location for millions of birds. The site is a designated Hemispheric Site within the Western Hemisphere Shorebird Reserve network, and all major bays are designated as Globally Important Bird Areas. These wetlands also provide essential ecosystem services that moderate surface water and groundwater flows, and protect downstream aquatic systems by removing excess nutrients and other pollutants. xxxi

Sustainable management and protection of natural capital and ecosystem services are not only important to the preservation of environmental assets but are also a cost-effective way to support human well-being. Thus, areas that best support functioning natural ecosystems should be identified and shielded from development. Prized natural resources abound within and surrounding the UIPA jurisdictional area. Most of the land west, north, and northeast of the UIPA jurisdictional area is dedicated to the management of wildlife, notably including the South Shore Preserve and Inland Sea Shorebird Reserve.
Within the Utah inland port area, there are over 400 acres of wetlands. Several species may be present in and around the UIPA’s jurisdictional area that could be protected under the Endangered Species Act (ESA) and the Migratory Bird Treaty Act. In addition to these federally listed species, state-listed sensitive species and game species and habitat may be present in the area. These resources are documented at a planning-level and can be found in the Technical Appendix. Please note that there are some inconsistencies between what is experienced locally and the national and state source material consulted. We will continue to work with local stakeholders to reconcile discrepancies.

Strategy: Coordinate Protection of Wildlife, Habitat, and Wetlands

The Utah Inland Port Authority will work in partnership with local governments, the Utah Department of Environmental Quality, and private partners to establish sustainable development standards that protect wildlife, habitat, and wetlands. Target actions are as follows:
**Environmental Preservation:** Work with local groups, government, and private landowners to protect wildlife, habitat, and wetlands such as by creating buffers from industrial development.

**Building Standards:** Promote the use of sustainable building standards such as reducing bird collision risk, using native plants, and advancing sustainable landscaping practices that enhance habitat and reduce water use in conjunction with local permitting authorities.

**Water Collection:** Work with local government to incorporate green-stormwater infrastructure in site development through rain gardens, green roofs, porous pavement, and other strategies to collect stormwater.

**Dark Sky Lighting:** Encourage Dark Sky lighting throughout inland port areas and participation in Lights Out by turning off unnecessary indoor and outdoor lighting at night during peak bird migration periods – March-May and August-October, by working with private landowners and users.

**Coordinate with Experts:** Form a Policy Advisory Council made up of subject matter experts in habitat and wetlands management specific to the ecosystems found within and around the UIPA jurisdictional area.

## Conclusion

The Utah Inland Port Authority seeks to be a responsible steward for the environment and local communities in partnership with local government through the following strategies:

1. Improve traffic and congestion issues in the Wasatch Front.
2. Enhance community livability.
3. Coordinate protection of community areas.
4. Coordinate protection of wildlife, habitat, and wetlands.
4. Effectively Manage UIPA Resources

Governance

As a new state entity, the Utah Inland Port Authority established the following governance standards with respect to (1) Fiscal and Strategic Oversight; (2) UIPA Performance; (3) Stakeholder Participation.

Fiscal and Strategic Oversight:

As established in SB234, the UIPA Board serves as the authority’s governing body. This includes approval of all major policy and program decisions, along with financial decisions such as accepting financial or other assistance, issuing bonds, hiring employees, and transacting other business. Through Resolution 2019-05, the UIPA Board has also delegated day-to-day oversight and operations to the Executive Director. This includes policy, hiring, procurement, contracting, management, and operations. Board members should be informed of financial decisions exceeding $50,000.

The UIPA also seeks routine engagement from the Board through regular board meetings to discuss strategic issues that can leverage board members’ skills, experiences, and perspectives. Board Committees may also be formed to deliberate on specific issues. In addition, the UIPA is seeking to develop a Policy Advisory Council composed of individuals to provide additional expertise on industry, community, environment, and air quality.

UIPA Performance:

The UIPA values a balanced approach that measures performance success based on social and community trust, environmental objectives, and economic objectives. The organization will be developing a systematic process of tracking achievements and progress through the use of project-specific performance measures.

Performance measures are quantitative and qualitative measurements to evaluate periodic improvements in strategic and operational achievements. Measures will vary based on the policy, program, or project UIPA leads and/or collaborates on, and these measures will be used to monitor implementation progress towards the organization’s overarching objectives. These objectives are as follows:

1. Position Utah as the Leading Trade and Logistics Hub.
2. Advance Sustainable and Smart Supply Chains.
3. Be a Responsible Steward of the Environment and Local Communities.
4. Effectively Manage UIPA Resources.
Public and Private Stakeholder Participation: The UIPA is committed to transparency and accountability to the local community. As part of its governance standards, the UIPA will report progress and performance regularly and proactively provide opportunities for stakeholder input to encourage public and private stakeholder participation in and collaboration with the UIPA.

**Open Door Policy:** Implement an “open door policy” in which UIPA is available to meet with public and private stakeholders regularly.

**Interactive Website:** Design an interactive website to report on UIPA planning, progress, and results of its partnerships, policies, and programs.

**Public Meetings:** Hold regular public meetings to obtain community feedback on projects and to make decisions on various local initiatives.

**Newsletter:** Develop and circulate regular newsletters to provide additional information to the public on UIPA activities and logistics in Utah.

**Social Media:** Participate in social media to provide additional information to the public on UIPA activities and logistics in Utah.

Organizational Culture

Organizational culture impacts the habits, skills, and styles by which work is accomplished. As a newly-formed organization, the UIPA’s culture is still in the process of being established. However, the UIPA has introduced a series of core values to reinforce its strategic direction and cultivate a specific organizational culture.

**Core values embody an organization’s identity – its principles, beliefs, and approaches.**

Values shape culture and help the organization make thoughtful decisions and cultivate an attractive work environment. The UIPA continually works to establish an organizational culture that embodies those core values listed in Figure 21.
FIGURE 21: UIPA CORE VALUES

<table>
<thead>
<tr>
<th>Core Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability</td>
<td>The UIPA is accessible to all Utahns to whom they serve and has a public obligation to explain its decisions and activities through both formal and informal channels to its constituency.</td>
</tr>
<tr>
<td>Sustainability</td>
<td>The UIPA is committed to driving sustainable outcomes to ensure a high quality of life and thriving economy for the next generation.</td>
</tr>
<tr>
<td>Creativity</td>
<td>The UIPA is forward-thinking in its partnerships, programs, and policies to drive next generation improvements in the statewide logistics system.</td>
</tr>
<tr>
<td>Collaboration</td>
<td>The UIPA works collaboratively with public, private, and non-profit partners to realize desired economic, environmental, and community outcomes.</td>
</tr>
<tr>
<td>Equity</td>
<td>At the foundation of the UIPA's culture is the recognition that all opinions matter equally both internally and externally.</td>
</tr>
</tbody>
</table>

Organizational Structure and Staffing

The Utah Inland Port Authority intends to be a lean and focused team serving the following roles:

- **Technical Expert** on logistics issues, needs, and opportunities across the state
- **Sustainability and Innovation Leader** promoting innovative, equitable, and sustainable development solutions in the logistics sector statewide
- **Facilitator of cross-cutting dialogue** among public, private, and NGO stakeholders for logistics solutions
- **Financial Catalyst** for policies and programs related to strategic priorities
- **Responsible Custodian** of public resources to ensure efficiency and effectiveness in operations

Figure 22 and Figure 23 illustrate UIPA’s organizational structure and planned staff phasing. Over the next five years, the organization expects to scale up to 14-15 staff members and outsource remaining organizational functions.
Organizational Culture

The Utah Inland Port Authority has four primary lines of business:

1. Infrastructure Development
2. Strategic Investments
3. Development Financing
4. Advisory Services
**Infrastructure Development:** Infrastructure development is a non-revenue generating line of business to develop common user infrastructure for the benefit of all landowners that pay the property tax differential in the UIPA jurisdictional area. As a result, direct fees and user charges will not be assessed for common user infrastructure developments. The property tax differential revenues and related bond proceeds will be the primary funding source for these investments.

**Strategic Investments:** UIPA may make equity investments in activities that promote and further advance the organization’s long-term goals and objectives. Such investments will be made with supplemental UIPA resources as they become available over time. These investments may be managed as stand-alone activities, or through joint ventures or public-private partnerships. Strategic investments will meet minimum return on investment targets that generate income to UIPA within a reasonable timeframe while not creating conflicts of interest with other stakeholders.

**Development Financing:** UIPA aims to support private sector investors, operators, and developers with access to low-cost public financing resources for development within inland port areas. Programs may include conduit bond financing, state and federal government financing support and sponsorship, and direct lending. In return, UIPA will generate revenues through issuance and closing fees, administrative fees, and potentially interest income.

**Advisory Services:** The intent behind UIPA advisory services is to provide prospective developers, operators, and investors including micro, small, women, and minority-owned business enterprises with access to UIPA’s professional staff for advisory support. This provides stakeholders with cost-effective advice and support for establishing and growing their business within inland port areas. Programs may include business plan development and review, company formation and registration support, site selection, workforce development programs, and marketing and promotional support.

Figure 25 provides the property tax differential allocation for the Utah Inland Port in northwest Salt Lake County. The Development Fund will be used for common user infrastructure development within the Utah Inland Port area.
Salt Lake City Set-Aside  Set by statute to allocate 25% of the property tax differential to Salt Lake City.

Affordable Housing  Statute requires UIPA to pay 10% of the UIPA property tax differential generated from land located within the jurisdictional area to be used by the municipality for affordable housing.

Development  UIPA will use the remainder of the property tax differential to advance sustainable and smart logistics investments through partnerships, policies, programs, and bonding.

Priority for Tax Differential use by applicants will be given to the following three categories:

1. Regional Improvements, including highway infrastructure, and rail right-of-way acquisition, design, engineering, and construction, including issuing assessment bonds and loans from the Transportation Infrastructure Loan Fund.

2. Costs associated with building an inland port intermodal facility, including issuing CPACE bonds.

3. Costs associated with significant impediments to site development.
## Operational Budget

Last Updated April 30, 2020

<table>
<thead>
<tr>
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<td>$1,000,000</td>
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<td>Carry Forward</td>
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<td>$167,653</td>
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<tr>
<td>Operating Revenue (TIF)</td>
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<td>$1,164</td>
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<td>Total Lines of Business</td>
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<td>$2,798,928</td>
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### Expenditures

#### Operating Expenses

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<td>Personnel</td>
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<td>Liability Insurance</td>
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<td>Reception &amp; Meeting</td>
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<td>$15,000</td>
<td>$15,000</td>
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<td>Total Administrative costs</td>
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<td>$1,892,600</td>
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<td>$2,456,428</td>
<td>$2,683,721</td>
<td>$2,892,172</td>
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| Office Supplies                |                |                  |            |            |            |            |            |
| Supplies                       | $870           | $7,500           | $10,000    | $15,000    | $15,000    | $15,000    | $15,000    |
| Furniture & equipment          | $292           | $7,500           | $2,500     | $2,500     | $2,500     | $2,500     | $2,500     |
| Technology                     | $1,999         | $25,000          | $15,000    | $25,000    | $25,000    | $25,000    | $25,000    |
| Total office supplies          | $3,161         | $40,000          | $27,500    | $42,500    | $42,500    | $42,500    | $42,500    |

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<td>Interim Director</td>
<td>$75,000</td>
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<td>Community Engagement</td>
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<td>$165,000</td>
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<tr>
<td>Executive Search</td>
<td>$100,000</td>
<td>- $</td>
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<tr>
<td>CRM Development/license</td>
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<td>Technical Assistance</td>
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<td>$400,000</td>
<td>$250,000</td>
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<td>$125,000</td>
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<td>Marketing &amp; Communications</td>
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<td>$125,000</td>
<td>$125,000</td>
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<td>Total Consulting &amp; Professional Services</td>
<td>$386,631</td>
<td>$790,000</td>
<td>$600,000</td>
<td>$425,000</td>
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### Total Operating Expenses

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<td>$573,052</td>
<td>$2,234,295</td>
<td>$2,520,100</td>
<td>$2,599,789</td>
<td>$2,798,928</td>
<td>$3,026,221</td>
<td>$3,234,672</td>
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### Closing Balance

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<tbody>
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<td>$1,401,948</td>
<td>$167,653</td>
<td>$147,553</td>
<td>$157,764</td>
<td>$0</td>
<td>(0)</td>
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### Total Expenditures

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<tbody>
<tr>
<td>$1,975,000</td>
<td>$2,401,948</td>
<td>$2,667,653</td>
<td>$2,757,553</td>
<td>$2,798,928</td>
<td>$3,026,220</td>
<td>$3,234,670</td>
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## Tax Differential

Last Updated April 30, 2020

### Revenue

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<tr>
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<tbody>
<tr>
<td>Property Tax Differential (est)</td>
<td>$ -</td>
<td>$ 1,392,548</td>
<td>$ 2,821,857</td>
<td>$ 4,288,716</td>
<td>$ 5,793,930</td>
<td>$ 7,338,320</td>
<td>$ 8,922,721</td>
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<tr>
<td>Taxing Entity portion</td>
<td>$ 348,137</td>
<td>$ 705,464</td>
<td>$ 1,072,179</td>
<td>$ 1,488,483</td>
<td>$ 1,834,580</td>
<td>$ 2,230,680</td>
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<tr>
<td>UIPA appropriation</td>
<td>$ 1,044,411</td>
<td>$ 2,116,393</td>
<td>$ 3,216,537</td>
<td>$ 4,345,448</td>
<td>$ 5,503,740</td>
<td>$ 6,692,041</td>
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<tr>
<td>Development Activity</td>
<td>$ 939,970</td>
<td>$ 1,904,753</td>
<td>$ 2,844,883</td>
<td>$ 3,910,903</td>
<td>$ 4,953,866</td>
<td>$ 6,022,837</td>
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<tr>
<td>Housing Affordability</td>
<td>$ 104,441</td>
<td>$ 211,639</td>
<td>$ 321,654</td>
<td>$ 434,545</td>
<td>$ 550,374</td>
<td>$ 669,204</td>
<td></td>
</tr>
<tr>
<td><strong>Total Taxes</strong></td>
<td>$ -</td>
<td>$ 1,392,548</td>
<td>$ 2,821,857</td>
<td>$ 4,288,716</td>
<td>$ 5,793,930</td>
<td>$ 7,338,320</td>
<td>$ 8,922,721</td>
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<tr>
<td>Contributions and Transfers</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Infrastructure Development Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 939,970</td>
<td>$ 2,844,723</td>
<td>$ 5,990,771</td>
<td>$ 10,176,730</td>
<td>$ 15,338,547</td>
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<tr>
<td><strong>Total Fund balance</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ 939,970</td>
<td>$ 2,844,723</td>
<td>$ 5,990,771</td>
<td>$ 10,176,730</td>
<td>$ 15,338,547</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$ -</td>
<td>$ 1,044,411</td>
<td>$ 3,056,363</td>
<td>$ 6,061,260</td>
<td>$ 10,336,218</td>
<td>$ 15,680,470</td>
<td>$ 22,030,588</td>
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### Expenditures

#### Development Activities

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<tbody>
<tr>
<td>Infrastructure Development Fund</td>
<td>$ 939,970</td>
<td>$ 2,844,723</td>
<td>$ 5,739,607</td>
<td>$ 9,650,509</td>
<td>$ 14,603,875</td>
<td>$ 20,626,712</td>
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<td><strong>Total Development Activities</strong></td>
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<td>$ 939,970</td>
<td>$ 2,844,723</td>
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<td>$ 9,650,509</td>
<td>$ 14,603,875</td>
<td>$ 20,626,712</td>
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#### Operating Revenue Payment

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<tbody>
<tr>
<td>Operating Revenue</td>
<td>$ -</td>
<td>$ -</td>
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<td>$ -</td>
<td>$ 251,164</td>
<td>$ 526,221</td>
<td>$ 734,672</td>
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<tr>
<td><strong>Total Operating Revenue Payments</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 251,164</td>
<td>$ 526,221</td>
<td>$ 734,672</td>
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#### Tax Differential Payments

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<tbody>
<tr>
<td>Housing Affordability Fund</td>
<td>$ 104,441</td>
<td>$ 211,639</td>
<td>$ 321,654</td>
<td>$ 434,545</td>
<td>$ 550,374</td>
<td>$ 669,204</td>
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<tr>
<td><strong>Total Tax Differential Payments</strong></td>
<td>$ -</td>
<td>$ 104,441</td>
<td>$ 211,639</td>
<td>$ 321,654</td>
<td>$ 434,545</td>
<td>$ 550,374</td>
<td>$ 669,204</td>
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### Debt Services

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<tr>
<td>Total Debt Services</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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### Estimated Tax Differential Debt Capacity

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<tr>
<td><strong>Net Debt Capacity Estimate (rounded)</strong></td>
<td>N/A*</td>
<td>N/A*</td>
<td>$ 15,800,000</td>
<td>$ 22,600,000</td>
<td>$ 29,600,000</td>
<td>$ 36,800,000</td>
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* A minimum 2-year track record of historical tax increment revenue is anticipated for UIPA to issue property tax differential revenue funded debt.
## Lines of Business Budget

Last Updated April 30, 2020

### Development Financing Revenue Projection Assumptions

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<td>Base Case Capital Investment in UIPA Jurisdiction</td>
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<td>$77,140,000</td>
<td>$78,297,100</td>
<td>$79,471,557</td>
<td>$80,663,630</td>
<td>$81,873,584</td>
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<tr>
<td>% of Capital Investment funded w/Conduit Financing</td>
<td>0%</td>
<td>0%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>30%</td>
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<tr>
<td>Total Conduit Bond Issuances</td>
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<td>$11,744,565</td>
<td>$15,894,311</td>
<td>$20,165,907</td>
<td>$24,562,075</td>
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<tr>
<td>UIPA Fee as % of Issuances</td>
<td>0.50%</td>
<td>0.50%</td>
<td>0.50%</td>
<td>0.50%</td>
<td>0.50%</td>
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<tr>
<td>UIPA Development Financing Fee Revenue (rounded)</td>
<td>$-</td>
<td>$-</td>
<td>$60,000</td>
<td>$80,000</td>
<td>$100,000</td>
<td>$120,000</td>
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### Advisory Services

- Business planning and development consulting: $25,000, $35,000, $45,000, $50,000
- Marketing and promotion support staff & travel cost recovery: $15,000, $15,000, $15,000, $15,000
- Other advisory services and reimbursable expenses: $10,000, $10,000, $10,000, $10,000

### Strategic Investments

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<tr>
<td>Under the Alternative Site Framework</td>
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<tr>
<td>As of December 2019, Source: Salt Lake City FTZ #30</td>
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<tr>
<td>Adapted from State of Utah Department of Transportation Freight Plan 2017</td>
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<td><a href="https://www.udot.utah.gov/main/uconowner.gif?n=23980801691013244">B16th Anniversary of Local Transportation Planning Council</a></td>
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<td><a href="https://www.udot.utah.gov/main/uconowner.gif?n=23980801691013244">B14th Anniversary of Community Transportation</a></td>
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<td><a href="https://www.udot.utah.gov/main/uconowner.gif?n=23980801691013244">B10th Anniversary of Safe Routes to School</a></td>
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<td><a href="https://www.udot.utah.gov/main/uconowner.gif?n=23980801691013244">B8th Anniversary of Safe Routes to School</a></td>
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No unrestricted/investable funds are expected to be accumulated before FY2025.
Utah Inland Port Authority Executive Team

Jack Hedge ................................................................. Executive Director
Jill Flygare ............................................................... Chief Operating Officer
Ginger Chinn ............................................................. Managing Director of Business Development
Taneesa Wright ......................................................... Executive Assistant

Strategic Business Plan Lead

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