Military Installation Development Authority ("MIDA") Overview

• History and Background
• Legislation
• Governance
• Revenues and Expenditures
• Goals and Objectives
• Project Areas

Used some material from a Veterans and Military Affairs Department PowerPoint and a Feb 19, 2013 PowerPoint from Hill Air Force Base
History and Background

Why was MIDA Created?

• Hill Air Force Base and Enhanced Use Lease ("EUL")
• EULs – Authorized by Congress to benefit military bases
• Military leases underutilized land to a developer for 50 years
  – Base benefits from Payments in Kind ("PIK")
  – State benefits from new employment, new tax base, and mitigating risk of base closure
Hill Air Force Base
• 6,978 Acres
• 1,381 Facilities
• 340 Munitions Storage Structures
• 13,500 ft. Runway
History and Background

Hill Air Force Base

• Employment: ~20,000-22,000 (Top 5 of Utah Employers – IHC, State of Utah, UofU, BYU)
• Budget Authority: $4.233 Billion
• Payroll: $1.2B
• Estimated economic impact ~$3B
• Major Activities:
  – 75th Air Base Wing
  – Ogden Air Logistics Complex (OO-ALC)
  – Operational Units (388th and 419th Fighter Wings)
  – Air Force Sustainment Center Engineering Directorate
• Opportunity to attract new missions – e.g. Software Engineers
History and Background

Problem is Outdated Space
History and Background

Falcon Hill EUL

[Map Diagram]
History and Background

Falcon Hill EUL

• 500 acres of prime property along I-15 in Davis and Weber County
• Largest Air Force EUL in the United States
• Through RFP process Air Force selected Sunset Ridge Development Partners ("SRDP")
• SRDP – 50% Woodbury Corp & 50% Hunt Co.
• Project is an Aerospace Research Park both inside and outside the fence
History and Background

MIDA’s Role in Falcon Hill

• Be the one-stop-shop for municipal services
  – Regulatory
  – Land use permits
  – Utilities outside the boundary fence
• Economic Development – help with infrastructure and government facilities
• PIK Account trustee for Air Force
• MIDA, Air Force and SRDP entered into a 3-way agreement for Falcon Hill
First Commercial Building
Falcon Hill
Other Construction

• Second commercial building is under construction
  – 75k sq. ft 3 story building
  – 1st floor will be occupied by Air Force
  – will be complete by end of the year

• 10k sq. ft. of retail is under construction outside of fence
Base Construction

Security Forces Squadron Building

New West Gate
Falcon Hill Project Area Funding

• Since 2008 the legislature has appropriated $20.89 million to MIDA
• MIDA has issued $2.5 million in tax increment bonds
• Projects built with funds
  – Rebuilt 650 North road to Hill
  – Install infrastructure
  – built new Hill West Gate
  – built new Hill Security Forces Building
  – 1st floor of new commercial building for Air Force is under construction
• Private investment to date is $53 million
• Being planned
  – 100k sq. ft. flex building inside the fence ($10 million)
  – 75k sq. ft. building outside the fence ($12 million)
Legislation and Powers

- MIDA was created in 2007
- There have been legislative changes in 2009 through 2014
- MIDA creates project areas to promote the development of military land
- MIDA acts as the municipality in the project area
- MIDA acts as the economic development authority both in distributing legislative appropriations and issuing bonds
Create Project Area

• Draft Project Area Plan
• Notification and public process before adopting plan
• Project area must contain military land
• Project area may contain non-military land only with permission of local jurisdiction and landowner
Military Land

- Hill Air Force Base
- Utah Test and Training Range
- Utah National Guard
  - Camp Williams
  - Salt Lake Air Base
- Dugway Proving Ground
- Tooele Army Depot
- Fort Douglas
  - US Army Reserve
  - US Navy Reserve
  - US Marine Corps Reserve
Governing Body

- **7 Member Board**
  - 5 Appointed by the Governor
    - 3 elected officials from counties and/or municipalities near project areas
    - 1 who is interested in military efforts in the State
    - 1 who is in the executive branch involved in military issues
  - 1 Appointed by the Speaker of the House
  - 1 Appointed by the President of the Senate

- Board member are not paid and are not provided any per diem or mileage to attend meetings
Revenues and Expenditures

• MIDA staff is small – 5 people
• Board wants it to remain small and contract out services
• Annual operations is about $800k
• MIDA is funded by the legislature and contract revenue until it is financially self-sustaining
• Officed at the Northfront Business Resource Center on the Davis Applied Technology College in Kaysville
Revenues and Expenditures

• MIDA either receives or levies the same taxes and fees that a municipality does in a project area

• Depending on development within project areas, MIDA estimates operational self funding in 7 to 8 years
MIDA Project Funding

**Development Fund**
- **Source:**
  - Property Tax Increment
  - Sales Tax
  - Resort Communities Tax
- **Use For:**
  - MIDA Operations
  - Development
  - Infrastructure

**Property Taxes**
- 75%
  - Counties
  - Other taxing entities
  - For 25 years
- 25%
  - County & City
  - Other taxing entities -- goes directly to entity

**Sales Taxes**
- .5% Point of Sale
- 1.1% Resort Communities Tax
- Can Be Used in Either Fund

**Municipal Services Revenue**
- **Source:**
  - 25% county & city property taxes
  - Energy Tax (6%)
  - Telecom Tax (3.5%)
  - Transient Room Tax (.5%)
- **Use For:**
  - Sales Tax
  - Resort Communities Tax
  - MIDA Operations
  - Provide Municipal Services
  - Remainder to county
Goals and Objectives

- Promote the development of military land
- Bring new jobs and tax base to Utah
- Assist military so that existing missions are more secure
- Help create environment for new missions to come to Utah
Current Projects

• Falcon Hill – Hill Air Force Base
• Utah Data Center – Bluffdale
  – MIDA constructed offsite utilities
  – Project is largely complete
• Military Recreation Facility – Wasatch County
  – Both military land and private land
  – Location for public/private military hotel
  – Will assist in development of Deer Valley
• Just created Runway at East Gate – Hill Base
MIDA’s Possible Projects

• May assist with Utah Test and Training Range
• May assist with a geothermal project on military land in west desert
• May facilitate new software buildings on Hill Air Force Base
• May assist Air National Guard if it relocates to Hill