



UTAH INLAND PORT AUTHORITY

November 30, 2022

Utah State Legislature
Executive Appropriations Committee
Senator Jerry W. Stevenson, Senate Chair
Bradley G. Last, House Chair

Esteemed Executive Appropriations Committee Chairs and Members:

On behalf of the Utah Inland Port Authority ("UIPA" or "Authority"), we respectfully submit a report of the activities of UIPA as required by the Utah Inland Port Authority Act found in Utah Code 11-58-803(3). This report includes information regarding how funds were spent, updates on the strategic business plan, and an update on how UIPA is achieving its purpose set forth in the Act.

Funding Sources and Uses

UIPA received four main sources of funding in fiscal year 2022:

- The Legislature appropriated \$3.05 ongoing and \$6.9 million one-time to fund operations of the Authority.
- The Authority received the second of three payments of a \$28 million appropriation for infrastructure from S.B. 268 of the 2019 General Session. Fiscal year 2022 appropriations of \$9 million was received in addition to \$12.5 million in fiscal year 2021.
- The Authority received \$6,053,691 in property tax differential for the jurisdictional area in Salt Lake County.
- The Authority issued a \$150 million bond in December 2021 for development of the jurisdictional area. \$19.5 million of this was capitalized to be used for bond payments into fiscal year 2025.

Funding received from these sources were used as described below:

- Operations expenditures, which consisted primarily of personnel costs and consulting/management fees. The general fund appropriation from fiscal year 2022 funded personnel costs of \$2 million and consulting and management fees of \$3.6 million.
- Infrastructure funding was used for leases and improvements in the jurisdictional area. Expenditures included a 99-year lease of a rail line (\$8 million), construction of 700 N (\$6.5 million), and a land lease (\$1 million). \$11.8 million of the \$21 million received carried forward to fiscal year 2023.
- From the tax differential received, the Authority paid \$501,100 to Salt Lake City for affordable housing as prescribed in Utah Code 11-58-601(6)(b). Additionally, 40 percent (\$2.2 million) of the remaining funding is due to the bond surplus fund.
- The Authority has not spent bond proceeds other than bond payments paid with capitalized interest.

As required by statute, the Authority completed an independent audit of fiscal year 2022 financials and submitted the completed report to the State Auditor's Office. A copy of the audit is attached to this report and provides additional details of the UIPA financial information.

Interlocal Agreement

In October 2022, UIPA signed an interlocal agreement with Salt Lake City which requires that the Authority spend 40 percent of property tax differential on environmental mitigation projects within the authority jurisdictional land and 40 percent of property tax differential on community mitigation projects. The agreement provides the following:

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

This agreement highlights the board's focus on working in a transparent, collaborative manner with local communities.

Strategic Business Plan

UIPA went through important changes in 2022, including a new board and executive director. As part of these changes, the Authority is redefining its business plan to more fully achieve the policies and objectives of UIPA as defined in statute. The new plan has been presented to the UIPA board and is expected to be approved in December 2022. The plan is meant to guide the direction, initiative, and focus of the Utah Inland Port Authority for the years 2023 through 2027 with the goal of more fully meeting statutory requirements pointing to economic development in Utah within an environmentally sustainable framework. UIPA will fulfill its economic development role by utilizing and implementing infrastructure as an enabler rather than an end goal. Infrastructure such as rail, road, air, traditional technology, and green technology all provide how industry can grow and benefit Utah communities. How this growth and innovation happens and the industry types generating these forces matter to the state and local neighborhoods and economies. In addition to projects in the northwest quadrant of Salt Lake County, the Authority will look to empower regional economies throughout the state through the development of additional projects. Project areas in rural Utah are currently being discussed with key stakeholders. Major infrastructure projects will be coordinated with these stakeholders, including government leaders from the area. This will be completed in a transparent and collaborative fashion that will lead to defined objectives and scope. The current version of the strategic plan can be found on our website, inlandportauthority.utah.gov.

Environmental Sustainability

UIPA has developed a Sustainability Action Plan that will be shared with the Board in their December 2022 meeting. The purpose of this plan is to articulate a sustainability vision and describe how this vision can be

integrated into various decision-making levels, inform a sustainability strategy to enable UIPA to enact a framework to advance sustainable development, and empower regional economies by facilitating smart, sustainable logistics-related development projects. As part of the strategic business plan being developed by the Authority, an environmental review process will be completed before projects are developed. The Authority has one full time environmental engineer on staff to complete these reviews. Additionally, as part of the interlocal agreement executed with Salt Lake City, the Authority will complete a comprehensive health impact assessment and a traffic study to guide all future development plans on the authority jurisdictional land. These assessments will be completed by the end of 2023. The interlocal agreement provides the Authority to use 40 percent of city generated differential on environmental mitigation projects in the authority jurisdictional land. These expenditures will be made following the receipt of tax differential in 2023.

Northwest Quadrant Update

The Authority's current jurisdictional area in the northwest quadrant of Salt Lake County remains the key part of UIPA operations. The goals of this area are to position it as a global advanced manufacturing and logistics hub. To facilitate these objectives, UIPA is convening landowners, engaging in master planning, and identifying major infrastructure needs. When these are identified and agreed upon, UIPA is well positioned to fund major initiatives through bond proceeds.

Thank you for your continued interest, oversight, and support. We are grateful for the opportunity you have provided the UIPA board, executive team, and Authority staff to serve the state of Utah. We are available to meet with the committee, either individually or collectively to address any questions or concerns you may have.

Respectively,



Ben Hart
Executive Director
Utah Inland Port Authority