



Utah Logistics Strategy Project Update

UIPA Board Meeting

March 26, 2024 | Salt Lake City, Utah



Recent Milestones: Utah and NWQ State of Logistics

Assessment of the importance of logistics to Utah and the NWQ.
Key questions guiding the work:

- What is the logistics system, and **why is it so important for Utah's companies and communities?**
- Why do public sector agencies in Utah **invest in the logistics system?**
- Where are **key logistics infrastructure assets** located and what role do they play?
- Who **operates, maintains, and uses the system** and what types of cargo shipping does it enable?
- What are the noteworthy statewide logistics **needs, issues, and opportunities?**

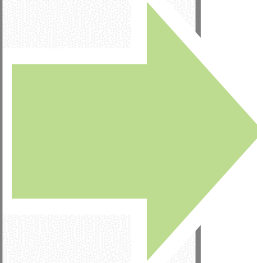
Project Roadmap

The assessment of the logistics system provides a foundation for strategies for improvements

Logistics Assessments:
Where is Utah Now?



The Logistics Assessments tell a story about Utah's current place in the economy, and logistics' role in that relationship



Logistics Strategies:
Where Can Utah Be?

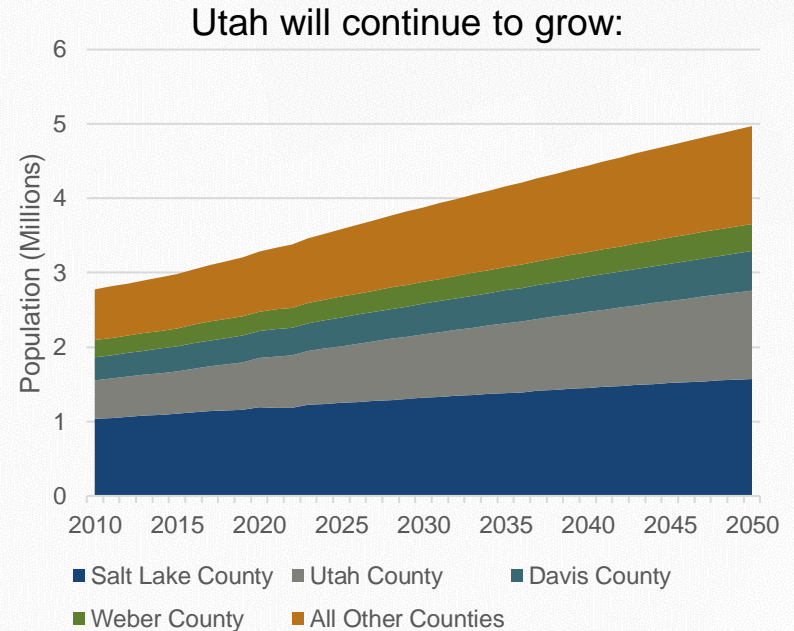


The Strategies describe how UIPA invests and partners in logistics to reach its goals (Summer 2024)

Trends Impacting Logistics in Utah:

Utah's and the West's growing population is a major driver of change in the logistics system.

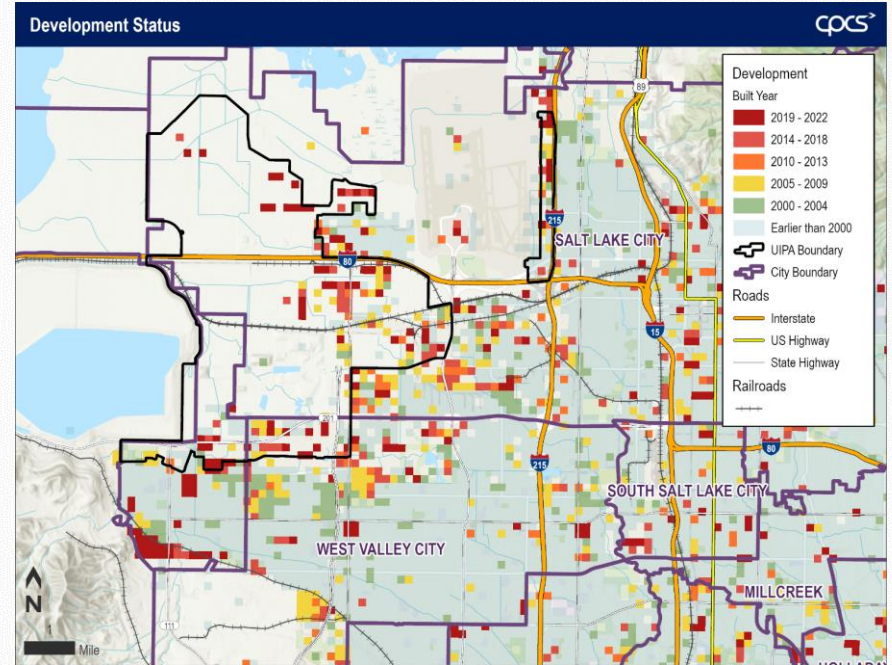
- Local / Regional Trends:
 - Population growth in Wasatch Front and SW Utah, Intermountain
 - Continued growth in West and Sunbelt
 - E-commerce sales in Utah have doubled, changing the way business is done
- National and Global Trends:
 - Shifting trade patterns
 - Supply chain shocks



Trends Impacting Logistics in the Northwest Quadrant

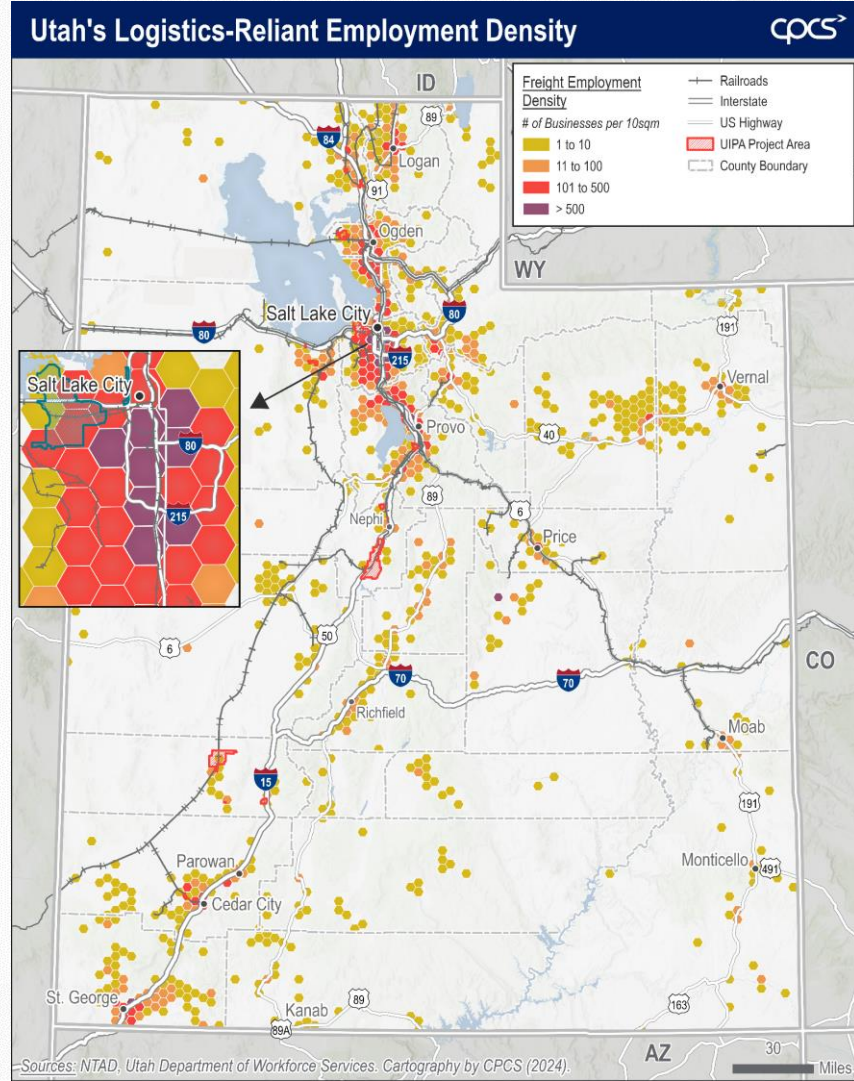
In addition to broad statewide trends, rapid development and increasing land values are shaping the possibilities of the NWQ.

- Rapid industrial development: 2022-23 saw record breaking additions to industrial real estate market
- Increasing land value: NWQ industrial space lease rates up 9.2% in 2023, SLC up 8.6%
- Logistics center of gravity: 21% of Utah's truck trips start or end in the NWQ



Utah's Interconnected Freight System

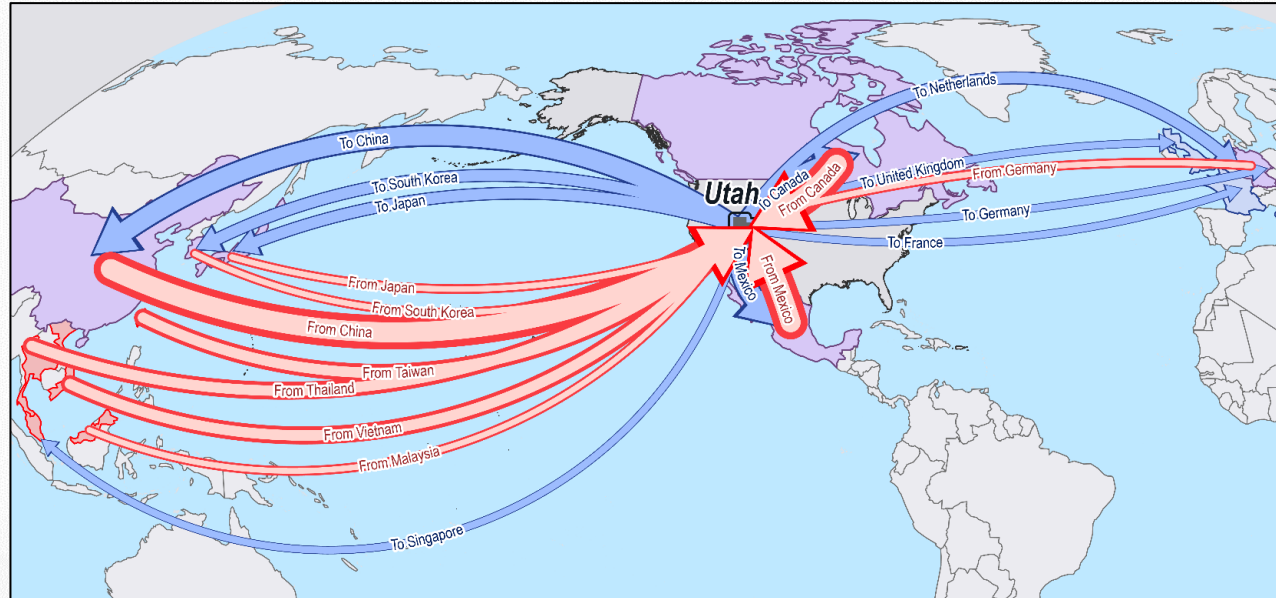
Utah's logistics network serves the entire state, connecting rural and urban communities and companies that depend on freight transportation.



Utah's Place in Global Trade

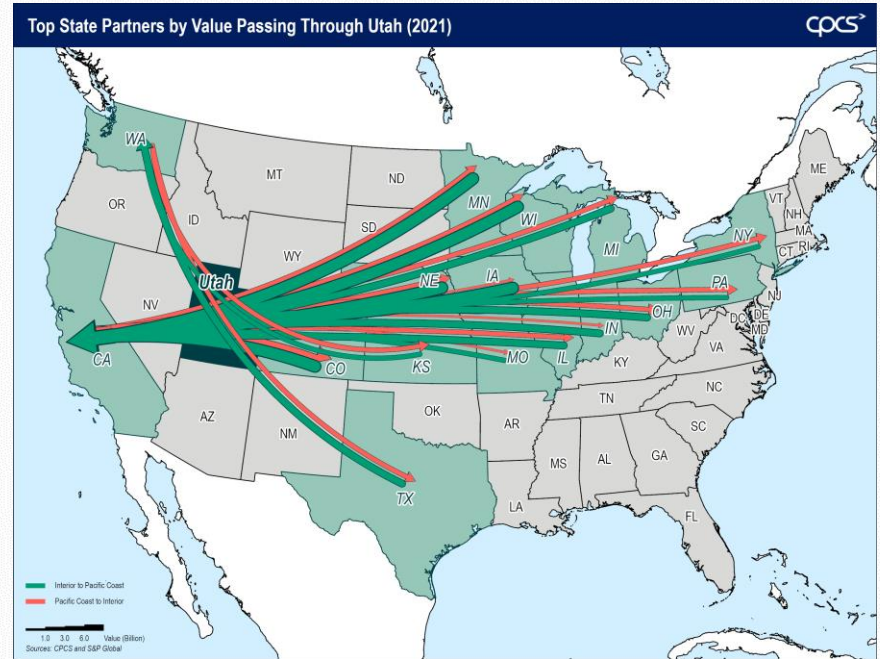
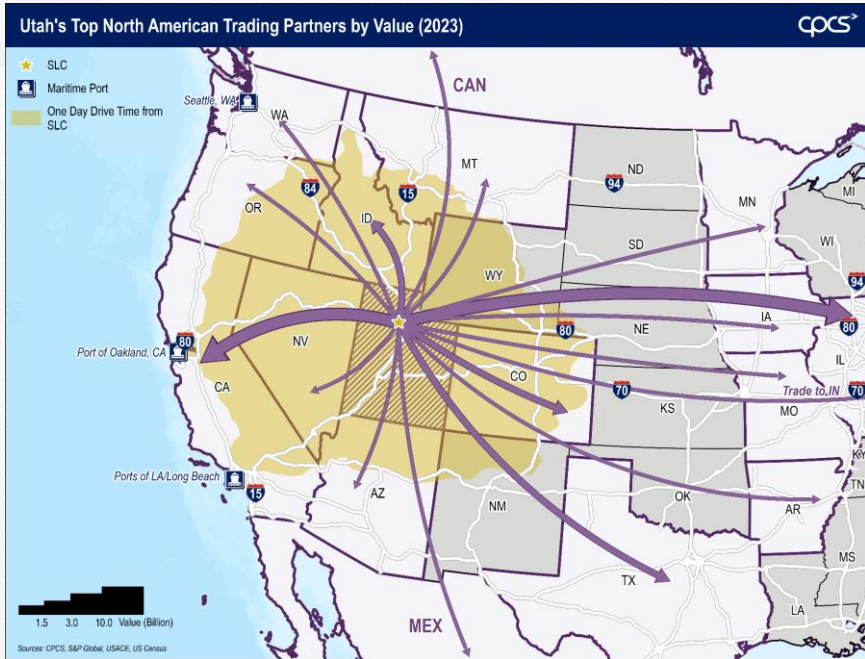
Utah holds a key position in global trade; and is heavily-reliant on port gateways in other states to facilitate overseas trade.

- Utah's international trade value grew 55% in the past 10 years
- Mexico has overtaken China as a top trading partner
- 2023 international trade:
 - Exports: \$17.4 B
 - Imports \$18.6 B
- Ports and border crossings in other states are critical gateways for UT trade:
 - LA, San Francisco
 - Laredo, El Paso
 - Detroit / Canada



Utah's Place in North American Trade

Utah plays many roles: a distributor for its neighbors, supplier for other states' industries, and conduit for cross-country trade flows.



Statewide Logistics Trends and SWOT Factors

Top SWOT factors reflect data analysis, stakeholder feedback:

- Top Strengths:
 - Strong position and connection to global and North American trade partners
 - Competitive, safe, and stable business climate (enduring frameworks and regulations, collaborative relationships between business and government, secure supply chains)
- Top Weaknesses:
 - A wide range of stakeholders do not yet understand UIPA's mission, programs, and vision
 - Rail continues to lose market share locally and nationally
- Top Opportunities:
 - Improving competitive access to multiple modes for Utah shippers
 - Capturing 'nearshoring' opportunities
- Top Threats:
 - Housing affordability (impacting logistics workforce availability)
 - Infrastructure congestion, land prices, and environment (e.g. air quality)

NWQ Logistics Possibilities and Challenges

Top items identified by stakeholders and data analysis:

- Possibilities
 - Large amount of vacant land zoned for light manufacturing
 - Adequate capacity for near-term growth
 - Potential to build on existing advanced manufacturing clusters such as aerospace, biotech
 - Opportunity for rail-served manufacturing
- Challenges
 - All market factors are pushing developers to build warehouse/distribution as the primary use in the NWQ
 - Increasing land values could upset the growth dynamics of NWQ
 - Lack of amenities (e.g. transit, dining, childcare) for advanced manufacturing and workers
 - Lack of truck parking causing safety and security concerns
 - Airshed non-attainment; natural resource preservation
 - Mid-skill workforce challenges (exacerbated by housing affordability challenges)
 - Extensive air cargo leakage to LAX, SFO, and other airports (>90 percent of Utah's international air cargo leaves the state on trucks)

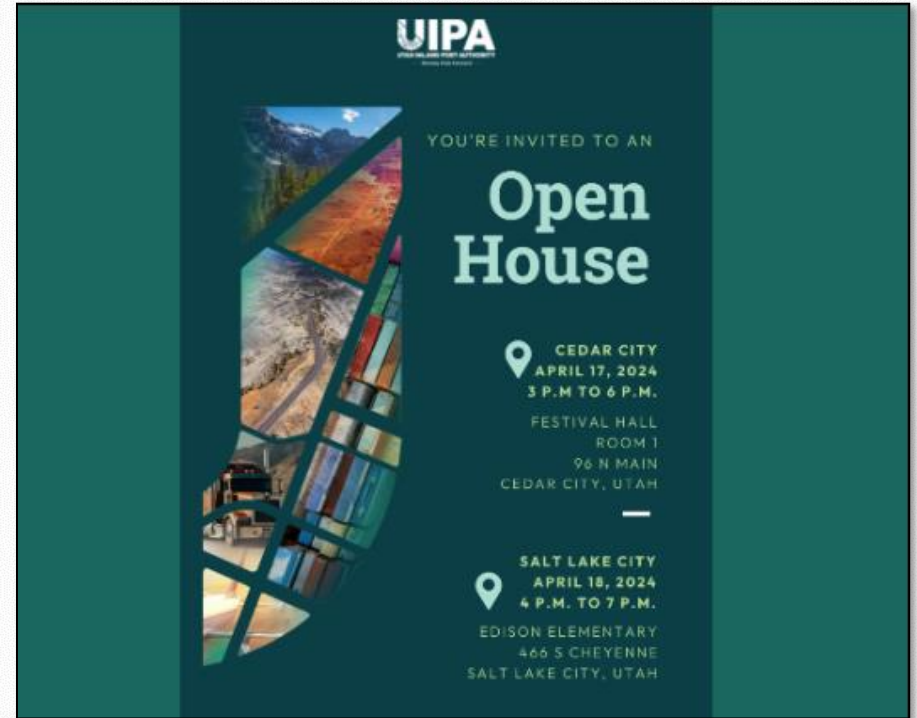
In the absence of a strong vision for Utah's logistics system, development patterns in the future are likely to resemble developments over the past 3-4 years.

While “status quo” development patterns will yield logistics and economic benefits for Utah, uncoordinated development may not unlock the full potential of the state.

Upcoming Events

Open Houses provide opportunities to learn more

- Open House Round 1:
 - April 17: Cedar City
 - April 18: Salt Lake City
- Open House Round 2: Late July or Early August



Thank You

