



**UTAH INLAND PORT AUTHORITY**

— Moving Utah Forward —

# **PROJECT AREA & PROPERTY TAX DIFFERENTIAL**

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# BP- 04 PROJECT AREA & PROPERTY TAX DIFFERENTIAL USE

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### Revision Table

Version	Effective Date	Revision Author	Summary of Revisions
1.2	May 17, 2022	Jill Flygare	Updated to new policy template Updated recommended changes to policy
2.0	April 4, 2023	Ben Hart	Updated owner to Ben Hart; Updated title to include Project Area; Added project area and business recruitment incentive information
3.0	April 29, 2024	Amy Brown Coffin	Updated to new template; Add project amendment and minor revisions section; Updated Master Plan to Project Area Plan
4.0	May 29, 2025	Amy Brown Coffin	Revised incentives section to include application process; Remove initial from environmental review; Incentives subcommittee renamed to tax differential committee; Added additional items for minor revisions
4.1	November 6, 2025	Ben Hart	Added minimal boundary additions to Amendments section for single board meeting approval.
4.2	Pending	Ben Hart	Updated project area plan amendment approvals to allow for one board meeting and may have optional second board meeting prior to approval.

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### I. Purpose Statement

The policy is intended to ensure compliance with statutory direction and strategic objectives when creating project areas and using property tax differential.

### II. Regulatory / Legislative Requirements

- Utah Code Annotated § 11-58-5 Project Area Plan and Budget: <https://le.utah.gov/xcode/Title11/Chapter58/11-58-P5.html>
- Utah Code Annotated § 11-58-6 Property Tax Differential: <https://le.utah.gov/xcode/Title11/Chapter58/11-58-P6.html>
- Utah Code Annotated § 11-58-603 Use of authority money for business recruitment incentive: <https://le.utah.gov/xcode/Title11/Chapter58/11-58-S603.html>

### III. Scope

This policy is established to encourage the highest and best use of project areas and tax differential and to encourage economic growth through project area investments and sustainable logistics infrastructure.

### IV. References

- Utah Code Annotated § 11-58-102 Definitions: <https://le.utah.gov/xcode/Title11/Chapter58/11-58-S102.html>
- UIPA BP-13 Authority Infrastructure Bank (AIB) Policy <https://inlandportauthority.utah.gov/board/policies/>
- UIPA BP-16 Public Infrastructure District (PID) Policy <https://inlandportauthority.utah.gov/board/policies/>

### V. Definitions

Term	Definition
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Project Area Plan	Means a plan designed to facilitate, encourage, and bring about development of a project area to achieve the goals and objectives of UIPA, including the development of logistics infrastructure.
Business Recruitment Incentive	As defined in 11-58-603
Multimodal Facility	As defined in 11-58-102
Property Tax Differential	As defined in 11-58-102

### VI. Roles & Responsibilities

Role	Responsibility
Chief Financial Officer (CFO)	<ul style="list-style-type: none"> <li>Oversee tax differential application process</li> <li>Member of tax differential committee</li> </ul>
Tax Differential Committee	<ul style="list-style-type: none"> <li>Review tax differential applications for business recruitment incentives, interlocal &amp; tax sharing agreements, and tax differential loans</li> <li>Review and recommend to UIPA board project area plan and budget creation and amendment and trigger by parcel resolutions</li> </ul>
UIPA Board	<ul style="list-style-type: none"> <li>Review and approve project area plan and budget creation and amendment, business recruitment incentives, interlocal &amp; tax sharing agreements, tax differential loans, trigger by parcel resolutions</li> </ul>

### VII. Policy

The Utah Inland Port Authority (UIPA) was created through legislative authority in 2018, Utah Code Chapter 58, Title 11 (“Authority Act”), and receives use of property tax differential generated from a project area. The Authority Act outlines a statewide public

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purpose, “working with stakeholders to encourage and facilitate development...to maximize the long-term economic and other benefits for the state.”

### VIII. Project Area Process

The UIPA may create a new Project Area according to the following criteria:

#### Public Meetings

At least three public meetings will be held prior to the board’s adoption of a new project area.

1. First Meeting: One public meeting will be held by the local jurisdiction requesting and providing written consent to the project area.
2. Second Meeting: Initial public meeting will be held by the UIPA board of directors to get draft project area findings & recommendations, and public comment will be taken on a publicly available project area plan and budget.
3. Third Meeting: One public meeting to review and take action on the creation of the draft master project area and budget.

#### Board Adoption

The UIPA board may then adopt a project area plan, thus creating a new project area, that includes the following items based upon the requirements defined in UCA 11-58-501:

1. Legal description including area boundaries
2. Authority’s intent and purpose
3. Board’s findings and determination that include:
  - a. Defined public purpose
  - b. Public benefit
  - c. Economic soundness and feasibility
  - d. Analysis of investment that will promote the goals and objectives
4. Completed environmental review
5. Project area budget that includes:
  - a. Length of time for project area
  - b. Defined percentages of tax differential
  - c. Approved uses for tax differential

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- d. An estimate of the tax differential to be created
  - e. Year for base taxable value of property in project area
  - f. Estimation of amount of property tax differential used to implement project area
  - g. Estimation of amount of property tax differential used to cover administration cost for project area
6. Written consent from:
- a. Legislative body of the form of the county or municipality, which may be in the form of a resolution

After the UIPA board’s adoption the UIPA staff will work with the local county to record and enact the project area plan, including the disbursement of tax differential.

### Amendments

Project area plans may be amended and will follow UCA 11-58-504 Amendment to a project area plan.

Amendments affecting statutory requirements including project area boundaries, the authority’s purpose and intent, and the board’s findings and determination will follow a hold one board meeting and may have optional second board meeting prior to approval.

Other changes may be adopted by the board with a single public board meeting. These changes may include project area boundary reduction, minimal boundary additions, incentive percentages, targeted industries, and performance indicators.

### Minor Revisions

Minor revisions for non-substantive changes may be made without board approval but will be approved by the Executive Director. These non-substantive changes may include:

- Landowner opt outs
- Updates to approved board interlocal agreements
- Environmental reviews
- Logistics updates
- Budget updates (after board approved budget)
- Revisions to legal descriptions where the municipality or county has changed the parcel recording or other minor administrative modifications necessary to clarify actual legal boundaries

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- Informational items
- Grammatical corrections
- Formatting

Any minor revisions will be denoted in the amendment/revision table of the project area plan.

### IX. Tax Differential & Project Area Plan

Project areas and tax differential provides the key financial tools the Authority has to implement the goals, objectives, and the strategic direction outlined in a Project Area Plan. The Authority Act requires and allows tax differential to be used for certain purposes. Pursuant to Utah Code 11-58-602(4), tax differential developed within a respective project area may only be used in that project area. The Project Area Plan will stipulate all details related to the funding within a Project Area. All details are subject to statute and locally negotiated parameters. Such parameters would typically include:

#### Development Funding

- a. Land development, including ongoing operation of a facility;
  - i. UIPA will consult with evaluation experts for any UIPA land acquisition purchases.
- b. Owning and operating an intermodal facility;
- c. Publicly owned infrastructure and improvements;
- d. Encourage, incentivize, or require development that:
  - i. Mitigates noise, air pollution, light pollution, and other environmental impacts;
  - ii. Mitigates traffic congestion; or
  - iii. Uses high efficiency building construction and operation; and
- e. Bonds issued by the Authority.
- f. Other purposes determined appropriate by the UIPA board in consultation with the participating local jurisdictions.

#### Regional Improvements

Regional projects and infrastructure may be funded through the aggregation of the tax differential generated from the collective properties within a project area.

Infrastructure that connects the system through multi-modal projects is a priority with particular focus on advancing sustainable and smart logistics investments.

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- a. Common user improvements, including:
  - i. roads that improve throughput and velocity of cargo flow;
  - ii. rail design, engineering, and construction;
  - iii. land acquisition; and
  - iv. costs associated with mitigating significant impediments to site development.

### Affordable Housing

Potentially, ten percent of the property tax differential generated from land within the jurisdictional land area of the Inland Port Authority may be paid to a local Community Reinvestment Authority or housing authority for affordable housing.

### PID Creation

UIPA will consider sponsoring PID creations that fall within a Project Area boundaries pursuant to the process in Section XIII of this policy and UIPA Public Infrastructure District (PID) Policy.

### Interlocal / Tax Sharing Agreements

UIPA will consider tax sharing agreements with cities, municipalities, PIDs or developers in order to finance the cost of structuring.

### Tax Differential Loans

UIPA may enter into a loan agreement with a third party to provide a loan from tax differential.

### Business Recruitment Incentives

UIPA will consider giving business recruitment incentives for businesses looking to relocate to the state or to expand existing facilities within the state. The criteria for the recruitment incentives will be based on capital expenditures for the project and targeted industry. These incentives are post-performance. Incentive criteria will be determined by the board for each project area through an approved Project Area Plan. Incentives are non-transferable and non-assignable, and any changes to the parties would require UIPA board approval in a public board meeting.

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### X. Tax Differential Committee

There will be created a tax differential committee that will have representatives that may include the UIPA CFO, (2) voting UIPA board members, and (1) non-voting board member. This committee makeup will be determined by the Chair of the UIPA Board. This committee will be responsible for reviewing and providing committee recommendations prior to UIPA board consideration for all tax differential funding requests. These funding requests include but are not restricted to the following:

- Business Recruitment Incentives
- Interlocal Agreements / Tax Sharing Agreements
- Project Area Plan & Budget Creation and Amendments
- Public Infrastructure Districts Applications
- Tax Differential Loans
- Trigger by Parcel Resolutions

The tax differential committee recommendations for UIPA board consideration must pass with at least (3) committee member votes.

### XI. Application Process

Interested parties may apply for business recruitment incentives, tax differential loans, or interlocal / tax sharing agreements. Applicants interested in an AIB Loan shall follow the process in the UIPA Authority Infrastructure Bank (AIB) policy.

All applications should be received, at minimum, 45 days prior to the tax differential committee it will be presented at. If there are questions, non-responsiveness from the applicant, incomplete information provided, or further information required from the applicant, more time may be needed.

#### Application

Designated UIPA staff will be the liaison to assist the applicant with the application process. The application will be reviewed internally by the CFO and upon their recommendation, it will be sent to the tax differential committee. Further negotiations may be necessary between committee, liaison, and the business for final application.

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### Incentive Application Requirements

Applicants must provide:

- Company or Project Name overview and information
- General description of project (e.g. jobs, average wages, general location, acreage/square footage requirements, utility requirements)
- CapEx or community investment
- Public benefit or public good

### Interlocal / Tax Sharing Agreements Application Requirements

- Project area
- Summary of public or regional infrastructure improvements
- Timelines and absorption schedules
- As applicable, PID governance model and allowable expenses
- Public benefit or public good

### Public Infrastructure District Application Requirements

Please refer to the UIPA Public Infrastructure District Policy.

### Tax Sharing Loan Application Requirements

Applicants must provide:

- Company overview and information
- Summary of public or regional infrastructure improvements
- Financial information
- Collateral
- Estimated cost
- Source of repayment
- Public impact & benefit including impact on community and job creation

### Tax Differential Committee Approval

The tax differential committee will review the application and will vote on their recommendation for UIPA board consideration.

### UIPA Board Approval

Upon recommendation of the tax differential committee the information will be brought in front of the entire board for final approval. The UIPA board will approve the terms and amount of the agreement.

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### Agreement Creation

Agreements will be drafted using standard approved templates. These board-approved agreements, incentives, and tax differential loans must stay within the substantial framework of this agreement and may not deviate from the terms approved by the UIPA Board.

### Contract Audit & Compliance

A thorough review of compliance to standards will be conducted by UIPA staff each year to ensure continued compliance with requirements and obligations of the agreement.

## XII. Evaluating Business Proposals

UIPA may classify a business proposal submitted to UIPA by a nongovernmental party as protected under Section 63G-2-305, for as long as is necessary to evaluate the proposal and determine whether to proceed or not proceed.

Business proposals can be submitted to [uipabp@utah.gov](mailto:uipabp@utah.gov)

If, after evaluation of a business proposal, the authority determines not to proceed with the business proposal, the authority:

1. Shall return the business proposal to the nongovernmental party that submitted the business proposal; and
2. Incurs no duties or obligations under Title 63G, Chapter 2, Government Records Access and Management Act, in regard to the business proposal.
3. The authority shall classify the business proposal pursuant to Title 63G, Chapter 2, Government Records Access and Management Act, if the authority proceeds with the business proposal.
4. Section 63G-2-403 does not apply in regard to the authority or a business proposal in the possession of the authority during the evaluation period of the business proposal.
5. Nothing in this section limits the ability of the authority to properly classify a record in the authority's possession as protected pursuant to Section 63G-2-305.

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