



UTAH INLAND  
PORT AUTHORITY

# Project Area and Tax Differential

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## BP-04 Project Area & Property Tax Differential Use

### 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		Ben Hart	Updated owner to Ben Hart; Updated title to include Project Area; Added project area and business recruitment incentive information

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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

- UCA 11-58-5 Project Area Plan and Budget
- UCA 11-58-6 Property Tax Differential

## 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

None

## V. Definitions

Term	Definition
Project Area Master 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	Means the post-performance payment of property tax differential as an incentive for capital expenditure or for the creation of high-paying jobs within a project area.
High-paying job	Means a job created because of a development activity within a project area; and pays at least 110% of the average of all wages within the county in which the project area is located for which the incentive is submitted.
Multimodal Facility	Means a hub or other facility for trade combining any combination of rail, truck, or air cargo, with other transportation services.
Property Tax Differential	Means the difference between the amount of property tax revenues generated each year by all taxing entities from a project area using current assessed value; and the amount of property tax revenues that would be generated from that same area using base taxable value.

## VI. Roles & Responsibilities

Role	Responsibilities
Incentive Subcommittee	Review incentive applications; Present incentive recommendations to the board
UIPA Board	Approve incentives

## 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 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 two public meetings 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: One public meeting will be held by the UIPA board of directors, and public comment will be taken.

### Board Adoption

The UIPA board may then adopt a project area plan, thus creating a new project area, that includes the following items:

1. Defined public purpose
2. Public benefit: Analysis of Investment along with goals and objectives
3. Completed initial environmental review
4. Area boundaries (including legal description)
5. Project Area Budget
  - a. Length of time for project area
  - b. Defined percentages of tax differential
  - c. Approved uses for tax differential
  - d. An estimate of the tax differential to be created

After the boards adoption the UIPA staff will work with the local county to enact the project area master plan, including the disbursement of tax differential.

## IX. Project Area Master Plan

Project areas and tax differential are some of the key financial tools the Authority has to implement the goals, objectives, and the strategic direction outlined in a Project Area Master Plan. The Authority Act requires and allows tax differential to be used for certain purposes. Tax differential developed within a respective project area may only be used in that project area. The Project Area Master 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:

### 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

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Reinvestment Authority or housing authority for affordable housing.

### 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.

- 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.

### Business Recruitment Incentive

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, job creation, and type of industry.

There will be created an incentive subcommittee that will have representation from 2 members of the board along with the executive representation from the UIPA staff. The subcommittee will bring the incentive package in front of the entire board for final approval.

The UIPA board will approve the terms and amount of the post-performance incentive.

### Incentive Application & Approval Process

A designated UIPA staff will be the liaison to assist the business with the application process. The application will then be sent to the incentive subcommittee. Further negotiations between incentive subcommittee, liaison, and the business for final application. The application will be brought by the incentive subcommittee to the board for final approval. Once approved for an incentive, the business must submit annually for payment. A thorough review of compliance to standards will be conducted by UIPA staff each year to ensure continued compliance with requirements.