

## **Salt Lake City Council Fact Sheet on Utah Inland Port**

Last March, after the Inland Port bill had passed in the 2018 regular Legislative session, and it was clear that the project was moving forward regardless, the Council and Mayor were invited by State leaders to negotiate the City and public's strong opposition to key aspects of the inland port legislation. The City Council had to make a decision on whether to attempt to influence change from a distance or engage directly in conversations with State officials.

As public servants, we determined the best course of action was to engage and inform stakeholders about the impact to City residents by providing data and feedback to make the situation much better, or, at a minimum, mitigate potentially negative impacts on Salt Lake City. Hoping the Port would go away was never a reality and assuming that the development would not occur, especially considering zoning and vested property rights, would have been malpractice from the Council.

The following outline summarizes the key changes and improvements that were made to the Port statute as a result of the Council engaging in discussion with the State.

### **SB 234 (2018 General Session)**

- In spite of strong City and public opposition, the Inland Port bill (SB 234) had passed in the 2018 regular Legislative session.
- Council concerns about the bill included:
  - Undercutting core city functions, such as taxing and certain land use authority,
  - Putting more than one fourth of land within the City under control of a majority non-elected Board instead of City leaders,
  - Setting a bad precedent for any city in Utah

### **HB 2001 (2018 Special Session)**

- June 2018, Council accepted invitation from State leaders to discuss concerns and potential amendments to the Utah Inland Port statute.
  - Council felt it was our opportunity, obligation and responsibility to have a seat at the table to represent and protect the best interests of City residents and taxpayers, as it became clear the project would move forward with or without our participation.
  - Council was committed to staying engaged with state leaders for as long as it took to raise and discuss issues of great import to the future of Utah's Capital City.
- Through dialogue with the State, and sharing of key facts and data, the Council was able to negotiate the following changes to the statute (*none of these were included in SB 234*):
  - Included several improvements addressing environmental concerns – *see end of document for more details*.
  - Narrowed the appeal authority of the Utah Inland Port Authority to the most important uses for jurisdictional land; established the Utah Inland Port Authority as the appeal board of last resort for only those critical uses; and increased transparency and predictability by listing the standards and processes that the Utah Inland Port Authority must follow.
  - Taxing authority: included language that the port authority will compensate via property tax increment the municipality or taxing entity for services (police, fire, etc.) provided on jurisdictional land.
  - Adjusted boundaries for the Port area to remove already developed and environmentally sensitive areas.

- By removing already developed areas, this protected some of the City's existing tax base and ensured protection of the environmentally sensitive areas regardless of who is on the Board.
- Clarified Council Member representation on the Utah Inland Port Authority and adds the ability for the Authority to appoint advisory councils for important topics to formalize input from key stakeholders.
- Removed all wetlands identified in the City's Northwest Quadrant Master Plan and zoning from jurisdictional lands
- Required a sustainability plan as part of the business plan.
- Included provision that 10 percent of property tax increment will be dedicated to affordable housing projects in Salt Lake City and administered by the City's RDA.

### **HB 433 (2019 General Session)**

- The initial draft of the bill raised concerns for the Council.
- Due to the working relationship with the Legislature, the Council was able to have a seat at the table and meet with Legislative Leadership to raise our concerns and make changes in the best interest of the city.
- These changes include:
  - Added a provision that any taxing entity can benefit from increased property tax growth, separate and apart from being paid for by services. This gives taxing entities opportunities to negotiate for tax differential as the Port grows.
  - Confirmed tax differential generated in SLC for affordable housing stays with the City.
  - Established the base year as 2018 which prevented the loss of \$1 million per year to the City.
  - Carves out projects that had been permitted by the City by 2018 to allow the city to realize the growth from those projects instead of the port. Projects such as: Amazon, Post, UPS, & FedEx.
  - Minimizes damage to City on sales tax revenue.
  - Clarified that the City retains all retail sales tax in the port area, which minimizes damage to City on sales tax revenue, compared to the original version of the bill.

### **Environmental Considerations**

- During last year's special session, the Council successfully negotiated the inclusion of a few components that will have a lasting environmental impact:
  - Amended the appeals process so that any appeal must include a written explanation addressing the following:
    - Whether a proposed development will meet or exceed applicable state and federal regulations
    - Any potential environmental impact the proposed development will have, including on air quality, surface water, and ground water; and
    - How the land use applicant proposes to mitigate any impacts, including the extent to which the proposed development will apply the best available technology or systems to mitigate any environmental impacts of the development;
    - The potential impact of the proposed development on abutting property owners or on a migratory bird production area.
- Required a sustainability plan as part of the business plan

- The scope of work for the Port business plan itself must include an environmental sustainability component. The environmental impact and sustainability section calls for things such as:
  - Perform a baseline air quality analysis
  - Conduct a baseline water inventory and analyze the projected water needs
  - Assess potential impact to air quality, including the number of trucks on the freeway system, increased rail traffic and air miles, and mitigation options
  - Conduct an environmental element inventory that informs where development and what type should occur
  - Provide examples of alternative fleet options that are available and could be implemented
  - Identify potential impacts to local communities such as localized air emissions, light pollution, noise, and vibrations, and identify mitigation options
- With the unique position serving as Vice-Chair of the Inland Port Board, Council Member Rogers has focused on applicants for the Executive Director with experience helping large ports become more environmentally sustainable.
- Council worked with Legislative Leadership in support of Senator Escamilla's bill, SB144, to establish monitoring facilities to measure the environmental impact from the port.