

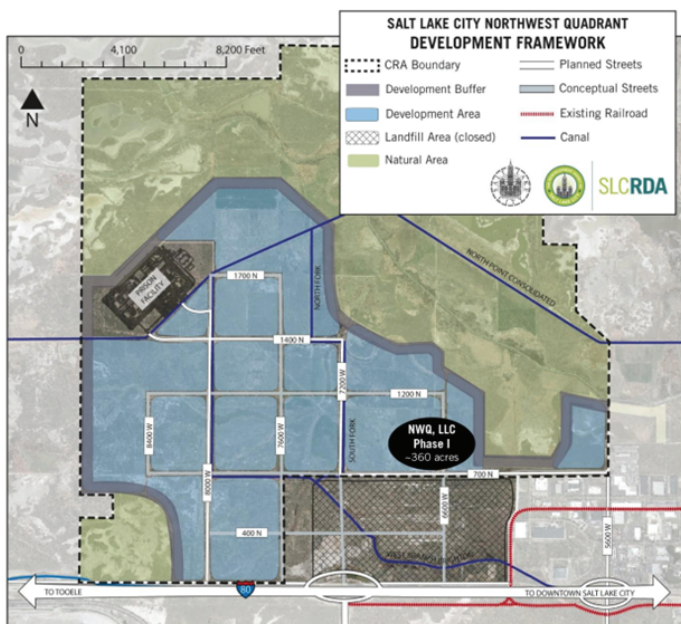


NWQ LLC Tax Increment

The Redevelopment Agency (RDA) Board will consider approving a resolution authorizing a property tax increment reimbursement of up to **\$28,000,000** to the developer, NWQ, LLC, over a 20-year term. The actual reimbursement amount will be paid to the developer yearly, and based on increment generated only by the project.

Property tax increment is the amount of additional property tax revenue generated over the current amount. The developer builds the infrastructure such as roads with their money upfront, which causes the land to increase in value, which causes property tax revenue to increase.

The **reimbursement agreement says** that money is only reimbursed if the property tax revenue growth occurs and the property improvements are verified. A portion of the property tax revenue growth would go to the City general fund, and a portion would be dedicated to affordable housing.



1 Project Area

Phase 1 is in the area north of the North Temple Landfill and encompasses 378 of the approximate 1,500 total developable acres of land north of I-80 owned by NWQ, LLC.

2 Area Plan

Initial plans for **Phase 1** involve private investment of \$310 million for 6 million square feet of small manufacturing space in approximately 10 buildings, with the potential for creating 2,900 jobs (not including 100-175 construction jobs).

3 Where does the tax increment go?

City General Fund

RDA Administrative Costs

Shared Costs*

Developer

Affordable Housing

*general infrastructure needs

4 Public Process

February 2015	Salt Lake City Council adopts resolution restarting the master plan process for the NWQ (Resolution 6 of 2015)
August 2016	Northwest Quadrant Master Plan adopted
January 2018	<p>Council (as RDA Board) approved Northwest Quadrant Community Reinvestment Area Plan and Public Benefit Analysis</p> <p>Mayor signed contracts with property owners (Colmena/NWQ LLC and Rio Tinto) guaranteeing development rights</p>
August 2018	<p>RDA adopted a Tax Increment Reimbursement Policy</p> <p>Refer to the NWQ Development Timeline for background information on public hearings and meetings or visit slccouncil.com.</p>

Based on that **policy**, NWQ, LLC's proposal completed the following steps:

- a. **RDA Finance committee** (City Finance, RDA, Economic Development Staff) reviewed and unanimously recommended approval on June 12, 2019
- b. An independent third party conducted a **study of the public benefits** associated with system wide and project specific infrastructure projects
- c. The study concluded:
 - i. Currently, annual property tax revenue generated in the **project area** is **\$724**. Through the development of **Phase 1**, annual City property tax revenue could be approximately \$4.2 million annually (divided as noted above), and the land could have an assessed value of over \$1 billion
 - ii. Total revenues for the City could be \$9-\$13 million in property tax over the course of 20 years, depending on the final assessed value of development
 - iii. The analysis assumes the new jobs created would provide an average salary of \$44,000 per year, which represents the average industrial wage in Utah