

NWQ, LLC

TAX INCREMENT REIMBURSEMENT

Phases 2 & 3

RDA BOARD MEETING – JUNE 11, 2024



SLCRDA

MASTER PLAN, AUGUST 2016

- Establishes the vision and land use plan for future development, from which subsequent zoning amendments were based.

ZONING & OVERLAY DISTRICTS, 2016 - 2018

- Establishes natural areas to protect sensitive lands and developable areas zoned as M1: Light Manufacturing.

CRA ESTABLISHED, JANUARY 2018

- Enables the collection of tax increment to facilitate economic development and master plan implementation.
- An interlocal agreement between Salt Lake City and the RDA establishes that the RDA collect 75% of tax increment for project area development activities over a 20-year term. The remaining 25% is retained by the City.

DEVELOPMENT AGREEMENT, JANUARY 2018

- The RDA and City entered into a Master Reimbursement and Development Agreement with NWQ, LLC.
- The Agreement establishes “reimbursement qualified expenses” that are eligible for a tax increment reimbursement.

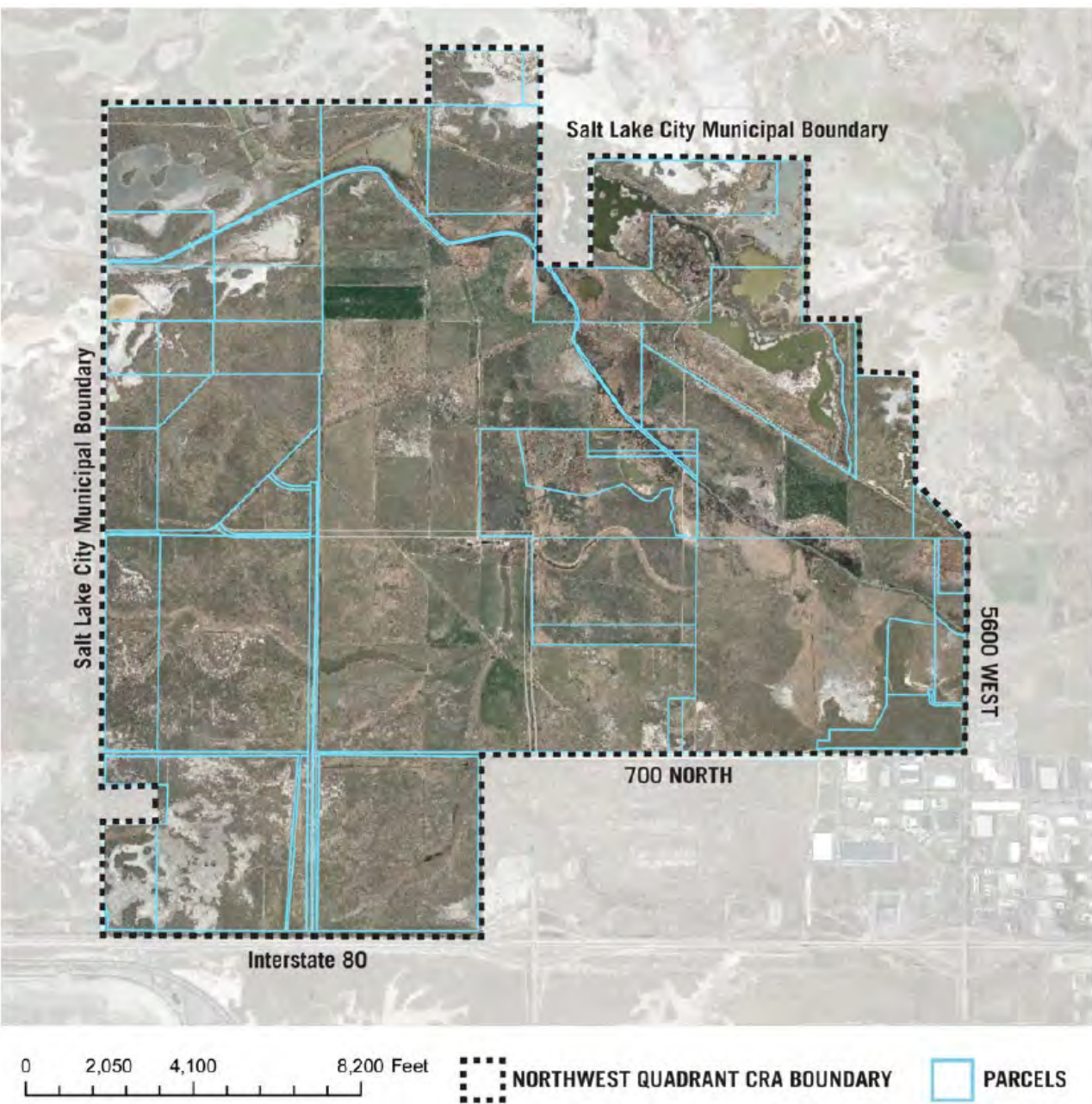
NWQ TI REIMBURSEMENT POLICY, AUGUST 2018

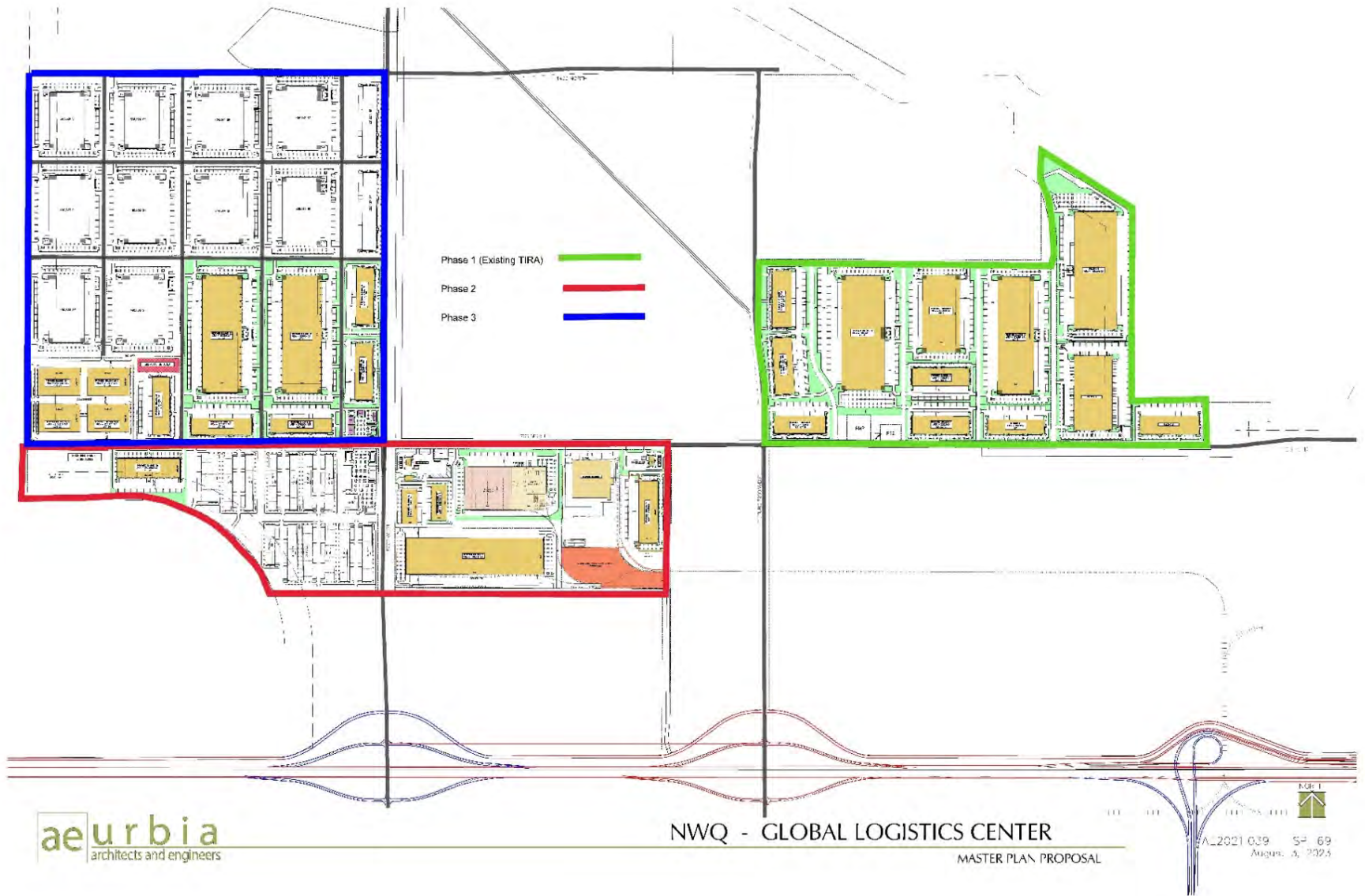
- Establishes the policies and procedures for evaluating and approving a Tax Increment Reimbursement Agreement.
- Applications for a reimbursement of \$1 million or more of tax increment shall be subject to a public benefits analysis completed by a third-party consultant.

NWQ TI REIMBURSEMENT AGREEMENT, MAY 2020

- The RDA and NWQ, LLC entered into a tax increment reimbursement agreement for Phase I with a maximum reimbursement of \$28 million.

PROJECT AREA MAP





NWQ, LLC's Phases 2 & 3 are adjacent to the already developed International Center, Phase 1, and within the area identified for development through the Northwest Quadrant Master Plan.

APPLICANT: NWQ, LLC

PROPERTY: 954.37 total acres

Phase 2: 342.51 acres

Phase 3: 611.86 acres

RDA PARTICIPATION: 70%

TERM: 20 Years or the sum of the remaining collection years of the Project Area, whichever is less

MAXIMUM REIBURSEMENT: \$49,562,855

ELIGIBLE EXPENSES: \$288,283,201

- **Systemwide Improvements:** \$48,173,936
Improvements that benefit the larger area within Phase 2 & 3
- **Project-Specific Improvements:** \$240,109,264
NWQ, LLC's improvements specific to Phase 2 & 3 of property development.

Note: After the May presentation, the developer added a 3.81-acre parcel to Phase 3. This parcel will consist of a dedicated public roadway and swales. The amendment caused no change to the Reimbursable Improvements costs, tax increment projections, or the Maximum Reimbursement.

Note: NWQ, LLC may only receive a reimbursement after the improvements are developed and the property generates sufficient tax increment.

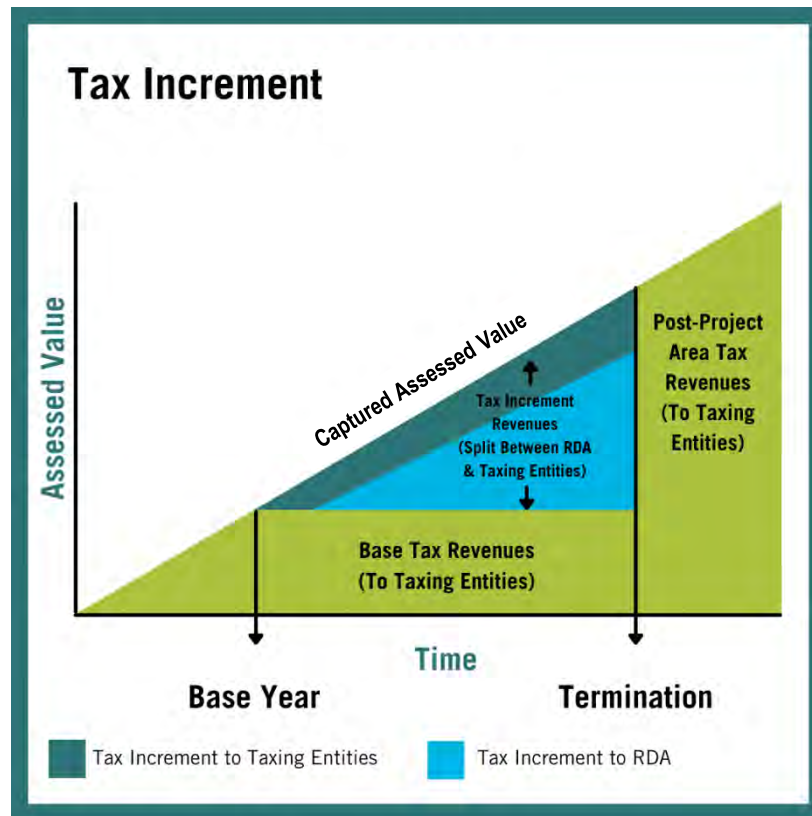
Note: Annual reimbursements subject to verification of the actual costs incurred by NWQ, LLC.



NWQ, LLC's Phases 2 & 3 will include light industrial warehousing that may accommodate manufacturing, warehouse, and distribution tenants of varying size.

Private investment for the planned system-wide improvements and the Phase 2 & 3 development includes over **\$1.8 billion million in capital expenditures**.

Approximately **14.7 million square feet of development** will be generated to support over **7,300 jobs** (PH 2: 2,842 & PH 3: 4,516 jobs).



Source	Moderate Scenario Value	High Scenario Value
Total City Tax Increment	\$81,506,526	\$94,405,437
City Portion (25%)	\$20,376,632	\$23,601,359
RDA Portion (75%)	\$61,129,894	\$70,804,078

Note: Tax increment values are projections over the remaining 15 years of the Project Area term based on the Public Benefits Analysis completed by LRB Public Finance Advisors.

Use	%	Moderate Scenario	High Scenario
Tax Increment Reimbursement	70%	\$42,790,926	\$49,562,855
Affordable Housing	10%	\$6,112,989	\$7,080,408
RDA Administration	10%	\$6,112,989	\$7,080,408
Shared Costs	10%	\$6,112,989	\$7,080,408
Total Uses of Tax Increment	100%	\$61,129,894	\$70,804,078

Note: Tax increment uses are projections based on the Public Benefits Analysis completed by LRB Public Finance Advisors.

- There are **significant extraordinary infrastructure improvements in the NWQ area**, including soil remediation, access to utilities and renewable energy investments.
- Tax increment participation will **assist with removing development impediments** and the system-wide infrastructure investment will **lead to substantial development** within the remaining NWQ area.
- The Development has the potential to **create billions of new assessed value within an underutilized area** that has generated very little tax revenue historically for the City.
- The Development is projected to create over **7,300 new jobs**.
- **“But for” the use of tax increment, this area will remain underutilized and vacant.**