



SALT LAKE CITY TRANSMITTAL

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To:
Salt Lake City Council Chair
Salt Lake City Redevelopment Agency Chair

Start Date:
05/23/2024

Date Sent to Council:
05/28/2024

From:

Employee Name:

Katie Lewis, City Attorney

E-mail

katherine.lewis@slcgov.com

Department

Attorney

Department Director Signature

KATHERINE LEWIS

Director Signed Date

05/23/2024

Subject:

First Amendment to Interlocal Agreement, Utah Inland Port Authority

Additional Staff Contact:

Rachel Otto, Chief of Staff, rachel.otto@slcgov.com

Presenters/Staff Table

Katie Lewis, katherine.lewis@slcgov.com, City Attorney
Rachel Otto, rachel.otto@slcgov.com, Chief of Staff

Document Type*

Resolution

Budget Impact*

Yes

No

Budget Impact:

Recommendation: *

Vote to Approve; Both the RDA Board and the City Council

Background/Discussion

On April 29, 2024, the Board of the Utah Inland Port Authority ("UIPA") authorized UIPA Executive Director Ben Hart to execute a First Amendment to Interlocal Agreement ("First Amendment") between UIPA, Salt Lake City Corporation ("City"), and the Redevelopment Agency of Salt Lake City ("RDA").

The Salt Lake City Council and the Board of the RDA now may consider whether to authorize Mayor Mendenhall to execute the First Amendment on behalf of the City and the RDA.

Background:

In 2022, the Utah Legislature enacted HB443, which revised Utah Code §§ 11-58-102, et seq. (the "Inland Port Act") to change how much property tax differential generated in Salt Lake City that UIPA will receive, and to specify how UIPA may spend portions of the that property tax differential.

On October 25, 2022, to comply with HB443, UIPA, the City, and the RDA executed an interlocal cooperation agreement to comply with Utah law, to establish a contractual relationship creating certainty on the 25-year distribution of the City Differential to UIPA and to commit to a process for the expenditure of a portion of the City Differential and the efficient processing of land use applications relating to authority jurisdictional land.

Pursuant to the Agreement, the Parties committed to spending a portion of the City Differential defined in the Agreement as Environmental Differential as follows: (a) to engage an outside firm with national expertise to prepare a health impact assessment ("HIA") analyzing the planned inland port development in the authority jurisdictional land within the City; and (b) to engage an outside firm with national expertise to prepare a traffic study using data-based analysis on best practices to mitigate environmental impacts on communities related to logistics hubs, railyards, and truck traffic ("Traffic Study").

Pursuant to the Agreement, the Parties also committed to spending the first portion of the City Differential defined in the Agreement as the Community Differential to engage an outside firm with national expertise in community impact assessments to create a comprehensive community impact assessment ("CIA") for the

planned inland port development in the authority jurisdictional land and the impacts on the Westside Community (defined in the Agreement).

The Parties agreed that the HIA, Traffic Study, and CIA would be complete by December 31, 2023.

Since executing the Agreement, the Parties have engaged in collaborative discussions with each other and with community stakeholders.

The Parties have concluded that, rather than conducting an HIA, Traffic Study, and CIA, a portion of the Community Differential and Environmental Differential would be more productively spent to establish a baseline evaluation of current development trends and potential outcomes in the port authority jurisdictional land and the Northwest Quadrant. After establishing the baseline evaluation, the Parties desire to establish a mutually agreed upon preferred scenario for future development in the port authority jurisdictional land and the Northwest Quadrant. This preferred scenario would be intended to establish policies and metrics that could serve as an evaluation tool for allocating future resources from the Parties and could also identify potential changes, if any, to the City's adopted Northwest Quadrant Plan.

UIPA and the City engaged in negotiations to amend the Agreement to reflect this new agreement related to the baseline and preferred scenarios. The attached First Amendment to Interlocal Agreement, which was approved by the UIPA Board on April 29, 2023, does the following:

- Removes the requirement that the Parties complete a Health Impact Assessment; a Traffic Study; and a Community Impact Assessment by the end of 2023.
- Replaces these studies with a requirement to create a Baseline Study and a Preferred Scenario.
 - o The Baseline Study will analyze current development trends and inform the Parties on how the port authority jurisdictional land and Northwest Quadrant would be developed if the development continues on pace with these trends.
 - o The Preferred Scenario will be created through an analysis of the Baseline Study and through community engagement to determine what/how the various stakeholders desire these areas to be developed.
- The Preferred Scenario will include a list of preferred potential projects and a matrix to identify other potential projects to effectuate the goals identified in the Preferred Scenario.
- The Community Mitigation and Environmental Mitigation Differential will be spent first on engaging one or more firms to create the Baseline Scenario and the Preferred Scenario.
- Any additional Community Mitigation and Environmental Mitigation Differential will be spent on either UIPA's community enrichment grants or other projects to be mutually agreed upon by the Parties.
 - o The Parties will work to establish a shared set of standards for issuing the grants.
- After the Preferred Scenario is complete, the Community Mitigation and Environmental Mitigation Differential will be spent on projects identified in the Preferred Scenario or established through the Preferred Scenario matrix.
- The Parties will both identify preferred projects annually to the UIPA Board

Will the City Council need to hold a public hearing for this item? *

- Yes
- No

Public Process

Work session discussion; vote by RDA Board and City Council to authorize execution of the First Amendment to Interlocal Agreement

Chief Administrator Officer's Comments

Attachment(s)

[Combined attachments.pdf](#)

1.21MB

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SALT LAKE CITY TRANSMITTAL

Transmittal Form

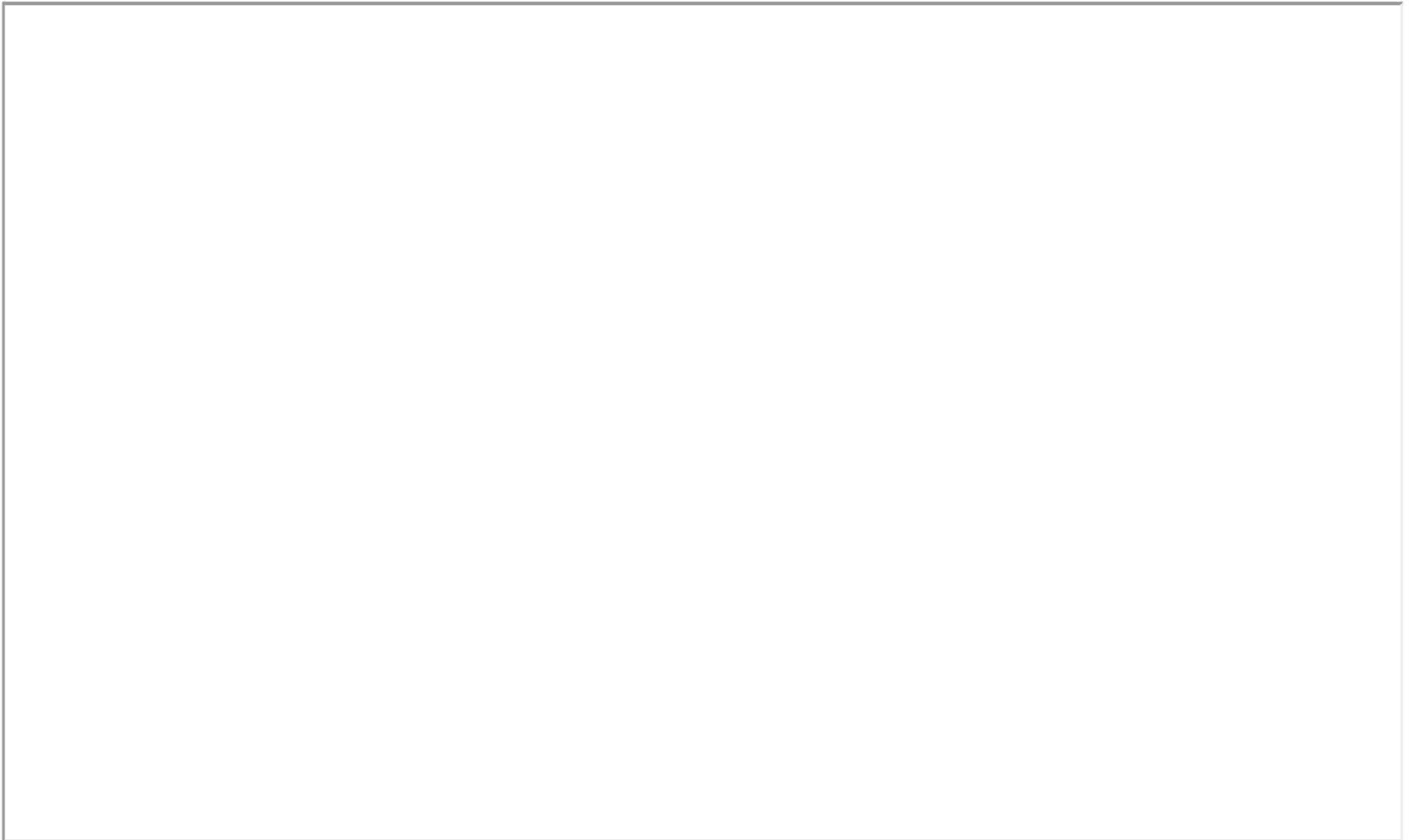
Combined Attachment

Chief Administrator Officer's Signature *

Chief Administrator Officer's Signed Date

05/28/2024

Link to view combined attachments in Laserfiche



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**FIRST AMENDMENT TO
INTERLOCAL COOPERATION AGREEMENT**

THIS FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT (“First Amendment”) is dated _____, 2024, to be effective on the date the last keeper of records for each Party attests and files the Agreement (**“Effective Date”**), by and between Salt Lake City Corporation, a Utah municipal corporation (**“City”**), the Redevelopment Agency of Salt Lake City, a Utah public entity (**“RDA”**), and the Utah Inland Port Authority (**“UIPA”**), a Utah public entity. The City, RDA, and UIPA are sometimes referred to individually as **“Party”** and collectively as the **“Parties.”**

R E C I T A L S

- A. During the general 2022 Utah legislative session, the Utah Legislature enacted HB443, which revised Utah Code §§ 11-58-102, *et seq.* (the **“Inland Port Act”**) to change, among other things, the distribution from Salt Lake County to UIPA, the City and the RDA of exempt area property tax differential, (defined in Utah law as the portion of property tax differential generated by a property tax levied by Salt Lake City in the port authority jurisdictional land (**“City Differential”**)). Specifically, Utah Code Ann. § 58-11-604(4) specifies how UIPA may spend portions of the City Differential.
- B. On October 25, 2022, the Parties executed an Interlocal Cooperation Agreement (the **“Agreement”**) to comply with Utah law, to establish a contractual relationship creating certainty on the 25-year distribution of the City Differential to UIPA and to commit to a process for the expenditure of a portion of the City Differential and the efficient processing of land use applications relating to authority jurisdictional land.
- C. Pursuant to the Agreement, the Parties committed to spending a portion of the City Differential defined in the Agreement as Environmental Differential as follows: (a) to engage an outside firm with national expertise to prepare a health impact assessment (**“HIA”**) analyzing the planned inland port development in the authority jurisdictional land within the City; and (b) to engage an outside firm with national expertise to prepare a traffic study using data-based analysis on best practices to mitigate environmental impacts on communities related to logistics hubs, railyards, and truck traffic (**“Traffic Study”**).
- D. Pursuant to the Agreement, the Parties committed to spending the first portion of the City Differential defined in the Agreement as the Community Differential to engage an outside firm with national expertise in community impact assessments to create a comprehensive community impact assessment (**“CIA”**) for the planned inland port development in the authority jurisdictional land and the impacts on the Westside Community (defined in the Agreement).

- E. The Parties agreed that the HIA, Traffic Study, and CIA would be complete by December 31, 2023.
- F. Since executing the Agreement, the Parties have engaged in collaborative discussions with each other and with community stakeholders. The Parties agree that, rather than conducting an HIA, Traffic Study, and CIA, a portion of the Community Differential and Environmental Differential would be more productively spent to establish a baseline evaluation of current development trends and potential outcomes in the port authority jurisdictional land and the Northwest Quadrant. After establishing the baseline evaluation, the Parties desire to establish a mutually agreed upon preferred scenario for future development in the port authority jurisdictional land and the Northwest Quadrant. This preferred scenario would be intended to establish policies and metrics that could serve as an evaluation tool for allocating future resources from the Parties and could also identify potential changes, if any, to the City’s adopted Northwest Quadrant Plan. All parties recognize that the UIPA is not responsible for the development trends or any conclusions reached in the baseline scenario.
- G. The Parties desire to amend the Agreement to reflect this new agreement.

For good and valuable consideration, the Parties agree to amend the Agreement as follows. Any sections of the Agreement that are not specifically amended in this First Amendment shall remain in full force in effect. To the extent there is a conflict between the Agreement and this First Amendment, this First Amendment will control.

- 1. **Expenditure of the City Generated Differential.** During the term of the Agreement, within a week of receiving the 25% Set Percentage and the Decreasing Percentage (defined in the Agreement, and collectively, the “**City Generated Differential**”), UIPA will notify the City of the amount of City Generated Differential it received. UIPA shall spend the City Generated Differential as follows and pursuant to the process set forth in Section 1(e), below:
 - a. *Baseline and Preferred Scenario Studies.* The Parties agree that a portion of the City Generated Differential (both the Environmental Differential and the Community Differential, defined below and in the Agreement) will be initially spent on the following:
 - i. *Baseline Study.* After engaging in a competitive process in which the Parties will, at a minimum, have an equal role on the selection committee, the Parties will select and the UIPA will engage a mutually agreed-upon outside firm (which may subcontract with other firms for subject-matter expertise) to analyze the current development trends in the port authority jurisdictional land and the broader Northwest Quadrant, including by

studying current traffic trends, possible health impacts of current development, and possible community and environmental impacts related to current development in these areas (“**Baseline Study**”). The Baseline Study will consider current development trends in the port authority jurisdictional land based on current zoning and the broader Northwest Quadrant, using existing data related to building permit issuance/applications and requests for increased capacity in public infrastructure. The Baseline Study will also rely on existing environmental, traffic, emissions, and demographic data and plans compiled by Salt Lake City department experts. The purpose of the Baseline Study will be to identify the potential impacts on the community, environment (including air quality, water quality, water resources, habitat, wetlands and the ecosystem), residents, economic development, including job creation (types and number of jobs) and Salt Lake City if development continues on pace with the trends identified in the Baseline Study.

- ii. *Preferred Scenario.* Upon completion of the Baseline Study, after engaging in a competitive process in which the Parties will, at a minimum, have an equal role on the selection committee, the Parties will select and the UIPA will engage a mutually agreed-upon outside firm (which may subcontract with other firms for subject-matter expertise) to identify a preferred development scenario for the Northwest Quadrant; the port authority jurisdictional land; the property adjacent to the Salt Lake City International Airport; and property directly affected by development in the port authority jurisdictional land, including the Great Salt Lake shoreline heritage area. The preferred development scenario will take into account the trends identified by the UIPA Logistics Study, UIPA Sustainability Study, Baseline Study, as well as the Parties and stakeholders’ objectives related to optimal economic growth, optimal logistics strategies, community mitigation, environmental preservation, water consumption and water quality, air quality and related human health impacts, sustainable transportation, job creation (both types of jobs and numbers of jobs) and economic development (“**Preferred Scenario**”). The outside firm will establish the preferred scenario by engaging with the community, Salt Lake City Corporation, property owners, developers, Northwest Quadrant jurisdiction businesses, and the UIPA Board, and taking into consideration the priorities of each entity. Such engagement will include conducting a robust and equitable community engagement process using various means of engagement, including, but not limited to public hearings, multiple-language meetings, and small group meetings with key stakeholders and leaders within the community. The outside firm may compensate these community members and stakeholders for their participation in the engagement process, consistent with current city

policies and prior precedent. This engagement will be to effectuate the objective of creating new policies and matrices to guide future decisions related to the expenditure of the Environmental Differential, and Community Differential. The Preferred Scenario will include a list of potential projects or investments the Parties could make to effectuate the Preferred Scenario (“**Preferred Projects**”), which will help the Parties prioritize the expenditure of the Environmental Differential and the Community Differential, pursuant to Utah law. In addition, the Preferred Scenario will establish policies and metrics to serve as an evaluation tool for allocating future resources from the Parties, a plan for regular status reviews and long-term accountability to ensure the policies and matrices continue to achieve the Parties’ objectives under the Preferred Scenario. The Preferred Scenario will identify which policies and metrics are within the scope of authority of UIPA, the City, and/or other entities. The Preferred Scenario could also identify potential changes, if any, to the City’s adopted Northwest Quadrant Plan. The UIPA Board has the authority to make all final funding determinations consistent with this First Amendment and State law. The preferred scenario will provide guidance where any conflicts occur, except in cases where there are cross-cutting regulatory or legal obligations that the parties are required to meet future plans. In such an instance, the Parties will work towards maintaining the intent of the Preferred Scenario while meeting regulatory and legal obligations.

- b. Upon completion of the Preferred Scenario, the outside firm will present the findings and recommendations to the Salt Lake City Council and the UIPA Board, in public meetings, which include public comment opportunities, for potential formal adoption.
- c. *Environmental Mitigation Projects within the Authority Jurisdictional Land*: Under Utah law, UIPA will spend 40% of the City Generated Differential on environmental mitigation projects in the authority jurisdictional land within the City (“**Environmental Differential**”) according to the following:
 - i. A portion of the Environmental Differential will be used by the City and UIPA to engage the mutually agreed upon and selected outside firm to create the Baseline Study and Preferred Scenario in a timely manner. Any additional Environmental Differential will be spent on either UIPA’s Community Enrichment Grants or other projects, to be mutually agreed upon by the Parties under the terms of this First Amendment.
 - ii. While the Baseline Study and Preferred Scenario are being established, any unspent Environmental Differential may fund UIPA’s Community

Enrichment Grants, particularly grants that mitigate the environmental impacts on Salt Lake City related to the development of the authority jurisdictional land. Such environmental mitigation projects may include, but are not limited to, net zero, electric, or equivalent building; mitigation of truck traffic; protection of wetlands and other areas important to the function of the Great Salt Lake and habitat; construction that supports migratory bird patterns in and around the jurisdictional land; low water usage; solar or renewable energy and/or transportation electrification, including rail, trucks, vans, transit and non-road vehicles and projects related to rail and clean air. The Parties agree that the City and UIPA will establish mutually agreed upon standards for the Community Enrichment Grant applications, prior to releasing any grant applications, to ensure that the Environmental Differential is being allocated pursuant to Utah law.

- iii. Expenditure of the Environmental Differential for Community Enrichment Grants will only occur after the City and UIPA follow the process described in Section 1(e) below. After the establishment of the Baseline Study and Preferred Scenario, the Environmental Differential may fund the Preferred Projects, which will be prioritized pursuant to the process described in Section 1(e) below. So long as it is consistent with this First Amendment and State law, the UIPA board will maintain final approval of any expenditure for Environmental Differential.
- d. Mitigation Projects for Communities within the City. UIPA will spend 40% of the City Generated Differential (“**Community Differential**”) on mitigation projects for communities that are within the City; are adjacent to the authority jurisdictional land; and are west of the east boundary of the right of way of commuter rail used by the City (“**Westside Community**”) according to the following:
 - i. A portion of the Community Differential will be used by the City and UIPA to engage the mutually agreed upon and selected outside firm to create the Baseline Study and Preferred Scenario in a timely manner. Any additional Community Differential will be spent on either UIPA’s Community Enrichment Grants or other projects, to be mutually agreed upon by the Parties under the terms of this First Amendment.
 - ii. While the Baseline Study and Preferred Scenario are being established, any unspent Community Differential may fund UIPA’s Community Enrichment Grants, particularly grants that mitigate the impacts of development of the port authority jurisdictional land on the Westside Community, including but not limited to, projects that address community-identified priorities, including creating quiet zones, railroad crossings, new infrastructure to benefit adjacent communities,

apprenticeship programs, career and youth development, and scholarships for certain careers associated with UIPA, and clean air opportunities related to rail. The Parties agree that the City and UIPA will establish mutually agreed upon standards for the Community Enrichment Grant applications, prior to releasing any grant applications, to ensure that the Community Differential is being allocated pursuant to Utah law.

- iii. Expenditure of the Community Differential for Community Enrichment Grants will only occur after the City and UIPA follow the process described in Section 1(e) below. After the establishment of the Baseline Study and Preferred Scenario, the Community Differential will fund the Preferred Projects, which will be prioritized pursuant to the process described in Section 1(e) below. So long as it is consistent with this First Amendment and State law, the UIPA board will maintain final approval of any expenditure for Community Differential.

iv.

Process to Review and Identify Expenditures for the Environmental Differential and Community Differential. During each fiscal year, within 30 days after receiving the amount of City Differential from the County, the UIPA executive team will first allocate sufficient Environmental Differential and Community Differential to complete the Baseline Study and Preferred Scenario in a timely manner. If Environmental Differential and Community Differential remain unallocated, the UIPA executive team will develop a list of priority projects to spend the Environmental Differential and Community Differential (collectively, the “**Mitigation Money**”), in conformance with the priorities of this First Amendment. By April 15 of each year, the UIPA executive team will submit any proposed use of Mitigation Money to the City’s advisory group of experts, via the Mayor’s office, which will be comprised of members of City departments, including but not limited to, the Redevelopment Agency, Community and Neighborhoods, Public Utilities, and Sustainability, Mayor’s Office and Council Office, and stakeholders invested in the City’s Northwest Quadrant including the Audubon Society and community leaders from westside neighborhoods (“**NWQ Review Group**”). The NWQ Review Group may develop a separate list of priority projects to spend the Mitigation Money. If the NWQ Review Group develops a separate list of priority projects, the NWQ Review Group will share this list with the UIPA executive team no later than May 1 of each year.

- e. The UIPA team and representatives of the NWQ Review Group will seek to develop a joint recommendation to be presented to UIPA’s board no later than June 15 of each year. The Parties anticipate that there will always be more ways to spend the Mitigation Money than there is money available. If there is no agreement on a joint recommendation, the NWQ Review Group’s identified projects and the UIPA executive team’s identified projects will both be submitted to the UIPA Board. Upon completion of the Preferred Scenario, the Parties agree that the list of priority projects will either be the Preferred Projects identified in the Preferred Scenario or

will be identified using the policies and matrices established in the Preferred Scenario and within the scope of authority of the City and/or the UIPA. In all events, UIPA's board shall consider the budget requests and approve a budget after a public hearing at a public meeting located within Salt Lake City boundaries, and such budget will include line-item approval of projects for the expenditure of the Mitigation Money. The UIPA board may approve a multi-year option for significant projects, so long as such projects are consistent with this First Amendment and State law.

- f. *Economic Development Activities.* UIPA will spend the remaining 20% of the City's Property Tax on economic development projects within the authority jurisdictional land in Salt Lake City. UIPA will use commercially reasonable efforts to incentivize economic development projects that align with Preferred Scenario, the City's Northwest Quadrant Master Plan, and/or the UIPA Northwest Quadrant Project Area Plan.
2. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Interlocal Cooperation Act, and in connection with this Agreement, the Parties agree as follows:
- (a) This Agreement shall be approved by each Party pursuant to Utah Code §11-13-202.5 of the Interlocal Cooperation Act, including by the Board of the RDA, the Salt Lake City Council, and the UIPA Board of Directors.
 - (b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party, pursuant to Utah Code §11-13-202.5 of the Interlocal Cooperation Act.
 - (c) A duly executed original counterpart of this Agreement shall be filed with keeper of records of each Party, pursuant to Utah Code §11-13-209 of the Interlocal Cooperation Act.
 - (d) Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action taken pursuant to this Agreement, and for any financing of such costs.
 - (e) Any Party may withdraw from the joint or cooperative undertaking described in this Agreement only upon the termination of this Agreement.
 - (f) No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent that a Party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.
 - (g) No joint board or entity is created through this Agreement.

(h) The functions to be performed by the joint or cooperative undertaking are those described in this Agreement.

IN WITNESS WHEREOF, the Parties are executing this First Amendment to Interlocal Agreement to be effective as of the Effective Date.

Utah Inland Port Authority, a Utah public entity



Name: Ben Hart
Title: Executive Director

Salt Lake City Corporation, a Utah municipal corporation

Erin Mendenhall, Mayor

Approved as to Proper Form and Compliance with Applicable Law:



, Attorney for Utah Inland Port Authority

Approved as to Proper Form and Compliance with Applicable Law:

Katherine Lewis, City Attorney

Redevelopment Agency of Salt Lake City, a Utah public entity

Erin Mendenhall, Executive Director

Approved as to Proper Form and Compliance with Applicable Law:

Katherine Lewis, City Attorney

Attest:

Cindy Lou Trishman, City Recorder

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RESOLUTION NO. _____ OF 2024

(A Resolution Approving the First Amendment to Interlocal Cooperation Agreement
(Utah Inland Port Authority))

WHEREAS, on October 25, 2022, the Utah Inland Port Authority (“**UIPA**”), the Redevelopment Agency of Salt Lake City (“**RDA**”), and Salt Lake City Corporation (“**City**”, and collectively with the UIPA and RDA, the “**Parties**”) executed an Interlocal Cooperation Agreement (“**Interlocal Agreement**”), setting forth a process for distribution and expenditure of City Differential (as defined in the Interlocal Agreement).

WHEREAS, the Parties now desire to amend the Interlocal Agreement to address the expenditure of the City Differential.

THEREFORE, BE IT RESOLVED by the Redevelopment Agency of Salt Lake City Board of Directors that the First Amendment to Interlocal Agreement, in the form attached to this resolution as Exhibit A, is hereby approved.

Passed by the Redevelopment Agency of Salt Lake City Board of Directors this ____ day of _____, 2024.

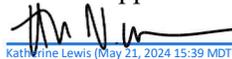
REDEVELOPMENT AGENCY OF SALT LAKE CITY
BOARD OF DIRECTORS

Alejandro Puy, Chair

Attest:

Cindy Lou Trishman, City Recorder

Salt Lake City Attorney’s Office
Approved as to form:


Katherine Lewis (May 21, 2024 15:39 MDT)

Katherine Lewis, City Attorney

EXHIBIT A TO RESOLUTION

[Attach First Amendment to Interlocal Agreement]

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RESOLUTION NO. _____ OF 2024

(A Resolution Approving the First Amendment to Interlocal Cooperation Agreement
(Utah Inland Port Authority))

WHEREAS, on October 25, 2022, the Utah Inland Port Authority (“**UIPA**”), the Redevelopment Agency of Salt Lake City (“**RDA**”), and Salt Lake City Corporation (“**City**”, and collectively with the UIPA and RDA, the “**Parties**”) executed an Interlocal Cooperation Agreement (“**Interlocal Agreement**”), setting forth a process for distribution and expenditure of City Differential (as defined in the Interlocal Agreement).

WHEREAS, the Parties now desire to amend the Interlocal Agreement to address the expenditure of the City Differential.

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City that the First Amendment to Interlocal Agreement, in the form attached to this resolution as Exhibit A, is hereby approved.

Passed by the City Council of Salt Lake City, Utah this ____ day of _____, 2024.

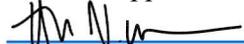
SALT LAKE CITY COUNCIL

Victoria Petro, Chair

Attest:

Cindy Lou Trishman, City Recorder

Salt Lake City Attorney’s Office
Approved as to form:


Katherine Lewis (May 21, 2024 15:43 MDT)

Katherine Lewis, City Attorney

EXHIBIT A TO RESOLUTION

[Attach First Amendment to Interlocal Agreement]

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