

## **Process Concerns regarding Enactment of SB234: “Inland Port Authority”**

- The final version of SB234 was released and voted for in 30 minutes after closed door meetings with a handful of legislators. Promises of being a partner who would act in good faith with Salt Lake City rings hollow.
- Years of community planning were disregarded. Over the years Salt Lake City has done the following:
  - Developed and adopted the Northwest Quadrant Master Plan.
  - Implemented zoning amendments to support economic development.
  - Created a Community Reinvestment Project Area to facilitate growth.
  - Established responsible environmental protection in sensitive areas.
  - Established Foreign Trade Zone to reduce tariffs & provide economic benefits.
  - Built and planned for water and sewer infrastructure needs.
- The legislation takes control of 22,000 acres, 19,520 acres in Salt Lake City, 1,518 acres in Magna, 962 acres in West Valley City.
- There is a need to develop a fair partnership and an agreed-upon approach to the inland port authority. Such a positive step would enable the success of the inland port with the State as a true partner. Residents of Salt Lake City should have equal voice in terms of land use decisions and investment of their taxpayer dollars.

## **Concerns regarding Provisions of SB234**

- This legislation should be of concern for every resident and elected official in Utah because it allows the Port Authority to “receive up to 100% of the property tax differential” (line 606). This means the Port Authority Board could take control of more than one billion in tax dollars that would otherwise go to Salt Lake City, the Salt Lake City School District and SLC libraries over the next 25 years.
- It also leaves no funds for the City to provide for fire, police, public services and street maintenance. Paying for these services will be on the backs of Salt Lake City residents without help from the Port Authority.
- The bill erases two years of civic engagement and public input that went into developing the Northwest Master Plan. This work involved community members, state agencies, businesses, utilities and property owners.

- The Utah Supreme Court has prohibited state government from establishing commissions that usurp power from local governments; preventing the legislature from taking some essential municipal functions and giving them to a state agency. The courts have also recognized a Constitutional prohibition on the creation of special commissions to act in the area of municipal affairs.
- Salt Lake City should consider all options---including legal means--if problems remain unresolved.

## **Taxation Without Representation**

- This legislation severely hurts Salt Lake City's economy and could place heavy burdens on residents to pay more out of pocket.
- SB234 allows an unelected, unaccountable board to take up to 100% of tax increment generated from the inland port and to control land use for nearly one-third of the land in Salt Lake City. Board members can spend the money anywhere and anyway they choose, including outside City boundaries (line 643).
- Over a 25-year period, it is projected that \$360 million in new property tax revenue allocated to Salt Lake City could be redirected to the Port Authority instead.
- The Salt Lake City School District stands to lose control over \$581 million in new property tax revenue over 25 years.
- The Salt Lake City Library System stands to lose control over \$84 million in new property tax revenue over 25 years.
- The total amount of taxes that could be controlled by the board: \$1.424 billion if all tax entities are included.
- Salt Lake City is still required to provide all public services like police, fire, public service and street maintenance for nearly 20,000 acres without a revenue source to pay for growing costs.
- The Salt Lake City Mayor does not make any appointments to the Port Authority Board (Section 11-58-302 lines 355-375). In contrast, the City Manager of West Valley City has one board appointment despite the City only comprising 4% of Port Authority land.

Under SB234 who is paying for the increased mosquito abatement costs, the increased fire and police costs, and the related transportation costs?

SB234 states that the proposed Utah Inland Port Authority (“authority”) may take up to 100% of tax increment. The taxing entities would still be collecting the base tax revenue, which could still be used to provide services such as mosquito abatement, police and fire, and street maintenance, etc. However, as the area develops and incurs an increased need for additional services to serve new growth – depending on what percent of tax increment the authority elects to take – there may not be additional tax revenues to the taxing entities to service growth.

In addition, the bill allows the port authority board to take up to 100% of the City’s property tax increment and *lets the board use that revenue for purposes broader than what is allowed under Utah law*. The property tax revenue generated in Salt Lake City can also be used by the board outside of the City’s boundaries. Because of this provision, one of SLC’s major concerns with SB234 is that *it leaves the City with the obligation to provide municipal services, such as public safety, and street maintenance, without a revenue source to pay for those services*. *It also gives an unelected board the right to spend the City’s property tax revenues without the corresponding accountability to Salt Lake City voters*.

### SB234 gives Port Authority Board authority to pay infrastructure costs outside its jurisdiction if they feel it necessary. How will this work?

Within Section 11-58-602 of SB234 is the following text:

The authority may use the property tax differential, money the authority receives from the state, authority services revenue, and other funds available to the authority to pay the cost of the installation of publicly owned infrastructure and improvements outside the project area if the board determines by resolution that the infrastructure and improvements are of benefit to the project area;

This allows the authority to pay for infrastructure improvements outside of the proposed inland port boundary, if the improvements benefit the inland port jurisdictional land. Further concerning to the City, the board’s “jurisdictional land” includes property that is outside of Salt Lake City boundaries. This means that *the board could spend Salt Lake City property tax revenues in West Valley or Magna, without oversight from Salt Lake City officials*.

### **Environmental Protection**

- Salt Lake City’s master plan sets aside one-third of the Northwest Quadrant, nearly 8,000 acres, as a natural area to protect the sensitive wetlands and

wildlife.

- The master plan promotes clean air, clean water and a livable environment.
- It also integrates the principles of dark sky, bird safe buildings, renewable energy, energy conservation and climate resiliency.
- SB234 offers few environmental protections and allows the storage of coal, oil and other natural resources. (lines 332-333)
- The board can make decisions based on opinions rather than State law and City code.

Are citizen residents “aggrieved parties” that can appeal or only developers/businesses who feel aggrieved? What about residents outside the port authority jurisdiction that have been harmed by proposed development, can they also appeal or are they just out of luck?

Section 11-58-401 of SB234 offers this definition:

“Adversely affected person” means an owner of land within the authority jurisdictional land who has been adversely affected by a land use decision.

The appeal standard under SB234 is also different than LUDMA’s, and gives the port authority board the right to overrule the City’s land use decision based on the board’s opinion of how the land should be developed. This usurps the City’s land use authority and creates uncertainty.