ECONOMIC DEVELOPMENT FINANCE TOOLS

Weber County Economic Development Department

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PUBLIC INFRASTRUCTURE DISTRICT

- Governed by Title 17D, Limited Purpose Local Government Chapter 4, Public Infrastructure District Act.

- This law grants cities and counties the authority to create PIDs to finance public infrastructure for new development and redevelopment.

- Public Infrastructure Districts (PIDs) are a financing tool that can issue debt, which is repaid through an additional property tax applied ONLY to property owners within the district's boundaries.

- PID's require 100% participation of the proposed district property owners.

- PIDs are LOCAL DISTRICTS and function as independent political subdivisions, not as a part of the city or county.

- Debt issued by a PID is NOT a liability of the city, county, or state.

PID USES

IMPROVING PUBLIC AMENITIES

PIDs can finance the construction or improvement of public amenities like parks, public transportation, and community centers.

FINANCING INFRASTRUCTURE

PIDs can be used to fund the construction of public infrastructure like roads, water and sewer systems, stormwater management, sidewalks, and other essential utilities.

SUPPORTING REDEVELOPMENT PROJECTS

PIDs can be used to support the redevelopment of aging or underutilized areas by financing upgrades to outdated infrastructure.

TARGETED DEVELOPMENT

PIDs allow for infrastructure costs to be targeted to specific areas, so the property owners within the PID boundaries bear the financial responsibility.

PID POWERS & LIMITATIONS

PIDs powers may be limited by the creating city or county through a **GOVERNING DOCUMENT**.

PIDs Can:

- Issue bonds to pay for the cost of Public Infrastructure improvements and rehabilitation.
- Enter into Interlocal agreements with restrictions.
- Acquire completed or partially completed improvements.

PIDs Cannot:

- Finance private infrastructure.
- Own infrastructure
- Cannot be a financial liability for the city, county, or state.
- Operate outside the constraints of local government oversight or code and state law.

TAX INCREMENT FINANCING

- Governed by Title 63N, Economic Opportunity Act Chapter 2, Tax Credit Incentives for Economic Development.

- Tax increment financing (TIF) is a public financing method used by local governments as a mechanism to fund redevelopment, infrastructure, and other community improvement projects.

- Local governments redirect future property tax revenue increases from a “project area” toward an economic development or public improvement project within the community.

- In Utah, TIF subsidies are not appropriated directly from a city or county’s budget; instead, they are post-performance property tax rebates issued to the Community Reinvestment Agency.

COMMUNITY REINVESTMENT AGENCIES

- A Community Reinvestment Agency (CRA) is the authorized entity that creates PROJECT AREAS to utilize property tax increment financing.
- CRAs were formerly called Redevelopment Agencies (RDAs) or Community Development and Renewal Agencies.
- They are POLITICAL SUBDIVISIONS of the state, created by the legislative body of a county or municipality for the purpose of stimulating redevelopment and assisting with infrastructure.
- The governing board of a CRA is the current members of the legislative body that created the CRA (county Commission or city Council members).

CRA & TAX INCREMENT FINANCING

- CRAS administer TAX INCREMENT FINANCING by creating project areas.

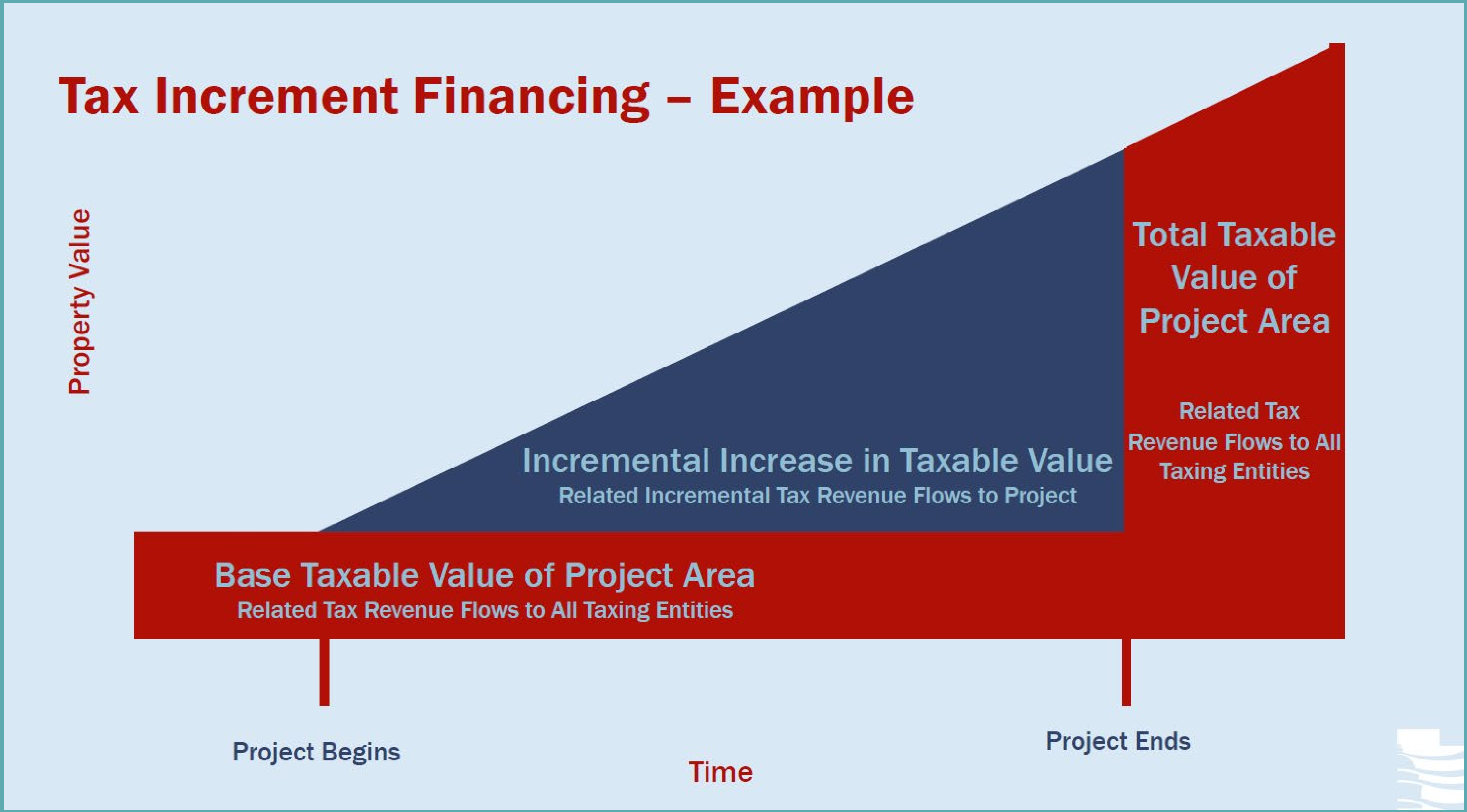
- Project areas are created by CRAs through the adoption of an ordinance or resolution by the local governing body.

- Under current statute, a CRA negotiates the amount of foregone tax increment through interlocal agreements with each taxing entity.

- Taxing entities involved could include: the county, school district, and fire district.

- Uses of TIF:

  87% Redevelopment Activities
  10% Housing Requirements
  3% Administration


Tax Increment Financing – Example
Property Value
Total Taxable Value of Project Area
Related Tax Revenue Flows to All Taxing Entities
Incremental Increase in Taxable Value
Related Incremental Tax Revenue Flows to Project
Base Taxable Value of Project Area
Related Tax Revenue Flows to All Taxing Entities
Project Begins
Project Ends
Time