

**SALT LAKE COUNTY
COUNTY-WIDE POLICY
ON
PUBLIC INFRASTRUCTURE DISTRICT
APPLICATION & REVIEW
REQUIREMENTS**

Purpose

To establish procedures and guidelines for application to Salt Lake County for consideration and approval of a Public Infrastructure District as allowed under the Utah Public Infrastructure District Act.

1.0 Policy

It is the policy of Salt Lake County (the “County”) to provide a standard procedure to process, review, and approve requests to create a Public Infrastructure District (“PID”) Application.

2.0 Pre-Application Conference & Review. Applicant shall first meet with County staff for staff to explain process to applicant.

3.0 Pre-Application Documents & Review Process: The applicant desiring creation of a PID as well as County staff shall adhere to the following Pre-Application procedures:

3.1 PID Pre-Application Documents. After attending the pre-application conference, applicant shall submit the following information and documents to County’s Office of Regional Development (“Pre-Application Documents”):

3.1.1 A Petition that meets the requirements of the Utah Public Infrastructure District Act.

3.1.2 A description and map of the proposed PID boundaries and annexation area, if applicable, as more explicitly described in 3.2, including legal description, acreage, description of surrounding area (including significant natural and manmade features, major public improvements, adjacent development), and proposed development.

3.1.3 A summary of needed infrastructure, including anticipated development scenario, required local and regional infrastructure, and facilities for such development.

3.1.4 A description of infrastructure the PID proposes to provide and the standards of construction, including a statement of how the facility standards of the PID are compatible with County facility standards and the standards of

municipalities and districts that are determined by the County to be interested parties. Description shall include a discussion of the criteria, such as build-out rate or market conditions, which would be used to determine when the infrastructure would be utilized.

- 3.1.5 An estimation of construction costs for the proposed infrastructure.
- 3.1.6 A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other expenses related to the organization and initial operation of the PID.
- 3.1.7 A general description of phasing of construction (if any) based on development projections.
- 3.1.8 A description of any arrangement or proposed agreement with any political subdivision for the performance of any services arising from the proposed PID, and if a form contract is available it shall be included with the Pre-Application Documents.
- 3.1.9 A description of public benefits provided by creation of a PID.
- 3.1.10 Evidence of consent to creation of the proposed PID by all property owners within the PID boundaries.

3.2 Map of the Proposed PID. The Pre-Application Documents shall include a map of the proposed PID and the surrounding area with the following:

- 3.2.1 A vicinity map, showing the district boundaries, section lines, existing and proposed roads, all municipalities and districts/service providers within a three-mile radius of the proposed PID
- 3.2.2 A site plan, showing the district boundaries, any current improvements, the proposed improvements, and any development currently built or planned to be built within the district. The sheet size of the site plan shall be 18" vertical by 24" horizontal with a scale of 1" =200' or other scale as approved by staff.
- 3.2.3 The map(s) shall be legible, shall contain explanatory legends, titles, and text. Accompanying the map(s) shall be a list of the infrastructure improvements proposed to be supplied by the PID that are provided by each of the municipalities and districts on the map.

3.3 Additional Information. The Applicant shall also provide all of the following additional Pre-Application Documents:

- 3.3.1 An explanation of the proposed PID's plan for the orderly extension of infrastructure to developable adjacent lands, including within the annexation area if applicable.
- 3.3.2 A list of the persons or organizations responsible for each section of the Pre-Application Documents and the anticipated persons or organizations to create the Application Documents (in the event Council requests a Formal Application), including the name and telephone numbers of the engineer, the legal counsel, the developer, and the financial analyst.
- 3.3.3 A legal description of the area to be included in the proposed PID and the annexation area, if applicable.
- 3.3.4 A list of all persons, corporations, and other private or public entities materially involved in the formation of the PID and an explanation of the role played by each of those involved.
- 3.3.5 A list of owners of real property within the PID and their current address.
- 3.3.6 If applicable, provide evidence that the proposal is in compliance with Title 14 of the Utah Code and the 2015 Integrated Watershed Plan
- 3.3.7 Disclosure of any conflicts of interest between Applicant and County's officers and employees

3.4 County Council Review of Pre-Application Documents. The County Office of Regional Development shall present the Pre-Application Documents to the County Council as part of an agenda item at a Council of the Whole meeting. Applicant may assist in this presentation. If Council is interested in pursuing the Applicant's filing of a Formal Application, it shall take a formal vote to invite Applicant to file a Formal Application. Such vote does not obligate the Council to approve creation of a PID.

4.0 Application Documents & Review Process. If the Council invites Applicant to file a Formal Application, the Applicant shall submit the following documents ("Application Documents") and shall adhere to the following Formal Application procedures:

4.1 Infrastructure Plan. The Applicant shall submit the following:

- 4.1.1 A preliminary engineering or architectural survey showing how the proposed infrastructure is to be built.
- 4.1.2 A complete description of any facilities to be constructed. Detailed descriptions and cost estimates for all facilities and improvements shall be included. All materials and labor costs for each planned facility shall be

estimated at that time of construction and the facilities shall be shown to be compatible with the standards of the County and each interested party.

4.2 Long Term Operational & Financing Plan. The Applicant shall submit a long term operational and financing plan, which shall contain, but not be limited to:

- 4.2.1** A letter from the person or organization responsible for the financial plan attesting to the financial and economic presentation and identifying sources and methods used in estimating interest rates, build-out rates, mill levy, and other data submitted by Applicant.
 - 4.2.1.1** The organization responsible for the financial plan shall also provide a CV, outlining its experience with similar financial plans for similar purposes.
- 4.2.2** An estimate of the population and valuation for assessment of the proposed PID taking into account the time horizon for the proposed debt.
- 4.2.3** A pro-forma presentation of all projected expenses to be incurred and revenues to be generated by the proposed PID showing the year-end financial status of the district for each year from the organization of the district until the repayment of all proposed debt. The pro forma shall include a detailed description of all projected funding mechanisms to be employed by the PID and shall include base-case, optimistic, and pessimistic scenarios based on uniform variations from the base case. The pro forma shall list projected individual yearly totals for debt, debt service, operating and maintenance expenses, legal and administrative expenses, capital expenses, build-out rate, assessed valuation, mill levy, impact fees, facility fees, other fees, and all other costs and revenues. Any extraordinary or one-time expenses shall be explained, and the assumptions upon which such figures are based shall be set forth.
- 4.2.4** Maximum Debt proposed to be incurred by the PID and explanation of such amount of Debt taking into consideration the factors set forth in Section [2.8 – Authorized Amounts of Debt] of Countywide Policy #1702. If phasing of bonding is to be used, the phases and efforts at coordination shall be explained.
- 4.2.5** A detailed schedule of any other anticipated debt financing.
- 4.2.6** The amount of any reserve fund and the expected level of annual debt service coverage that will be maintained for any financing.
- 4.2.7** A description of the scheduling and phasing of capital improvements and their relationship to the financial stability of the PID. A long-term capital

improvement program may be required with a five-year time horizon.

- 4.2.8** If the financial plan identifies any contributions by the developer to the PID, any agreement or proposed agreement between the developer and the proposed PID explaining the developer's financial participation shall be included.
- 4.2.9** If the financial plan identifies any agreements concerning taxation or financing between or among the PID and other local governments, then a description and copies of such agreements shall be included and a narrative shall be provided establishing how such agreements satisfy the statutory criteria for formation of a PID.
- 4.2.10** A description of the flexibility that has been built into the financial plan, including alternative means of repaying the debt, if the estimated revenue is not realized.
- 4.2.11** A list of mill levies and other fees for entities supplying similar infrastructure for a similar market located in the region.
- 4.2.12** The maximum tax rate for all purposes, except for unlimited tax general obligation bonds referenced in Utah Code Section 17B-2a-1209(2), and the term for the taxes proposed by the PID.
- 4.2.13** The average and maximum total of all mill levies that are currently imposed on property within the proposed PID.
- 4.2.14** A list and written explanation of the potential risks of the district financing, to the extent known at the time of organization of the PID.
- 4.2.15** A list of items that will be purchased or leased by the PID from the developer/applicant (e.g. land, rights of way, water rights, etc.).
- 4.2.16** Plans to mitigate any shortfalls in the district's ability to meet financial obligations.
- 4.2.17** A description of the proposed administrative structure of the PID demonstrating the ability of the PID to meet the administrative requirements found in the Fiscal Procedures for Local Districts Part of the Utah Code Title for Limited Purpose Local Government Entities - Local Districts.
- 4.2.18** Existing or pending financial difficulties of the applicant, if it is a legal entity, including insolvency, bankruptcy or foreclosure proceedings.

4.2.19 Background information on the developer/Applicant and financial relationships between property owners, developer/Applicant and the PID.

4.2.20 If another entity is providing some or all of the infrastructure contemplated by the proposed PID, a detailed analysis comparing existing infrastructure to those of the proposed PID, including a detailed explanation of the inadequacies of the existing infrastructure to meet present and projected needs and how these needs will be met by the proposed PID.

4.2.21 The preliminary plan for the sale of bonds or other financing mechanisms to be employed, including contemplated types and timing of Debt to be issued, collateral pledge, amortization periods, financing team members, rating agencies to be used, if any, etc.

4.2.22 Any other information as may reasonably be requested by the County.

4.3 Service agreements. The Applicant shall provide a copy of any signed, proposed, or promised service agreements relating to the proposed or existing services to the PID area by any other district or other existing or proposed service provider and shall notify all service providers contiguous to or within the proposed PID boundaries and annexation area of the Application materials outlined in section 4.1 by certified mail.

5.0 PID Application Review Committee. After Applicant meets with County staff, has filed its petitions with the County as required by the Utah Public Infrastructure District Act, and submitted its Application Documents for consideration, a PID Application Review Committee shall be formed. The Committee shall include representatives from the MSD Planning and Development (Planning Director or designee), County Public Works, County Parks and Recreation, Mayor's Finance, County Office of Regional Development, and/or the District Attorney's Office. At its sole discretion, the County may engage consultants with subject matter expertise in public finance, engineering, development, legal or other applicable disciplines to advise the PID Application Review Committee on any of its duties, and/or to assist in preparing the governing documents outlined in Policy 1702, as determined by the County. Applicant shall pay the reasonable expenses of such consultants, which shall contract with the County, and the reasonable expenses of the County in reviewing and processing the PID Application and preparing the governing documents; payment of such expenses shall take place within 30 days of receipt of invoice, subject to the ability to dispute expenses under section 5.1 below, the failure to pay resulting in the Committee ceasing its review of the Application until expenses are paid. The Committee shall be tasked with reviewing Applicant's PID Application Documents and Pre-Application Documents for completeness and consistency with the Public Infrastructure District Act, this Policy and other applicable County policies and ordinances. The Committee shall also be tasked with making recommendations to the County Council, analyzing the soundness of assumptions, analysis, and conclusions outlined in the Application Documents and Pre-Application Documents ; and analyzing the extent that the Review Criteria set forth in County Policy #1701 are met.

5.1 Dispute Resolution. Disputes over the reasonableness of consultant expenses referenced in this section shall be resolved as follows:

5.1.1 County Office of Regional Development and Applicant shall meet and confer to attempt to resolve the dispute.

5.1.2 If the County and Applicant are unable to resolve the dispute, they shall jointly appoint a mutually acceptable expert in the discipline at issue. If the County and Applicant are unable to agree on a single acceptable mediator, each shall, within seven (7) days, appoint its own individual appropriate expert. These two experts shall, between them, choose the single mediator. Applicant shall pay the fees of the chosen mediator. The chosen mediator shall timely review the positions of the parties and promptly attempt to mediate the issue between the parties. If the parties are unable to reach agreement, the mediator shall notify the parties in writing of the resolution that the mediator deems appropriate. The mediator's opinion shall be binding on the parties.

6.0 Application Document Consideration Process. Within five days after receiving PID Application Documents and fees required by the County to review the documents and engage consultants, County's Office of Regional Development shall notify all municipalities and districts having a service area within or contiguous to the proposed PID and annexation area (referred to collectively herein as "Interested Parties") for information and comment. All Interested Parties to which the Application Documents and Pre-Application Documents are referred shall have thirty days to submit comments to the Office of Regional Development. All such comments shall then be referred to the Application Review Committee for further review.

6.1 The Office of Regional Development shall gather all comments and recommendations from Interested Parties and the Application Review Committee in the form of a Committee Report to the Applicant, the County Mayor's Office, and the County Council.

6.2 Upon receipt and an opportunity to review the Committee Report, the County Council shall apply the Review Criteria set forth in Countywide Policy #1701 to the Application Documents and Pre-Application Documents and if the Council is in favor of proceeding with the creation of a PID, it shall make findings of fact according to the Review Criteria and memorialize its findings in an Initiating Resolution during a regularly scheduled public meeting of the County Council, to initiate creation of governing documents for the PID. Neither the Initiating Resolution nor creation of governing documents shall obligate the Council to create a PID.

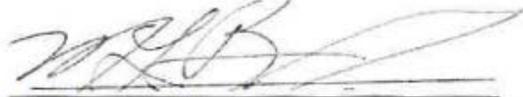
6.3 Upon issuance of an Initiating Resolution, the Application Review Committee shall create draft Governing Documents incorporating the Application Documents and Pre-Application Documents, all necessary elements required by Countywide Policy

#1702 and U.C.A. 17B-2a Part 12, applicable negotiations with the Applicant, and other terms recommended by the Committee for Council adoption.

- 6.4 The Application Documents, Pre-Application Documents, and draft Governing Documents shall be available for public review on a County website upon their submittal or completion. The County Council shall hold a public hearing to obtain public comment on whether a PID should be created and on the Governing Documents creating the PID. The County Council may then, in its sole discretion, adopt a Creating Resolution to formalize the draft Governing Documents, thereby creating the Public Infrastructure District. The County Council may modify as it sees fit the terms of the draft Governing Documents at such time.
- 6.5 An Applicant may request the formation of multiple PIDs for the same development (and annexation area, if applicable) by following the requirements outlined herein for each PID requested; provided that such formation may be accomplished through a combined application. The County may place a combined maximum tax rate limit for an area included in multiple PIDs that is lower than the sum of the limit on each individual PID.

APPROVED and PASSED this 13 day of October, 2020

SALT LAKE COUNTY COUNCIL



Max Burdick, Chair

ATTEST:



Sherrie Swensen, County Clerk

APPROVED AS TO FORM:

Zach Shaw 10-7-20
District Attorney's Office Date