



Public Infrastructure Districts (PIDs)

February 20, 2024

BACKGROUND

- ❖ Utah law allows cities to create Public Infrastructure Districts (PIDs) to finance infrastructure deemed beneficial to the public for new development
- ❖ PIDs can issue debt repayable from property taxes or assessments on the property owners within its boundaries
- ❖ A governing document is created to establish how a PID operates. This includes creating a governing board distinct from the City. Once approved, the City has no continuing role managing the PID.
- ❖ PIDs create new tax revenue through bonds, in contrast with Tax Increment Financing (TIF) which reallocates existing taxes

USE OF PIDS

- ❖ Provide a mechanism for projects that mutually benefit the city and a development
- ❖ Incentivize commercial development
- ❖ Facilitate master planned communities
- ❖ Incentivize multi-family and/or low-income housing
- ❖ Enhance infrastructure, such as increased capacity
- ❖ Are eligible to issue Special Assessment, General Obligation and Limited Tax Bonds

UTAH CODE – 17D-4-101

- ❖ **Public Infrastructure District Act**
- ❖ **Established in 2021**
- ❖ **The State has reviewed and continues to consider options to adjust and evaluate how this is currently working**

UTAH CODE – 17D-4-101

Definitions

- ❖ **Publicly Owned** - Infrastructure, improvements, facilities, or buildings that: benefit the public; or benefit the public and are publicly maintained or operated by a public entity; or
- ❖ **Privately Owned** - Benefit the public; as determined by the board, provide a substantial benefit to the development and operation of a project area; and are built according to applicable county or municipal design and safety standards.

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PID Infrastructure Includes:

- ❖ Facilities, lines, or systems that provide: water, chilled water, or steam; or sewer, storm drainage, natural gas, electricity, energy storage, renewable energy, microgrids, or telecommunications service;
- ❖ Streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking facilities, rail lines, intermodal facilities, multimodal facilities, and public transportation facilities;
- ❖ An inland port; and
- ❖ Infrastructure, improvements, facilities, or buildings that are developed as part of a remediation project.

ROLE OF CITIES

- ❖ **Consideration of policy for PIDs if determined appropriate**
- ❖ **Consideration of applications submitted**
- ❖ **Review and consider governing documents associated with an application**
- ❖ **Serve as the approval authority for establishing PIDs – governing boards determine execution of this.**

POLICY CONSIDERATIONS

- **Infrastructure needs, services and facilities**
- **Long-term operational and financial planning**
- **Benefits to City and Development groups**
- **Processing applications and establishing fees**
- **Commercial and/or residential**
- **New and/or retroactive projects**
- **Public and/or private infrastructure**
- **Bondable amounts – nexus to cost of infrastructure**

QUESTIONS

