



Public Infrastructure Districts

OCTOBER 2023

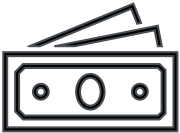
Virgin, Utah

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Public Infrastructure District Overview



A Public Infrastructure District (“PID”) is a financing tool with defined boundaries



A PID is qualified to issue bonds to finance public infrastructure improvements



Tax revenues and fees generated within PID boundaries may be used to pay bonds



PIDs are approved by Cities, but PIDs are separate, stand-alone financing districts

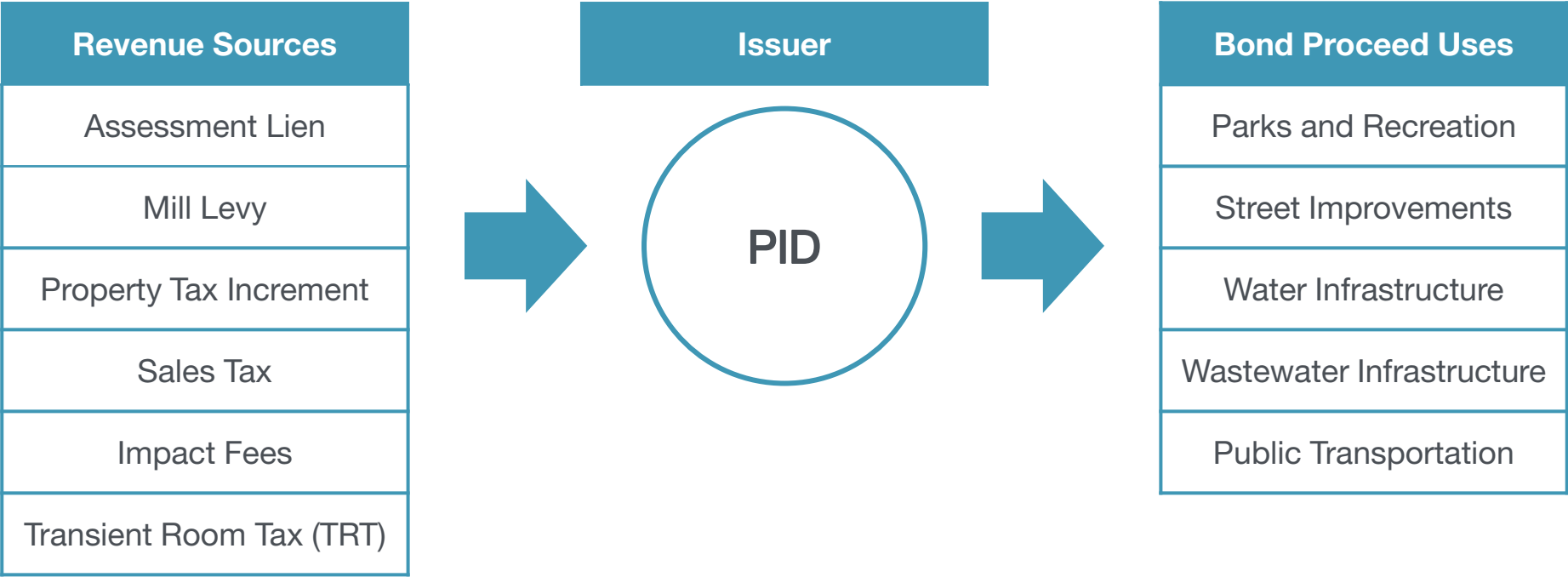


PIDs are created for nearly all types of development

Key Considerations for a PID

- **Requires 100% property owner approval**
 - The PID tool works in new developments and typically not in areas of redevelopment with multiple property owners
- **The city has the creating powers**
 - City/County approves the governing document which sets maximum mill levy, maximum bonding capacity, board transition, etc.
- **Not a financial obligation of the city**
 - Bonds issued by a PID do not impact the City/County's credit rating or debt capacity
- **Districts are regulated**
 - PIDs are required to be compliant with open meetings laws, conduct regular financial audits, have certified Bond Counsel and Financial Advisors, and report to the Lieutenant Governor's office

PID Revenue Sources and Bond Proceed Uses



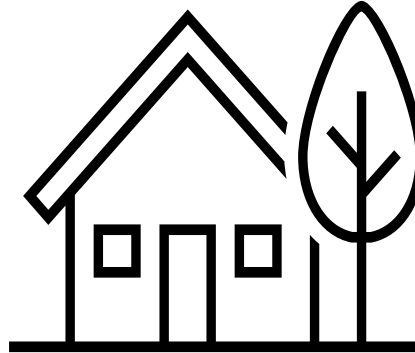
Implications of Public Infrastructure Districts

The City



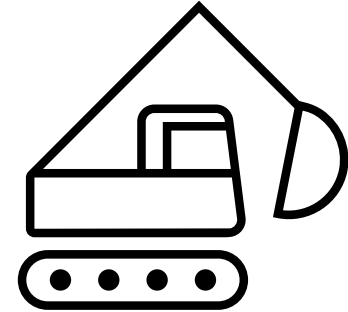
- No recourse to the city
- PID bonds do not impact the city's credit rating
- PID bonds will not be on the city's balance sheet
- City is responsible for approving governing documents during the creation of PID

The Homeowners



- No recourse to the homeowner
- Homeowner is only responsible for their own share of taxes
- Undeveloped properties will not be the financial responsibility of current homeowners
- Homeowners directly benefit from the public infrastructure amenities

The District



- Due diligence prior to bond issuance is the responsibility of the potential bondholders
- Annual audit and disclosures are required by the PID board
- All expenses and costs must be certified by trustee
- District is allowed to issue tax exempt bonds for infrastructure

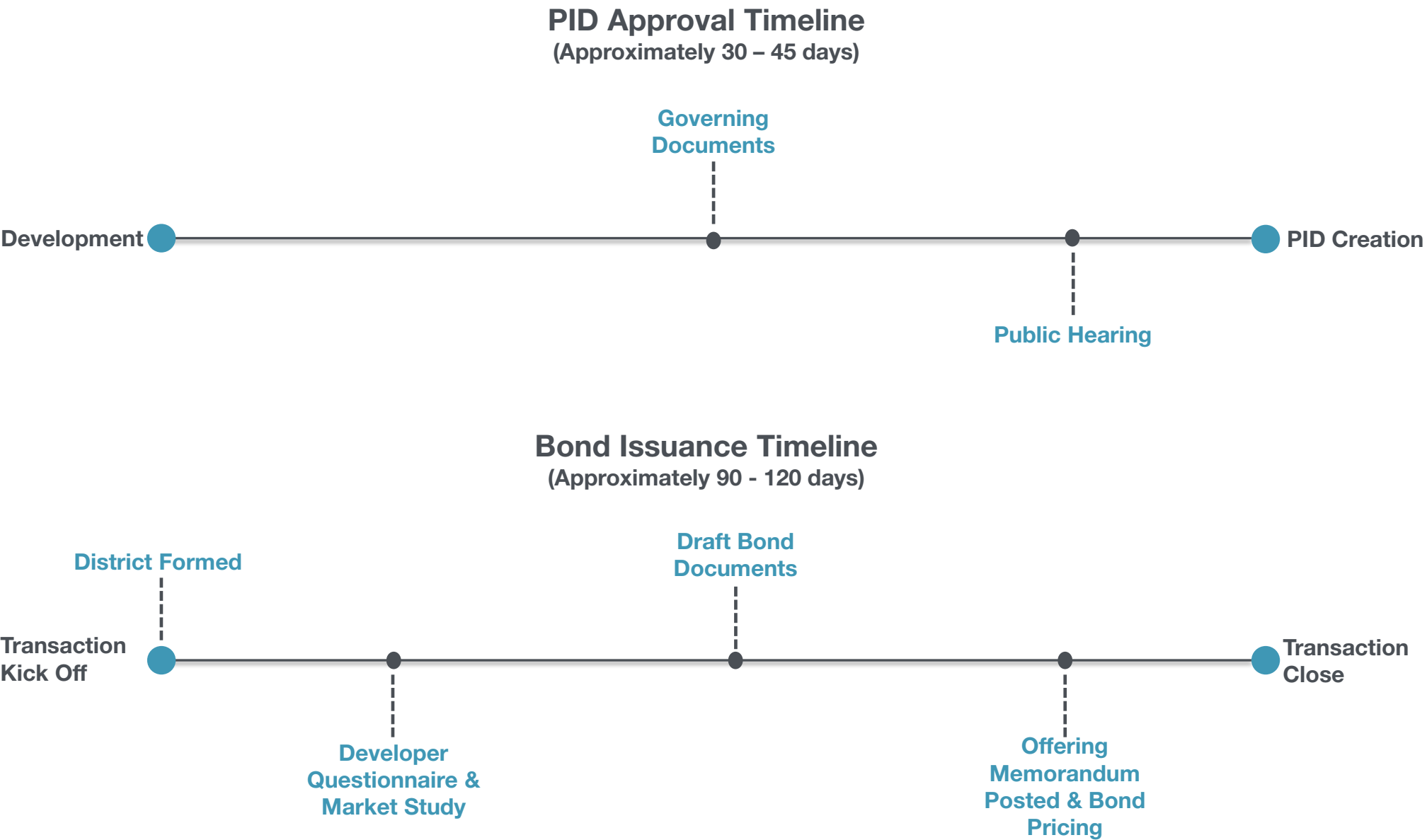
Creation of a Public Infrastructure District

Necessary steps and process in development prior to a bond issuance



- **Submit an LOI**
 - Includes project overview, likely debt capacity, uses of funds, etc.
- **Developer/Land Owner** submits governing documents
 - Sets tax rate, bond term limits, use requirements, board structure, etc.
- PID can issue bonds and monetize pledged revenue sources
 - Potential development reimbursement up to two years of infrastructure costs.

PID and Bond Transaction Timeline



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