

**POLICY STATEMENT:
ESTABLISHING PUBLIC INFRASTRUCTURE DISTRICTS**

This policy statement addresses the criteria under which Spanish Fork City, Utah (the "City") will consider applications for proposed Public Infrastructure Districts (the "District"). Compliance with these criteria shall not obligate the City to approve formation of the District. The Governing Document will be subject to approval by the City in both form and substance. The criteria are intended to serve as guidelines for the review of letters of intent and Governing Documents.

The policy statement has three sections:

1. **Process for applying including fees charged**
 2. **The City's decision-making criteria**
 3. **Governing Document requirements**
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I. Process and Fees

Any proposed Public Infrastructure District will be considered in relation to the best interests of the City. Such interests include using the most appropriate financing mechanism for the type and magnitude of the improvements to be financed and appropriate governance mechanism. If through the review process, a Public Infrastructure District is determined to be the most appropriate mechanism, the process, the criteria, and requirements provided herein will apply, unless otherwise waived by the City.

A. Petition and Letter of intent to form a Public Infrastructure District

The applicant shall submit (1) a petition meeting the requirements outlined in Utah Code Title 17B, Chapter 1, Part 2 as modified by 17D-4-201 and (2) a letter of intent containing the following information in summary form. The petition and letter will be used by staff to make a preliminary determination about the appropriateness of a District and must be submitted prior to submittal of a draft Governing Document. A positive staff response to the petition or letter of intent does not assure approval of the Governing Document. The petition shall also be submitted concurrently with the recorder of the City for certification pursuant to Title 17B.

Letter of Intent contents:

1. Description of District area including size, location, area context (significant natural and man-made features, major public improvements, adjacent development), development history, and proposed development;
2. Description of proposed development within the boundaries of the proposed District including general distribution of land uses and densities and phasing of development;
3. Summary of needed infrastructure, services and facilities:
 - a. Currently expected development scenario;

C. Governing Document

1. If the concept for the District as contained in the letter of intent is recommended for approval~~approved~~, the City staff will work jointly with applicant and legal and financial advisors to submit a draft Governing Document to the City's Management Office.
2. The draft Governing Document will be reviewed by the DAC for compliance with the criteria and requirements contained herein. The DAC will discuss with appropriate policy-makers issues that arise during this drafting period to have such issues resolved.
3. The final Governing Document will be forwarded to City Council for action through the standard City and statutory processes.

D. Fees

No request to create a Public Infrastructure District shall proceed until the fees set forth herein are provided for. All checks are to be made payable to Spanish Fork City and sent to the City Manager's Office.

1. Letter of Intent: A Letter of Intent is to be submitted to the City Manager's Office and a ~~\$~~ \$2,000-5,000 retainer shall be paid at the time of submittal of the Letter to cover the cost of staff review.
2. If the applicant proceeds to the submittal of a Governing Document the applicant shall be required to pay actual costs of the City in connection with the review and negotiation of the Governing Document. The City may request an additional retainer at such time. [NOTE: COULD HAVE SEPARATE FEE HERE AS WELL]
3. Other Expenses: The applicant for a District shall pay all reasonable consultant, legal, financial advisor, and other fees and expenses incurred by the City in the process of reviewing the draft Governing Document prior to adoption and other such fees and expenses as may be necessary to interface with such District. All such fees and expenses shall be paid within 30 days of receipt of an invoice for these additional fees and expenses. The City may request an additional retainer to cover such costs.

II. **Criteria for Evaluating Proposed Public Infrastructure Districts**

A. Public Benefit

Formation of a District bestows certain benefits on the District's proponents and is expected to provide public benefit consistent with the Creating Entities policy goals. Components of public benefit to be considered shall include some of the following:

1. Resulting development that is in conformance with the Spanish Fork City General Plan and all applicable supplements;
2. Provision of and/or contribution to needed regional and sub-regional infrastructure;

The following criteria relating to the applicant and the development will be considered:

1. Historical performance of the applicant (within and outside of the City), which may include experience within the City, financial ability, credit worthiness, quality of the product;
2. The current proposed plan of finance of the District;
3. The current development plans relationship to the ~~master plan~~ general plan of the City; and
4. The regional, economic development, or overall benefits to the City from the proposed plan of finance.

III. Governing Document Requirements

In addition to statutory requirements, a Governing Document memorializes the understandings between the District and the City, as well as the considerations that compelled the City to authorize the formation of the District. The Governing Document for the proposed District shall contain and will be reviewed for compliance with the following policies and requirements.

A. District Description

1. Description of District area including size, location, area context (significant natural and man-made features, major public improvements, adjacent development), development history within the proposed district boundaries, and proposed development scenario (land uses by type and intensity and general urban design character).
2. Description of the public benefit resulting from the creation of the District and its undertakings.
3. Itemization and description of all needed infrastructure (both regional and local) and facilities in the District's area.
4. Explanation of the relationship, if any, between the District and any other public infrastructure districts with overlapping boundaries. If more than one district is proposed to be created within an inclusion area, describe how ultimate district boundaries will be determined. If there is an overlap, the overlapping area would be subject to the overall maximum mill levy.
5. Estimated construction costs of such infrastructure.
6. General description of phasing of construction based on development projections and phasing.
7. Description of the ultimate ownership and provision for the ongoing operating and maintenance costs for infrastructure.
8. Description of any proposed divisions and an inclusion/exclusion process as appropriate.

according to the State of Utah's competitive procurement rules or in accordance with U.C.A. 17D-4-203(3). Governing documents shall specify remedies for material violations uncovered by an audit, including that the District shall not release certain funds until violations are cured.

12. To ensure that development of a property tax base keeps pace with debt obligations, governing document shall provide for milestones in the construction of residential and commercial properties (in the form of number of dwelling units and amount of square footage, respectively, or some other metric as set forth in the governing document), completion of which shall be conditions on the District's issuance of any additional bonds.

13. The Governing document shall provide a sunset clause to address dissolution of the District upon completion of infrastructure buildout and paying off all bonds used to finance the infrastructure or in the event that the PID does not issue any bonds. Such clauses shall make reference to statutorily prescribed dissolution procedures set forth in the Utah Code Title for Limited Purpose Local Government Entities - Local Districts and any such dissolution procedures that would be carried out accordingly. The clause may address dissolution prior to any levy of taxes and issuance of bonds for occurrences and conditions outside of the control of the Developer, such as recessions, economic and market conditions, and acts of god; once taxes have been levied and bonds issued, there shall be no dissolution of the PID except as prescribed under U.C.A. 17B-1-1301 et seq.

14. Bonds may not be purchased by parties who have a material conflict of interest related to the ownership of the property within the District.

14.15. The Governing Documents shall provide that unless waived in writing by the City, the District shall use the City's Municipal advisor and bond counsel as the municipal advisor and bond and disclosure counsel.

C. Disclosure and Reporting Requirements

Disclosure of the existence of the District to property owners and potential property owners within the District is important and the following actions to be taken by each District shall be included in the Governing Document.

1. Within 30 days after the formation of the District, the Board shall record a notice with the county recorder:
 - a. Containing a description of the boundaries of the District;
 - b. Stating that a copy of the Governing Document is on file at the office of the City;
 - c. Stating that the District may finance and repay infrastructure and other improvements through the levy of a property tax;
 - d. Stating the maximum rate that the District may levy;

- g. List of all current contracts for services or construction (to be delivered to the City upon request);
- h. Official statements of current outstanding bonded indebtedness, if not previously received by the City;
- i. Current approved Governing Document, if changed; and
- j. District Office contact information.

Submittal Instructions

All letters of intent, draft Governing Documents, annual financial information, and additional documents and requested information should be submitted to the City Manager's Office:

Spanish Fork City
Attn: City Manager
40 S Main St.
Spanish Fork, UT 84660
(801) 804-4500