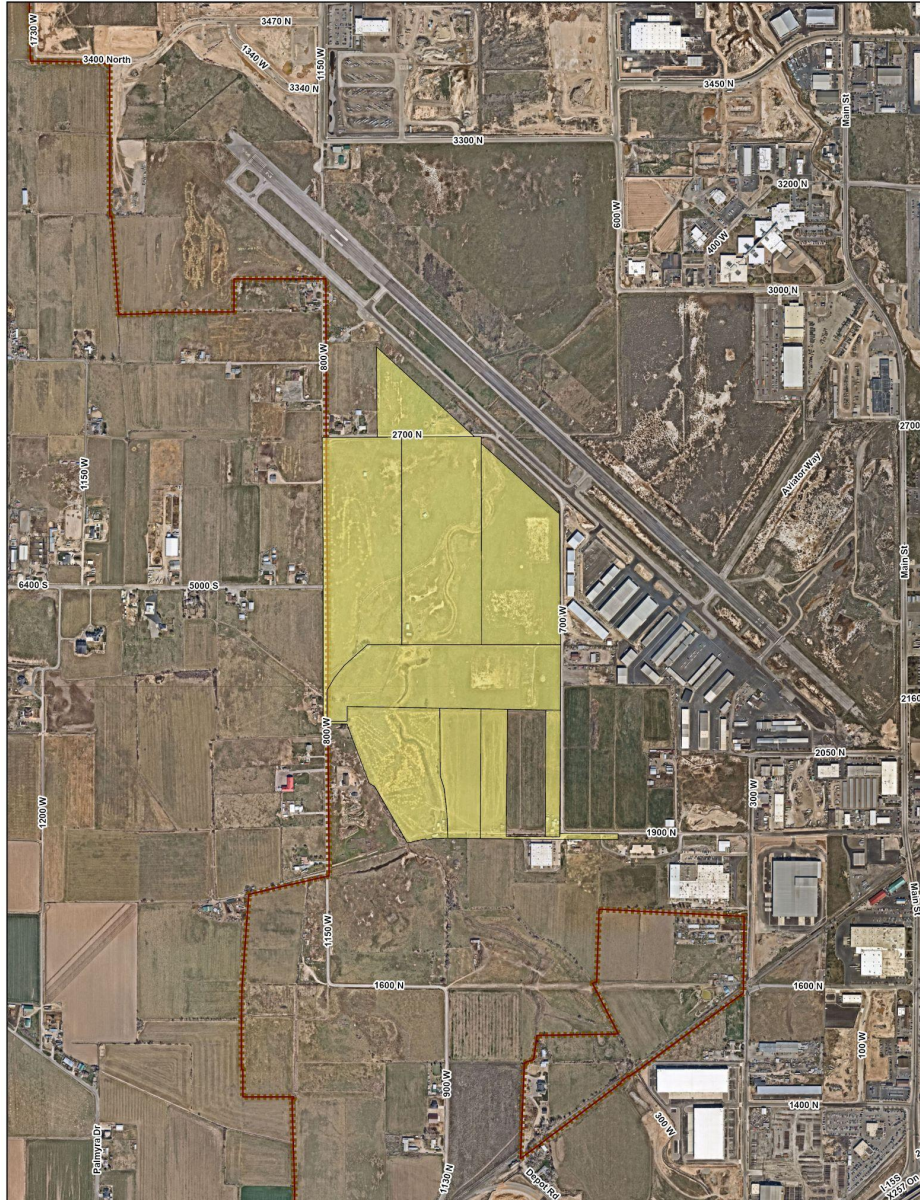


What is a public infrastructure district in Utah?

A Public Infrastructure District (“PID”) is a separate legal entity that is created by a municipality or state agency which acts as a financing tool within defined geographic 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.





164 acres

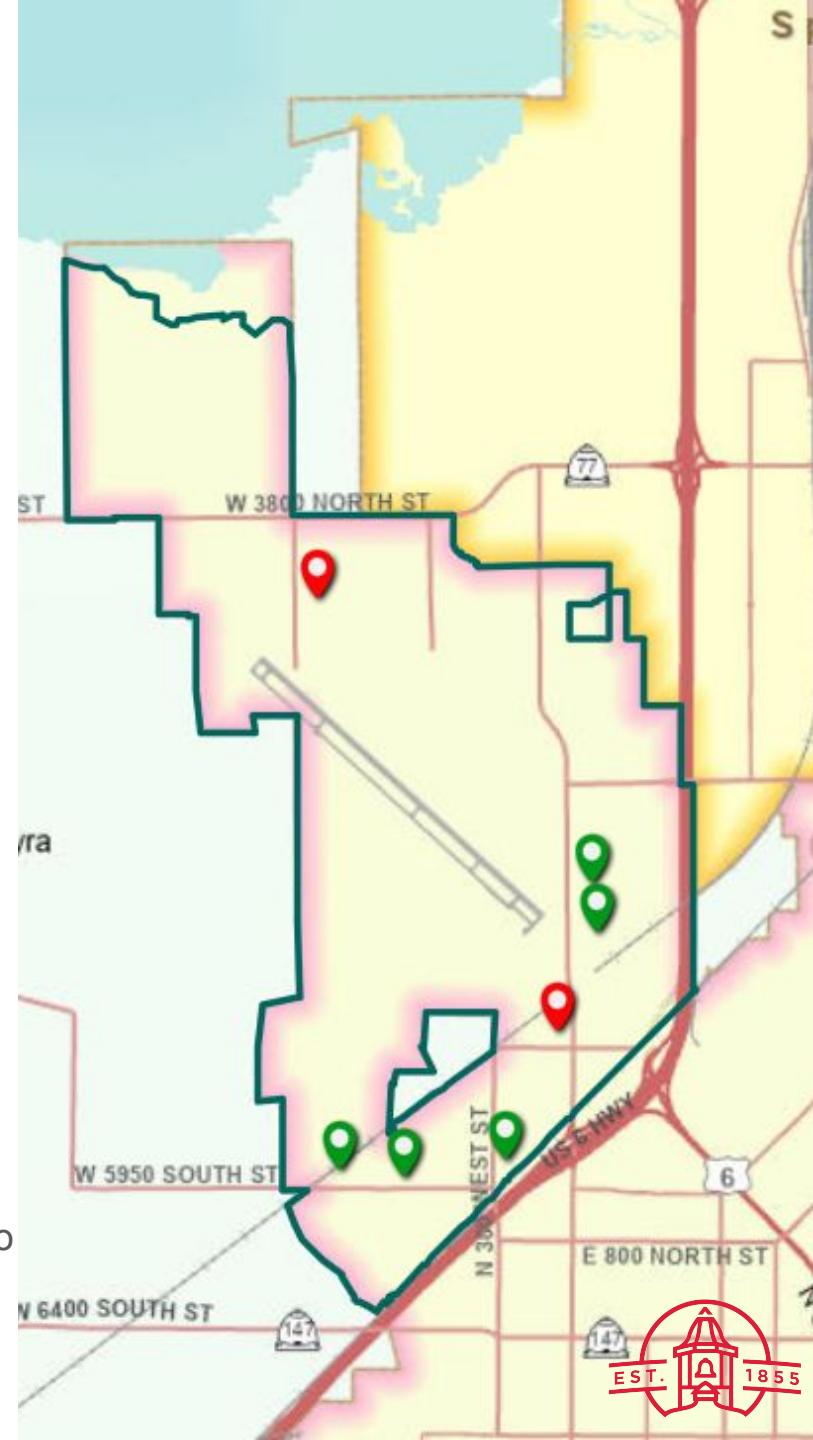
Guardrails

- Funds can only be used for public improvements.
 - The governing documents specify what public improvements will be funded.
- Bonds can be issued to pay for the public improvements, the bond proceeds are held by a corporate trustee.
- The PID board (developer) will requisition funds from the corporate trustee after the public improvements are constructed and the costs have been certified by an independent engineer.
- PID property tax levy is limited to .005 per dollar of taxable value.
 - ONLY assessed on these specific properties.



Verk Regional PID

- Initial land to make up the PID will be airport land
 - Additional land can be added by
 - Board Approval, and
 - Property Owner consent
- We are not planning to use PT increases (again, only on airport land)
- The Regional PID will bond for infrastructure costs in the Verk Industrial Park
 - Will use Differential to repay their bond
 - The PID will reimburse city or developer for eligible projects costs
- Board Membership: Recommend a board of 5 members
 - 2 from Spanish Fork
 - 2 from UIPA
 - Recommend that our board positions transition to developer control after 5 years
 - 1 from the development community



Agency Infrastructure Bank Loan

What:

- \$10,000,000 low interest, short-term loan from UIPA's AIB
 - 3.47% interest rate
 - Repayable within one year
- Can be used to start significant infrastructure projects, such as:
 - Land acquisition for road ROW and utility easements
 - Sewer lift station and regional sewer lines
 - Regional storm drain design and installation



Agency Infrastructure Bank Loan

Why:

- Differential and PID Bond Funds are not available until the end of this calendar year, but projects are ready to go now - during this current construction season
- City will NOT need to use City Funds to start projects

When:

- After Regional PID is created, the PID will go through an underwriting and bonding process
- The first payment from that PID will be to the City to repay this loan

