

RESOLUTION R2025-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH JORDAN, UTAH, AMENDING CITY WIDE POLICY 500-01 RELATING TO PUBLIC INFRASTRUCTURE DISTRICTS.

WHEREAS, the Utah Legislature adopted the Public Infrastructure District Act which allows a city to adopt a policy detailing under what circumstances and how a city would consider allowing the creation of a Public Infrastructure District (“PID”) to assist in financing development; and

WHEREAS, public infrastructure districts are a financing tool for development which requires that the developer enhance and provide public infrastructure improvements in a project for the benefit of the development’s residents and customers; and

WHEREAS, the City of South Jordan has used several different financing tools to assist in development when those tools and the development is in the best interest of South Jordan citizens generally and a specific development directly; and

WHEREAS, the South Jordan City Council finds it in the best interest of South Jordan citizens to amend the policy to allow for separate guidelines for the creation of commercial and residential public infrastructure districts.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTH JORDAN, UTAH:

SECTION 1. Amendment of City Wide-Wide Policy 500-01. City of South Jordan City- Wide Policy 500-01, is hereby amended.

SECTION 2. Effective Date. This Resolution shall become effective immediately upon passage.

[SIGNATURE PAGE FOLLOWS]

**APPROVED BY THE CITY COUNCIL OF THE CITY OF SOUTH JORDAN, UTAH,
ON THIS 18th DAY OF FEBRUARY, 2025 BY THE FOLLOWING VOTE:**

	YES	NO	ABSTAIN	ABSENT
Patrick Harris	_____	_____	_____	_____
Kathie Johnson	_____	_____	_____	_____
Donald Shelton	_____	_____	_____	_____
Tamara Zander	_____	_____	_____	_____
Jason McGuire	_____	_____	_____	_____

Mayor: _____
Dawn R. Ramsey

Attest: _____
City Recorder

Approved as to form:



Office of the City Attorney

EXHIBIT A
City of South Jordan
City-wide Policy 500-01
First Amendment
Public Infrastructure Districts

City of South Jordan
City-wide Policy 500-01
1st Amendment
Public Infrastructure Districts

The purpose of this policy statement (“Policy”) is to provide criteria under which the City of South Jordan (“City”) will consider letters of intent and application (“Letter”) for the establishment of a Public Infrastructure District (“District”). Compliance with these criteria shall not obligate the City to approve formation of a District. The decision to allow for the creation of a PID shall be in the sole discretion of the City. The criteria are intended to serve as guidelines for the review of Letters and governing document (“Governing Document”).

The magnitude of local and regional infrastructure needed in the City’s new development and redevelopment areas requires the availability of a broad range of financing tools. The Utah State Legislature adopted the Public Infrastructure District Act (SB228) in the 2019 General Session to permit the use of this financing tool with the approval and support of the local entity.

The policy statement has five sections:

- I. Definitions
- II. Process for applying including fees charged
- III. The City’s decision-making criteria
- IV. Governing Document requirements
- V. Submittal instructions

I. Definitions

For purposes of this Policy, the following definitions shall apply:

- A. A Public Infrastructure District (“PID”) is defined as a separate taxing entity established under the Utah Public Infrastructure District Act (SB228) in the 2019 General Session. The purpose of a District is to provide a financing tool for the development and/or redevelopment of certain areas of the City as approved by the City Council.
- B. Public Infrastructure is defined as the basic structures and facilities required for the development based on the zone and demand as determined by the City. Examples may include but are not limited to streets and utility systems. For commercial PID projects, Public Infrastructure improvements may include:
 - 1. Facilities, lines, or systems that provide:
 - a. Water, chilled water, or steam; or
 - b. Sewer, storm drainage, natural gas, electricity, energy, clean energy, microgrids, or telecommunications service;
 - 2. Streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking facilities, rail lines, intermodal facilities, multimodal facilities, and public transportation facilities;
 - 3. An inland port; and

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4. Infrastructure improvements, facilities, or buildings that are developed as part of a remediation project.

- C. Publicly-dedicated Amenities are defined as features or facilities of a development which are not considered Public Infrastructure and are accepted as dedicated to the City upon completion. Examples may include but are not limited to open space, improved parks, trails, signage and street furniture.
- D. Unique Enhancements are defined as the difference between the cost of the zone's required Publicly- dedicated Amenities and the City's determined value of a developer's additional obligated publicly- dedicated amenities. Unique enhancements do not consider Public Infrastructure and must benefit both the District and the City as a whole.

II. Process and Fees

Any proposed 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 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. Letter of Intent to form a Public Infrastructure District: A party proposing that the City create a District ("Applicant") shall submit a letter of intent ("Letter") containing the information detailed below in summary form. The 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 Letter does not assure approval of a Governing Document. At minimum a Letter shall include the following:
1. Description of the District area including size, location, area context (significant natural and man-made features, major public improvements, adjacent development), development history, and proposed development;
 2. Summary of Public Infrastructure and Publicly-dedicated Amenities ("Improvements"):
 - a. Currently expected development scenario;
 - b. Required local and regional Improvements for such development;
 - c. Proposed District-provided local and regional Improvements;
 - d. Estimated construction costs for the proposed District Improvements;
 - e. Plan of ownership and/or maintenance of the Improvements;
 - f. General description of phasing of construction based on development projections;
 - g. Proposal of net proceeds from the issuance of debt, debt term, and mill levy; and
 - h. A sample plan of finance depicting the possible sources and uses of funds for the District.
 3. Proposed timeline for District creation.
 4. Disclosure of any intent to overlap with any existing public infrastructure district(s) and any provisions related to such overlapping boundaries.
 5. Summary, description, and cost of Unique Enhancements. Unique Enhancements shall benefit both the District and the City as a whole. The value of Unique Enhancements will serve as the measurement of how much debt issuance may be authorized. This limit represents net proceeds of the debt. The amount of debt authorized may be adjusted to compensate for the cost of issuance, capitalized interest, discounts, and legal fees paid to establish a District.

6. Acknowledgement that a petition must be signed prior to the hearing date for the Governing Document by all property owners and registered voters, if any, within the proposed District boundaries approving of the creation of the proposed District and consenting to the issuance of debt in an amount sufficient for the proposed plan of financing.
7. Disclosure of any conflicts of interest between the Applicant and the officers and employees of the City.
8. Copies of signed engagement letters between the Applicant and applicable consultants and legal counsel retained by the City or the proposed District, or both, whereby Applicant agrees to pay fees related to the review of the Letter and the Governing Document.

B. Review Process

1. The District Advisory Committee (“DAC”) is a City committee that advises the Mayor, City Council and other policymakers about District issues. The DAC must include representatives from the Office of the City Manager, and the Office of the City Attorney, and may include other agencies and/or departments as determined by the City Manager.
2. The DAC will review the Letter based upon the criteria set forth in Article II below to determine whether to direct the Applicant to proceed with preparation of a draft Governing Document for submittal. Conceptual approval does not assure approval of the governing document.

C. Governing Document

1. If the concept for the District as contained in the Letter is approved, the Applicant may begin to work on a draft Governing Document with legal counsel selected by the City (and paid for by Applicant). Upon final drafting and approval of the draft Governing Document by legal counsel, the Applicant shall submit a draft Governing Document to the Office of the City Manager.
2. The draft Governing Document will be reviewed by the DAC for compliance with the criteria and requirements contained herein. The DAC will discuss issues that arise during this drafting period with appropriate policymakers to have such issues resolved.
3. The final Governing Document will be forwarded to City Council for action through the standard legislative processes.

D. Fees: No request to create a District shall proceed until the fees set forth in the City’s Fee Schedule are provided for. All checks are to be made payable to the City and remitted to the Finance Department.

1. PID Letter of Intent Review Fee. Concurrent with the submittal of a Letter, the PID Letter of Intent Review Fee (as listed in the City’s Fee Schedule) shall be paid to cover the cost of staff review.

2. PID Governing Document Review Fee. Concurrent with the submittal of a draft Governing Document, the PID Governing Document Review Fee (as listed in the City's Fee Schedule) shall be paid to cover the cost of staff review.
3. Other Expenses. In the event the costs of review are estimated in the sole discretion of the City to exceed an application fee, the Applicant shall be required to fund an escrow account for the payment of all consultant, legal, and other fees and expenses incurred by the City. The Applicant shall fund the escrow account in an amount equal to the City's reasonable estimate of additional expenses, but in no event may the Applicant initially fund the account in an amount less than \$15,000. If the account balance drops below \$10,000, the Applicant will be required to deposit additional funds in the account to replenish the account to the initial \$15,000 before any further services arising out of or related to the District will be provided.

III. Conditions and Criteria for Evaluating Proposed Public Infrastructure Districts

A. Public Benefit

1. Residential PID

~~1-a.~~ Formation of a Residential District must provide public benefit in the form of Unique Enhancements consistent with the City's policy goals.

~~2-b.~~ For purposes of ~~this/these~~ criteria, public benefit is defined as the Unique Enhancements.

2. Commercial PID

a. Formation of a Commercial District must provide public benefit in the form of public infrastructure and improvements consistent with the City's policy goals.

b. For purposes of these criteria, public benefit is defined as the Public Infrastructure and Improvements.

c. Public Infrastructure and Improvements, means facilities or buildings that:

i. A. are owned by a public entity or a utility;
B. benefit the public; and
C. are built according to applicable city design and safety standards; or

ii. A. are privately owned;
B. benefit the public;
C. as determined by the City Council, provide a substantial benefit to the development and operation of a project area; and
D. are built according to applicable city design and safety standards.

B. Condition of Approval: All PIDs shall conform to the following conditions before approval may be granted:

1. Proposed districts must not include land that is already included within the boundaries of another public infrastructure district without express provision in an adopted Governing Document. In such cases, the relationship with the existing districts must be addressed in the Governing Document.

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2. When an overlapping proposed District boundary is justified, the sum of the mill levies for the proposed and current Districts combined must not exceed highest of the authorized levies of the individual districts.
3. Proposed districts with any residential taxpayers may levy to an amount equal to four (4) mills for repayment of the limited tax bonds with sufficient justification as to the levy being requested.
4. Proposed districts with exclusively commercial taxpayers may levy up to fifteen (15) mills for repayment of the limited tax bonds with sufficient justification as to the levy being requested.
5. Proposed districts must not include a debt term in excess of the life of the infrastructure being financed up to a maximum of 30 years.
6. Proposed districts must not propose issuance of debt in excess of the value of unique enhancements- or of commercial public infrastructure and improvements. This limit represents net proceeds of the debt. The amount of debt authorized by the City may include costs allowed by law, including the cost of issuance, capitalized interest, discounts, premiums, legal fees, and other administrative overhead expenses related to the issuance of debt.

- C. Evaluation of Applicant: The following criteria relating to the Applicant and the development will be considered:

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1. Historical performance of the Applicant (within and outside of the City);
2. The current proposed plan of finance of the District;
3. The current development plans relationship to the master plans of the City;
4. The regional or overall benefits to the City from the proposed plan of finance; and
5. The credit worthiness of the Applicant.

IV. 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 not 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, 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. Description of proposed development within the boundaries of the

proposed District including general distribution of land uses and densities and phasing of development;

4. If the District boundaries overlap with another district, an explanation of the relationship between the districts;
5. Itemization and description of all needed infrastructure (both regional and local) and facilities in the District's area;
6. Estimated construction costs of such infrastructure;
7. General description of phasing of construction based on development projections and phasing;
8. Provide the following financial plan information:

- a. Proforma financial overview of total costs and total revenues of the proposed District from all revenue sources;
 - b. An example plan of finance showing a proposal of how the proposed financing might take place, recognizing that the actual financing terms and structure will be approved by the board of trustees of the District (the “Board”) within the parameters of this Governing Document;
 - c. Anticipated maximum or fixed maximum mill levy required to meet debt service of the District;
 - d. Analysis of proposed mill levies in light of outstanding debt and mill levies of other taxing entities affecting the area;
 - e. Comparison of the mill levies of similar taxing entities in the area;
 - f. Proposed operating budgets for the District’s first three years of existence; and
 - g. Any other forms of public financing and assistance being sought, including assessment areas.
- 9. Description of the ultimate ownership and provision for the ongoing operating and maintenance costs for infrastructure.
 - 10. Description of any proposed divisions and an inclusion/exclusion process as appropriate.
 - 11. Proposed governance plan, including Board structure and to transition from appointed Board to elected Board.

B. Requirements and Expectations

- 1. The planned ownership of the improvements, including any relationship with an existing statutory district must be addressed in the Governing Document.
- 2. All debt issued by the District for which a tax is pledged to pay the debt service shall meet the requirements of all applicable statutes.
- 3. Land, easements or improvements to be conveyed or dedicated to the City and any other local government entity shall be conveyed in accordance with the related standards at no cost to the City.
- 4. All improvements within the District which will be connected to the City’s public infrastructure or is dedicated and owned by the City shall be subject to all design and inspection requirements and other standards of the City. The City must approve the improvements before any dedication to the City may occur. The City shall not be liable or responsible for not approving the improvements for dedication.
- 5. The District shall not pledge as security any land, assets or funds to be transferred to the City.

6. The District shall be subject to City zoning, subdivision, building codes, and all other applicable City ordinances and regulations. Approval of the Governing Document shall not bind the City to approve other matters which the District or developer may request.
7. The District shall pay all fees and expenses as provided in the Governing Document.
8. The District may not double tax, whether by mill levy, assessment, impact fees, or any combination thereof; any end user for the costs of improvements.
9. The District shall agree to utilize the City's bond and disclosure counsel with respect to the District bonds to ensure proper issuance and compliance by a competent and nationally recognized law firm specializing in the issuance of government-related and tax-exempt bonds.

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 South Jordan City Recorder's office;
 - 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; and
 - e. If applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion.
2. At least annually following the formation of the District, the District shall notify (by mail, e-mail, or posting to the District's website) property owners in the District of the existence of the District and of the next scheduled meeting of the Board of the District. Such meeting shall occur at least 30 days and not more than 60 days following the date of the notice. Such notification shall include names and addresses of the Board of Directors and officers, the address, telephone and fax numbers, and e-mail address of the District, and shall include reference to the existence of a District file maintained by the City as described below.
3. The District shall provide the following information to the City Recorder's Office on an annual basis, and the District shall create and maintain a file for public review of the following information.
 - a. Annual District budget;
 - b. Annual audited financial statements of the District;
 - c. Total debt authorized and total debt issued and presently planned debt issuances;

- d. Names and terms of Board members and officers and progress towards milestones required for transition to elected Board;
 - e. Rules and regulations of the District regarding bidding, conflict of interest, contracting, and other governance matters, if changed;
 - f. List of current interlocal agreements, if changed (to be delivered to the City upon request);
 - 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.
4. The following shall be considered significant changes to the Governing Document, thereby requiring approval by the City:
- a. Exclusion or inclusion of property without the Governing Document and statutorily required approvals;
 - b. Change in the maximum mill levy;
 - c. Consolidation with any other district; and
 - d. Change in the dissolution date.

V. Submittal Instructions

Information and/or documents should be submitted as follows.

- A. Annual Financial Information: Submit one copy of each of the annual financial information, as described in Section IV-C-3-b.
- B. All other documents: Submit letters of intent, draft Governing Documents, and all other documents (with the required number of copies).
- C. Further Information: For further information.

City of South Jordan
Attn: City Commerce Director
1600 W Towne Center Drive
South Jordan, Utah 84095
(801) 254-3742