

DESCRIPTOR TERM: School District Organization and Governance	Millard District Policy File Code: 1050 Approved: 07-08-21
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TAX INCREMENT FINANCING PROJECT AGREEMENT

A. BOARD POLICY

1. The Board of Education’s primary focus and responsibility is the education of students. The Board of Education values partnering with county and municipal entities and entering into formal agreements to develop school environments which strengthen neighborhoods and communities.

2. The Board of Education recognizes that county and municipal governmental entities within the District have a responsibility to appropriately plan for and encourage balanced development and/or redevelopment to sustain economic growth and establish a firm tax base within their jurisdictions. The Board of Education acknowledges balanced development and/or redevelopment benefits the communities and student Millard School District serves.

3. The Board recognizes it may be requested to participate in tax increment financing project agreements. The Board recognizes its responsibility to analyze the District’s participation and interest in tax increment financing projects for the benefit of the District and its students. The Board of Education is committed to reviewing considerations for tax increment financing project agreements prior to approval by the Board.

The Board authorizes the Superintendent and District Business Administrator to develop administrative regulations consistent with the policy, subject to review and approval by the Board.

B. DEFINITIONS

1. **“Tax Increment Financing”**: A public financing tool that is used as a subsidy for redevelopment by diverting a portion of tax revenue to help finance development and incentivize private development for project areas within a county or municipal jurisdiction. Project areas are created by municipal/city redevelopment agencies through the adoption of an ordinance or resolution by the local governing body or city council.

2. **“Agency” or “community reinvestment agency”**: means a separate body corporate and politic, created under Section [17C-1-201.5](#) or as a redevelopment agency or community development and renewal agency

under previous law: (a) that is a political subdivision of the state; (b) that is created to undertake or promote project area development as provided in statute; and (c) whose geographic boundaries are coterminous with: (d) for an agency created by a county, the unincorporated areas of the county; And for an agency created by a municipality, the boundaries of the municipality.

C. ADMINISTRATIVE REGULATIONS: Review of Tax Increment Financing Agreement

1. A tax increment financing agreement will be reviewed by a Board of Education subcommittee prior to placement on a Board of Education Agenda.
 - a. A third-party report will be prepared by an outside consultant selected by the District and paid for, up to \$5,000, by the entity (i.e. City), proposing the tax increment project. The report will include:
 - i. An analysis of return on investment, including net present value calculations;
 - ii. An analysis of the impact of District participation versus non-participation; and
 - iii. An opinion regarding whether participation in the tax increment project is in the best interest of the District.
2. A tax increment financing agreement will receive a public comment period prior to a vote by the Board of Education.
3. Before voting on the proposed tax increment financing project, the Board of Education will receive a report from the subcommittee regarding its review of the proposal and will review the proposal in light of a list of considerations for approving a tax increment financing project as described below.
 - a. Financial considerations may include, but are not limited to whether:
 - i. The project grows the commercial tax base within a portion of the District.
 - ii. There is a dollar cap on the District contribution to the project.
 - iii. The project reflects a lower term (years of increment) for higher percent of increment given (e.g. 10 year term = 90% ; 15 year term = 80%; 20 year term = 60%)
 - iv. The project increases the assessed valuation while minimizing impact on service required from the District.
 - v. The project requests a higher percentage of increment contribution from the City than from the District.
 - vi. The project has an administrative fee lower than 3%.
 - vii. The project provides the District additional financial benefit

- beyond what other taxing entities receive (e.g. land, dollars, percent increment, mitigation payment, etc.)
- viii. The project demonstrates current and future economic benefit for the District.
 - ix. The District and municipality will collaborate on the housing set aside funds to benefit District and public employees.
- b. Additional considerations may include, but are not limited to whether:
- i. The project emphasizes multi-story office, industrial, and hotel development over retail.
 - ii. The areas of the project that the District participates in do not include any detached single family housing and transit-oriented housing.
 - iii. The project triggers within three years of the agreement's effective date.
 - iv. The project creates high paying jobs, above Millard County median.
 - v. The project provides partnership opportunities for education.
 - vi. The project has the support of other taxing entities.
 - vii. The term of the project does not exceed 20 years.
 - viii. The performance of the municipality's previous tax increment projects.
 - ix. The project is likely to proceed without District participation.

REFERENCES

Utah Code 17C-1-101, et seq. Limited Purpose Local Government Entities – Community Reinvestment Agency Act