

SALT LAKE COUNTY
COUNTYWIDE POLICY AND PROCEDURES
ON
COMMUNITY DEVELOPMENT AREAS

Purpose –

The purpose of this Policy is to establish procedures and guidelines for Salt Lake County (“County”) participation in Community Development Areas (“CDA”) within incorporated and unincorporated areas of the County.

Salt Lake County is the most populous county in the State of Utah. As such, decisions made by the County have a significant impact on the continued prosperity of the State. The County’s responsible use of scarce public resources—specifically the use of CDA funds—should be focused on encouraging economic development, fostering healthy communities, and supporting sustainable regional development to ensure a thriving metropolitan economy with a small town feel. The County supports collaborative community led efforts to effectively manage commercial and residential development, and redevelopment, to meet the robust growth anticipated in our valley. The County’s participation in supporting CDA projects shall be based in part on the proposal’s linkage to various long-term sustainable growth strategies and plans which shall include application of the Wasatch Choice for 2040¹ principles and toolbox, Foothill/Canyons and Overlay objectives, BluePrint Jordan River guidelines and nexus to the regional transportation plan.² Additionally, Salt Lake County’s participation in CDA projects will be guided by the policy directives of other regional planning efforts formally endorsed and/or adopted by Salt Lake County.

The County’s participation in a CDA will include a negotiation process that will define the terms of the County’s involvement. Guidelines to assist this process have been created to educate requesting agencies, guide the negotiation process, and allow the public to be informed. In certain cases, an application (“CDA Participation Request”) may have unique characteristics that do not fully conform to the guidelines, yet have significant community impact. In this case, the County reserves the right to participate. Conversely, there may be a project that meets the guidelines, but the County does not believe serves a significant community benefit. In this case, the County reserves the right not to participate.

This policy shall be administered in accordance with the requirements and limitations of federal, state, and local law (including Utah Code, Title 17C, Chapter 4). Meeting policy guideline criteria does not guarantee the award of County tax increment. Per Utah Code Ann. §17C-4-201(2), the County’s consent shall only be expressed in the form of an interlocal agreement, under Title 11, Chapter 13, Interlocal Cooperation Act, between the County and the redevelopment agency. Further, the County will entertain proposals by any participating taxing entity to administer the payment, reporting, and other processes that they are required to perform as part of an approved CDA. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

Reference –

Utah Code, Title 17C, Chapter 4

¹ <http://envisionutah.org/wasatch-choice-2040>

² http://www.wfrc.org/new_wfrc/index.php/plans/regional-transportation-plan/

1.0 Policy

- 1.1 It is the policy of Salt Lake County to provide a standardized procedure to process, review, and make recommendations on all CDA Participation Requests.
- 1.2 As community development projects are complex, the County may take up to 90 days or more following receipt of all requested documents to effectively analyze the proposed CDA project. For this reason, the County encourages the agency to contact the County early in the process.

2.0 CDA Project Considerations

2.1 Primary Favorable CDA Project Considerations

CDA projects meeting the following criteria will be viewed favorably by the County:

- 2.1.1 Projects that would not happen in a reasonable timeframe, or at the proposed amenity level, “but for” the creation of the CDA and the use of tax increment financing.
- 2.1.2 Projects that are transit-supported, mixed-use developments with significant employment potential.
- 2.1.3 Projects that are located in a strategic growth area as defined in the Wasatch Choice for 2040 and/or the regional transportation plan.
- 2.1.4 Projects that will complement regionally significant community planning efforts.
- 2.1.5 Projects for which the County’s tax increment participation period is limited to 20 years or less.
- 2.1.6 Projects for which the County’s tax increment participation rate is limited to 75% or less.
- 2.1.7 Projects for which the County’s cumulative tax increment contribution to the agency is capped at a specified dollar amount.
- 2.1.8 Projects for which the County’s tax increment dollars will be used primarily to pay for or reimburse the cost of “public infrastructure and improvements,” as defined by Utah Code § 17C-1-102(41), environmental remediation, and/or site preparation.
- 2.1.9 Projects for which the local jurisdiction³ is participating in the proposed project at a rate of at least \$1 for every \$1 contributed by the County from all sources, inclusive of any County Library contributions, either upfront or over

³ “Local jurisdiction” includes a City’s CDA participation plus any contribution from all other taxing entities (i.e., mosquito abatement district, water district, fire service area, law enforcement area, etc.) except for school district participation which is not included in the \$1:\$1 ratio calculation.

the life of the proposed County contribution. The local jurisdiction can demonstrate that it is contributing other resources in addition to CDA proceeds and infrastructure, the value of which is equal to or greater than the prescribed ratio of participation.

2.2 Additional Favorable CDA Project Considerations

CDA projects meeting the following criteria may be viewed favorably by the County:

- 2.2.1 Projects that will create long-term, high-paying jobs.
- 2.2.2 Projects for which the proposed tax increment collection period is triggered on a specified date or upon achieving a specified dollar amount of capital investment within the project area.
- 2.2.3 Projects for which the proposed agency administrative fee is capped at a certain percentage of tax increment or specified dollar amount, a portion of which is provided to the County, Office of Regional Development on an annual basis to cover programmatic expenses such as tax increment analysis, legal overhead, and project reporting costs.
- 2.2.4 Projects that will include affordable housing.
- 2.2.5 Projects for which the County's tax increment participation amount or rate is conditioned upon achieving certain project benchmarks.

2.3 Unfavorable CDA Project Considerations

CDA projects meeting any of the following criteria may be viewed unfavorably by the County:

- 2.3.1 Project areas that are predominately market-rate housing.
- 2.3.2 Project areas that are predominately retail, unless there is a material justification to do so, which shall be evaluated on a case-by-case basis.
- 2.3.3 Project areas that are predominately standalone single-family dwellings.
- 2.3.4 Projects that would merely cause a relocation of jobs or retail sales from one area in the County to another area in the County.
- 2.3.5 Projects that would involve development on sensitive land designated as open space, foothill, canyon, or other County-designated priority areas.
- 2.3.6 Projects that would not comply with the Blueprint Jordan River Criteria.
- 2.3.7 Projects that request a contribution of the County's sales tax.

3.0 CDA Participation Request Timeline; Submission and Evaluation Process

Absent extenuating circumstances, the County will attempt to process all completed CDA Participation Requests within 90 days of receipt. The County and the agency submitting the CDA Participation Request shall adhere to the following procedures:

- 3.1 Step One. The agency shall provide written notice to the County indicating its intent to create a CDA, containing a short description of the proposed CDA, and requesting County participation. Following receipt of this written notice, the County Regional Economic and Business Development Division Director shall direct the agency to submit a CDA Participation Request and may arrange a meeting with agency representatives to discuss the proposed CDA.
- 3.2 Step Two. The agency shall submit a completed CDA Participation Request. A completed CDA Participation Request includes, but is not limited to, all of the following materials:
 - CDA Participation Request Application
 - Project Area Boundary Map; (GIS boundary map with supporting files)
 - Detailed Narrative CDA Project Summary
 - Final or Draft Project Area Plan (in compliance with Utah Code § 17C-4-103)
 - Final or Draft Project Area Budget (setting forth the tax increment, administrative costs, project term, pass-through scenarios, sales tax, and other revenues)
 - Itemized Listing of all Public and Private Funding Contributions toward the Project (both confirmed and proposed)
 - Cost Breakdown of all Proposed Infrastructure and Improvements
 - Final or Draft Public Notices (in compliance with Utah Code § 17C-4-202)
 - All Proposed or Adopted Agency and Municipal Resolutions related to the CDA
 - All Proposed or Executed Participation Agreements with other Taxing Entities
 - Benefit Analysis (if available)
 - Schematic Land Use Plans (if available)
 - Final or Draft Development Agreement (if applicable)
 - Final or Draft Community Benefit Agreement (if applicable)
 - Bond Documents/Agreements (if applicable)
 - Signed W-9 Forms
 - Agency Project Manager name and contact information
 - Signed ‘But-For’ Justification
- 3.3 Step Three. Following receipt of a completed CDA Participation Request (including all of the materials listed in Section 3.2 above), the County Mayor shall conduct a due diligence review and submit a written recommendation to the County Council indicating whether the County should participate in the proposed CDA project and to what extent.
- 3.4 Step Four. Following receipt of a written recommendation from the County Mayor, the County Council shall review the Mayor’s recommendation and may request a briefing at a Committee of the Whole Meeting, at which time the County Council may provide additional guidance.
- 3.5 Step Five. After the Committee of the Whole Meeting (if applicable), the Mayor, or the County Regional Economic and Business Development Division Director acting as the

Mayor's designee, shall, consistent with the Mayor's recommendation and any guidance provided by the County Council at the Committee of the Whole Meeting (if applicable), negotiate the terms of an interlocal agreement with the agency and work with the District Attorney's Office to draft the interlocal agreement consistent with the negotiated terms. The County Mayor shall then review and approve the interlocal agreement and submit it to the County Council for approval.

- 3.6 Step Six. Upon receipt of the interlocal agreement from the County Mayor, the County Council shall schedule a public hearing. At the public hearing, the County Council shall take public comment and shall either approve and adopt or deny and reject the proposed interlocal agreement. If at the public hearing the County Council votes to approve and adopt the interlocal agreement, the County Council shall adopt a resolution authorizing the County Mayor to execute the interlocal agreement in substantially the form submitted.
- 3.7 Step Seven. Following adoption of a resolution authorizing the County Mayor to execute the interlocal agreement, the County Mayor (or authorized designee) shall execute the same.

4.0 Interlocal Agreements

- 4.1 The County shall enter into an interlocal agreement with the requesting agency for each approved CDA project. Absent extenuating circumstances, the interlocal agreement shall be in the form prescribed by the County.
- 4.2 The interlocal agreement shall not be amended unless authorized and approved by the County Council in a public hearing.

5.0 Annual Disclosure Reports

- 5.1.1 Each agency that receives tax increment from the County for a CDA project shall, for the duration of the project, submit a disclosure report to the County Council and County Mayor no later than March 1st of each year for the previous calendar year.
- 5.1.2 All annual disclosure reports submitted under this section shall be posted on a conspicuous place on the County's public website.
- 5.1.3 The annual disclosure report shall include the following:
- 5.1.3.1 The name, street and mailing address, phone number, business license number (if applicable), and chief officer of each entity receiving County Increment.
 - 5.1.3.2 A status report and updated GIS map documenting the status of the economic development objectives completed in the approved project area plan and a summary of any material changes to said objectives.
 - 5.1.3.3 The applicable expenses and eligible project uses of the County's tax increment.
 - 5.1.3.4 Matching public and private contributions toward the project.

5.1.3.5 Completed and planned development expenditures and related agreements.

5.1.3.6 Completed and planned affordable housing and other residential projects (if applicable).

5.1.3.7 Any new company relocations and/or expansions.

5.1.3.8 A certified reconciliation statement reflecting the actual amount of County tax increment disbursed over the prior year as compared to the amount of tax increment projected for that year in the original project budget.

5.1.3.9 An affidavit signed by the chief executive officer and chief financial officer of each entity receiving County tax increment certifying as to the accuracy of the information provided in the annual disclosure report.

5.2 Any entity that fails to comply with the annual disclosure report obligations of this section may be subject to forfeiture of future County increment.

6.0 Project Access

6.1 The County shall have access at all reasonable times to the project site and the project records of any entity receiving the County's tax increment, whether directly or indirectly, to monitor the project and verify compliance with the Project Agreements.

6.2 Any agency that fails to provide the County access to the project site at a reasonable time may be subject to forfeiture of future County increment.

7.0 Administrative Fees:

A negotiated portion of the County's tax increment may be used for administrative fees of the agency. However, all agencies requesting tax increment from the County may be required to provide a negotiated percentage of administrative fees to the County on an annual basis to help cover programmatic expenses, such as tax increment analysis, legal overhead, and project reporting costs.

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APPROVED AND PASSED THIS 30TH DAY OF JUNE, 2015.

SALT LAKE COUNTY COUNCIL

Richard Snelgrove, Chair

ATTEST:

Sherrie Swensen, County Clerk

APPROVED AS TO FORM

Deputy District Attorney Date