

**SALT LAKE COUNTY COUNTYWIDE POLICY:
COUNTY PARTICIPATION IN TAX INCREMENT FINANCING PROJECT
AREAS (2019)**

Purpose

To establish procedures and guidelines for Salt Lake County's participation in tax increment financing project areas established by redevelopment agencies within Salt Lake County under Utah Code § 17C.

1.0 Policy

It is the policy of Salt Lake County (the "County") to provide a standardized procedure to process, review, and make recommendations on all participation requests for tax increment financing ("TIF") in any project area ("Project Area").

2.0 Project Area Participation Request Timeline, Submission, and Evaluation Process

The County and the agency submitting the Project Area participation request shall adhere to the following procedures:

- 2.1** The agency shall submit a Project Area Plan ("Project Area Plan"), a Budget ("Budget"), and a one-page term sheet through the [County TIF Project Area Database](#). Following receipt of submission, inclusive of all required elements, the Business Services Director of the County will contact the requesting agency and may arrange a meeting with agency representatives to discuss the proposed Project Area. The completed Project Area Plan and the Budget should include all requirements outlined in state law. Additionally, the Budget shall consider various scenarios of County participation at 0 percent (i.e., a "but for" test), 25 percent, and 50 percent.
- 2.2** Following receipt of a Project Area Plan and a Budget (including all of the materials listed in Section 2.1), the Salt Lake County Mayor's designee (the "Designee") shall conduct a due diligence review, may negotiate the terms of an interlocal agreement with the agency, and may submit a written recommendation to the County Council indicating whether the County should participate in the proposed Project Area and to what extent. Considerations which the Designee may use in determining a recommendation to the County Council are included in Section 4 herein.
- 2.3** Following receipt of a written recommendation from the Designee, 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. If any incentives are being offered to private enterprise, or if any participation agreements have been entered into or will be entered into with private enterprise, this must be disclosed or known publicly at, or prior to, the briefing during the Committee of the Whole meeting.
- 2.4** After the Committee of the Whole meeting, the Designee may, consistent with any guidance provided by the County Council, negotiate any additional or modified terms with the agency, which shall be included in an interlocal agreement. The Designee may then review and approve the interlocal agreement and submit it to the County Council for final approval, subject to the public hearing described below.

**SALT LAKE COUNTY COUNTYWIDE POLICY:
COUNTY PARTICIPATION IN TAX INCREMENT FINANCING PROJECT
AREAS (2019)**

2.5 Upon receipt of the interlocal agreement, the County Council shall schedule a public hearing. At the public hearing, the County Council shall take public comment. After the public hearing, the County Council may approve, approve with modifications, or deny the proposed interlocal agreement in an open and public meeting. If at the public meeting the County Council votes to approve the interlocal agreement, the County Council shall adopt a resolution authorizing the County Mayor (or authorized designee) to execute the interlocal agreement in substantially the form submitted.

2.6 Following adoption of a resolution authorizing the County Mayor to execute the interlocal agreement, the County Mayor (or authorized designee) may execute the same.

3.0 Agency Annual Report

3.1 Each agency that receives tax increment from the County for a Project Area shall, for the duration of the project area funds collection period, submit an annual report to the County as required under Utah law.

3.2 Any agency that fails to comply with the annual report obligations of this Section may be subject to forfeiture of future County tax increment.

4.0 Project Area Considerations

4.1 Favorable Project Area Considerations

This Section is intended to identify criteria that are consistent with the County's public policy goals with respect to TIF, and such criteria may be viewed favorably by the County in determining whether to participate in a Project Area (and/or the level of such participation); provided, however, that the decision to participate, and the level of any such participation, are decisions to be made at the discretion of the County Mayor and the County Council. Meeting the following criteria does not guarantee County participation.

4.1.1 Project Areas that quantitatively demonstrate various outcome scenarios, based on different County participation levels, that would or would not occur "but for" the creation of the Project Area and the use of tax increment.

4.1.2 Project Areas for which the proposed tax increment collection period is triggered on a specific date and for which the County's tax increment participation is capped at a specified dollar amount, is limited to a period of 20 years or less, and is conditioned upon meeting certain project-specific benchmarks.

4.1.3 Project Areas for which the County's tax increment dollars will be used primarily to pay for or reimburse the cost of "publicly owned

**SALT LAKE COUNTY COUNTYWIDE POLICY:
COUNTY PARTICIPATION IN TAX INCREMENT FINANCING PROJECT
AREAS (2019)**

infrastructure and improvements,” as defined under Utah law, environmental remediation, and/or site preparation that extends beyond basic municipal responsibilities or is outside of typical municipal functions and need for participants. Such need should be justified in the Project Area Plan and the Budget.

4.1.4 Project Areas that promote economic prosperity among a range of income levels and (i) will create a net increase of new high-wage jobs within the County and/or (ii) include opportunities for small business expansion, apprenticeships and/or skills development programs.

4.1.4.1 For the purposes of this policy, “new high-wage jobs” are defined as full-time jobs that include statutory, health, and voluntary benefits:

a) Pay an annual gross wage, not including healthcare or other paid or unpaid benefits, that is the greater of 125 percent of the County average wage or 110 percent of the industry average wage, or higher, as reported on the [Department of Workforce Services website](#), for the industry in which the jobs are created.

4.1.5 Project Areas that do not include an unreasonable amount of excess land for yet-to-be defined future projects or project expansion.

4.1.6 Project Areas that: (i) include transit-oriented development, as defined by the Federal Transit Authority (a “TOD”), and/or utilize a Shared Mobility component, as defined by the Federal Transit Authority (“Shared Mobility”). TODs are intended to include a mix of commercial, residential, office, and entertainment uses centered around or located within a mile of a fixed guideway transit station. Shared Mobility components are intended to include transportation resources shared among users either concurrently or one after another, including but not limited to carsharing, fixed route systems, microtransit, ridesourcing, ride-splitting and mobility on demand.

4.1.6.1 If the project includes a residential component, housing units are affordable to residents at various income levels, including 80 percent, 50 percent, and 30 percent Area Median Income for Salt Lake County, as defined by the [Department of Housing and Urban Development](#).

4.1.7 Project Areas that are located in (i) an Opportunity Zone, (ii) a strategic growth area as defined in the Wasatch Choice 2050 plan, and/or (iii) any area governed by plans, policies, regulations and procedures that encourage and facilitate smart growth outcomes (generally accepted principles defined by the American Planning Association, the EPA and Smart Growth America).

4.1.8 Project Areas that redevelop and (re)activate impeded development areas, contaminated, or underutilized properties in an already developed area,

**SALT LAKE COUNTY COUNTYWIDE POLICY:
COUNTY PARTICIPATION IN TAX INCREMENT FINANCING PROJECT
AREAS (2019)**

including, without limitation, the following: infill development, renovation, pedestrian and active transportation infrastructure improvements, and/or development of community assets.

- 4.1.9 Project Areas that include at least \$500 million of capital investment within a small geographic footprint—for instance, from taxable personal property or equipment (e.g., robotic machinery, electronic equipment, computing devices)—without materially increasing the cost of services provided by the County or other taxing entities.
- 4.1.10 Project Areas that include an articulated plan and timeline for the deployment of affordable housing funds that meet the requirements outlined under Utah law.
- 4.1.11 Project Areas in which the municipality of the proposing agency participates at the same dollar amount that is contributed by the County from all sources, inclusive of any library contributions, either upfront or over the life of the proposed County contribution.
- 4.1.12 Project Areas in which all new or renovated buildings are Leadership in Energy and Environmental Design certified at a Gold level certification standard or higher.
- 4.1.13 Project Areas for which a portion of increment is provided to Salt Lake County on an annual or one-time basis to cover programmatic expenses including, but not limited to, tax increment analysis, legal overhead, and project reporting costs.

4.2 Unfavorable Project Area Considerations

Project Areas meeting any of the following criteria may be viewed unfavorably by the County:

- 4.2.1 Project Areas that fail to meet Favorable Project Considerations as outlined in section 4.1.
- 4.2.2 Project Areas that are predominately housing, include detached single-family dwellings, or include housing units that are predominately market rate.
- 4.2.3 Project Areas that are predominately retail, unless there is a material justification to do so (e.g., sales tax leakage report for the community in which the Project Area is proposed quantifying that leakage occurs above a threshold of 90 percent); it being understood that any such determination shall be evaluated on a case-by-case basis.
- 4.2.4 Project Areas that would merely cause a relocation of jobs or retail sales from one area in the County to another area in the County.

**SALT LAKE COUNTY COUNTYWIDE POLICY:
COUNTY PARTICIPATION IN TAX INCREMENT FINANCING PROJECT
AREAS (2019)**

- 4.2.5 Project Areas that would involve development on sensitive land designated as open space, foothill, canyon, or other designated preservation areas.
- 4.2.6 Project Areas that request a contribution of the County's sales tax revenues.

5.0 Interlocal Agreements

- 5.1 The County shall enter into an interlocal agreement with the requesting agency for each approved Project Area. Absent extenuating circumstances, the interlocal agreement shall be in the form prescribed by the County.
- 5.2 The interlocal agreement shall not be amended unless authorized and approved by the County Council in an open and public meeting following a public hearing.

APPROVED AND PASSED DECEMBER 17, 2019.

SALT LAKE COUNTY COUNCIL

Richard Snelgrove, Chair

ATTEST:

Sherrie Swensen, County Clerk

APPROVED AS TO FORM

Deputy District Attorney

Date