

# Davis School District Policy and Procedures

**Subject: 6F-105 Tax Increment Financing (NEW)**

**Index: Finance**

**Adopted: November 19, 2024 (Proposed)**

---

## 1. PURPOSE AND PHILOSOPHY

Davis School District acknowledges the positive impact of economic development on students and families in our community. While the District's primary responsibility is to administer quality education with prudent use of limited funds, the Board recognizes that strong economic conditions foster healthy communities and increase the District's tax base. The Board believes that strategic decisions about redevelopment partnerships in the community can support the mission and vision of the district.

1.1 TIF agreements should align with the educational goals and priorities of the Davis School District. Agreements should contribute positively to the overall educational environment and well-being of the community.

1.2 TIF agreements should demonstrate a clear and tangible benefit to the community, including the enhancement of public infrastructure, job creation, and improved quality of life for residents. TIF agreements should not be approved in cases where the building projects were likely to proceed without district involvement.

## 2. SCOPE

2.1 Tax Increment Financing (TIF) has been legislated as a public finance tool for supporting economic development. This policy outlines a consistent framework for evaluating and engaging in TIF agreements in a manner that balances economic growth with the district's primary responsibility to provide education.

2.2 The District is committed to transparency and accountability in the TIF process. After a thorough review of the proposal and discussion in an open board meeting, the board may choose to participate, negotiate terms, or decline participation in a TIF based on mutual interests of the district stakeholders.

## 3. AUTHORITY

3.1 The Board delegates responsibility for the review and maintenance of TIF agreements to the Business Administrator or designee. The Board requires the finance committee to conduct the initial vetting of new proposals and conduct an annual review of existing TIF agreements.

## 4. PROCEDURES FOR ENTERING INTO A TIF AGREEMENT

4.1 The proposing agency or CRA will provide a project area plan, budget, and outline of the terms identified in section 5 of this Policy to the business administrator or superintendent at the initial request for a TIF. The report shall provide an analysis of:

4.1.1 the return on investment, including net present value calculations, and of the taxable value of the area over the last 20 years, and

4.1.2 project the impact of district participation or nonparticipation in the project area.

- 4.1.3 If determined to be necessary by the business administrator upon the Agency's initial presentation, the district may contract with an outside qualified consultant, selected by the Board and paid for by the Agency to provide a secondary report. The consultant will have experience in the redevelopment process, tax increment financing, and budget financing.
- 4.1.4 The consultant's report shall verify the accuracy of the proposal and state an opinion regarding whether participation in the tax increment project is in the best interests of the district's current and future students.
- 4.1.5 The Business Administrator or designee will receive and review the proposal to verify compliance with policy and viability to move forward.
- 4.1.6 The Board Finance Committee will review the proposal and supporting documents and will submit a recommendation to decline or advance to the full board. Members of the finance committee may negotiate terms of participation with the Agency before making a recommendation. The Board Finance Committee may develop a rubric or internal process to objectively review proposals.
- 4.1.7 Following the recommendation of the Board Finance Committee, the Board President and Vice President will determine agenda placement.
- 4.1.8 Upon approval in an open and public meeting, the Board will enter an interlocal agreement with the Agency for the requested project area in accordance with Utah Code Title 11, Chapter 13.

## **5. ESSENTIAL TERMS OF THE TIF AGREEMENT**

- 5.1 Participation Term: The period of the district's participation in the project shall not be greater than 15 years unless the agency proposes an extraordinary benefit to the district.
- 5.2 Participation Rate: The participation rate of the district must be relative to the term and scope of the project.
- 5.3 Revenue Cap: The district contribution to the TIF must be capped at a fixed dollar amount.
- 5.4 Initiation: The project must trigger within 2 years of the base year, or it requires an amendment of the base year.
- 5.5 Administrative fees associated with the project must be less than 3% unless there are exceptional conditions.
- 5.6 Mitigation fee: The Agreement must consider any costs to the district related to the project that should be mitigated, if relevant.
- 5.7 Summary of values: The agency should calculate current values, net present values, housing units, and housing acreage caps if relevant.

## **6. RENEWAL OR EXTENSION**

- 6.1 TIF agreements may not be amended unless the board reviews the considerations and terms, and then authorizes the renewal in an open and public meeting. The agency should provide reasonable justification for an extension or renewal, and the board may seek better terms than the original project with additional scrutiny.
- 6.2 In the event that a tax entity committee or Housing and Transit Reinvestment Zone (HTRZ) committee is convened which requires district representation, the board president and the business administrator are the designees to represent the district's interests.

## 7. MONITORING

- 7.1 Once a TIF project is approved, the District will monitor progress and impact on educational resources. Redevelopment agencies must comply with the legislative requirement to submit an annual report to the taxing entities, county auditor, USBE, and the state tax commission.
- 7.2 The business administrator will present an annual status summary to the finance committee of all TIF agreements for which the Board has approved participation.
- 7.3 TIF agreements will contain a provision that the Agency will notice to the full board at completion and summarize the tax increment provided by the district over the length of the project and the newly assessed value of the property area.

---

## DEFINITIONS

**Tax Increment Financing:** TIF is an economic development tool that community legislative bodies (such as city councils) use to support economic development in designated areas. TIF project areas use property tax revenue increases (often called increments) that result when the TIF investment stimulates new development and real estate appreciation to fund development.

**Agency or Community Reinvestment Agency (CRA):** A CRA is a separate body corporate and politic created under Section 17C-1-201.5, that is a political subdivision of the state, that is created to undertake or promote project area development, whose geographic boundaries are coterminous with the municipal or county area.

---

## REFERENCES

[Utah Code Title 17C Limited Purpose Local Government Entities – Community Reinvestment Agency Act](#)  
[Utah Code Title 11, Chapter 13, Interlocal Cooperation Act](#)  
[Utah Code 63N-3-601 et. seq.](#)

---

