

## POLICY 2035

### Increment Financing

#### A. Board Considerations for Approving Tax Increment Financing Projects

1. Economic development is not the mission of the Board of Education. The District's role in economic development is to provide a well-educated workforce that can assume quality jobs in our community and compete in the world environment. Utah law allows the Board of Education to determine what, if any, tax increment will be provided for Redevelopment and Community Development Agencies.
2. The Board of Education will not participate in any project in which the Board or staff has not been involved in the early stages of project development.
3. The Board of Education will not support any project that would likely occur without tax increment financing.
4. The city/county requesting tax increment financing will disclose the projected number of new jobs, by type and annual compensation level, to be generated by the project.
5. The city/county requesting tax increment financing will disclose the number of students expected to be generated by the project. The project's details will include a detailed financial analysis of the projected costs to educate those incremental students, source of revenue, and overall financial impact to the school district budget.
6. During the project's term, if the school district determines that more students are being generated from the project development than were originally projected in the approved development proposal, then the development authority will fund the incremental cost to educate those additional students from tax increment revenues. Under no circumstances will the development project's approved budget be increased to reflect the costs to educate any additional students over those originally projected.
7. All projects approved by the Board of Education will be made with the expectation that the District will not raise offsetting property tax rates to fund projected new students - holding all other Box Elder School District taxpayers harmless.
8. The Board of Education has preference for development projects that:

- a. increases assessed valuation while minimizing impact on the educational services required.
- b. emphasize commercial, office, industrial, and hotel/convention projects over retail and residential projects.
- c. provides partnership opportunities with businesses supportive of education.
- d. the financial participation percentage from the other taxing entities (city/county) will be higher than requested of the District.
- e. through an interlocal agreement, provides a pass-through of tax increment revenues directly to the District, rather than considering the tax increment revenue to the District as property taxes collected.
- f. the entity requesting the development project (city/county) will pay for the school district's independent review and analysis of the project, up to \$5,000 per project request.

9. Critical Factors for the Board of Education:

- a. The school district's tax increment participation percentage requested does not exceed 60%. Greater preference will be for those projects requesting less than 60% school district participation.
- b. All existing and proposed development projects within a city/county will not exceed 10% of that entity's total taxable value.
- c. All existing and proposed development projects within a city/county will not exceed 10% of that entity's total taxable land.
- d. The term of any development project will not exceed 15 years. In addition, the city / county commits to not request a renewal or extension beyond the original term approved.
- e. Preference will be given to projects with even shorter terms than 15 years.
- f. Any development project must begin within three (3) years of district approval. If a project fails to begin within three (3) years from approval, the District's participation will become null and void.

- g. The development project's tax increment income cap does not exceed the proposed/budgeted expenditures.
- h. Any tax increment approved by the Board of Education shall include provisions to terminate once the RDA/CDA revenue stream has generated the budgeted revenue OR at the end of the project term, whichever comes first.
- i. The Administrative Fees for any project will not exceed 2.5%. The lower the administrative fee the better.
- j. Any commitment to fund housing in the project will not exceed 10% of total expenditures. If housing is included as a funding component, the school district will be a determining participant in how those housing funds will be spent. Priority for housing funds should be for school district teacher and staff housing, unless that priority is not needed.
- k. A commitment from the city/county that the school district will not be charged any impact fees for any future school district building/construction projects.
- l. The annual wage for projected new jobs created will exceed the current annual city/county average wage.
- m. Should the Board of Education need to bond for new facilities or renovations, the city/county commits to publicly support the school district's bonding efforts.