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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Brad C. Smith
Chief Executive Officer

DATE: December 5, 2014

ACTION: Parameters for RDA/EDA Votes by the USBE

Background:

During the November Board Finance Committee, Cathy Dudley from the USOE School Finance Section was given the task of putting together a document for discussion and possible action during the December meeting concerning the parameters for RDA/EDA votes by the Board of Education representative on Taxing Agency Committees. Ms. Dudley is currently the appointed Board Taxing Agency Committee representative.

Key Points:

A list of reasons for recommending a vote in favor of RDA/EDA projects will be provided to the Finance Committee for its review.

Anticipated Action:

It is anticipated that the Finance Committee will review the parameters for voting in favor of an RDA/EDA project, make any changes as necessary and decide whether to forward the parameters list to the full Board for action.

Contact: Bruce D. Williams, Associate Superintendent, 801-538-7514
Cathy Dudley, MSP Coordinator, 801-538-7667

Potential Reasons for Voting in Favor of RDA/EDA Projects

1. Project is of short duration—collects the tax increment for short term and gets the project area back “on line” to distributing higher value property taxes to taxing entities in ten years or less.
2. The amount of tax increment is small—total is under \$100,000 per year. No 20 percent of increment to Olene Walker Affordable Trust Fund.
3. The project has received a waiver from the Olene Walker Trust Fund Board indicating that this community does not need funds for affordable housing.
4. There has been a successful negotiation with the Taxing Agency Committee which holds the school district harmless due to the potential impact of the RDA/EDA—through either county treasurer pass-through or direct mitigation payments paid directly to the school district.
5. The RDA/EDA plan is reasonable and can be accomplished within the parameters of the plan.
6. The redevelopment agency is willing to meet periodically throughout the term of the project to report back to the Taxing Agency Committee regarding its progress towards goals and performance of the developer/employer.
7. It is independently important to the local school district that the RDA/EDA project proceeds.
8. But for the infusion of tax increment dollars, it is reasonable to assume the project would not take place in a reasonable time and at the appropriate location.
9. The process of setting the Basic Tax Rate is revenue-based and the levy amount is set so as to generate the total statewide dollar amount set by the Legislature.