

To: The Interim Committee on Urban Renewal in Idaho

I (Frank Orzell) am an individual taxpayer (only), not representing any organization. I have neither a legal or political background and so beg your indulgence for any indiscretions.

Having relocated to North Idaho from the East Coast, I have witnessed first-hand how a distressed area can become parasitic, inhibiting the ability of the community from realizing its full potential. I support legitimate efforts to revitalize such areas to provide incentives for private developers to make investments that will positively impact the general welfare of the community.

I have studied both the statutory and operational aspects of Urban Renewal (UR) as carried out in Coeur d'Alene over the past 8 years. I have drawn upon the knowledge of many local governmental officers and attended virtually all the meetings of the Coeur d'Alene Urban Renewal Agency since 2007. I feel I have a very solid understanding of how urban renewal works here.

I have spoken with many local taxpayers and although there is not 100% agreement with regard to the value of UR in this area, it is clear that the general perception is overwhelmingly negative. I think it fair to say that most taxpayers with whom I have spoken regard UR as "something done to me as opposed to something done for me." ... something done with my tax dollars over which I have absolutely no control, no voice. Clearly, this runs counter to the American democratic tradition, adding to a growing frustration and distrust of government. This in turn, likely contributes (at least in part) to the lack of the electorate's interest and participation in government as evidenced by the low voter turn-out in elections.

I believe a more informed and positive taxpayer base could significantly improve the public support of urban renewal and at the same time, simplify and improve public confidence in governmental institutions. This is an opportunity for Idaho to show the nation how to deal with the thorny issues of urban renewal. I envision two changes that would provide a solid base on which to build, both requiring statutory changes:

1. Major decisions for urban renewal projects and funding should be brought under the control of voter-elected representatives.

Some view dissolution of the present UR Board and the assumption of that responsibility by the local governing authority as most desirable. However, it seems to me that such a move would likely result in unnecessary complication and confusion. True, the taxpayer would be represented by elected officials, but there are other issues to be considered.

Under the present statutes, the Idaho Supreme Court has ruled that UR and the local governing authority are two separate and distinct entities. With the Council assuming the role of the UR board, how would that separation be maintained? Would there be two separate and distinct board meetings? I strongly suspect this would result in greater confusion in the public mind than what exists today. And there may be other issues that arise, resulting in little or no improvement over the present arrangement.

I suggest a different approach. The goals and objectives of UR and those of the local governing authority share some degree of overlap. Now, if the local governing authority

lacks some of the tools needed to provide effective solutions to urban renewal, it would seem to make sense to modify existing statutes to provide the local governing authority with those needed tools rather than endure the continuing cost and confusion of totally separate and distinct organizations. The result: a single organization, under an elected mayor and council reflecting the voice of the electorate and providing a singular approach to the strategic and operational issues of the community.

This would provide a much less complicated solution ... think of 'one-stop-government' somewhat akin to one-stop-shopping in the commercial world ... effectiveness and efficiency of government in the same package. Among other operational benefits, financial reporting would be combined eliminating the need to refer to two separate books' and, the reporting of "component units" could be eliminated. In short, we are provided with an opportunity to simplify and streamline local government while addressing urban renewal issues in our communities.

2. Greater specificity is needed for what UR sponsored efforts can and cannot do (the 'rules of the game' need to be more clearly stated and tracked).

I do not know how the Legislature wants to pursue urban renewal; but drawing on my experience I submit the following for your consideration:

- a) Positive contribution to the general welfare of the community should be the primary goal of urban renewal.
- b) Open-ended projects must not be permitted; all proposed projects/programs must have fixed time and geographic boundaries.
- c) Approval of all new projects must be supported by a cost/benefit analysis to the extent possible (recognizing that this is seldom a precise science).
- d) Tracking mechanisms are needed throughout the life of any project to evaluate the effectiveness of urban renewal programs. (Learning and process improvement are the main objectives here.)
- e) Funds derived from property taxes (TIF) for urban renewal cannot be used to cover day-to-day operating expenses of any organization, public or private.
- f) Urban renewal projects should be focused on infrastructure development/improvement which are to be owned by the community.
- g) Infrastructure development/improvement may be financed by a developer and subsequently reimbursed by TIF proceeds (as is presently permitted).

My sincere thanks to the Committee for this opportunity to express my views. I wish you every success in your endeavors.

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