



November 4, 2015

Legislative Interim Committee on Urban Renewal

Re: Proposed Modifications to Urban Renewal Laws

It has been suggested that members of the committee provide suggested talking points for potential changes to the URA Laws. We have heard from the stakeholders at several meetings and it is time that we focus on what we will recommend to the legislature for the 2016 Session.

Senator Souza and I have worked on issues that we believe can be addressed in the following list:

- **Election and, or appointment of URA Board Members:**
 - **Election of URA – Board Members:** Provide an “option”, by local ordinance, for the local sponsoring government to establish elections:
 - Elections would be held in the election cycle of the sponsoring local government.
 - Board Members must live within the sponsoring local government.
 - If a city council member, Mayor or county commissioner wishes to serve on the URA Board they should be allowed to be on the ballot for either the city or county, as well as the URA ballot.
 - **Board Members:** URA Boards may allow for elected members of the sponsoring local government, however, in no case should the board include a majority of members from any particular elected commission or council. For purposes of a majority, a mayor would be included in the limitation of a majority.
 - **Appointments and Terms of URA Board Members:** If an URA has an appointed board, the Mayor shall appoint and the council shall confirm all appointments to the URA Board, including vacancies. The URA shall establish a limit on the number of consecutive terms any citizen may serve and the length of such terms. The limits established by local ordinance shall be within the following:
 - One term can be up to 3 years.
 - A maximum of three terms shall be allowed. The appointment to a vacated term shall not count toward the number of terms established as a limit.
 - **URA Support Staff and Operating Expenses:** Staff, operations and space requirements of the URA may be contracted with the city or county. An elected official may not serve in a paid or contracted position for the URA.
 - **Limits on use of TIF:** The local sponsoring government may, by ordinance, detail the acceptable uses of tax increment financing within its municipal boundaries, or URA District if it extends beyond the respective city or county limits.

- **Limits on Revenue Allocation Areas (RAA):**
 - URA shall establish a long term map/district for redevelopment, which may be amended by ordinance.
 - URA shall establish a plan for development within the URA District.
 - URA may establish Revenue Allocation Areas, within the URA District, with specific purposes, goals and time limits based upon specific redevelopment or economic development projects.
- **Impacts on Local Governments and overall market values:** URA goals should include how the investments within the district and the revenues from the RAA will have short and long term impacts on the local governments whose taxes would be allocated to the RAA.
 - **Base Values of RAA:** At the establishment on an RAA the all properties will be identified as to their current values and the local taxing jurisdictions shall retain the taxable value for their tax rolls. Each property value shall be identified by the underlying land value and the improvements. The land value shall always be retained as the base for local taxing jurisdictions. If a property is razed as part of a redevelopment project, the value of the original improvements shall be considered part of the underlying land value. The new construction and improvements shall be considered Incremental Value for the RAA.
 - This will provide for the increasing values of the land within the RAA to help support the local government services provided to properties and citizens within the RAA. It also recognizes that a razed building value was included for the value of the land, and not the building. And, that the cost of demolition and remedial environmental cost, which will be included in the incremental value, was considered as a discount to the original base valuation.
- **Revenues Streams directed for local government services:** Local government jurisdictions do have increased demands by growth within the RAA and should participate in the growth to generate a stream of revenue to help offset the costs of operating the local governments. Therefore it is proposed that we consider some level of sharing revenues based upon the expected demands on services.
 - **Residential Properties:** Single Family Residential Properties (which includes 1-4 family units) within an RAA shall have the taxes on the value of their improvements split between the RAA and the local taxing districts. It is suggested that the local taxing districts shall retain 70% of the improvements, plus the value of the land. The RAA would receive 30% of the improvements.
 - **Multi-Family Residential Properties:** (Residential Properties with greater than 4 family units). It is suggested that the local taxing districts shall retain 50% of the improvements, plus the value of the land. The RAA would receive 50% of the improvements.
 - **Mixed Use Residential/Commercial Properties:** Properties with four or more residential units and Commercial units. It is suggested that the local taxing districts shall retain 20% of the improvements, plus the value of the land. The RAA would receive 80% of the improvements.
 - **Commercial Properties:** It is suggested that the local taxing districts shall retain 10% of the improvements, plus the value of the land. The RAA would receive 90% of the improvements.
 - **Industrial Property:** It is suggested that the local taxing districts shall retain 5% of the improvements, plus the value of the land. The RAA would receive 95% of the improvements.
- **Transparency:** Requirements and local policy appears to vary by jurisdiction. Urban Renewal Budgets, meeting schedules and notices, reports, plans and public records

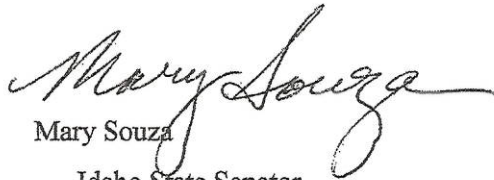
should be easily found by a link to the local governing entity, identified as the Urban Renewal Agency.

- The Secretary of State can accommodate a repository for any records for cities or counties that sponsor an URA, but do not have a website. The state site can simply provide links to the URA websites or actually provide storage for digital access.
 - Annual Reports to the Sponsoring local government must be properly noticed and part of a regular meeting, not a special meeting.
 - Any committee or sub-committee created by the URA governing body shall be governed by the open meeting laws, including the rules that apply to Executive Sessions.
 - Political or quasi-political lobbying may only be done through the sponsoring local government. No tax increment financing shall be used for this purpose.
 - All Urban Renewal Agencies would be required to operate and disclose records as identified under state law, for example The Twin Falls Urban Renewal Agency. This would not eliminate the use of a DBA for marketing purposes. However, all legal records and notices must reflect the official agency name and identifiable as the Urban Renewal Agency.
- **Public Buildings Funded by URA:** HB239 addressed this with the text similar to the following. The urban renewal agency shall not use revenue allocation funds to construct municipal buildings. For purposes of this section, a municipal building is a central administrative *public safety* building, a city hall, a library, a court house or other judicial building.
 - Except where the municipal building can be specifically determined to be necessary to the redevelopment or economic development purposes of the RAA, or as a renovation of an existing municipal building within the RAA. This does not exclude the URA use of RAA funds to provide the infrastructure needs for the public building that would be provided to an otherwise qualified non-municipal property. RAA funds may be used in support of the municipal building that has been placed before the voters for bonding of the local government's portion of the project; or, built/remodeled with reserved funds of the local government.
 - **Oversight:** It is the responsibility of the sponsoring local government to monitor, track and address any complaints regarding the URA Board. Unresolved alleged violations of the URA Laws may be appealed to the County Prosecutor or the Attorney General's office.
 - **Penalties:** The URA laws should specifically reference the penalties associated with civil and criminal violations found within Idaho Code and any local ordinance. This clarifies that those involved with URA are not exempt from penalties and fines.

Respectfully submitted,



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Idaho State Representative



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