




Suggestions for URD/Economic Development/Revenue Allocation Area Guard Rails

Bob Bingham www.nwpoa.org

In addition to fixing the obvious faults in Idaho URD related law, one of the simplest ways for the 'URD Special Legislative Committee' to repair and improve Urban Renewal District (URD), Competitively Disadvantaged Border Community Area (CDBCA), and Revenue Allocation Area (RAA) law and activity is to simply add guardrails to provide local governing bodies a clear path to work within. You may recall there is a difference in the way Idaho law governs cities, verses counties, (initial NWPOA submittal to the URD special legislative committee) which means legislators must spell out both do's and don'ts. One of the URA representatives before this committee stated; "just tell us what we can do and what we cannot do." Below are some common sense suggestions.



Two new subchapters would be added under the headings "Prohibited Activity" and "Required Activity". Please review and consider each suggestion.

(new) **Prohibited Activity.**

An urban renewal agency, or competitively disadvantaged border community area, that establishes and uses revenue allocation areas are prohibited from any and all of the following activity:

- (1) Funding of an activity or project previously rejected in whole or part by voters' defeat of a bond or initiative in the prior 5 years.
- (2) Having more than 2 urban renewal districts in operation at any one time.
- (3) Expending more than \$5 million dollars towards any single private or public action.
- (4) Splitting or dividing capital improvement costs amongst other public entities in an effort to sidestep what would otherwise require voter approval. (*its all tax \$\$*)
- (5) Making improvements to infrastructure outside the URD boundaries.
- (6) Incurring debt beyond a 10 year period or beyond the planned closure date of the URD.
- (7) Operating any business activity that competes with private business. This includes the rental of property.
- (8) Holding title to any single property longer than 5 years.
- (9) Funding a taxing district project that would otherwise be the responsibility of the taxing district to obtain voter approved funding.
- (10) Transferring any money to a city or county or taxing district in an effort to get around bond approval for such action.
- (11) Using any funds for URA or URD promotional advertising, lobbying, or other marketing or promotional material other than to provide the public with facts related to revenue, spending and accountability.
- (12) Extending any URD boundary once established.
- (13) Changing any URD plan once established.
- (14) All collective URD's implementing a revenue allocation area within a city's boundaries are collectively limited to; (a) a maximum 10% of the total assessed market valuation of the city when initially formed, and (b) a maximum of 10% of the total land area within the city boundaries. If at any time the total assessed market valuation of all URD property rises above 10% of the city assessed valuation, all future URD activity shall be halted or contiguous sections of property within the URD shall be removed from the URD and returned to the tax rolls until the collective URD valuations are below 10% of the entire city valuations.
- (15) No URD or RAA may be larger than the proposed block by block work activity found in the URD plan.
- (16) No URD or RAA boundary shall be sized or drawn to collect the most TIF money, but rather defined to accomplish needed improvements.
- (17) URD actions may not be combined with city actions with regard to project activity. URD activity is to stand on its own to provide clear accountability and responsibility.

- (18) URD board members and staff may receive no gratuity, no favor, no benefit or have any possible way to gain from any board activity. Annually they must sign a full disclosure agreement. If they possess any material way to gain or have any personal relationship including being friends with any beneficiary, they must excuse themselves from all related voting, conversation and debate.
- (19) Transferring URD obligations from one URD to another.
- (20) No URD may allocate more than 10% of its incremental funding in any 5-year period or overall in the 20 year life of a URD, to non-property tax generating activity.
- (21) No URD may donate or provide funding to causes or organizations beyond activity specifically aimed and entirely focused with within a URD.
- (22) No URD may divert funds to any single taxing district entity without diverting funds equally to all affected taxing district entities.
- (23) No URA may employ an executive director at a salary more than the current year salary of either: (a) the salary for the mayor, (b) the governor's annual salary, (c) 80% of the highest paid salary employee working in the city. The benefits may be no more than the same % of salary benefits received by the average city worker.

(new) **Required Activity.**

An urban renewal agency, or competitively disadvantaged border community area, that establish and use revenue allocation areas shall be required to institute the following:

- (1) Use the following descriptive terms in its official name; "*Respective City Name* Urban Renewal Agency." Every URA shall contain the words "Urban Renewal Agency" in its legal name.
- (2) Use the following descriptive terms in labeling each of the URD's it creates; "*Respective City Name* Urban Renewal District" or when more than one district is created by adding an additional descriptive word or words that citizens would easily recognize the area of the URD, "*Respective City Name* "*Downtown*" Urban Renewal District." Every URD shall contain the words "Urban Renewal District" in its descriptive name.
- (3) If there is a geographic boundary difference between the any URD and/or any CDBCA, and/or any RAA, a visual graphic map identifying the boundaries of each must be produced to clearly identify each.
- (4) For the life of a RAA, the annual flow of money in/out of each URD or CDBCA activity must be clearly distinguished.
- (5) For all area within the physical boundary of the URD or RAA, the URD plan must define by each city block what improvements will be done in each respective block during the life of the URD. If no improvements are planned, then to provide an explanation why it is included in the URD.
- (6) The URD or RAA plan must include a projected table to identify year by year for the expected life of the URD or RAA, (a) the expected annual URD expenditures, (b) the expected annual URD income, (c) the expected net assessed valuation increase within the URD or RAA due to normal inflation and appreciation, and (d) the net assessed valuations increase within the URD or RAA due to URD / RAA stimulated activity. A corresponding actual table shall be built and annual updated to compare actual values to projected values.
- (7) The URD or RAA plan must include a projected table to identify year by year for the expected life of the URD or RAA: (a) the privately owned properties it expects to provide improvements to, (b) the dollar amount of such improvements physically upon the each respective property, (c) the proportionate share of improvements not physically upon each respective property but designed to serve each respective property, (d) the prior private property acquired by the URD or RAA and related improvements, (e) the public property
- (8) The URD or RAA shall each year identify, publish and post the names of persons and businesses receiving monies greater than \$600 from the URD or RAA (*threshold is already required under IRS law*) listing the total amount received for each respective year the URD or RAA is in operation.
- (9) Have a board of elected representatives who reside within the city the activity is going to take place "unless" the URA is operated in such a manner district that it will not be using any taxing district

monies from rural or other city jurisdictions. If it does impact the funding of taxing districts outside of its municipal boundaries an equal percentage of the city URA board members shall be from outside the respective city limits to insure balanced representation in handling URA funds.

- (10) Establish a website, which may be a subpage to the municipality’s website. The website shall include: all maps and changed maps, all plans and changed plans, all board minutes in audio file form, a list of public complaints, charts showing the projected results over the life of the URD verses the actual results, the website shall also post the the prior 5 yrs of such records and all finical reports.
- (11) All URA business activity shall be conducted using URA email addresses and postal addresses. All emails shall be retained for the life of the URD plus 3 years. The email addresses for all staff and board members shall be published on-line to provide the public with contact ability.
- (12) All URA meetings shall be audio and/or video recorded and posted online for at least a period of 2 years. All recordings shall be retained for the life of the URD plus 3 years.
- (13) URA must list the evidential necessities found and purpose for creating each URD, then when creating each URD “Plan” they shall list objective goals to be achieved by each future year the URD is in operation to cure the described needs, each objective goal shall be tracked and measured year by year and for the following 3 years after the URD is closed. Each objective goal listed in the plan shall establish percentage increase or decrease expected within each of the URD boundaries.
- (14) Annually the URA board shall discuss the merits of closing the URD early to return the diverted taxing district funds to the taxing districts.

