

MINUTES
(Subject to approval by the Committee)
Urban Renewal Interim Committee
Tuesday, March 08, 2016
3:00 P.M.
House Wing - EW20
Boise, Idaho

Members present were: Co-chair Senator Dan Johnson, Co-chair Representative Rick Youngblood, Senators Jeff Siddoway, Chuck Winder, Mary Souza, and Maryanne Jordan; Representatives Kathleen Sims, Robert Anderst, Lance Clow, and Hy Kloc. Staff present were Keith Bybee, Mike Nugent, and Ana Lara from the Legislative Services Office.

Others in attendance included: Pam Beaumont, Garden City URA; John Evans, Association of Idaho Cities; Russell Westerberg, Capital City Corporation Development; and Phil Kushlan.

Note: Copies of presentations, handouts, and reference materials can be found at: www.legislature.idaho.gov and are also on file at the Legislative Services Office.

The meeting was called to order by Co-chair Senator Dan Johnson at 3:02 p.m. **Representative Sims motioned to approve the minutes. The motion passed by voice vote.**

Co-chair Youngblood discussed the purpose for calling this meeting. He explained that leadership had requested three items to be changed to the draft, he proceeded with those changes and had the draft converted to an RS. The draft with those changes is now House Bill 572. He offered his apologies to the committee members for not including them in these changes and wanted to take the time to gather everyone to discuss them.

Co-chair Youngblood discussed the first change that was done to the draft was withdrawing any changes that had been proposed to Section 50-2017, Idaho Code. He emphasized that it still is in statute, but the committee was not modifying the original language. The second change, he said, was on page 9, Section 50-2903a, Idaho Code, item 4. Representative Anderst clarified that modifications should be done to an existing plan; To modify a plan, it should be tied to the original plan rather than making modification upon modification just based on the amount of increment that was allowed to be captured.

Senator Souza opined that as a committee they should support the specifics of an existing plan and any reasonable tweaking of the plan that items 1 thru 3 that provide provisions. If an unexpected economic opportunity comes up, she opined, then it should go through the original process to create a new revenue allocation area. Senator Jordan opined that the original language that the committee had previously unanimously agreed upon was a great way of consolidating urban renewal districts that are a particular project and urban renewal districts that a larger urban renewal plan which vary from city to city. She stated that she believes that this new language takes away the economic development opportunity piece from the larger plans; the committee has begun to interchange the discussion of a project and a plan as if they were the same thing and they are not. The original language, she stated, addressed both depending on the need of the community.

Representative Clow discussed a couple concerns regarding the definitions of some of the language, for example, the term "unanticipated." In the Twin Falls area, he stated, phasing can be a potential issue if you cannot foresee all the demands in the next phases. He asked if being unable to foresee all the demands would be considered anticipated or unanticipated. The other terms that could pose some concern would be "opportunity" versus "project."

Co-chair addressed the discussions that the modification base reset has caused. He stated that each new unanticipated or new project should go through the same process; and now the funds are not being returned to the taxing districts as they should. Senator Souza stated that the state of Idaho

has a mixture of urban renewal districts with one large revenue allocation area and urban renewal districts with many revenue allocation areas - each with their specific plan. She opined that the latter was what had originally been intended. She stated that there are mechanisms within this statute that can allow for those large revenue allocation areas to be condensed and when a new unanticipated opportunity arises, then a new revenue allocation area can be started and transition into a more responsible use of this tool that would be very specific to the needs of that project.

Senator Winder voiced his concern on page 11, Section 50-2905a, Idaho Code, line 22, which states "60 percent of electors residing within the borders of the qualified municipality" versus simply referring to the people that voting in that election. He opined that it becomes a higher standard than two-thirds of the people voting.

Co-chair Youngblood asked the committee if they wanted to support House Bill 572 or the original RS that was unanimously approved. Senator Winder asked if it was likely that the original RS would get a hearing. Co-chair Youngblood responded that he could not be sure that it would. He again posed the question to the committee - did the committee want to support the original RS or House Bill 572 with the three changes that were included.

Senator Jordan made the motion that the committee not support House Bill 572 and support the original RS that was sent out of committee. Representative Kloc seconded the motion. Senator Jordan emphasized the significance of this committee having supported the original RS unanimously, especially given how divided the committee had been on a number of issues regarding urban renewal. Representative Kloc agreed with Senator Jordan and Senator Winder and supported the original bill.

Senator Souza asked Mr. Nugent whether the wording in the bill stating "60 percent of the electors residing within the border of the qualified municipality" means electors that are voting in that particular election or the electors within the border of that municipality. Mr. Nugent replied that the implication is "60 percent of the electors voting," but the language can be re-written to make it clearer. Senator Souza asked Co-chair Youngblood whether the wording could be amended in the bill to make the language clearer and proceed with the second version of the bill. Co-chair Youngblood stated that the committee needed to decide which version it would like to support, and then proceed with any amendments.

Representative Clow voiced that he could not support the motion on the floor right now. He asked Co-chair Youngblood whether requesting a new RS would be a possibility given there was language in both versions that some committee members had problems with. **Senator Winder made a substitute motion that the committee allow House Bill 572 to move forward in the House with the anticipation that it would pass as is, or with some amendments, and then be sent to the Senate where further amendments could be made. Senator Siddoway seconded the motion.** Representative Clow pointed to page 9, lines 6 through 10, and wanted to make sure that the committee was referencing "a revenue allocation area" that was adopted by ordinance and not a broader item like an urban renewal plan for example. Co-chair Youngblood affirmed that this was indeed the intent of the committee to reference a revenue allocation area. **The substitute motion passed with Senator Jordan dissenting.**

The meeting adjourned at 3:52 p.m.