

March 23, 2016

Senate Local Government and Taxation Committee  
Pocatello Development Authority Response to HB606/HB606a

Dear Ms. Carr:

The Pocatello Development Authority (PDA) is the urban renewal agency representing properties within the municipal boundaries of the City of Pocatello including some Bannock County property. The PDA currently manages four (4) urban renewal areas and four (4) subsequent Tax Increment Financing (TIF) districts of which one (1) is fully functional and paying off a bond for significant public infrastructure, two (2) are semi-functional and paying for maintenance of some public and minor private infrastructure and one (1) is not performing due to bankruptcy of the primary business located within that district. The PDA is also a member of the Redevelopment Association of Idaho (RAI) and fully supports the letter dated February 26, 2016 provided by Elam & Burke on behalf of the Redevelopment Association of Idaho.

The proposed bill, HB606/HB606a, would significantly hamper economic development in Idaho. As Planning and Development Director for the City of Pocatello, Executive Director of the Pocatello Development Authority, and board member and former Vice President of RAI, I have personally participated in the legislative effort for over one year in what was promised to be a new URA code. It was represented that the new code would "do no harm" while incorporating various components used by surrounding states to increase economic opportunity and flexibility but address local concerns held by a very select few. There were many different presentations by various groups which indicated the incredible benefit that urban renewal has provided to Idaho and surrounding states and the importance of certain processes that would allow Idaho to remain competitive for jobs and economic growth. There were also many presentations indicating the negative effect that certain text would have on urban renewal which, in the printed bill, has been ignored. In addition, the Urban Renewal Interim Committee included only one member east of Twin Falls which we believe does not represent the majority interest in urban renewal or the best interest for the State of Idaho.

Urban renewal is the most successful and widely used economic development tool in Idaho today, used to allow development to pay for itself over time without directly taxing every property owner for generously received public infrastructure and other improvements. Jobs and economic growth bring additional income, new residents that need more services and places to live, and increased property value that significantly supports existing local businesses of all sizes. In Pocatello, businesses that have located within an urban renewal area directly support over 250 small local businesses in our community for their operation. Urban renewal has been the catalyst that has

brought over \$150 million in public infrastructure, over \$500 million in private investment and over 3,000 jobs within the past decade which would have not otherwise come to Pocatello. New jobs mean new investment into our community, new homes, increased retail spending, new businesses to support incoming business, employees and their families and an ensuing increased tax base throughout an entire community.

Urban renewal, or its replacement, should provide the necessary tools to move Idaho ahead of our competition for economic development and economic growth. HB606/HB606a, as proposed, is written to do just the opposite. This bill has been carefully crafted to undermine the very intent of urban renewal which will have a negative effect on the State of Idaho.

Several specific examples if I may:

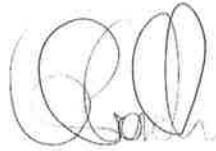
1. "New Section" 50-2913. The reporting requirements and penalties suggested seem to be a very personal attempt to publicly shame a specific authority in local jurisdictions which some may represent. This does not solve any legitimate concerns over accountability for following a legislatively and publicly approved plan. Every plan is approved through a public process and a final decision by the local legislative elected body. Every agency is already required to produce and provide an annual report indicating its projects and financial standing over the prior fiscal year.
2. "New Section" 50-2905(A). Proposed text that suggests a community may elect a board that answers to another elected board is unprecedented in Idaho; suggesting the local governing body serves as the board creates the same problem. It creates a legally questionable process with regard to bonding and funding public infrastructure. Many believe this language would require the development authority to place every agency funding opportunity paid by increment before a general bond election. This very requirement would destroy the process which urban renewal agencies follow when recruiting new business, attracting jobs and growth. Cities and states do not exist in an entropic environment. In other words, communities do not remain stagnant, they either grow or decline. If efforts are not made to compete, to improve or to grow consistent with surrounding states, then we simply fall further and further behind as we decline. This action places the financial, social, physical and environmental demands onto less people, our future generations. Every effort should be made to improve, not obstruct, economic growth in Idaho.
3. Amendment to Section 50-2903(A). Proposed text suggesting the base tax roll should be reset if an agency amends any new plan and has been specifically written to stop an agency from doing so. Resetting the base would not allow an agency to fund existing debt and could significantly reduce increment needed to fund economic growth. In addition, not allowing an agency to amend a plan to accommodate an unexpected development opportunity within an urban renewal area simply stops economic development and growth. It is not realistic to expect an agency to project every possible scenario within any given location in a given community. In addition, current Idaho Code Section 50-2008 suggests that an urban renewal area may not be planned unless the local governing body has already declared an area deteriorated or deteriorating. This does not allow an agency or the locally elected body to review or assess the specific details of projects before the locally elected body is requested to act on what may become a potential future urban renewal area.

The City of Pocatello is a strong proponent of the Pocatello Development Authority and also works in conjunction with Bannock Development Corporation. These entities leverage urban renewal and tax increment financing to provide the necessary means to attract business and employment. Increased employment provides additional local income, an increased demand for the local services provided by local business and increased taxes and valuation. The Pocatello Development Authority would support new legislation that is more transparent and addresses economic development separately in a flexible and competitive manner. This type of legislation deserves the time and attention necessary to create an adequate bill that will positively impact Idaho. HB606/HB606a does not accomplish this.

Therefore, we respectfully request that you **oppose HB606/HB606a as written.**

Please feel free to contact me should you have any further questions or concerns. I may be reached by phone at 208-234-6184 or by email [lcrowell@pocatello.us](mailto:lcrowell@pocatello.us).

Sincerely,



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Lon Crowell, Executive Director  
Pocatello Development Authority

*Pocatello Development Authority Board*  
Scott Smith, Chair  
Chad Carr, Vice Chair  
Brian Blad, Mayor  
Steve Brown, Councilman  
Howard Manwaring, Commissioner  
Cynthia Hill  
Russ Meyers  
Larry Fisher  
Thomas Ottaway

Enclosure

cc: The Honorable Jeff Siddoway, Chairman  
The Honorable Jim Guthrie, Vice Chairman  
The Honorable Curt McKenzie  
The Honorable Dan Johnson  
The Honorable Jim Rice  
The Honorable Steve Vick  
The Honorable Clifford Bayer  
The Honorable Michelle Stennett  
The Honorable Grant Burgoyne