

Hailey Urban Renewal Agency

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To: District 26 Representatives
RE: House Bill 436 – Urban Renewal

Date: March 28, 2025

Representatives Nelson and Pohanka and Senator Taylor:

Thank you for the opportunity to comment on House Bill 436.

Before commenting on the bill, we would like to acknowledge the value that urban renewal and tax increment financing have brought to communities across Idaho. In Hailey, our Urban Renewal Agency (Hailey URA) has assisted with important street infrastructure improvements in our downtown core, resulting in much-needed improvements to blighted, unsafe streets. We are pleased with our progress, and we remain focused on key infrastructure improvements. These improvements are possible because of the long-term stability, financing mechanisms, and local decision-making authority that urban renewal districts provide. We meet regularly with the Hailey City Council, and they have been supportive of our efforts.

We do have some specific comments on House Bill 436:

- 1) We are concerned with the proposed provision allowing a local governing body to dissolve an Urban Renewal Agency by ordinance. Urban renewal agencies are established to manage complex, multi-year projects requiring predictability and a dedicated governance structure. Dissolution by ordinance creates uncertainty, undermines investor confidence, and may leave critical public improvements unfinished. We urge you to hold off on adoption of this language and allow more time for dialogue on the final language. We see no urgency here, as dissolution across the state has taken place smoothly and predictably for many agencies. In conflict with Chobani provision.. Extra 20 years, could be cancelled by a future city council
- 2) The bill's allowance for individual taxing districts to opt in or out of participating in revenue allocation areas creates a troubling precedent. While it's important that all taxing entities have a voice, allowing piecemeal participation could lead to fragmentation, jeopardize financial planning, and disrupt cooperative approaches to community-wide infrastructure development. In Hailey, we have discussed fire and ambulance needs in upcoming urban renewal districts, including the dedication of land needed for a fire/ambulance station. This partnership would not take place if the fire and ambulance districts were allowed to opt out. Those special districts would not be able to take advantage of the combined tax revenue available under urban renewal and would need to purchase land from their own limited budgets. We hope to continue our partnership with fire and ambulance districts which would be severed if they are permitted to opt out of the district.

- 3) We understand and support the intent behind the provision of the bill which allows for extensions of revenue allocation areas tied to manufacturing projects. This provision will help fund necessary public infrastructure investments without placing an undue burden on other entities. Hailey URA supports this provision. However, we would observe that the disillussionment provision discussed above could undermine the proposed extension provision by allowing future city councils to dissolve the district prematurely.

In summary, we urge you to reconsider the dissolution and opt-out provisions and allow for more time for refinement of the draft bill before you on these two topics, while allowing the language that supports strategic investment in infrastructure tied to job creation to move forward. Hailey URA is prepared to collaborate with state leadership in developing any revisions to statute to preserve and strengthen the elements of Idaho's urban renewal framework that have contributed to our state's growth and success.

Thank you for your time and consideration.



Larry Schwartz, Chairman

Hailey Urban Renewal Agency



Mayor Martha Burke

City of Hailey