

**CITY OF KUNA
SPECIAL CITY COUNCIL MEETING
MINUTES**

TUESDAY, DECEMBER 23, 2014

Kuna City Hall Council Chamber, 763 W. Avalon Street, Kuna, Idaho

5:00 P.M. – 7:00 P.M. PUBLIC HEARING

COUNCIL MEMBERS PRESENT: Mayor W. Greg Nelson
Council President Richard Cardoza
Council Member Briana Buban-Vonder Haar
Council Member Pat Jones
Council Member Joe Stear

CITY STAFF PRESENT: Richard Roats, City Attorney
Gordon Law, City Engineer
John Marsh, City Treasurer
Wendy Howell, Planning & Zoning Director
Brenda Bingham, City Clerk

1. Call to Order and Roll Call

Mayor Nelson welcomed everyone and called the meeting to order at 5:00 p.m. Roll call reflected Council Members Cardoza, Jones, Buban-Vonder Haar and Stear present at the meeting.

2. Public Hearing: *(Timestamp 00:00:33)*

The public hearing is being held to take public testimony regarding the city's proposed urban renewal area and the urban renewal community-wide plan for the Urban Renewal Agency (URA) created pursuant to Kuna City Resolution R21-2011. The public will also have an opportunity to testify regarding the revenue allocation area as depicted on the map. If approved, property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation as shown on the base assessment roll will be allocated to the agency for urban renewal.

Mayor Nelson reported no one signed up to speak at the public hearing. He asked that information be provided and then it would be opened up for questions at that point.

Gordon Law, City Engineer, gave an overview of the proposed formation of a renewal agency explaining it is for the purpose of extending infrastructure to support development. URA funding comes from the increased valuations that are created by the development projects to be used to support the cost of the infrastructure projects.

Mr. Law stressed the importance of not using URA funds for operational costs noting nothing in the proposed plan would allow this type of action.

The taxes on properties inside the URA and properties outside the URA in the city are identically the same. Most of the taxes in the URA will come from growth.

When the assignment was given to staff to prepare for the project, it was for a development already in place that we had hoped to get the tax increment on. We have since learned that it will not be a part of the tax increment as far as the URA is concerned so a slower approach to the forming and organization of the URA is now taking place.

Agricultural property has to be contiguous and a signed petition must be obtained to allow the property to be included in the URA. There is no distinction between being in or out of the URA as far as tax levy rates are concerned.

The URA is one way to invest in infrastructure or user fees could be increased.

The state statute allows a maximum of 20 years for an URA.

(Timestamp 00:20:30)

The URD in some degree affects all of the taxing entities but very little touches the school. It does not deprive them of revenue or the opportunity to set levy rates in accordance with law. They do not get the reduction of levy rates that comes with the increased growth for the life of the agency.

The proposed agency boundary does not trap all of the growth but allows growth to occur outside the boundaries.

(Timestamp 00:35:45)

John Marsh, City Treasurer, presented the following information:

Kuna City Today:

2014 Property Tax levy: \$1,777,962
2014 Net taxable value: \$556,020,259
2014 Levy Rate: .003197657
Kuna City tax per \$100K Taxable Value: \$319.77

Kuna City Assumed Next Year with URD and zero value improvement in tax base (extreme case):

Assumed property tax increase: 3%
New Property Tax Levy: \$1,831,301
Assumed Kuna City RAA Base Value: \$47,054,692
Fixed Levy rate on Base Value: 003197657
Fixed Tax revenue on Base Value: \$150,464

Remaining tax levy to be assessed to remaining taxable value of \$508,965,692: \$1,680,837
Levy Rate on remaining taxable value: .00330245638
Kuna City Tax (non URD parcels) per \$100k taxable value: \$330.25 and w/o URD \$329.36

LaVar Thornton, 2800 Forrey Road, expressed his desire to visit with Gordon Law to learn more about the proposed URA.

Mark Barnes, Kuna Melba News, asked what the property valuation change would be if infrastructure is built on a piece of property and someone builds development next to the property.

Mr. Marsh replied that it depends because the assessor's market rate is based on use. If infrastructure is installed right next to the property, as long as the use of the property does not change, the assessor may change the market value because there are now services available but it is still based upon the use.

Attorney Roats explained statute allows for the city council members to be on the URA Board.

After the URD is created, it can be amended to increase it in size up to 10 percent of the acreage of the original urban renewal area. It is uncertain if the URD footprint can be reduced.

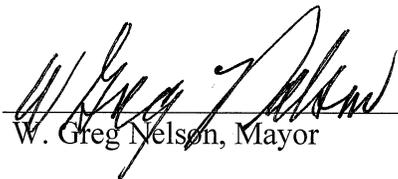
Mr. Law reported they are reaching the end of various capacities on the lines around town which will have an effect on where people can develop. This can be addressed through an URD.

Council Member Stear moved to have a continuation of this public hearing for a time to be published. Seconded by President Cardoza, all voting aye. Motion carried 4-0.

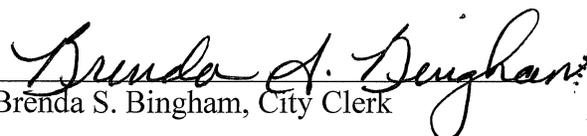
Appreciation was expressed to staff for their time in researching and presenting the URA information.

3. Adjournment

The meeting adjourned at 7:03 p.m.


W. Greg Nelson, Mayor

ATTEST:


Brenda S. Bingham, City Clerk

Minutes prepared by Brenda Bingham
Date Approved: CCM 1/6/15

