

CDA/RDA - Unintended Consequences?

1. Recognizing the continuing, increasingly restrictive changes in the State law, ie. Community Reinvestment Agency Act, Title 17C, effective 5/10/2016.
2. First, a little 'Institutional memory' review of key Riverdale RDA facts.

Existing RDA Project areas and Budgets	
The original RDA areas: <ul style="list-style-type: none"> • Riverdale Road in 1989, and • 1150 West in 1993 	Adopted budgets to receive property tax increment from the taxing entities by virtue of the RDA Board's approval .
<ul style="list-style-type: none"> • 550 West RDA in 2005 	Budget was adopted in 2005 following the then legally required majority approval of an eight-member Taxing Entities Committee (TE) .
<ul style="list-style-type: none"> • West Bench RDA in 2012 	Budget was adopted in 2012 following the changed again legally required super-majority approval of this TE Committee (required 6 of the 8 members approval).
In the cases of all four of these RDA project areas, under state law that existed at the time their budgets were adopted, all Taxing Entities became obligated to participate with the diversion of their associated property tax revenues.	
Thus, obtaining budget approval from the TE Committees for newly proposed RDA project areas became increasingly more difficult and challenging to obtain over the years.	

3. Regarding the Proposed new 700 West CDA, to beat the challenges of a September 1, 2016 deadline:

Proposed new 700 West CDA	
Proposed CDA plan and budget	Could be adopted by a majority of the RDA Board.
Possible effect on projected revenues.	Might only be binding on Riverdale City property tax revenues should it be adopted.
Other Taxing Entities, who collect the majority of the projected property tax revenues, must be solicited and convinced of the benefits of their participation.	Each, as an individual taxing entity, has the ability to decline, negotiate, or opt not to participate as proposed. To approve, they must do so by a resolution or by an interlocal agreement with Riverdale RDA.
Taxing entities now have much more individual control over their participation or non-participation in CDA project area budgets.	

4. Could there be some potentially significant unintended consequences of adopting the proposed CDA?

Unintended consequences?	
Perception issue and possible response?	<ul style="list-style-type: none"> • Weber County 2016 property tax increase issue. • Weber School District 2016 property tax increase.
TE Question. Why has Riverdale not used existing approved tax increment?	<ul style="list-style-type: none"> • The unused \$9 million in tax increment budget previously approved for the West Bench RDA project area?

Why do possible prospects remain unaware of the West Bench project area \$9 million + of approved tax incentives?	<ul style="list-style-type: none"> Two contacts within two hours confirmed unaware.
Issue of previous wasted staff and TE time, efforts, and commitments?	<ul style="list-style-type: none"> How might the RDA Board, administration and staff respond should the \$9 million+ West Bench tax incentives expire without more proactive avenues and options being sought and pursued?
Fairness and equity? Of assisting in 'dealership' renovation or relocation? In light of:	<ul style="list-style-type: none"> Divino's \$8 million + 2015 assessed property value all funded privately. LH Miller's \$8 million + 2015 assessed property value all funded privately.
Mobile home park residents issue?	<ul style="list-style-type: none"> As to the position of the city/RDA assisting a developer with their forced eviction and residential relocation. In some cases having to walk away from older mobile homes that cannot be moved to another park?
Weak development agreement performance?	<ul style="list-style-type: none"> As to financial assistance provided to a developer who has failed to perform as originally agreed on previous agreements with the RDA?
Development and/or redevelopment would have happened or will happen anyway without the CDA plan and budget?	<ul style="list-style-type: none"> Is imminent development vested to a point of continuation already? Will the City's General Fund Revenue suffer unnecessarily?
Critical timing issue prior to September 1, 2016?	<ul style="list-style-type: none"> Does the timing issue justify an approval of something that might not make sense?
Doing things right vs. doing the right thing?	<ul style="list-style-type: none"> The proposed CDA and the existing RDA project areas might be the least understood tools by policymakers. The 2015 RDA Annual Report may have erroneously omitted important information concerning the West Bench RDA Project Area. <ul style="list-style-type: none"> Title 17C – Community Reinvestment Agency Act (Effective 5/10/2016) <ul style="list-style-type: none"> (17C-1-603 (2)) (17C-1-102 (1)) (17C-1-702 (1))

5. Do the right thing. If you feel confident about affirmative answers to the questions posed above, then proceed and adopt the proposed CDA Plan and Budget. If not, act accordingly until you do obtain the confidence to stand on your approval.

(Larry Hansen, Riverdale resident, retired Riverdale City Administrator and Executive Director Riverdale RDA)