

Sam: Urban renewal \$\$\$ crucial to Seltice Way revitalization

Deputy City Administrator Sam Taylor

Hi Dave, there seems to be a bit of confusion here as to the various ways urban renewal districts work to fund projects - and how they're tied to the City. They are a completely separate governmental entity with their own bank accounts, etc.

There is no loan here for this project. This is the URD funding an extremely crucial revitalization project within its boundaries.

I'm not sure how to respond to the issue of Seltice Way being blighted, because it seems pretty obvious to me that it is unsafe and deteriorated. There is a ton of property out there that has a far better highest and best use that is not being tapped for numerous reasons, at least one of those being that Seltice Way is extremely run down, it's not conducive to a business-friendly climate, etc., the traffic facilities are horrendous and more. This project will explicitly create an economic development climate in that area far more aligned with encouraging business growth. Large mill properties, old storage unit areas, dangerous intersections -- all issues and opportunities. Creating a pedestrian- and bike-friendly area with better intersections at Huetter and Atlas that is slower, safer and more what a gateway into our community should be will enhance opportunity there.

We already know that developers are looking at potentially building here at the Stimson Mill site and they're very aware of the opportunity with the Seltice Way project.

Back to URDs and financing: URDs have a few ways they can fund projects, whether it be simply paying for improvements on their own or doing a reimbursable-basis project with a developer (developer fronts the improvements and is repaid over time with the new tax increment generated from their project). In this case, this is needed public infrastructure improvements that will benefit both the existing community and encourage new economic development in that area, thus likely generating new tax revenue (which will be collected by the district as the tax increment until expiration of the River District in 2027) to be utilized for additional projects that will continue to encourage economic development.

To be clear, this project simply won't happen without urban renewal funding. We have numerous road projects in the works and we're short on funds. We currently are working to figure out how to fund \$672,000 in matching funds for widening Kathleen Avenue between Government Way and US 95 now that we've heard ITD will be getting mobility grant funds to improvement 95; there is a major improvement project on Ironwood that could also include a new intersection at Medina (it currently doesn't go through and should) that we have no funds for; we don't have enough money to appropriately renovate 15th Street and more. These are all challenges we're working through. But we need our Urban Renewal District to support us on Seltice Way, an area of the community that is deteriorated, constitutes an economic liability, and is in need of traffic improvements, all things identified by the state Legislature in its findings and declaration of necessity when the urban renewal law was adopted.