COMMUNITY DEVELOPMENT AND RENEWAL
AMENDMENTS
2008 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Curtis S. Bramble
House Sponsor: Stephen H. Urquhart
LONG TITLE
General Description:
This bill modifies community development and renewal agency provisions.
Highlighted Provisions:
This bill:
<ul><li>enacts a definition of "inactive airport site" for purposes of a community</li></ul>
development and renewal agency project;
<ul><li>modifies definitions;</li></ul>
<ul> <li>modifies blight study provisions to include a finding relating to an inactive airport</li> </ul>
site; and
• includes an inactive airport site among the sites regarding which the other factors of
blight do not need to be found.
Monies Appropriated in this Bill:
None
Other Special Clauses:
None
<b>Utah Code Sections Affected:</b>
AMENDS:
17C-1-102, as last amended by Laws of Utah 2007, Chapters 329 and 364
17C-2-102, as last amended by Laws of Utah 2007, Chapter 364



17C-2-301, as last amended by Laws of Utah 2007, Chapter 364  17C-2-303, as last amended by Laws of Utah 2007, Chapter 364
Be it enacted by the Legislature of the state of Utah:
Section 1. Section 17C-1-102 is amended to read:
17C-1-102. Definitions.
As used in this title:
(1) "Adjusted tax increment" means:
(a) for tax increment under a pre-July 1, 1993 project area plan, tax increment under
Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3); and
(b) for tax increment under a post-June 30, 1993 project area plan, tax increment under
Section 17C-1-404, excluding tax increment under Section 17C-1-406.
(2) "Affordable housing" means housing to be owned or occupied by persons and
families of low or moderate income, as determined by resolution of the agency.
(3) "Agency" or "community development and renewal agency" means a separate body
corporate and politic, created under Section 17C-1-201 or as a redevelopment agency under
previous law, that is a political subdivision of the state, that is created to undertake or promote
urban renewal, economic development, or community development, or any combination of
them, as provided in this title, and whose geographic boundaries are coterminous with:
(a) for an agency created by a county, the unincorporated area of the county; and
(b) for an agency created by a city or town, the boundaries of the city or town.
(4) "Annual income" has the meaning as defined under regulations of the U.S.
Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as
superseded by replacement regulations.
(5) "Assessment roll" has the meaning as defined in Section 59-2-102.
(6) "Base taxable value" means the taxable value of the property within a project area
from which tax increment will be collected, as shown upon the assessment roll last equalized
before:
(a) for a pre-July 1, 1993 project area plan, the effective date of the project area plan;
(b) for a post-June 30, 1993 project area plan:
(i) the date of the taxing entity committee's approval of the first project area budget; or

59	(ii) if no taxing entity committee approval is required for the project area budget, the
60	later of:
61	(A) the date the project area plan is adopted by the community legislative body; and
62	(B) the date the agency adopts the first project area budget; [or]
63	(c) for a project on an inactive industrial site, a year after the date on which the inactive
64	industrial site is sold for remediation and development[-]; or
65	(d) for a project on an inactive airport site, a year after the later of:
66	(i) the date on which the inactive airport site is sold for remediation and development;
67	<u>and</u>
68	(ii) the date on which the airport that had been operated on the inactive airport site
69	ceased operations.
70	(7) "Basic levy" means the portion of a school district's tax levy constituting the
71	minimum basic levy under Section 59-2-902.
72	(8) "Blight" or "blighted" means the condition of an area that meets the requirements of
73	Subsection 17C-2-303(1).
74	(9) "Blight hearing" means a public hearing under Subsection 17C-2-102(1)(a)(i)(C)
75	and Section 17C-2-302 regarding the existence or nonexistence of blight within the proposed
76	urban renewal project area.
77	(10) "Blight study" means a study to determine the existence or nonexistence of blight
78	within a survey area as provided in Section 17C-2-301.
79	(11) "Board" means the governing body of an agency, as provided in Section
80	17C-1-203.
81	(12) "Budget hearing" means the public hearing on a draft project area budget required
82	under Subsection 17C-2-201(2)(d) for an urban renewal project area budget or Subsection
83	17C-3-201(2)(d) for an economic development project area budget.
84	(13) "Combined incremental value" means the combined total of all incremental values
85	from all urban renewal project areas, except project areas that contain some or all of a military
86	installation or inactive industrial site, within the agency's boundaries under adopted project area
87	plans and adopted project area budgets at the time that a project area budget for a new urban
88	renewal project area is being considered.
89	(14) "Community" means a county, city, or town.

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90	(15) "Community development" means development activities within a community,
91	including the encouragement, promotion, or provision of development.
92	(16) "Economic development" means to promote the creation or retention of public or
93	private jobs within the state through:
94	(a) planning, design, development, construction, rehabilitation, business relocation, or
95	any combination of these, within a community; and
96	(b) the provision of office, industrial, manufacturing, warehousing, distribution,
97	parking, public, or other facilities, or other improvements that benefit the state or a community.
98	(17) "Fair share ratio" means the ratio derived by:
99	(a) for a city or town, comparing the percentage of all housing units within the city or
100	town that are publicly subsidized income targeted housing units to the percentage of all
101	housing units within the whole county that are publicly subsidized income targeted housing
102	units; or
103	(b) for the unincorporated part of a county, comparing the percentage of all housing
104	units within the unincorporated county that are publicly subsidized income targeted housing
105	units to the percentage of all housing units within the whole county that are publicly subsidized
106	income targeted housing units.
107	(18) "Family" has the meaning as defined under regulations of the U.S. Department of
108	Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as superseded by
109	replacement regulations.
110	(19) "Greenfield" means land not developed beyond agricultural or forestry use.
111	(20) "Hazardous waste" means any substance defined, regulated, or listed as a
112	hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant,
113	or toxic substance, or identified as hazardous to human health or the environment, under state
114	or federal law or regulation.
115	[(20)] (21) "Housing funds" means the funds allocated in an urban renewal project area
116	budget under Section 17C-2-203 for the purposes provided in Subsection 17C-1-412(1).
117	(22) (a) "Inactive airport site" means land that:
118	(i) consists of at least 100 acres:
119	(ii) is occupied by an airport that:
120	(A) is no longer in operation as an airport; and

121	(B) is owned or was formerly owned and operated by a public entity; and
122	(iii) requires remediation because:
123	(A) of the presence of hazardous waste or solid waste; or
124	(B) the site lacks sufficient public infrastructure and facilities, including public roads,
125	electric service, water system, and sewer system, needed to support development of the site.
126	(b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
127	described in Subsection (22)(a).
128	[(21)] (23) (a) "Inactive industrial site" means land that:
129	(i) consists of at least 1,000 acres;
130	(ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
131	facility; and
132	(iii) requires remediation because of the presence of [:] hazardous waste or solid waste.
133	[(A) hazardous waste, defined as any substance defined, regulated, or listed as a
134	hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant,
135	or toxic substance, or identified as hazardous to human health or the environment under state
136	or federal law or regulation; or]
137	[ <del>(B) solid waste.</del> ]
138	(b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
139	described in Subsection [ $\frac{(21)}{(23)}$ (a).
140	[(22)] (24) "Income targeted housing" means housing to be owned or occupied by a
141	family whose annual income is at or below 80% of the median annual income for the county in
142	which the housing is located.
143	[(23)] (25) "Incremental value" means a figure derived by multiplying the marginal
144	value of the property located within an urban renewal project area on which tax increment is
145	collected by a number that represents the percentage of adjusted tax increment from that project
146	area that is paid to the agency.
147	[(24)] (26) "Loan fund board" means the Olene Walker Housing Loan Fund Board,
148	established under Title 9, Chapter 4, Part 7, Olene Walker Housing Loan Fund.
149	[(25)] (27) "Marginal value" means the difference between actual taxable value and
150	base taxable value.
151	[(26)] (28) "Military installation project area" means a project area or a portion of a

152	project area located within a federal military installation ordered closed by the federal Defense
153	Base Realignment and Closure Commission.
154	[(27)] (29) "Plan hearing" means the public hearing on a draft project area plan
155	required under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan,
156	Subsection 17C-3-102(1)(d) for an economic development project area plan, and Subsection
157	17C-4-102(1)(d) for a community development project area plan.
158	[(28)] (30) "Post-June 30, 1993 project area plan" means a project area plan adopted on
159	or after July 1, 1993, whether or not amended subsequent to its adoption.
160	[(29)] (31) "Pre-July 1, 1993 project area plan" means a project area plan adopted
161	before July 1, 1993, whether or not amended subsequent to its adoption.
162	[(30)] (32) "Private," with respect to real property, means:
163	(a) not owned by the United States or any agency of the federal government, a public
164	entity, or any other governmental entity; and
165	(b) not dedicated to public use.
166	[(31)] (33) "Project area" means the geographic area described in a project area plan or
167	draft project area plan where the urban renewal, economic development, or community
168	development, as the case may be, set forth in the project area plan or draft project area plan
169	takes place or is proposed to take place.
170	[(32)] (34) "Project area budget" means a multiyear projection of annual or cumulative
171	revenues and expenses and other fiscal matters pertaining to a urban renewal or economic
172	development project area that includes:
173	(a) the base taxable value of property in the project area;
174	(b) the projected tax increment expected to be generated within the project area;
175	(c) the amount of tax increment expected to be shared with other taxing entities;
176	(d) the amount of tax increment expected to be used to implement the project area plan
177	including the estimated amount of tax increment to be used for land acquisition, public
178	improvements, infrastructure improvements, and loans, grants, or other incentives to private
179	and public entities;
180	(e) the tax increment expected to be used to cover the cost of administering the project
181	area plan;
182	(f) if the area from which tax increment is to be collected is less than the entire project

183	area:
184	(i) the tax identification numbers of the parcels from which tax increment will be
185	collected; or
186	(ii) a legal description of the portion of the project area from which tax increment will
187	be collected; and
188	(g) for property that the agency owns and expects to sell, the expected total cost of the
189	property to the agency and the expected selling price.
190	[(33)] (35) "Project area plan" means a written plan under Chapter 2, Part 1, Urban
191	Renewal Project Area Plan, Chapter 3, Part 1, Economic Development Project Area Plan, or
192	Chapter 4, Part 1, Community Development Project Area Plan, as the case may be, that, after
193	its effective date, guides and controls the urban renewal, economic development, or community
194	development activities within a project area.
195	[(34)] (36) "Property tax" includes privilege tax and each levy on an ad valorem basis
196	on tangible or intangible personal or real property.
197	[ <del>(35)</del> ] (37) "Public entity" means:
198	(a) the state, including any of its departments or agencies; or
199	(b) a political subdivision of the state, including a county, city, town, school district,
200	local district, special service district, or interlocal cooperation entity.

[(36)] (38) "Publicly owned infrastructure and improvements" means water, sewer, storm drainage, electrical, and other similar systems and lines, streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, and other facilities, infrastructure, and improvements benefitting the public and to be publicly owned or publicly maintained or operated.

[(37)] (39) "Record property owner" or "record owner of property" means the owner of real property as shown on the records of the recorder of the county in which the property is located and includes a purchaser under a real estate contract if the contract is recorded in the office of the recorder of the county in which the property is located or the purchaser gives written notice of the real estate contract to the agency.

[<del>(38)</del>] (40) "Superfund site":

(a) means an area included in the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and

214	(b) includes an area formerly included in the National Priorities List, as described in
215	Subsection [(38)] (40)(a), but removed from the list following remediation that leaves on site
216	the waste that caused the area to be included in the National Priorities List.
217	[(39)] (41) "Survey area" means an area designated by a survey area resolution for
218	study to determine whether one or more urban renewal projects within the area are feasible.
219	[(40)] (42) "Survey area resolution" means a resolution adopted by the agency board
220	under Subsection 17C-2-101(1)(a) designating a survey area.
221	[(41)] (43) "Taxable value" means the value of property as shown on the last equalized
222	assessment roll as certified by the county assessor.
223	[(42)] (44) (a) "Tax increment" means, except as provided in Subsection [(42)] (44)(b),
224	the difference between:
225	(i) the amount of property tax revenues generated each tax year by all taxing entities
226	from the area within a project area designated in the project area plan as the area from which
227	tax increment is to be collected, using the current assessed value of the property; and
228	(ii) the amount of property tax revenues that would be generated from that same area
229	using the base taxable value of the property.
230	(b) "Tax increment" does not include taxes levied and collected under Section
231	59-2-906.1 on or after January 1, 1994 upon the taxable property in the project area unless:
232	(i) the project area plan was adopted before May 4, 1993, whether or not the project
233	area plan was subsequently amended; and
234	(ii) the taxes were pledged to support bond indebtedness or other contractual
235	obligations of the agency.
236	[(43)] (45) "Taxing entity" means a public entity that levies a tax on property within a
237	community.
238	[(44)] (46) "Taxing entity committee" means a committee representing the interests of
239	taxing entities, created as provided in Section 17C-1-402.
240	$[\frac{(45)}{(47)}]$ "Unincorporated" means not within a city or town.
241	[(46)] (48) (a) "Urban renewal" means the development activities under a project area
242	plan within an urban renewal project area, including:
243	(i) planning, design, development, demolition, clearance, construction, rehabilitation,
244	environmental remediation, or any combination of these, of part or all of a project area;

245	(11) the provision of residential, commercial, industrial, public, or other structures or
246	spaces, including recreational and other facilities incidental or appurtenant to them;
247	(iii) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating, or
248	any combination of these, existing structures in a project area;
249	(iv) providing open space, including streets and other public grounds and space around
250	buildings;
251	(v) providing public or private buildings, infrastructure, structures, and improvements;
252	and
253	(vi) providing improvements of public or private recreation areas and other public
254	grounds.
255	(b) "Urban renewal" means "redevelopment," as defined under the law in effect before
256	May 1, 2006, if the context requires.
257	Section 2. Section 17C-2-102 is amended to read:
258	17C-2-102. Process for adopting urban renewal project area plan Prerequisites
259	Restrictions.
260	(1) (a) In order to adopt an urban renewal project area plan, after adopting a resolution
261	under Subsection 17C-2-101(1) the agency shall:
262	(i) unless a finding of blight is based on a finding made under Subsection
263	17C-2-303(1)(b) relating to an inactive industrial site or inactive airport site:
264	(A) cause a blight study to be conducted within the survey area as provided in Section
265	17C-2-301;
266	(B) provide notice of a blight hearing as required under Part 5, Urban Renewal Notice
267	Requirements; and
268	(C) hold a blight hearing as provided in Section 17C-2-302;
269	(ii) after the blight hearing has been held or, if no blight hearing is required under
270	Subsection (1)(a)(i), after adopting a resolution under Subsection 17C-2-101(1), hold a board
271	meeting at which the board shall:
272	(A) consider:
273	(I) the issue of blight and the evidence and information relating to the existence or
274	nonexistence of blight; and
275	(II) whether adoption of one or more urban renewal project area plans should be

270	pursued, and
277	(B) by resolution:
278	(I) make a finding regarding the existence of blight in the proposed urban renewal
279	project area;
280	(II) select one or more project areas comprising part or all of the survey area; and
281	(III) authorize the preparation of a draft project area plan for each project area;
282	(iii) prepare a draft of a project area plan and conduct any examination, investigation,
283	and negotiation regarding the project area plan that the agency considers appropriate;
284	(iv) make the draft project area plan available to the public at the agency's offices
285	during normal business hours;
286	(v) provide notice of the plan hearing as provided in Sections 17C-2-502 and
287	17C-2-504;
288	(vi) hold a public hearing on the draft project area plan and, at that public hearing:
289	(A) allow public comment on:
290	(I) the draft project area plan; and
291	(II) whether the draft project area plan should be revised, approved, or rejected; and
292	(B) receive all written and hear all oral objections to the draft project area plan;
293	(vii) before holding the plan hearing, provide an opportunity for the State Board of
294	Education and each taxing entity that levies a tax on property within the proposed project area
295	to consult with the agency regarding the draft project area plan;
296	(viii) if applicable, hold the election required under Subsection 17C-2-105(3);
297	(ix) after holding the plan hearing, at the same meeting or at a subsequent meeting
298	consider:
299	(A) the oral and written objections to the draft project area plan and evidence and
300	testimony for and against adoption of the draft project area plan; and
301	(B) whether to revise, approve, or reject the draft project area plan;
302	(x) approve the draft project area plan, with or without revisions, as the project area
303	plan by a resolution that complies with Section 17C-2-106; and
304	(xi) submit the project area plan to the community legislative body for adoption.
305	(b) (i) If an agency makes a finding under Subsection (1)(a)(ii)(B) that blight exists in
306	the proposed urban renewal project area, the agency may not adopt the project area plan until

the taxing entity committee approves the finding of blight.

- (ii) (A) A taxing entity committee may not disapprove an agency's finding of blight unless the committee demonstrates that the conditions the agency found to exist in the urban renewal project area that support the agency's finding of blight under Section 17C-2-303:
  - (I) do not exist; or
- 312 (II) do not constitute blight.
  - (B) (I) If the taxing entity committee questions or disputes the existence of some or all of the blight conditions that the agency found to exist in the urban renewal project area or that those conditions constitute blight, the taxing entity committee may hire a consultant, mutually agreed upon by the taxing entity committee and the agency, with the necessary expertise to assist the taxing entity committee to make a determination as to the existence of the questioned or disputed blight conditions.
  - (II) The agency shall pay the fees and expenses of each consultant hired under Subsection (1)(b)(ii)(B)(I).
  - (III) The findings of a consultant under this Subsection (1)(b)(ii)(B) shall be binding on the taxing entity committee and the agency.
  - (2) An agency may not propose a project area plan under Subsection (1) unless the community in which the proposed project area is located:
    - (a) has a planning commission; and
    - (b) has adopted a general plan under:
    - (i) if the community is a city or town, Title 10, Chapter 9a, Part 4, General Plan; or
    - (ii) if the community is a county, Title 17, Chapter 27a, Part 4, General Plan.
  - (3) (a) Subject to Subsection (3)(b), an agency board may not approve a project area plan more than one year after adoption of a resolution making a finding of blight under Subsection (1)(a)(ii)(B).
  - (b) If a project area plan is submitted to an election under Subsection 17C-2-105(3), the time between the plan hearing and the date of the election does not count for purposes of calculating the year period under Subsection (3)(a).
  - (4) (a) Except as provided in Subsection (4)(b), a draft project area plan may not be modified to add real property to the proposed project area unless the board holds a plan hearing to consider the addition and gives notice of the plan hearing as required under Sections

338	17C-2-502 and 17C-2-504.
339	(b) The notice and hearing requirements under Subsection (4)(a) do not apply to a draft
340	project area plan being modified to add real property to the proposed project area if:
341	(i) the property is contiguous to the property already included in the proposed project
342	area under the draft project area plan;
343	(ii) the record owner of the property consents to adding the real property to the
344	proposed project area; and
345	(iii) the property is located within the survey area.
346	Section 3. Section 17C-2-301 is amended to read:
347	17C-2-301. Blight study Requirements Deadline.
348	(1) Each blight study required under Subsection 17C-2-102(1)(a)(i)(A) shall:
349	(a) undertake a parcel by parcel survey of the survey area;
350	(b) provide data so the board and taxing entity committee may determine:
351	(i) whether the conditions described in Subsection 17C-2-303(1):
352	(A) exist in part or all of the survey area; and
353	(B) qualify an area within the survey area as a project area; and
354	(ii) whether the survey area contains all or part of a superfund site [or], an inactive
355	industrial site, or inactive airport site;
356	(c) include a written report setting forth:
357	(i) the conclusions reached;
358	(ii) any recommended area within the survey area qualifying as a project area; and
359	(iii) any other information requested by the agency to determine whether an urban
360	renewal project area is feasible; and
361	(d) be completed within one year after the adoption of the survey area resolution.
362	(2) (a) If a blight study is not completed within one year after the adoption of the
363	resolution under Subsection 17C-2-101(1) designating a survey area, the agency may not
364	approve an urban renewal project area plan based on that blight study unless it first adopts a
365	new resolution under Subsection 17C-2-101(1).
366	(b) A new resolution under Subsection (2)(a) shall in all respects be considered to be a
367	resolution under Subsection 17C-2-101(1) adopted for the first time, except that any actions
368	taken toward completing a blight study under the resolution that the new resolution replaces

369	shall be considered to have been taken under the new resolution.
370	Section 4. Section 17C-2-303 is amended to read:
371	17C-2-303. Conditions on board determination of blight Conditions of blight
372	caused by the developer.
373	(1) An agency board may not make a finding of blight in a resolution under Subsection
374	17C-2-102(1)(a)(ii)(B) unless the board finds that:
375	(a) (i) the proposed project area consists predominantly of nongreenfield parcels;
376	(ii) the proposed project area is currently zoned for urban purposes and generally
377	served by utilities;
378	(iii) at least 50% of the parcels within the proposed project area contain nonagricultural
379	or nonaccessory buildings or improvements used or intended for residential, commercial,
380	industrial, or other urban purposes, or any combination of those uses;
381	(iv) the present condition or use of the proposed project area substantially impairs the
382	sound growth of the municipality, retards the provision of housing accommodations, or
383	constitutes an economic liability or is detrimental to the public health, safety, or welfare, as
384	shown by the existence within the proposed project area of at least four of the following
385	factors:
386	(A) one of the following, although sometimes interspersed with well maintained
387	buildings and infrastructure:
388	(I) substantial physical dilapidation, deterioration, or defective construction of
389	buildings or infrastructure; or
390	(II) significant noncompliance with current building code, safety code, health code, or
391	fire code requirements or local ordinances;
392	(B) unsanitary or unsafe conditions in the proposed project area that threaten the
393	health, safety, or welfare of the community;
394	(C) environmental hazards, as defined in state or federal law, that require remediation
395	as a condition for current or future use and development;
396	(D) excessive vacancy, abandoned buildings, or vacant lots within an area zoned for
397	urban use and served by utilities;
398	(E) abandoned or outdated facilities that pose a threat to public health, safety, or
399	welfare;

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400	(F) criminal activity in the project area, higher than that of comparable nonblighted
401	areas in the municipality or county; and
402	(G) defective or unusual conditions of title rendering the title nonmarketable; and
403	(v) (A) at least 50% of the parcels within the proposed project area are affected by at
404	least one of the factors, but not necessarily the same factor, listed in Subsection (1)(a)(iv); and
405	(B) the affected parcels comprise at least 66% of the acreage of the proposed project
406	area; or
407	(b) the proposed project area includes some or all of a superfund site [or an], inactive
408	industrial site, or inactive airport site.
409	(2) No single parcel comprising 10% or more of the acreage of the proposed project
410	area may be counted as satisfying Subsection (1)(a)(iii) or (iv) unless at least 50% of the area of
411	that parcel is occupied by buildings or improvements.
412	(3) (a) For purposes of Subsection (1), if a developer involved in the urban renewal
413	project has caused a condition listed in Subsection (1)(a)(iv) within the proposed project area,
414	that condition may not be used in the determination of blight.
415	(b) Subsection (3)(a) does not apply to a condition that was caused by an owner or
416	tenant who becomes a developer.

Legislative Review Note as of 2-21-08 10:57 AM

Office of Legislative Research and General Counsel

## S.B. 294 - Community Development and Renewal Amendments

## **Fiscal Note**

2008 General Session State of Utah

## **State Impact**

Enactment of this bill will not require additional appropriations.

## Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

2/27/2008, 6:54:57 PM, Lead Analyst: Wilko, A.

Office of the Legislative Fiscal Analyst