

# Missoula Redevelopment Agency Policy Resolution



Administration & Finance Committee  
September 8, 2021

## Policy Issues and Goals

**Issue Area [1]** – Ensure appropriate balance exists between resources available in a URD vs operating revenues of taxing jurisdictions

- **Proposal** – Provide a limitation on the amount of tax increment based on a % of incremental taxable value vs citywide taxable value

**Issue Area [2]** – Ensure comment from local taxing jurisdictions is considered as part of MRA project deliberations

- **Proposal** – Expand MRA board to include non-voting ex officio members from local taxing jurisdictions

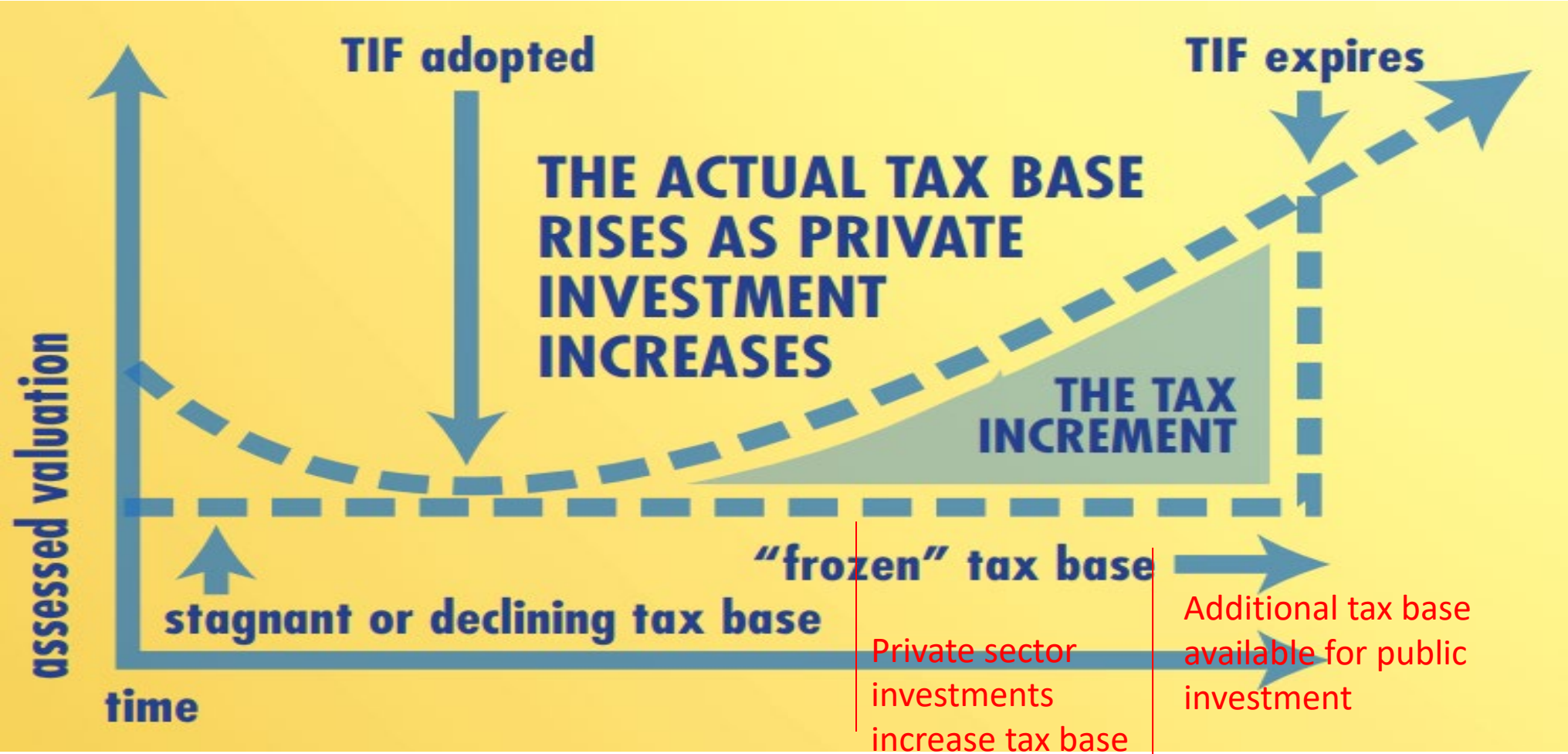
**Issue Area [3]** – Ensure City and MRA goals are consistent, particularly in the areas of housing and infrastructure development

- **Proposal** – The City and MRA shall adopt a joint strategic plan to support the overall goals of the City

## City/MRA Joint Strategic Plan

- Identify strategies consistent with City-wide strategic plan and growth policy
- Include housing and infrastructure
- Acknowledge life cycle of urban renewal districts
- Articulate priorities that will be part of the analysis of applications for MRA dollars
  - Improve community understanding of the benefit of MRA
  - Improve private sector understanding of how to align projects and funding requests with City goals

# Urban Renewal District Life Cycle



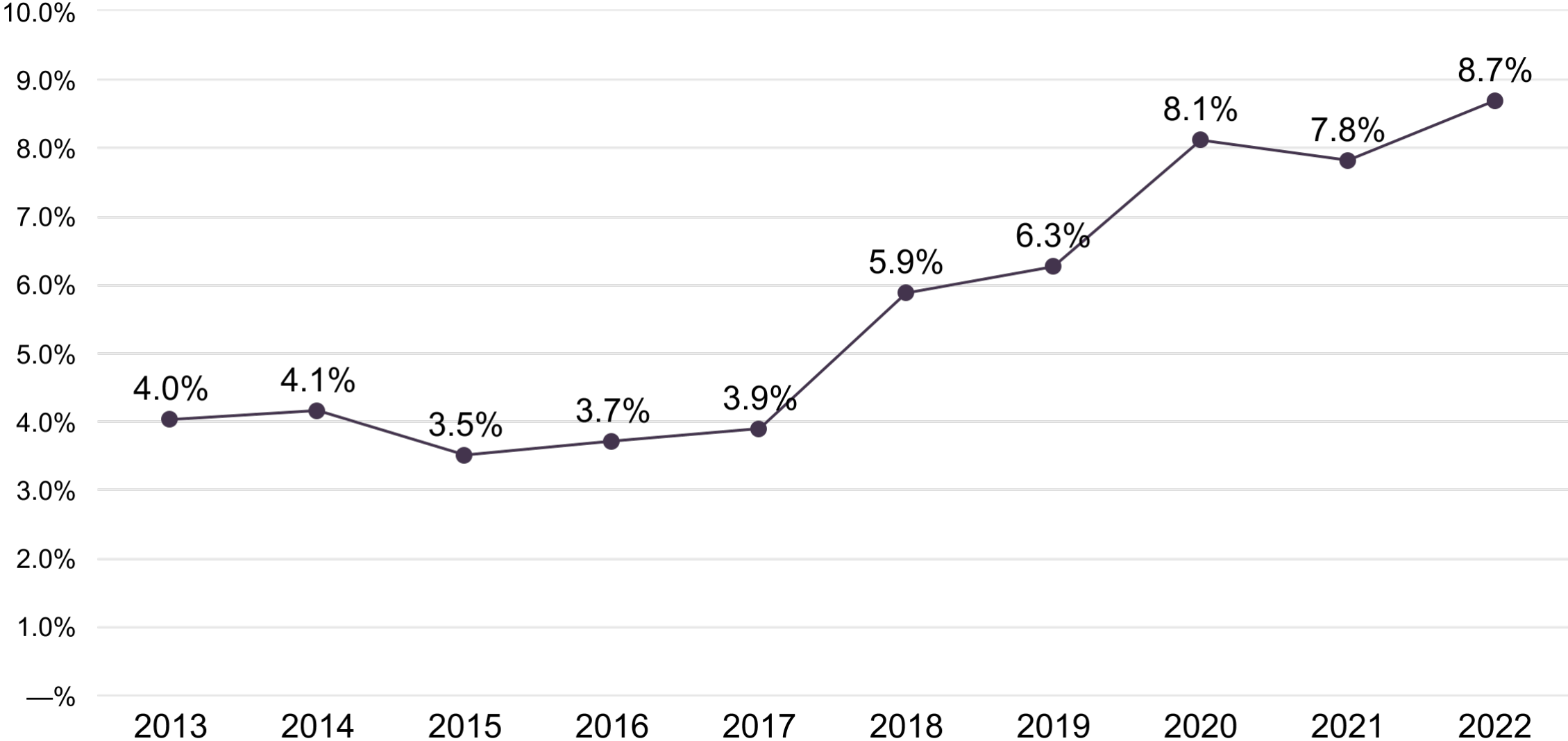
## MRA Board Representation

- Add non-voting ex officio representatives to MRA Board
  - Chair of City Council Administration & Finance Committee
  - One designee from Missoula County Public Schools
  - One designee from Missoula County Commissioners Office
- Facilitate communication with taxing jurisdictions
- Provide broader perspective of community needs
- Enhance community benefit of Tax Increment Funding

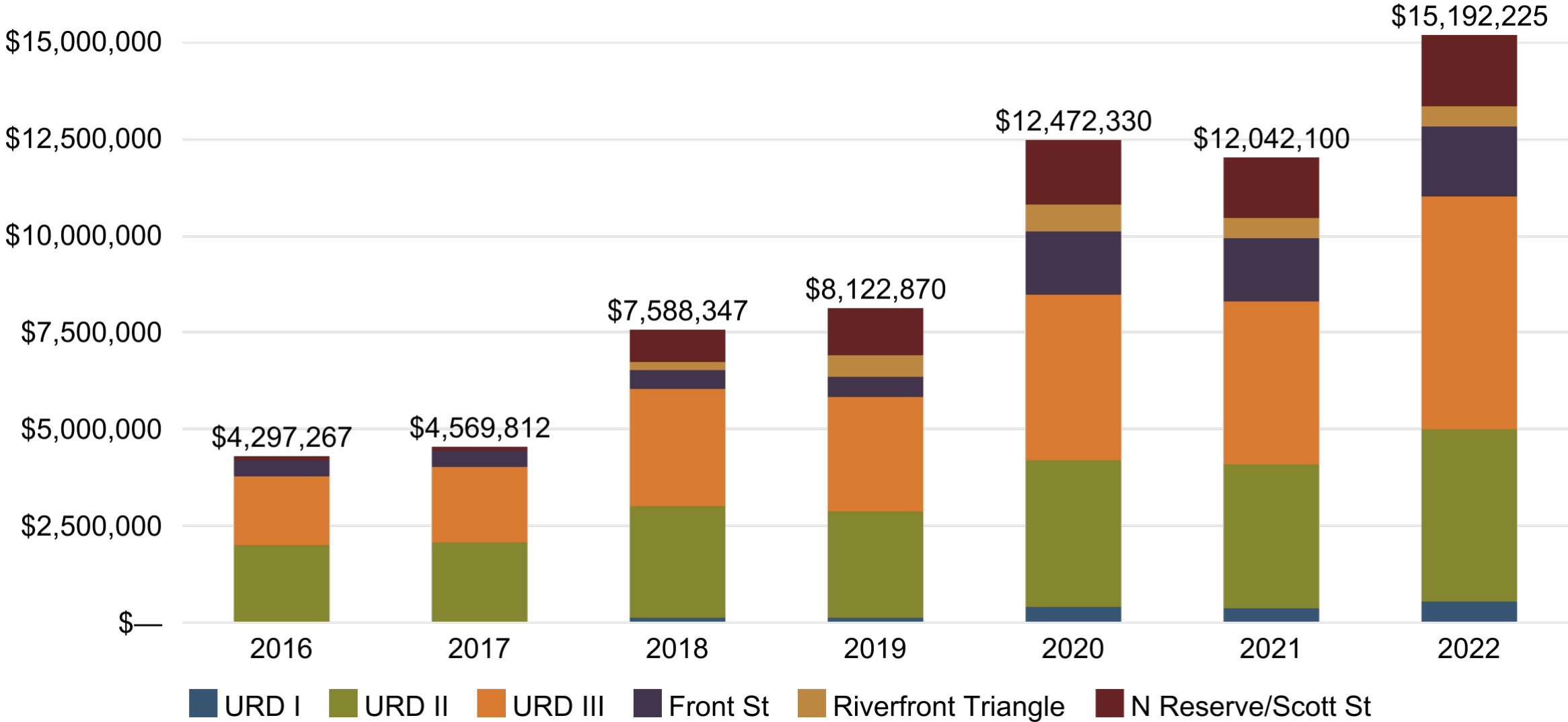
## Limitation of Incremental Taxable Value

- Cumulative total incremental taxable value of all urban renewal districts in the City shall not exceed 9% of the total taxable value of the City.
- Subordinate to increment revenue bonds – cannot violate debt covenants
- Excess over cap to be distributed among taxing jurisdictions in proportionate share to mill levies

# TIF Districts as Percentage of Total Taxable Value

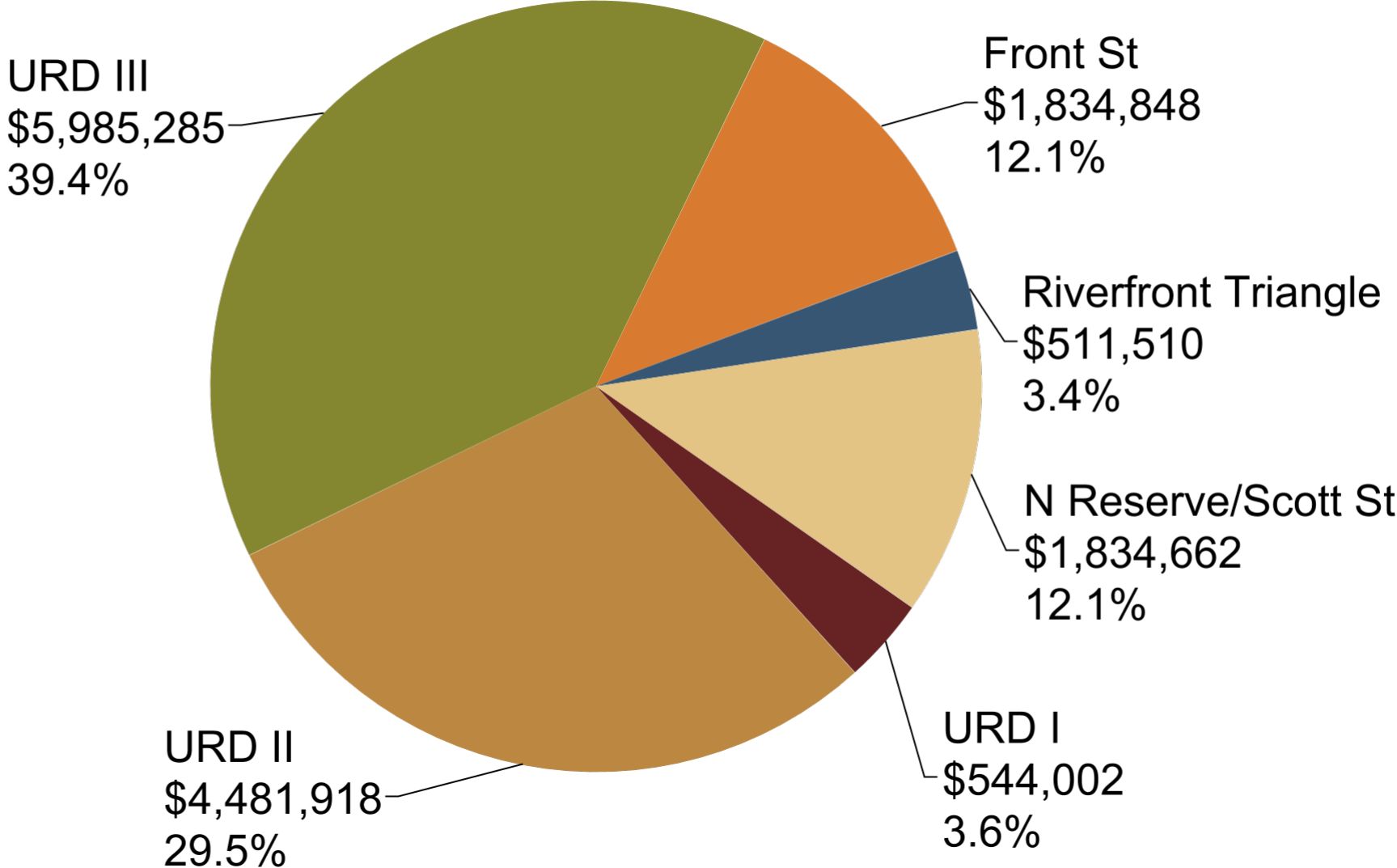


# Tax Increment District Trends





# Urban Renewal District Values



## Remittance of Tax Increment

Amount exceeding 9% will be remitted to taxing jurisdictions

- MRA determines source of remittance funds based on several factors:
  - Debt service requirements and bond covenants
  - Life cycle of each district
  - TIF revenues in each district
  - Priority projects in each district
  - Other relevant factors
- Remittance is proportional to each taxing jurisdictions mill levies
- Remittance on each 1% of Incremental Value over limitation:
  - Total Remittance = \$1.6M per 1%
  - City pro rata share = \$429K

## Next Steps

9/8 – A&F Committee – refer setting public hearing

9/13 – City Council – set public hearing

9/15 – A&F Committee – presentation on estimated impacts of ordinance

9/20 – City Council – public hearing opens

9/27 – City Council – public hearing closes and final consideration