

IDAHO FALLS REDEVELOPMENT AGENCY
P.O. Box 50220
IDAHO FALLS, IDAHO 83405-0220

January 16, 2014

Regular Meeting
Minutes

Council Chambers

Call to Order: Chair Radford called the meeting to order at 12:03 p.m.

Members Present: Commissioners Linda Martin, Terri Gazdik, Tom Hally, Lee Staker, and Lee Radford.

Members Absent: Brent Thompson.

Also Present: Ryan Armbruster via telephone, Legal Counsel; Renee Magee, Consultant; Thane Sparks, Controller; Brad Cramer, Planning Director; Kerry Beutler, Assistant Planning Director; Rebecca Casper, Idaho Falls City Mayor; Brent McLane, Current Planner; and Recording Secretary Cynthia Likes.

Modifications to the Agenda: None.

Approval of Minutes: Staker moved to approve the minutes of November 13, 2013. Hally seconded the motion and it passed unanimously.

Approval of Bills: Chair Radford presented the finance report dated January 16, 2014. The following bill was presented to be paid from the Snake River Allocation Fund: Kevin Machen, snow removal, \$70.00. The following bills from the Snake River Allocation Funds were presented to be ratified: Elam and Burke, professional services, \$2,862.63, and Rudd and Company, one-half of auditing fees, \$2,400. **Hally moved to approve the finance report as presented, Martin seconded the motion, and it passed unanimously.**

Agreement with Broadway Ford. Magee explained Robert Barnes and Terri Gazdik, as a committee of the agency as well as Magee, met with representatives of Broadway Ford in early December. Prior to the meeting, Mont Crnkovich gave Magee a list of the anticipated costs for the new dealership, including demolition, site preparation, construction of the new building and parking lot, and utility and right-of-way improvements. The total estimated cost is \$6.8 million. The amount of \$263,597 is the estimated cost for improvements in public right-of-way, including demolition of existing curbs, gutters, and sidewalks; installation of new curbs, gutters, and sidewalks; pavement for proposed Denver Street cul-de-sac; and landscaping and irrigation. The committee suggested to Broadway Ford the agency participation will be \$250,000. That amount does not include the construction of a 6-inch water main running from Denver Street to Broadway in a public easement. Considering the amount of assistance and the life of the district, the committee recommended a maximum of \$250,000 in assistance to be paid at the time of the certificate of occupancy is issued and the public improvements are accepted by the Public Works Division.

A second issue is the ownership of the rights-of-way for Oregon Avenue, and the western portion of Denver and Seattle Streets. These streets were not legally created by a final plat. Instead the city has a quitclaim deed to Oregon Avenue. Under state statutes the City may deed the property to the agency without an auction. According to Armbruster, the best way to convey the property for economic development purposes, if the agency is willing, is for the agency to accept the property through a quitclaim deed.

Radford asked Gazdik if she has additional items to report. Gazdik said the project is planned to begin in March and, if Broadway Ford is able lay asphalt by November 1, it will be done in December. However, construction could slip and it may be 2015 before the project is completed, so the timing of the payment may be the first quarter of 2015.

Radford asked if there were any questions. Hally asked if the agency will retain title to Oregon Avenue. Magee said no, the agency will not retain title; the idea is for the agency to convey the title to a developer as part of assistance for private investment. Such conveyance may have to be done through a Request of Proposals (RFP); however, due to the shape and size of property and access as well as adjacent ownership, it may not realistically be developable by any but the neighboring entity. These issues need to be discussed more in detail. Also it is a quit claim deed, not a warranty deed. Armbruster has talked with city attorney Randy Fife, and Fife has confirmed via an email that the city is comfortable in deeding the street right-of-way to the agency. Fife suggested we draft a short Memorandum of Understanding (MOU) setting out why this transfer is in furtherance of the urban renewal project. Then the city will be comfortable with deeding the property to the agency. Armbruster said he is getting more comfortable with transferring the property to Broadway Ford due to the layout of this right-of-way. Radford clarified this right-of-way and the \$250,000 is the consideration for the \$6.8 million project. Armbruster agreed. He stated normally this transfer requires a competitive process; however, it is doubtful this right-of-way could be redeveloped by others. It will be a quit claim deed, not a title per se since that is the title the city received. Staker is concerned about the adjoining railroad property. Broadway Ford has been utilizing at least part of the railroad property, and Magee understands they have a lease. She will clarify if the lease includes the portion of railroad property west of Oregon Avenue. Staker wanted to know if that could be beautified also. Magee said yes, if there is a lease. Radford said increment may create a stream of revenue greater than \$250,000 according to the analysis. Magee said it could since, once its full value is reached, the taxes generated should be about \$94,000 per year. **Hally moved to authorize the preparation and execution of an agreement with Broadway Ford to reimburse Broadway Ford in the amount of \$250,000 for public improvements previously discussed. Staker seconded the motion. It was passed unanimously**

Hally moved to authorize the chair of the agency to send a letter to the City of Idaho Falls requesting title to the City's interest in Oregon Avenue and portions of Denver and Seattle Streets. Gadzik seconded it. It passed unanimously.

Potential Projects in Snake River Urban Renewal District. Downtown Idaho Falls: Radford said the plan is to initiate a process to review potential projects, especially those unfinished or those which may provide a return on investments. Radford asked Magee to present the report of what projects the agency should focus on. Magee reminded the board the agency had an informal of improvements for Memorial Drive. First the agency intended to complete public

parking and then complete the reconstruction of Memorial Drive. This informal plan was drawn from the Snake River Urban Renewal Plan. Radford said the board should prioritize the projects since the district has only four to five years left. Magee explained previously the board members said, before reconstructing Constitution Way, a redeveloper should be found for the Bonneville Hotel. Therefore, Radford and Magee met with Kent Lott, the owner of Bonneville Hotel. Legal counsel suggested, if the agency pursues a project with the Bonneville Hotel, the agency should acquire an option to the property. With option in effect, the agency issues a Request for Proposals (RFP) for redevelopment for the Bonneville Hotel. The building is to be redeveloped with at least a portion, if not all, market-driven apartments. Thomas Development is still interested in the Bonneville Hotel and has sent the board a letter expressing its interest. If the board chooses to do this, the board may structure the RFP for the desired end product. Thomas Development thought the agency may receive three responses to an RFP at a minimum.

Radford stated remodeling the Bonneville Hotel and providing housing downtown for residents will accomplish the goals of urban renewal. Constitution Way has many issues with its crowning and state of its repair. Bringing a mix of income levels to the Bonneville will revitalize downtown. If the board wishes to pursue this idea, the agency needs to secure an option on the property. It may take two years to locate developers. The developers interested in these types of projects specialize in affordable housing and receiving tax credits from federal and state governments. There is a narrow niche of developers that do that. Lott is willing to give the agency the option at a certain purchase price. The agency needs to secure an option and complete an RFP process, i.e., use the market driven process to get the best deal possible, see if the results meet the board's goals, and if the agency can obtain the best option for downtown and for tax base.

Magee said the tax assessment on the building is \$500,000 to \$600,000. Private investment should raise this assessment and increase future taxes, but the first step is an appraisal of the property. Larry Linford did the last appraisal and Robert Barnes suggested Magee contact Ward Bowman. The appraisal will cost \$4,000 to \$5,000. Staker said we want to upgrade the property and make it more desirable for people to come downtown. Martin agrees with this too. She stated affordable housing credits may be available to rehabilitate the property; however, she said residents with disposable incomes are needed. Commercial uses are also needed. But nothing will move forward unless we get a reliable appraisal. Hally suggested Linford is a better choice since he completed a previous appraisal. Staker agreed since Linford is local.

Armbruster said he had to leave the meeting. He reported he and Randy Fife discussed an agreement between Idaho Falls and the agency to clarify the assistance provided by the city and reimbursement for such assistance. Both agreed it is a good idea. The consultant agreement has been circulated and he will check back with Magee later.

Radford suggested Magee explain the market analysis. Magee said Thomas Development mentioned a market analysis for downtown housing will be needed to accompany the RFP. The purpose will be to determine economic feasibility of any proposal.

Radford asked Bob Everhart, Idaho Falls Downtown Development Corporation, for his opinion. Everhart said he frequently gets call about living downtown from two groups: young professionals without children and retirees who leave during part of the year. They like the

downtown lifestyle, riding bikes on the greenbelt, and other amenities. There is not anything to offer downtown presently. Every apartment downtown is rented. He has about fourteen names for every opening. There is a market demand. Everhart continued the development of residential property has been the top objective of Downtown Development for the last eighteen months. Developers from Southern California and from Jackson are interested but the problem is simple: it is expensive to redevelop the upper floors of existing buildings, often more expensive than buying land elsewhere and developing it. Some kind of incentive is needed if we want to have downtown development. Radford thanked Everhart and asked for a motion on securing an appraiser. **Martin moved to authorize a letter of engagement with Larry Linford for an amount not to exceed \$5,000 to prepare an appraisal for the former Bonneville Hotel. Hally seconded the motion and it passed unanimously.**

Road Projects: Magee provided an estimate of revenue and expenditures in a table format to the board. She said it was a conservative approach to revenues. The 2006 Urban Renewal Plan was the basis for the table. The monies allocated in the table are slightly more than in the 2006 plan.

ESTIMATED REVENUES, ADMINISTRATIVE EXPENSES, AND PROJECTS
2014 - 2018
SNAKE RIVER URBAN RENEWAL DISTRICT
(In thousands)

	2014	2015	2016	2017	2018
Cash on hand	\$3,400	\$3,359	\$2,284	\$1,556	\$415
Revenues ¹	\$1,900	\$1,843	\$1,788	\$1,734	\$1,647
Expenses ²	\$921	\$948	\$976	\$1,005	\$1,035
BALANCE	\$4,379	\$4,254	\$3,096	\$2,285	\$612
PROJECTS					
Broadway Ford	\$250				
Greenbelt	\$500				
Greenbelt, Taylor Crossing					
Bonneville		\$1,700			

¹Revenues are based on 2014 approved budget. The revenues in subsequent years are reduced by three percent. In Fiscal Year 2012, the revenues for the Snake River Urban Renewal District were \$2,223,180 and the budgeted amount was \$2,190,000.

²For 2014, expenses are based on the approved budget. For subsequent years, the expenses are increased by three percent annually. In Fiscal year 2012, the actual expenses for administration, debt service, and small capital projects was \$520,006.

Constitution Way			\$1,000		
Park Avenue			\$150		
Mercury Avenue			\$120	\$1,500	
Wardell Street				\$100	
Taylor Crossing OPA	\$270	\$270	\$270	\$270	\$270
Project Total	\$1,020	\$1,970	\$1,540	\$1,870	\$270
BALANCE	\$3,359	\$2,284	\$1,556	\$415	\$342

Staker said the U.S. 20 entrance is one of the most unattractive approaches to the City. Cars stacking on I-15 look down on the existing Mercury Avenue area. The Idaho Department of Transportation is considering providing another access to I-15 to relieve traffic congestion but the cost may not be reasonable. Radford asked Chris Fredrickson, Public Works Director, if he could shed light on the U.S. 20 access to I-15 issue. Staker said the agency does not want to reconstruct Mercury to have it destroyed when a new access is installed. Fredrickson said, when the Idaho Transportation Department does move the highway, the existing U.S. 20 access will stay, although it may be modified. He thinks investment in Mercury is a sound one; the Idaho Transportation Department vision is decades away. Staker agreed they will be looking at a new interchange and a new bridge across the river so it is probably a decade or two away. Radford asked if there were any other comments or priorities. Staker replied he thinks it is as important to clean the U.S. 20 entrance up as it is to clean up the Bonneville Hotel. Bonneville Hotel is more important to the city center but both projects are equally important to the city. Hally feels, if something is not done with the Bonneville Hotel, it has the potential to become a dilapidated building, an eyesore.

Magee summarized the table by explaining 2014 priorities are likely Broadway Ford and the Greenbelt if approved by the board. Preparation makes 2016 the more likely year for Constitution Way and Bonneville Hotel. The Mercury Street project is in 2017.

Radford asked about the pathway project. Magee responded former council member and agency board member Joe Groberg discussed having a pathway from Pancheri to Utah. A path will provide easy access to the north portions of Utah Avenue. The City has an easement for power line maintenance and utilities in the area of the proposed path. **Staker moved to authorize staff to contact the owners of parcels within power line easement to discuss securing an easement for a pedestrian and bike path. Hally seconded the motion and it was unanimous.**

Greenbelt Project North of Broadway. Greg Weitzel, Parks and Recreation Director, requested assistance for improving the Greenbelt. In 1989, the leaders realized the Greenbelt would provide economic opportunities, and because of that vision 25 years ago, there are new businesses such as the Marriott Residence Inn, Snake River Landing, Eagle Rock Center, and Taylor Crossing. The present plan is to improve the Greenbelt between Broadway and U.S. 20.

The division is applying for a federal grant. Idaho Falls Power will assist with new lighting, the Rotary Club will help financially, and, hopefully, there will be grants. He is requesting \$400,000 from IFRA to assist in this project. This money will match the grant.

Weitzel had surveys placed in utility bills and received 1,200 responses. One question on the survey asked if only federal funding should be used for the Greenbelt or if local funds should be allocated. In the 1,200 responses, more than 80% said local funds should be prioritized for the Greenbelt. Jennifer Warner from his staff asked the businesses about planned improvements for the Greenbelt, and the business owners were overwhelmingly supportive. Warner said she is getting letters of support signed by businesses to assist with the grants. The application for the Transportation Alternative Program grant is due at the end of February. With matching funds from the agency, the division will jump to the top of the applicants. Weitzel will come back next month and answer any questions.

Greenbelt Project Along Taylor Crossing. Weitzel said the Parks and Recreation Division wishes to complete another 800 lineal feet of the River Gardens project adjacent to Taylor Crossing. Present estimates are \$260,000. Hally explained the City can leverage the asset of the River by developing on both sides closer to downtown. Cities on the Mississippi, Boston, and others have realized this. When you leverage your waterfront, you get your investment back. Examples closer to home are Boise and Missoula, Montana, where businesses have been constructed along their rivers. It has been 25 years since we did the improvements down at the Greenbelt and we should redo this area because it is a popular area with residents and visitors. It is time to maximize those dollars and state funds and have a project you can be proud of at the end of the day.

Radford asked about the timing on the Rock Garden. Weitzel said he does not have a timeline. As more funds become available, they will start developing it and continue forward with it. Weitzel said they can have it completed in eighteen months

Radford asked for discussion. Staker likes the idea of improving the area north of Broadway but thinks the board needs a specific proposal and more defined costs, especially estimated costs of the overlook. However, he wishes to move forward. Weitzel replied the proposed overlooks north of Broadway are not eligible for the grant. The grant is for alternative transportation.

Hally said the project will not all be done at once. It is best to take advantage of the grants rather than having to pay for everything yourself. It goes slower, but the property tax will grow. Gazdik agreed this project will piggy back the Memorial Drive project and is a good way to spend money.

Martin asked Weitzel if he needs to have a motion from this board to complete the application. He said yes. He needs to apply for grant by end of February. If approved, the project will move forward in spring of 2015.

Radford said he is supportive of the Greenbelt but cautioned its long-term impacts will not be as direct so the board needs to be careful. Hally responded business owners have made investments along the River leading to property tax increases. Staker suggested, since this is an important project for all business owners along the River, the business owners need to come in and discuss

their future plans and impact of this project. **Staker moved to authorize \$400,000 to be used to match grant funds to improve the path between the Snake River and River Parkway and to authorize the preparation of an agreement between the City and agency to clarify responsibilities and provide payment of the funds. Hally seconded the motion. It passed unanimously.** After the vote, Staker reiterated he still wants property owners to attend the meeting and explain their future plans. Radford said board will consider the Rock Garden request next month.

Updates. Appointment of New Member. The board is open to nominations for a new member to replace Robert Bob Barnes.

Redevelopment Association of Idaho. Magee reviewed a draft of a letter from Radford to be sent to the legislators. Martin suggested adding 200 technical jobs were retained and an additional 148 technical jobs have been promised in the Curtiss Wright Flow Control project.

Consultant Agreement. Magee will staff the agency as a consultant . Radford asked for a rate per hour. Magee responded \$30 per hour. **Martin moved to authorize execution of the consultant agreement. Gadzik seconded the motion and it passed unanimously.**

Agreement with the City of Idaho Falls. Ryan Armbruster previously discussed this item prior to leaving the meeting.

Amendment to By-Laws. The proposed amendment to the by-laws provides for by-monthly meetings. Radford asked if it is better to have monthly meetings and cancel such meetings as needed. Martin suggested, if we are working with companies and ask them to wait for sixty days, there may be serious consequences. It was decided to continue to meet monthly for the present.

Request for Aerial Photo Funding. Magee requested an amount not to exceed \$3,000 as a contribution to the City's aerial photo project. Radford asked why it is important. Magee replied it is important to have current photos in developing areas such as Snake River Landing. The aerials are used to respond to developer requests. Staker said Bonneville County has aerial photos and wondered why it is necessary for both the city and county to complete them. He feels the agency needs to help fund the flights but, if we work together as a community, it will be more cost effective. Martin said she may have some funds from Grow Idaho Falls to help also. Since photos will not be taken now, this request can be discussed later. Cramer said the City's GIS department just wants to know who is interested. Radford said we can express interest in the project. Mayor Casper said she will be meeting with all three area mayors soon and will discuss this project with them.

Radford adjourned the meeting at 1:40 p.m.

Respectfully submitted,

Cynthia Likes