

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

June 21, 2012

Regular Meeting
Minutes

Council Chambers

Call to Order: Chair Barnes called the meeting to order at 12:10 p.m.

Members Present: Chair Bob Barnes; Terri Gazdik; Linda Martin; Lee Staker; and Brent Thompson.

Members Absent: Tom Hally.

Also Present: Ryan Armbruster, legal counsel (via phone); Renée Magee, Agency executive director; Brad Cramer, assistant director; Thane Sparks, controller; Thomas Mannschreck, Thomas Development (via phone); Steve Frei, representative for Mannschreck; Kurt Roland, Eagle Rock Engineering; and Debra Petty, recording secretary.

Approval of Minutes, May 17, 2012: Thompson moved to approve the minutes of May 17, 2012, as presented. Motion seconded by Staker. Motion passed.

Approval of Bills: Chair Barnes presented the finance report dated June 21, 2012. The following bill was presented to be paid: Elam & Burke, \$3,107.65 from the Snake River Allocation Fund. **Staker moved to approve the bills as read. Motion seconded by Thompson. Motion passed.**

Request of Doug Hix, Construction of Simplot Drive: Hix is requesting assistance from the Agency for the construction of Simplot Circle. Currently Simplot is a gravel road with a small bridge crossing the Porter canal. There is a building located in the city right-of-way which must be demolished. Magee said the estimate for street construction is \$85,000 and \$35,000 for construction of the bridge for a total of \$120,000. One potential client for Hix's property has an assessed valuation of \$618,000 in another location in the region. Based on this estimate, if construction is completed by 2013, this property will generate approximately \$45,000 to \$50,000 or slightly below the 50% contribution in the remaining life of the district. Magee said the Owner Participation Agreement (OPA) with Taylor Crossing lists the completion of Simplot Circle as a potential project.

Kurt Roland, Eagle Rock Engineering, said there is some controversy as to ownership of the building located in the city right-of way. Walkers' have items stored in the building and believe they have ownership. Walkers' were given notice three months ago the building must be demolished. Roland said it is hoped construction of Simplot Circle will begin this summer and the developer is only completing the road from Utah Avenue to the bridge leaving the rest of the street and turnaround unpaved. There is continuing discussion with the City regarding responsibility for construction of the bridge. Magee reported the street could be accepted, although its total length is not improved, provided it has a temporary turnaround and construction meets city standards. This street has an existing gravel turnaround and three lots to the east rely on the turnaround for access. Generally the City will allow accept a road in phases. However, the 1988 agreement states the City will not accept and maintain the street until the bridge is reconstructed.

Barnes expressed concern that, should a building similar to the one in Renee's report be constructed, the tax increment may not be sufficient to cover the debt. Armbruster said the improvements are developer financed and ultimately the risk falls on the owner/developer. He said any commitment, in way of a note, by the Agency can be conditioned on the pulling of permits and construction of the new development. **Lee Staker moved to approve an agreement to issue the note after building permits have been pulled, development is completed and the street has been accepted provided the note will be paid from the tax increment generated and shall not exceed 50% of the total cost of construction. Seconded by Terri Gazdik. Motion passed.**

Memorial Drive and Open House: Magee said City Council approved the construction management agreement between the Agency and the City as well as the bid of HK Contractors for the reconstruction of Memorial Drive. The engineering department is hosting an open house Wednesday, June 27, 2012, to explain to the public how to navigate the downtown during the reconstruction of Memorial Drive, D Street underpass, and waterline project on Broadway. Idaho Falls Power has ordered the illumination system for Memorial Drive, one contribution to be made by the City under the construction management agreement.

Redevelopment Association of Idaho: Magee said the RAI board is meeting in Pocatello Thursday, July 19, 2012 at 10:00 a.m. with lunch and tour of redevelopment projects following. Agency members are welcome to attend. The regularly scheduled meeting of the Agency will be moved to Wednesday, July 18, 2012.

Request of Thomas Development: Thomas Mannschreck, Thomas Development, said 555 Yellowstone Highway (former Oswald Garage) was purchased approximately 18 months ago and is planned for future redevelopment. Approximately \$85,000 was invested to upgrade the underground parking structure, surface asphalt, reinforcement and improvements to the building. The replacement of sidewalk and ramp for ADA compliance was approximately \$5,900. He is requesting a reimbursement of \$3,000 from the Agency for these public improvements. Armbruster confirmed the transaction will not require a complicated note and reimbursement process. Magee reminded Mannschreck the Agency allocated nearly \$4,000 for the sidewalk improvements at 367 Constitution Way. She requested the necessary paperwork be submitted for reimbursement.

Brent Thompson asked Magee why the City's 50% reimbursement policy for replacement of curb, gutter and sidewalk does not apply in this case. She said the policy only applies to curb and gutter, not sidewalks. The work was the replacement of the sidewalk. **Brent Thompson moved to approve the request for reimbursement of \$3,000 for concrete work in the public right-of-way. Motion seconded by Terri Gazdik. Motion passed.**

The second request by Mannschreck is for participation by the Agency for public infrastructure improvements in the River Commons district. He is constructing a 48-unit senior and income-restricted apartment development. Thomas Development and Snake River Landing are working together to determine the best location in the development for the project and a price point acceptable to both entities. The product is similar to Rosslare with some upgrades to the exterior. Idaho Housing awards incentive points for projects receiving 5% of development costs from a

local source such as tax increment financing. An endorsement by the Agency for TIF funds in the three hundred thousand dollar range will prove invaluable in securing additional funding from the Idaho Housing Authority. He would like further discussion with Armbruster concerning affordable housing. Mannschreck told Thompson the feasibility analysis for Idaho Housing will be completed by an appraiser out of Boise. **Linda Martin moved to approve the request by Thomas Development for tax increment financing by the Agency based on results of the feasibility study and review by legal counsel. Motion seconded by Lee Staker. Motion passed.**

Miscellaneous:

The meeting adjourned at 1:10 p.m.

Respectfully submitted,

Debra Petty, recording secretary