

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

April 15, 2010

Regular Meeting
Minutes

Council Chambers

Call to Order: Chair Barnes called the meeting to order at 3:00 p.m.

Members Present: Chair Bob Barnes, Tom Hally, LaMar John, Linda Martin and Lee Radford.

Members Absent: Dave Radford

Also Present: Ryan Armbruster, legal counsel; Renée Magee, executive director; Thane Sparks, treasurer; Jared Fuhriman, Mayor; Jan Blickenstaff, grants administrator, Julie Ulrich, Idaho Falls Downtown Development Corporation (IFDDC); Eric Isom, Snake River Landing; and Donna Carlson, recording secretary.

Minutes: March 18, 2010. Tom Hally moved to approve the minutes of March 18, 2010, as written. Motion seconded by LaMar John. Motion passed.

Approval of Bills: Chair Barnes presented the finance report dated April 15, 2010. The following bills were presented to be paid: Elam & Burke, \$1,801.74; Harlan Mann, \$880.85; Donna Carlson, \$103.20 from the Snake River allocation fund; and Elam & Burke, \$167.10 from the River Commons revenue fund. **LaMar John moved to approve the bills as read. Motion seconded by Lee Radford. Motion passed.**

Resolution and agreement with Idaho Falls for design services: Chair Barnes recused himself from the discussion and vote due to a conflict of interest.

Lee Radford stated a City Council work session was held last week to review some of the issues associated with the Memorial Drive reconstruction. Armbruster has drafted a contract and resolution for the design and engineering phase of the project. Magee explained the contract limits the amount to be expended for design and engineering services to \$100,000. Fifty thousand dollars is for engineering and includes approximately \$11,000 in surveying expenses already completed. Also included in the \$100,000 is \$15,000 for transportation engineering to review the round-about design and \$35,000 for landscape architect services. These services will include the location and cost of amenities west of Memorial Drive as well as amenities for Memorial Drive. The design west of Memorial Drive will assist Parks and Recreation in funding the amenities.

Lee Radford confirmed the Agency does not want to determine the amenities in the park area but has allocated funds for the amenities to be planned and designed. The two Agency priorities are to replace parking and reconstruct Memorial Drive. These projects

will consume most of the Agency resources even though other projects will need to be examined in the future. Any potential future Agency involvement regarding amenities will have to be weighed against other priorities at a later date.

Armbruster reviewed the Design, Engineering, and Cost Estimating Services Agreement between the City of Idaho Falls and the Idaho Falls Redevelopment Agency regarding the Memorial Drive Construction project. Approval of the contract and resolution is an official action to commit \$1.6 million to the Memorial Drive improvement project. Armbruster reviewed the definitions included in the contract. The Agency will be responsible for reimbursing the City for direct personnel expenses related to engineering design services, including surveying, as well as cost estimating and preparation of bid documents. Compensation to the City will occur after the design, engineering and cost estimating phase is completed. The contract lays the groundwork for phase 2 of the Memorial Drive reconstruction project. Phase 2 consists of the issuance of the bid request, acceptance of the bids and engaging the contractor to build the project. The City will be the project manager for construction. The contract for the first phase does not commit either the City or the Agency to the second phase of the Memorial Drive reconstruction project. Lee Radford inquired about the commitment to the project concept as shown in Exhibit B. Armbruster said the definition for the Memorial Drive improvement project could refer specifically to Exhibit B. Lee Radford replied he did not want the contract delayed and does not believe there is any misunderstanding.

Tom Hally moved to adopt the Resolution approving the design, engineering, and cost estimating services agreement and authorizing the executive director of the Agency to implement the agreement. Motion seconded by Linda Martin. Motion passed unanimously.

Lee Radford asked for a report from Idaho Falls Downtown Development Corporation (IFDDC). Julie Ulrich explained amenities have been added to the plan for the Greenbelt west of the future Memorial Drive. The plan was e-mailed to the members. The Mayor was asked if the plan presents a good basis for discussion. Mayor Fuhrman appreciates the support of the Agency and added the project could not be accomplished without Agency assistance. The project has never been closer to coming to fruition. The project concept is good. It is important for public enthusiasm to provide an amenity with showcase potential. Lee Radford agrees it is time to generate and finalize ideas. Hally believes ten years from now it will be clear the City has been a good steward of the river from the round-about to Ryder Park.

Discussion of Domus Project: Martin gave an update on a potential new employer discussed with the Board members by phone and e-mail approximately two months ago. The employer will hire approximately 700 people and need a 90 to 100,000 square foot building. This will be the fourth regional center for Domus, and several states are being considered. State of Idaho workforce development staff have stepped forward with a letter regarding funding, but it is possible Domus may be looking for additional local support. A new \$18 to 20 million payroll will be extremely valuable and Martin

suggested trying to offer a bit more incentive. Domus is interested in the Snake River Landing taxing district.

Magee stated the property being discussed for Domus is on Whitewater Drive. She suggested the Agency consider financing one half of the construction costs for Whitewater Drive. Whitewater Drive is needed for traffic and fire purposes. Agency members were contacted previously and all responded favorably. A commitment to contribute 50% is approximately \$550,000. Again, this is a reimbursement process and owner financing.

Martin anticipates knowing the outcome of the project within one to two weeks. Barnes stated the economic impact needs to be considered and the Agency will lend its support any way it can.

Eric Isom explained he did some calculations and looked at an 18 year reimbursement period. The question is how much can be allocated for reimbursement. The Agency appears to be comfortable with 50% based on the incremental tax of the proposed facility alone. Isom does not believe there is much risk. Magee confirmed the existing owner participation agreement (OPA) is 75% reimbursement. This project is proposed at reimbursement rate of 87.5% of the revenues from the proposed site for Domus. Barnes said in the past the Agency has held firm on the figure, but it is up to the discretion of the Board. The issue can be addressed if and when the time is appropriate. Martin confirmed any assistance will be project specific based on the number of jobs and annual payroll. She asked if it is possible to provide some documentation of Agency participation. Lee Radford suggested it may be helpful to provide an indication to Domus of an increased level of support. The level of support pencils out well because even half of the remaining 25% gives Snake River Landing what it needs to provide incentive. **Lee Radford moved to approve the concept that the Agency support project Domus at the level outlined in the Domus TIFF analysis worksheet provided by the developer for the construction of Whitewater Drive. It is assumed the reimbursement will be increased by half of the remaining twenty-five percent (25%) from this particular Domus project. Motion seconded by Tom Hally. Motion passed unanimously.**

Parking issues downtown: At the previous meeting Lee Radford was authorized to talk with KB Concrete to provide cost estimates on two parking structure alternatives being discussed. One structure is in the core of the downtown area, and the other is an underground parking structure near the Bonneville County Courthouse. Lee Radford said he has focused more on an underground and surface lot on the property near the courthouse but both locations were presented to KB Concrete. KB Concrete believes the numbers and concept originally formulated by Jeff Ogden for Legion Drive near the courthouse are reasonable but engineering is needed for solid plans and figures. The concept is simple with basement walls, engineering pillars and preformed concrete for the cover. It may be possible to design the structure to avoid elevators and reduce mechanical issues. An entrance from Memorial Drive could be designed to connect the property to the greenbelt. Lee Radford believes this is promising but a decision needs to be made on how to proceed with engineering. Radford will try to determine the status of Wackerli

apartments given the untimely passing of Jeff Ogden. Jeff Neiswanger is a part owner of the apartments but Radford is not aware of his involvement or plans.

Barnes indicated a decision on the parking at Capital and A Street needs to be made in the near future. This location is preferred for merchants and patrons of the City.

Mayor Fuhrman has spoken with the parties on the structure being considered near A Street. Private participation is being discussed for slightly less than 120 spaces. Public participation will need to be significant to bring a structure to fruition. Mayor Fuhrman is hopeful the Agency may assist. Barnes asked if Agency assistance is being requested with operation and management or with the construction. Mayor Fuhrman answered assistance is required with physical construction.

Barnes asked if the next step for the Agency is to determine solid costs. Mayor Fuhrman said he spoke with Magee recently and is asking to continue moving forward on three locations to determine feasibility. Magee estimated if 210 spaces are built at Capital and A Street at a cost of \$20,000 per space, \$4.2 million is needed, with the Agency share being \$2.5 million. Magee recalled numbers provided by Jeff Ogden of approximately \$2.4 to \$2.6 million for the smaller facility near Legion Drive. The Agency has to determine contributions from other parties. Magee noted other alternatives such as the Agency leasing spaces or building a total of 90 parking spaces in various areas. She understands leasing is a short-term solution but could work until a long-term solution is achieved. Magee is also interested in talking with property owners near D Street about entering into an option. If these alternatives do not work, perhaps the Agency should offer to reimburse Bonneville County for demolition, landscaping, and construction of a parking area north of the court house .

Lee Radford asked about the number of spaces being replaced. Magee replied there are 210 spaces on Memorial Drive. Fifty-four spaces are being constructed on Memorial Drive, 42 spaces were constructed at Shoup and Constitution, and 30 spaces at the court house were moved to the former District 7 Health building. Magee acknowledged others may view the calculations differently, but these spaces subtracted from the original 210 spaces equals approximately 100 spaces remaining to be replaced. Lee Radford said the cost of building at Capital and A Street is expensive due to the amount of parking needed. Barnes said the discussion about the public option was only recently mentioned to the Agency. The Agency can determine some numbers and reach a conclusion about whether it can participate. This option can be weighed against other options. Magee stated one of the least costly alternatives is the Union Pacific property but she understands it is a distance from the courthouse.

Lee Radford appreciates IFDDC working on a transportation system for downtown. Barnes indicated Boise tried a shuttle system and asked Armbruster for his input. Armbruster stated it was difficult to get enough parkers who were willing to pay less at a satellite lot. The shuttle system did not work in Boise and he suggested determining if there are enough people parking at a satellite lot to offset operation and management of

the shuttle vehicles. It is possible a shuttle could work in Idaho Falls but needs serious consideration.

Barnes suggested leaving all options on the table. He will talk with Jeff Neiswanger and options can be eliminated over time. Mayor Fuhriman asked if the Agency is amenable to partnering with the City on parking meters. Barnes answered that can be discussed. Martin asked if it is possible for Magee to create a spreadsheet to compare location, number of spaces, construction, time line for negotiations, and potential costs. Barnes said the number of spaces being replaced needs to be resolved.

Armbruster noted the timing is good at this point for a long-term note, private placement of a note, or possibly the underwriting of a bond. He believes it is currently possible to get an unqualified opinion without the necessity of another judicial confirmation action. If a note or debt of some sort is in the financial plan, it is important to pursue this prior to changes that may occur in the 2011 legislative session. There appears to be some leeway to allow the Agency to enter into debt to be repaid toward the end of the district existence in 2017 or 2018. Barnes understands this is good timing from a legal standpoint, but believes it could be tough to place a bond. Armbruster noted a bank may be more interested in looking at the borrowing capacity of the Agency because the Agency should continue to get its tax receipts through 2018.

Update on legislation: A letter from the Executive Director of Capital City Development Corporation dated April 8, 2010, provided a good summary of what occurred while HB 672 was considered during the last Revenue and Taxation Committee meeting. There were not enough votes to pass or to kill the bill, and the bill was held in Committee. Armbruster said some version will return in the 2011 legislative session, possibly in many smaller bills. It was helpful to have a bill to assist in deflecting the bad bills. Magee asked if Armbruster expects the rebate trigger to return. Armbruster answered the three issues will return: the rebate trigger, the composition of Board members, and the plan amendment process. Magee is concerned the rebate trigger may force the Agency to return all funding not tied to debt or owner participation agreements. Barnes appreciated the efforts of CCDC to work for good legislation and keep others informed.

Miscellaneous: Magee received a request from Taylor Crossing dated April 9, 2010, requesting an additional \$30,000 for riverfront retaining wall and erosion control. This item will be put on the agenda for the next meeting. Barnes noted the area has now been stabilized and it may not be necessary to be an item on the next agenda.

The meeting adjourned at 4:25 p.m.

Donna Carlson, Recording Secretary