

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

January 21, 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, Dave Radford, and Lee Radford

Members Absent: None

Also Present: Ryan Armbruster, legal counsel; Renée Magee, executive director; Thane Sparks, treasurer; Mayor Jared Fuhriman; Ida Hardcastle, City Council; Jan Blickenstaff, grants administrator, Donna Carlson, recording secretary; and one interested citizen..

Minutes: November 19, 2009. Tom Hally moved to approve the minutes of November 19, 2009, as amended. Motion seconded by Lee Radford. Motion passed.

Approval of Bills: Chair Barnes presented the finance report dated January 21, 2010. The following bills were presented to be paid: Harlan Mann, \$608.50 and Elam & Burke, \$33.00 from the Snake River revenue allocation fund; Harlan Mann, \$391.90 and Elam & Burke, \$82.50 from the River Commons revenue allocation fund; and Elam & Burke, \$304.05 from the Pancheri Yellowstone revenue allocation fund. The following bills from the Snake River revenue allocation fund were presented to be ratified: Renee Magee, \$181.50; Donna Carlson, \$177.60; Rudd & Company, \$2,000; AmeriTitle, \$150.00; and Elam & Burke, \$1,700.22. **Dave Radford moved to approve the bills as read. Motion seconded by Lee Radford. Motion passed.**

Note documents for Ball Management: Armbruster explained Ball Management had some concerns with the previous draft of the Amended Owner Participation Agreement (OPA) about responsibility for maintenance. Details have been worked out and modest changes made to the Amendment to the OPA. Exhibit B to the agreement illustrates the locations the developer is responsible to maintain. Magee explained Parks and Recreation as well as Ball Management have reviewed and agreed to the specified changes. Ball Management will maintain the green area between the Snake River and the path to the end of the Candlewood Suites property as illustrated on Exhibit B of the OPA. The City of Idaho Falls will maintain the path and utilities.

Armbruster read Resolution 2010-1 approving the First Amendment to the Owner Participation Agreement between the Agency and Snake River LLC. Lee Radford moved to approve the resolution as read. Motion seconded by Tom Hally. Motion passed unanimously.

Report on Supreme Court Cases and Proposed Legislation: Armbruster explained the case, *Urban Renewal Agency of Rexburg v. Kenneth W. Hart*, is now complete. The Supreme Court issued its original decision within three weeks of oral argument. The decision confirmed the ability of the Rexburg Urban Renewal Agency to incur long-term debt without a vote of electorate and concluded the Agency is not the alter ego of the City of Rexburg. The decision was reached by the court utilizing information eight or nine agencies provided regarding the number of projects successfully financed in the State of Idaho through tax increment financing as well as increased assessed valuations throughout the State by virtue of urban renewal projects. Armbruster stated it was valuable for the Idaho Falls urban renewal agency to participate as a friend of the Court and provide information to the Court.

The Nampa case has some issues Armbruster believes should be solved by the Rexburg case. Currently the appellant has filed a motion to augment the briefing concerning City Council authority to pass a plan having a twenty-four year period. Nampa has filed an objection to the motion, and the motion is pending before the Court. If the motion is denied, the Nampa case will be resolved as well. Armbruster does not expect the cases to have any impact on the ability of a city to issue long-term debt for ordinary and necessary expense or any other exemption under Article 8, Section 3. That issue has not been resolved and Constitutional amendments are being considered.

Capital City Development Corporation (CCDC) believes it is clear there is a need to present some reform legislation in 2010 or be faced with additional draconian legislation impacting the ability of an urban renewal agency to carry out its mission. The CCDC is drafting a complete overhaul of Chapters 20 and 29 of the Code in an attempt to respond to the complaints of the legislators over the years. The CCDC is also trying to modernize the statute, taking into consideration legislation passed throughout the country. The draft has been prepared and the process is taking place to try to present the draft for consideration during the 2010 legislative session. The draft was distributed in early December and comments have been received. The legislation is being redrafted in hopes of presenting an update to the Association of Idaho Cities (AIC) next week. Discussions are taking place with a legislator who may be willing to sponsor the bill. There have been some articles in the Boise media about other proposals that could be devastating to urban renewal. Armbruster hopes reform legislation will mitigate the need for other legislation. The legislative session will be difficult due to severe budgetary issues and it is uncertain how much time will be dedicated to urban renewal. The new legislation will create a distinct difference between a traditional downtown redevelopment project and an economic development program used for green fields. Two different sets of rules and criteria are utilized. There will be some administrative changes regarding reporting and disclosure, but Armbruster does not believe those will not be problematic for the Idaho Falls agency. Dave Radford verified the proposed draft legislation addresses the three main issues of the critics: length of time, transparency and accountability of the boards to spend taxpayer dollars, and shoestring annexations.

Discussion of Downtown Public Parking: Magee presented minutes of a meeting held on January 8, 2010, with representatives of the Idaho Falls Downtown Development Corporation and Bonneville County. Discussions have been started with Melaleuca regarding the possibility of a private entity completing a parking structure available to the core of downtown as well as the County courthouse. Participation by the Agency could be by leasing spaces or by purchase of a portion of the structure through a condominium plat. Barnes stated the parking structure will address the perception of a shortage of downtown parking as well as serve events on the greenbelt and at the Colonial Theater. It would be beneficial to the Agency to enter into a long-term lease and avoid the need to borrow money. Two projects are being discussed by the Agency, e.g., downtown parking and Memorial Drive. Funds are not available for both projects unless payments can be extended for the parking. Parking needs to be completed prior to Memorial Drive improvements.

Hally believes there are advantages to a parking structure. Barnes indicated Melaleuca expects to start a parking project in the spring. At this point participating entities need to establish numbers and determine if there is sufficient interest for a partnership to be feasible. Hardcastle believes discussions have taken place over a long period of time and she is anxious to see the parking resolved. If a parking structure is not workable, she wishes to see work proceed on D Street. Dave Radford added Mr. Vandersloot has partnered with other government entities in the past and he is a great partner. Melaleuca is the largest private employer in the County and the Agency should give serious consideration to this opportunity. Barnes agreed. Lee Radford asked how the Agency will assist with D Street if the parking structure is not an option. Magee answered the Agency could purchase property, demolish any structures and finance construction of a public parking lot. It will commit any funds currently available. Barnes clarified funds are available for only one project and the parking structure allows tax increment funding without debt. Mayor Fuhrman stated he is also discussing the parking structure with Melaleuca. He expects Memorial Drive to be improved in 2011 and it is necessary to move forward and resolve parking. The Mayor stated it will be great if Melaleuca is able to fund a majority of the structure. Each agency involved is determining if the partnership is practical, and answers are needed quickly. The Mayor appreciates the effort and support of the Agency. There are great opportunities for the future, and the pieces need to be put together. Barnes believes the parking structure is a major opportunity.

Discussion of Memorial Drive: Barnes recused himself from the discussion. Magee proposed formally approaching the City to undertake the Memorial Drive reconstruction with the Agency financing a portion of the project. This is being driven in part by the staffing resources of the City compared with the Agency. Also some issues needing to be resolved are internal issues for the City, such as working with Parks and Recreation and utility improvements. A resolution or contract could be drafted. Lee Radford clarified the Agency needs to resolve the parking issue prior to the City improving Memorial Drive. The Agency played a role in reaching a consensus on the Memorial Drive design, but the City has the engineering expertise. Magee added engineering would like to engage a landscape architect in the final design stage. The engineering department is concerned it cannot handle the parking construction issues, the design of Memorial Drive, and moving

into construction all at the same time. The projects need to be spaced. John recalled conversations from last year and he thought the City had already taken charge of the Memorial redesign. Lee Radford noted there have been discussions and it is time to send the project back to the City. It is a City street and the decision needs to be made by the City. A contract or agreement needs to be formalized and available funds utilized. Magee stated the dollar figure provided in 2006 was \$1.6 million for Memorial Drive. There has been discussion about borrowing from a local financial institution, but this may not be necessary. It is possible \$2.8 million could be available in a year. If valuations remain constant, annual revenues run approximately \$1.1 million dollars. John favors this project going back to the City. The Agency does not have the ultimate authority to make a final decision. Lee Radford stated a design consensus appears to have been reached and the Agency still has the burden of trying to resolve the parking situation. Dave Radford is comfortable with the partnership with the City of Idaho Falls. The County Commissioners are optimistic facilities can be provided to meet the needs of the various entities. He wants to move forward and does not want to be viewed as trying to prevent progress. All issues need to be addressed including being financially responsible given the current economic climate.

Lee Radford inquired about a document addressing the issues between the City and the Agency including the plans for Memorial Drive, setting aside funds, and a time line conditional upon parking resolution. Armbruster stated an agreement could be drafted addressing the obligations of both parties. The City is to be hired to design, engineer and build Memorial Drive in an acceptable concept. Armbruster suggested it is important to protect the integrity of the Agency and shield it from any perception of being an alter ego of the City. John asked if the City should be drafting the document. Lee Radford stated the City has a very good attorney and the details can be worked out. **Linda Martin moved to approve the Agency draft a document to be provided to the City for designing, engineering and building of Memorial Drive with the Agency participating in funding. Motion seconded by Tom Hally. Motion passed unanimously.**

Miscellaneous: Armbruster refiled IRS Form 8038 regarding the promissory note to Ball Ventures and the Snake River Landing project.

Dave Radford confirmed the County intends to tear down the Stucki building to help alleviate parking. He hopes Legion Drive can be vacated and approximately thirty-eight spaces provided. Access onto Memorial from Legion will be provided and should alleviate the concern of the owners of the Wackerli apartments. A rough draft design concept has been prepared. Dave Radford expects the Wackerli apartments will have access through the parking lot.

The meeting adjourned at 4:15 p.m.

Donna Carlson, Recording Secretary