

IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

January 15, 2015

Regular Meeting Minutes

Council Chambers

Call to Order: Chair Radford called the meeting to order at 12:00

Members Present: Lee Radford, Brent Thompson, Linda Martin, Lee Staker

Members Absent: Thomas Hally, Terri Gazdik

Also Present: Ryan Armbruster, Legal Counsel (Telephonic); Renee Magee, Executive Director; Thayne Sparks, Agency Treasurer; Scott Bond and Stacey Lewis from Rudd and Company; Brad Cramer, Director of Planning and Building Division; Jeff Freiberg, Freiberg Engineering.

Modifications to Agenda: There were no modifications to the Agenda.

Approval of Minutes: Brent Thompson moved to approve the minutes of December 18, 2015. Lee Staker seconded the motion and it passed unanimously.

Approval of Bills: Lee Radford presented the finance report dated January 15, 2015. The following bills were presented to be paid from the Snake River Allocation fund: Rebecca Thompson, \$85.00 for transcription services; Kevin Machen, \$105.00 for snow removal; Elam and Burke, \$4,728.40 for legal fees. The following bill was paid from River Commons Revenue Allocation fund: Elam and Burke, \$536.50 for legal services. **Lee Staker moved to approve the finance report, Linda Martin seconded the motion and it passed unanimously.**

Eagle Ridge Urban Renewal District. Renee Magee reported the City Council passed the ordinance creating the Eagle Ridge Urban Renewal District on December 11, 2014. The summary of the ordinance was published, and the summary of the ordinance and supporting documents were distributed on December 22, 2014, by the City Clerk to the State Tax Commission, the Bonneville County Officials and other taxing entities. In response to a question from Radford, Magee stated the District is effective January 1, 2014. Magee continued the developer will construct the public improvements for Snake River Parkway extended, South Utah, and Pioneer Road (shown as Area 6 and Area 7 on the aerial photo) and be subsequently reimbursed with tax increment revenues. Magee met last week with Steven Kiem and Jeff Freiberg who represent Eagle Ridge Partners and discussed developing the Owner Participation Agreement (OPA) for the Eagle Ridge District. The developer is planning to issue a notice to proceed for a portion of the road in Area 6 (Snake River Parkway extended, South Utah, and portions of Pioneer Road) by April 30, 2015. The project construction time is most likely eight to ten months for Eagle Ridge, Division No. 3, which would put the completion into late fall of 2015 or early winter of 2016. The preliminary estimate for the public improvements in Area 6 is \$1.7 to \$1.8 million, which will be financed through an OPA and subsequent notes in the Eagle Ridge district.

In addition to improvements in the Eagle Ridge district, there will be improvements on Pioneer Road within the Snake River district. A rough estimate for these costs, including demolition, is \$345,000. If the Agency decides to approve the reimbursement of the \$345,000, she asked reimbursement be a cash payment from the Snake River district. Magee stated the reason for this request is administrative ease and

the short remaining life of the Snake River district. The Snake River urban renewal district currently has a fair amount of unallocated funds. Magee clarified the OPA for the Eagle Ridge district should be completed by the April meeting to facilitate the time line proposed for Division No. 3.

Request from Eagle Ridge Partners, Snake River Urban Renewal District. Jeff Freiberg, who represents Eagle Ridge Partners, explained a portion of the public improvements on Pioneer Road are outside the Eagle Ridge urban renewal district. The northern portion of Pioneer Road is in the existing Snake River urban renewal district. The cost estimate for the improvements in the Snake River urban renewal district are \$345,000. Freiberg requested the Agency approve \$345,000 in assistance from the Snake River urban renewal district.

Freiberg reported he is currently working on the final plat, Eagle Ridge, Division No. 3. The revision of the plat is to be heard by the Planning Commission in February. If approved, it will be scheduled on the Council agenda and should be recorded by March 1. Eagle Ridge, Division No. 3 includes the extension of Snake River Parkway to Pioneer Road and South Utah to the east. There is a gap between Division No. 3 and yet to be platted Eagle Ridge, Division No. 4. Eagle Ridge, Division No. 3, does not go as far east as Guns and Gear. In response to Radford, Freiberg replied Eagle Ridge, Division No. 3 has eight lots, which includes Snake River Parkway to Pioneer Road, and South Utah (formerly Crane). The final plat, Eagle Ridge, Division No. 4, will not be platted until later. Radford asked if Eagle Ridge Drive and Eagle Ridge Circle are included in the preliminary cost estimates. Freiberg responded they are not since they are local roads and, as such, are not financed by urban renewal. Those roads will be paid for entirely by the developer.

Brent Thompson asked about South Utah fronting Guns and Gear. Freiberg replied the private land near there is undeveloped. Thompson asked if there will be a subsequent plat. Freiberg said, since both Murphys and Walkers own the adjacent parcels, he does not know what the plans are for that area. Freiberg added Eagle Ridge Partners are on track to work on Division No. 3 in the spring and early summer of 2015. It is anticipated eight to ten weeks construction. Radford clarified the request from Freiberg is for an amount not to exceed \$345,000. Thompson clarified, and Magee agreed, the amount to be approved is to cover one hundred percent of the cost of developing Area 7, i.e., the north portion of Pioneer Road in the Snake River urban renewal district. Magee said Pioneer Road and Snake River Parkway function as a minor arterial: the Agency financed all of the construction costs associated with South Utah north of Pancheri Drive. Thompson asked why pay cash rather than issue a note. Magee replied there are two reasons. Snake River urban renewal district will terminate on December 31, 2018. Depending on the construction of Pioneer Road, repayment of a note may not be realistic. In addition, administration is easier. She is assuming any improvements are accepted by the city and the invoices have been reviewed. Thompson noted and Magee agreed this is a relatively small request. **Linda Martin moved to approve an amount not to exceed \$345,000 to reimburse Eagle Ridge Partners for future improvements of the northern portion of Pioneer Road immediately south of the Pancheri overpass, illustrated as Area 7, which is in the Snake River urban renewal district. Thompson seconded the motion and it passed unanimously.**

Greenbelt Improvement on the West Bank of Snake River. There was no representative from Parks and Recreation to discuss progress on improvements.

Update on RAI/Legislative Initiatives. Ryan Armbruster reported the Speaker of the House Scott Bedke announced, at the Taxpayers Association meeting, he anticipated there will be significant reform and modernization legislation to overhaul the urban renewal statutes in both Chapters 20 and 29 this legislative session. An ad hoc working group comprised of legislators and others interested in urban

renewal began to look at changes in August. Members of RAI, a few legislators, and others went to Salt Lake City to learn about the Utah program. The goal was to come back with some ideas which may work in Idaho. There is a continued concern that, under Idaho's current law, there is overlap and confusion between the urban renewal/slums and blight and economic development purposes of tax increment financing. The Speaker wishes to see a definitive distinction between these two approaches to tax increment financing. He is also interested in avoiding piecemeal revisions and a hodgepodge of statutory revisions as occurred over the last ten years. The Speaker has charged Representative Youngblood from Nampa to form a working group, which he has, consisting of legislators, representatives from RAI, some lobbyists representing a few individual urban renewal agencies, Elam and Burke, and a few citizens' groups. The first meeting is later today. Speaker Bedke's goal is to see a working draft of legislation no later than March 1.

In 2010, Capitol City Development Corporation (CDC), the Boise urban renewal agency, with some support from others, financed a comprehensive piece of legislation to modernize urban renewal explained Armbruster. There were a number of meetings across the state and the process lasted seven to nine months. Unfortunately, the legislation did not go far due to the complexities of urban renewal and the lack of a reasonable consensus before the House Revenue and Taxation Committee.

Armbruster continued the present six week program may be "biting off more than anyone can chew", but he will participate in the process. RAI has tried to pass the hat and create a fund to pay the legal expenses of going forward. It has been only marginally successful. RAI is not sure what they are "biting off", and this could be a major initiative. At the end of the RAI meeting today, Pam Beaumont, secretary-treasurer, requested a meeting with Elam and Burke to determine a budget for this legislative initiative. She intends to send out a request to the member agencies for funding. Another alternative is Armbruster could create a separate number to track the activities related to this particular legislative initiative. He would hold that expense until the legislature is over and then come back to the Redevelopment Agency and request a contribution. This initiative, if successful, could significantly change how any new project may be proposed and implemented. Any new legislation is likely to "grandfather" current urban renewal projects. However, the organizational structure of the board could change. There has been some talk about whether board members should stand for election, whether new plans need to be voted upon by the electorate, and other administrative issues that may affect the Idaho Falls Redevelopment Agency. There will be small bills introduced as in the past but it is hoped these bills will be held while this effort to have comprehensive legislation occurs.

Magee reported there will be weekly reports from Elam and Burke to RAI members about these meetings chaired by Representative Youngblood. Armbruster continued, due to the speed of this process, a summary email will be sent to RAI members on Fridays to review the Thursday meeting. RAI board and legislative members will meet by phone on Wednesday to be prepared for the following day. Radford asked Magee to forward to the Board the presentation from Zion's Bank public finance department. It was a good presentation outlining Idaho law on public finance, especially in comparison to Utah. Magee explained, because Utah has different standards for bonding, more tools for economic development and a better credit rating, Utah was able to take advantage of certain programs during the recession Idaho was not able to take advantage of. Armbruster stated Utah has a broader array of flexible tools to supplement and enhance a tax increment project. Some of the restrictions or limitations existing for Utah redevelopment agencies and cities are accepted because Utah has access to other funding sources. Zion's presentation makes it very clear Idaho local governments have only tax increment for economic development. It is fine to discuss restraints and limitations but, unless there is backfilling with some other funding source, economic development will stop in its tracks. Linda Martin asked Armbruster if the

differences between Idaho and Utah stem from constitutional differences. Armbruster replied some of the basic changes Zions identified are at the local level. Utah has the opportunity to either issue debt or approve a project by simple majority vote of the governing body. In Idaho, to issue a general obligation bond, there is a formal election and electorate approval. That creates a timing issue and uncertainty since a community must wait six months for the election and the outcome is uncertain. Utah has local option sales tax authority and a sales tax increment which Idaho does not have. Radford added the Zions presentation includes a summary chart for each different type of public financing, including bonding.

Motion to Enter Executive Session Pursuant to Idaho Code Section 67-2345(1)(c) to Conduct Deliberations Concerning Acquiring an Interest in Real Property Which is Not Owned by a Public Agency: Brent Thompson moved to enter into executive session pursuant to Idaho Code Section 67-2345(1)(c). Lee Staker seconded the motion. Radford called for vote by roll call: Radford, yes; Thomson, yes; Martin, yes; Staker, yes. Motion passed 4-0.

Brent Thompson moved to exit executive session. Linda Martin seconded the motion. Radford called for vote by roll call: Radford, yes; Thompson, yes; Martin, yes; Staker, abstained. Motion passed 3-1.

Financial Year End Report, Fiscal Year 2014, Rudd and Company. Scott Bond and Stacey Lewis, Rudd and Company, presented an overview of the financial statements and accompanying letter. Bond stated the auditor's opinion is an unmodified or clean opinion and is found on page 1 and 2 of the financial statements. An unmodified opinion means nothing came to the attention of Rudd and Company as they performed the audit. Bond reviewed the financial statements and noted, for the first time this year, there is a new fund, the Eagle Ridge allocation fund. Scott reviewed the Statement of Revenues, Expenditures, and Changes in Fund Balances which shows the flows in and out of each separate fund. Commitments of the Agency were outlined on page 25 in the footnotes. The budgets and actuals are found on page 29. There is no budget yet for the Eagle Ridge Allocation Fund. All budgets ended the year with favorable variances. **Lee Staker moved to authorize the staff to make the appropriate filings of the report, Linda Martin seconded the motion and it passed unanimously.**

Next meeting of Agency is scheduled for February 19, 2015.

Respectfully Submitted:

Beckie Thompson