

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**October 1, 2015**

**Special Meeting Minutes**

**Council Chambers**

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

**Members Present:** Lee Radford, Thomas Hally, Brent Thompson, Kirk Larsen, Lee Staker, and Linda Martin.

**Members Absent:** Terri Gazdik

**Also Present:** Renee Magee, Executive Director; Thayne Sparks, Agency Treasurer; Ryan Armbruster and Matt Parks, Legal Counsel (via telephone); Ed Marohn, City Council Member; Brad Cramer, Community Development Services Director.

**Modifications to Agenda:** Magee explained the agenda should be modified to include an action item during the update of Taylor Crossing. Parks and Recreation is requesting an additional \$4,000 for lighting on the Greenbelt pathway on River Gardens Phase II. Armbruster added the reason for the modification of the agenda is the request was only recently made and therefore not on the agenda. Renee clarified the request came to her on Tuesday afternoon. **Thomas Hally moved to amend the agenda to include the action item to consider authorization of the change order from Parks and Recreation, Martin seconded the motion and it passed unanimously.**

**Approval of Minutes:** Kirk Larsen moved to approve the minutes of the August 20, 2015 meeting, Thomas Hally seconded the motion and it passed unanimously.

**Approval of Bills:** Lee Radford presented the finance report dated September 30, 2015. The following bills were presented to be paid from the Snake River Revenue Allocation fund: Unitarian Universalist Church, \$2,760.00 for parking; ICRMP, \$2,181.00 for insurance. The bills to be ratified from the Snake River Allocation Fund were: Rebecca Thompson, \$100 for transcription of minutes; Elam and Burke, \$2,023.60 for legal services; City of Idaho Falls, \$12,760 for annual cost for city staff services. The following were paid from River Commons Revenue Allocation Fund: *Post Register*, \$88.35 for publication; Elam and Burke, \$684.50 for legal services; City of Idaho Falls, \$4,500 for annual cost for staff support. The following were paid from the Pancheri Yellowstone Revenue Allocation Fund: City of Idaho Falls, \$900 for cost of staff support. **Lee Staker moved to approve the finance report, Linda Martin seconded the motion and it passed unanimously.**

**Discussion of River Walk Drive and Request of Woodbury Corporation.** Magee stated Woodbury is still interested in participation for construction of River Walk Drive and Springhill Suites, however, Woodbury is not ready to meet with the Agency at this time. Included in the packet is a very rough cost estimate of \$2.1 million for improving River Walk Drive from Simplot Circle to Bridgeport Drive. Radford reminded the Board Springhill Suites which will be south of the Residence Inn and developed by Woodbury Corporation. Woodbury Corporation will develop the road and infrastructure around the site of the motel and extend Simplot Drive south to Bridgeport Drive. Staker asked if this will include sidewalks, curb and gutter all the way down. Magee stated this will include sidewalks to the property owned by Cooper Norman and Kidwell Hahn and Crapo. The estimate in the packet includes

reconstructing the private portion of Riverwalk Drive to a public road. Magee stated River Walk Drive is a project the Agency has been working on for ten years. As planned, River Walk Drive will look like Memorial Drive, including landscaping and sidewalks in the area between Simplot Circle and Bridgeport Drive. Radford added Woodbury is willing to not only build Springhill Suites but to also supervise the construction of the road to the Cooper Norman building. City Engineering will have to do the portion remaining. Magee will meet with the Cooper Norman and Holden Kidwell Hahn and Crapo and will discuss the changes to be made in the existing road.

**Consideration of Resolution Approving Real Estate Option Agreement, Portion of Block 14, Holmes Addition, Idaho Falls.** Magee explained the option agreement for the Bonneville Hotel is between this Agency and Kent and Ingrid Lott. The option provides the Agency has two years in which to find a developer for the property. If the Agency finds a developer with a proposal which meets the criteria in the Request for Proposals (RFP), the Agency can exercise the option, purchase the Bonneville Hotel, and transfer the property to the developer. Matt Parks stated the option price is set in the agreement and signed by both owners of the property. The next move is to issue an RFP and determine if there is a developer with a proposal and move forward with those proposals before the expiration of the option term. Magee asked the Board, if they approve the Resolution, to move to authorize her to enter into a contract with Rocky Mountain Environmental to complete a Phase I study. Magee stated she anticipated the cost would be approximately \$6,000 for the Bonneville Hotel. She has an estimate for the Kelsch property for a Phase I by Rocky Mountain Environmental for \$3,000. The Phase I studies will give a developer the background needed for their due diligence. Radford clarified this Resolution authorizes the execution of a real estate option to obtain an option to purchase the Bonneville Hotel. Radford stated, as the Agency has discussed ways to help downtown, the Bonneville becomes very central. This option agreement does not bind the Agency to purchase the hotel but rather gives the Agency a two year period to elicit proposals from developers in order to see if there are developers who can renovate and restore the hotel into housing. In the past, there was interest from developers in using tax assisted financing for housing. If a developer is found, then the Agency will work out the terms of exercising the option and purchasing the property. Radford summarized the real estate option agreement: \$50,000 is to be paid to Kent and Ingrid Lott for purchase option for two years. The purchase price is set at \$1.5 million. Radford explained the Bonneville Hotel is an income producing property and is a good business for Mr. Lott. Mr. Lott does not need to sell; it is not a great economic venture for him to sell the Bonneville Hotel. Radford stated that the \$50,000 will be applied to the purchase price if the option is exercised.

Hally asked and Radford agreed, if the Agency chooses not to buy the property, Lott will keep the \$50,000. Magee explained Lott anticipates he will lose tenants during the two years, so part of the \$50,000 is to ensure he does not lose too much income. Larsen asked what the guidelines for the developer will be. Radford stated the Agency staff has begun looking at proposal language for the RFP. The Agency will be looking for ideas from the public. Radford stated any criteria will have to be financially viable for the developer. Radford stated the staff will develop a process to receive public comment. Thompson asked if they are looking at some residential and retail mixed in the building. Radford replied developers have initially proposed residential development using different tax credits and hopefully commercial or retail on the first floor. Hally stated a residential component will boost the downtown area. Staker asked if Lott will refrain from filling vacancies. Magee replied apartment vacancies can be refilled. Magee said relocation procedures will need to be followed by the developer. Radford stated tenants should know exercising the option is far down the road.

Armbruster read the Resolution approving the option for the Bonneville Hotel by title. Radford opened the meeting up to any public comments. No one appeared to comment. **Thomas Hally moved to approve the Resolution, Brent Thompson seconded the motion. Lee Radford called for a vote by roll call: Gazdik, absent; Hally, yes; Martin, yes; Staker, yes; Radford, yes; Thompson, yes; Larsen, yes. The motion passed unanimously.**

**Consideration of Resolution Approving Real Estate Purchase and Sale Agreement, Lots 7-12, Block 28, Railroad Addition, Idaho Falls.** Magee explained this resolution authorizes the purchase of the Kelsch Property (former Saving Center). The property has been vacant for several years, and the buildings have been removed from the property. The Agency is considering purchase of this property in order to find a developer. A public/private partnership is needed for this property, the “entry way” to downtown. With the Agency’s participation, it is hoped a developer who is willing to construct a multi-story building with mixed use can be found. Radford stated the real estate purchase and sale agreement simply provides for the purchase of the property for \$1.5 million. There is a due diligence period to inspect the title and the environmental condition of the property. After these tasks are completed, the Agency can move forward to a closing on the purchase within a matter of a few months. Magee requested the Board to move to authorize her to enter into a contract with Rocky Mountain Environmental to do Phase I. Radford stated this property is owned by the Mildred Kelsch Family Trust and is a key corner to the downtown Area. Although a valuable piece of property, it has been difficult for developers to develop and finance a significance building and pay the full purchase price of the property. Such a reality has hindered development. Radford stated this is classic urban renewal to help the entire downtown area. Radford stated this property is a prime spot for developers with imagination and creativity to build a building consistent with downtown look and feel and be a profitable enterprise. Hally stated the risk on both the ventures is little to moderate and the Agency is providing an incentive to attract development in both projects. Hally stated improvements to the Bonneville Hotel will increase property values. The merchants and businesses within the downtown area will benefit. Radford thanked Ed Marohn for his work and effort with this transaction. Radford opened the meeting for any public comment. No one commented. Armbruster read the Resolution by title. **Brent Thompson moved to approve the Resolution, Thomas Hally seconded the motion. Lee Radford called for a vote by roll call: Gazdik, absent; Hally, yes; Martin, yes; Staker, yes; Radford, yes; Thompson, yes; Larsen, yes. The motion passed unanimously.**

Radford requested authorization to begin Phase I Environmental Assessments on Bonneville Hotel and the Kelsch Property. Staker asked if such authorization is covered in the resolution in the statement authorizing the executive director to take any necessary action required to implement the agreement. Radford agreed but preferred an expressed motion. Magee agreed. Staker clarified Phase II is not required unless Phase I shows it is required. Thompson asked if there will be a cap put on the motion, even though they do not know the exact cost of the Phase I. Magee explained the estimate for the Kelsch property was \$3,000: she did not get a figure for the Bonneville Hotel. Thompson stated, if the motion is going to be a joint motion for both the Bonneville and the Kelsch Property, the motion should state up to \$3,000 for the Kelsch property and up to \$6,000 for the Bonneville. **Brent Thompson moved to authorize the executive director to enter into a contract with Rocky Mountain Environmental to complete a Phase I on both the Bonneville Hotel and Kelsch Property, with the Kelsch property to not exceed \$3,000 and the Bonneville Hotel to not exceed \$6,000, Kirk Larsen seconded the motion and it passed unanimously.** Radford stated the Kelsch property had a service station on the corner, so there are some environmental questions to be addressed.

**Updates: Taylor Crossing and Broadway Ford and Request for Additional Funds for River Gardens Phase II.** Magee reported Taylor Crossing has signed the Supplemental Agreement authorizing the expenditure of \$90,000. She recently received an email from Greg Weitzel, Parks and Recreation Director, asking if the Agency is willing to fund the project for an additional \$4,000. Magee stated the Supplemental Agreement with Taylor Crossing caps the agency at \$90,000. Parks and Recreation received one option with Rocky Mountain Electric for \$93,793.11 which raises the costs above \$90,000. The additional monies will cover two more ground lights on River Gardens Phase II. Thompson asked if it is for an under eliminated area. Magee stated she assumes so as the electrical engineer usually uses the foot candles for his criteria. Magee stated, if the Board does not authorize the additional funds, Parks and Recreation will accept the lower option of \$83,877.45. **Lee Staker moved to approve the additional \$4,000 requested for the River Gardens Phase II, Thomas Hally seconded the motion and it passed unanimously.**

Magee explained she has been meeting with Matt Morgan's engineer on Broadway Ford to document the costs for public improvements, so the Board can authorize the check for \$250,000.

**RAI Activities and Legislative Interim Committee.** Ryan Armbruster stated the Interim Committee heard from prearranged speakers in their last meeting. The committee is scheduled to meet again on October 19, 2015. At that meeting there will be an opportunity for either written or potential personal testimony before the committee. Armbruster is working with Magee to see if a representative from Ball Ventures will appear and provide an overview of the Snake River Landing project and the importance of the Agency's participation. Armbruster stated there are some past Power Point presentations that illustrate what has been done in Idaho Falls in a few minutes, including the amount of increased valuation and the public improvements. Armbruster says there is no consensus yet as to any proposed legislation.

Radford stated he and Renee Magee have prepared a press release for today's meeting that will be sent out this afternoon.

**Lee Staker moved to adjourn the meeting, Brent Thompson seconded the motion and it passed unanimously.**

**Respectfully Submitted: Beckie Thompson**