

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**August 20, 2015**

**Regular Meeting Minutes**

**Council Chambers**

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

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

**Members Absent:** None.

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

**Modifications to Agenda:** None

**Approval of Minutes:** Ryan Armbruster stated the statutory reference should be Idaho Code Section 74-206(1)(C) when the Board moved into executive session. **Brent Thompson moved to approve the minutes of the July 16, 2015 meeting as corrected, Lee Staker seconded the motion and it passed unanimously.**

**Approval of Bills:** Lee Radford presented the finance report dated August 20, 2015. The following bills were presented to be paid from the Snake River Revenue Allocation fund: Rebecca Thompson, \$80.00 for transcription of minutes; Elam and Burke, \$7,278.45 for legal services; *Post Register*, \$592.00 for publication. One bill to be ratified is payment to Renaissance Partners, \$123,053.78 for OPA payment. The following bills were paid from River Commons Revenue Allocation fund: Elam and Burke, \$462.50 for legal services; Ball Ventures, \$192,421.13 for OPA payment; and Bandon River, \$9,371.72 for OPA payment. **Lee Staker moved to approve the finance report, Linda Martin seconded the motion and it passed unanimously.**

**Public Hearing on Fiscal Year 2015-16 Budget and Resolution Approving Budget.** Lee Radford reviewed the public hearing procedure. Thayne Sparks stated the budget was published in the *Post Register* on August 9 and August 16, 2015 as required. The budget is for \$8,811,650, the majority of which, \$5.6 million, is for proposed capital project expenditures. The revenues listed are a conservative estimate for the tax increment. Radford asked Sparks how he is getting the revenue numbers. Sparks said he is using the property valuation within the allocation areas and taking the levy rate against the valuation to determine the revenues. He also checks his estimate against the current year. Thompson asked about the projections in the Eagle Ridge area. Sparks replied, in Eagle Ridge, all of the property is coming in without a tax increment, and the value was based on the improvements done in the current year. Tax increment revenues will depend on how fast Eagle Ridge develops. Radford asked if any members of the Board have questions or comments about the budget. No one commented.

Radford opened the hearing for public testimony. No one appeared to testify. Radford closed the public hearing.

Armbruster read the resolution approving the budget and authorizing its submission to the City Council. **Brent Thompson moved to approve the resolution, and Lee Staker seconded the motion. Lee Radford called for a vote by roll call: Gazdik, yes; Hally, yes; Martin, yes; Staker, yes; Radford, yes; Thompson, yes; Larsen, yes. The motion passed unanimously.**

**Note Documents, Snake River Landing, Divisions No. 6 and No. 7.** Magee stated the documents prepared by Hawley Troxell were included in the meeting packet and were ready to be signed by the chair and secretary. Magee stated Hawley Troxell is proposing a closing date of August 24, 2015. Ball Ventures will complete the documents, and the note will be tax exempt. Armbruster said the Agency approved the transaction at the June Board meeting and Hawley Troxell will prepare a closing notebook for the official records.

Tahri Malifua, Ball Ventures, stated the closing date is fine for Ball Ventures. Malifua asked when the interest began on the note and whether those dates have been inserted into the note. Magee remembered the date was between July and September of 2014. Magee stated the Certificate of Occupancy was received in September, the Agency accepted the improvements at the end of July, and Magee believed the Agency certificate was recorded in August. **Lee Staker moved to approve the form of the note documents for Snake River Landing, Divisions No. 6 and No. 7 and to authorize the chair and secretary to sign the necessary documents, Thomas Hally seconded the motion and it passed unanimously.**

**Request for Assistance for Public Improvements for Springhill Suites, Simplot Circle and Riverwalk Drive.** Magee explained Woodbury Corporation is requesting approximately \$750,000 in assistance for public improvements to serve Springhill Suites. She continued the assessed valuation of the real property for the Residence Inn is \$11 million, Hilton Garden is \$10.5 million, Fairfield Inn is \$5.8 million and Candlewood Suites is \$3.5. Magee said, if the real property of Springhill Suites is valued at ten million, the increment will be approximately \$130,000 two years after completion. The Snake River district will expire in 2018 and, therefore, it is not suggested the Agency enter into a note. The location for Springhill Suites is on the east end of Simplot Circle and south of Watco Railroad. Thompson asked about the northerly parking being on a lease. Magee answered there a couple of proposals for the parking. There could be public parking in the southwest corner of the lot or on the east side of the property. Thompson asked and Magee confirmed the northerly parking is on railroad land. Magee stated it is similar to the Marriott Residence Inn. Radford asked about the cost estimates and Magee replied Blake Jolley, Harper-Leavitt, could explain the estimate.

**Jeff Stokes, Project Manager. Woodbury Corporation.** Stokes stated the first experience with the Marriott Residence Inn was a good experience, and the inn has exceeded expectations in revenue and occupancy. As to the Springhill Suites site, there are some challenges. The site has an industrial look and feel: curb appeal will need to be built up. There are great views of the river and the site is adjacent to the Greenbelt path. Woodbury will try to complete this hotel as soon as possible, but there are a lot of steps to go through.

Radford asked about the time frame. Magee replied Woodbury is asking for a preliminary vote at this meeting. Magee explained, in addition to the industrial feel to the area, there may be rock on the site. The estimate on improving Simplot Circle was significantly exceeded due to rock in the right-of-way. Stokes stated they have done a little bit of exploring but agreed with Magee as to soil conditions. Radford asked that any site design for the hotel assure the public has access to the park and Greenbelt. Stokes stated he discussed the need for access and parking with Woodbury management and they see no issue with a similar arrangement. Woodbury is interested in continuing the easement for vehicles and parking

from the Residence Inn to the proposed Riverwalk Drive. Magee explained there are eighteen spaces at the Residence Inn signed for two hour parking during the day. Radford asked and Stokes confirmed Woodbury is intending to follow the same model. Staker wished to proceed with the hotel proposal. **Lee Staker moved to proceed with the necessary development agreement to assist in the public improvements for the completion of the Springhill Suites. Hally seconded the motion.**

Radford wanted to hear from Blake Jolley before the Board voted on the motion.

**Blake Jolley, Harper Leavitt Engineering.** Jolley said the estimate he gave Magee included numbers that were site development only: he did not know which numbers were needed to reflect the development costs and he wanted to clarify some of the costs. Item numbers 3, 6, 21, 30, 33, 40, 51 and 63 on the estimate should be removed from public improvements although they did provide an overall cost estimate for the entire project. The estimates are rough at this time. To extend part of Simplot Circle the road will have to be raised, so there may not be rock blasting for the road. However, there will be a lot of rock blasting for the utilities. The main sewer line has to be relocated. Magee stated the cost estimate will need to be further clarified. Jolley stated that there is a 12" water line along the railroad tracks. This project will require a tie into that water line and connection back into a water line stubbed underneath the bridge.

**Jeff Stokes, Project Manager, Woodbury.** Stokes asked if the estimating procedure used with the Marriott can be used to determine public costs with this project. Magee replied it is unlikely: storm water from the private land is not an eligible cost. Handling storm water from the street is a public cost. Stokes stated, and Magee agreed, if they dedicate some of the parking lot to public use, it may be an eligible cost on a percentage basis. Stokes stated Woodbury has to be really clear on the numbers. Radford agreed there has to be more work on the numbers: two columns are needed, one public and one private, to clarify the worksheet. Radford said apportionment between public and private costs needs to be done and Magee can work on those details with Stokes and Jolley. Magee stated the final Owner Participation Agreement (OPA) will not be done until October at the earliest. Stokes asked if landscaping is an eligible cost. Magee replied if it is landscaping in a public easement adjacent to the right-of-way and includes only initial installation, not maintenance or replacement. Stokes stated he will get that number cleared up as well.

Thompson asked if both public and right of way are synonymous terms as far as the participation requested. Jolley replied improvements inside right of way would be the public infrastructure to put it in, so they will be the same and both are intended to be public.

Radford asked about the costs for parking. Jolley stated that is an error. He is considering a twenty-four foot easement for public access. Magee suggested a twenty foot easement meets the requirements for water lines. Radford suggested Stokes and Jolley review the details with Magee.

Radford reiterated Staker's motion is to authorize the preparation of an owner participation agreement (OPA), including the necessary numbers for the agreement.

Gazdik asked about the termination date on the urban renewal district and the Agency's exposure. Magee responded this district will expire on December 31, 2018. If the Agency provides assistance, it is unlikely it will be repaid from the increment. The purpose will be to encourage the development of the area and add to the future tax base. Radford stated, if the hotel is valued at \$8 million dollars with a 1.3% property tax levy, \$100,000 per year will be received by the Agency over the time. It will take eight years to repay the proposed assistance, and there will only be two years to recoup the amount. Magee compared this project to the downtown projects in which the increment will not cover the costs prior to the termination of the district. Gazdik asked, and Magee agreed, based upon the most recent finance report, there are available uncommitted funds to do this project. Magee stated the cash is \$5.2 million, downtown projects

will total approximately \$3 million, and this project adds \$0.8 million. Roughly \$1.4 will remain. Radford stated committing to this project does decrease how much is available for the other projects. Staker stated he believes it is important to get this project going. He would rather have this Agency end up with nothing at the end of 2018 than retain a million dollars to go back to the City and County. Staker encouraged the Agency to move forward with this project. Radford stated Staker's comment is the fundamental to what the Agency is charged to do. Radford agreed with Staker's opinion. **Radford called for a vote on the motion, and the motion passed unanimously.**

**Draft of Amended Owner Participation Agreement with Taylor Crossing.** Magee stated the Agency agreed to allocate \$89,100 to provide the acorn lighting on River Gardens Phase 2 pathway. Magee stated the \$89,100 will come out of Taylor Crossing allocation which has accumulated to \$453,224. Armbruster has prepared a supplemental amendment for the signature of Taylor Crossing. The purpose of the agreement is to assure Taylor Crossing recognizes the Agency will be spending approximately \$90,000 out of their allocation of \$453,000. The agreement also reflects the amount spend on the Greenbelt previously and reduces the amount available for Riverwalk Drive to one million. Armbruster explained this amendment follows the process of a past amendment when the Agency agreed to fund the substantial expenditure for the Greenbelt project. Armbruster said the agreement states the last remaining obligation under the OPA is Riverwalk Drive in the amount of \$1 million dollars once this \$90,000 is expended. In addition to the agreement, the packet contains a resolution to authorize the chair and secretary to sign the agreement after it is signed by a representative of Taylor Crossing.

Gazdik asked if the \$90,000 is against or in addition to \$453,000. Magee responded it will reduce the \$453,000. Gazdik clarified the commitment will be reflected in the financial statement, i.e., the \$90,000 will reduce the amount of \$453,000 shown on the financial statement. Thayne Sparks explained the \$90,000 is presently shown as a separate commitment but, once the Agency agrees to tie it to the OPA, the separate commitment will be removed and it will be part of the \$453,000. **Brent Thompson moved to approve the resolution approving the supplemental agreement and authorizing the chair and secretary to sign the necessary documents, Gazdik seconded the motion and it passed unanimously.**

**Discussion with Taylor Crossing, Riverwalk Drive.** Radford stated Lorin Walker asked for the time to discuss Riverwalk Drive but no one appeared.

**Update on West Greenbelt Project North of Broadway.** Magee said the bids for the Greenbelt project north of Broadway were opened. The project was budgeted at \$860,000, and the lowest bid was Deapatco at \$852,489. The engineering department has met with Idaho Falls Power and eliminated items from the bid which will be completed by Idaho Falls Power. The goal is to reduce the bid by \$120,000. However, Idaho Falls Power will need to hire a contractor to do some of the work and the bid cost of \$852,000 will be reduced by approximately \$70,000. The bid has been approved by the City Council at the reduced cost. The engineering department will attend the October meeting to give the Agency an update on the project. Thompson asked if the Idaho Falls Power costs will be charged only at a lessor rate. Magee stated her understanding is Idaho Falls Power will not charge the Agency, but she will confirm that. Radford asked if Idaho Falls Power will seek reimbursement. Magee replied it may happen. Radford stated the bid numbers are significantly different: he hopes the engineering department is looking at those numbers.

**RAI Annual Meeting, RAI Activities and Legislative Interim Committee.** Armbruster stated the RAI Board will meet this afternoon to prepare for the annual meeting in Boise on Tuesday September 15, 2015. The annual meeting will have an educational program and an update on the Legislative Urban Renewal Interim Committee. The Interim Committee met for the first time on August 10, 2015 and has follow up meetings on September 21, 2015 and again in October and November. The meeting on

September 21 will allow testimony from interested persons. Armbruster is trying to coordinate people to come to Boise and testify as to the benefits of urban renewal. He has been in contact with Ball Ventures about speaking at the meeting. Armbruster said Senator Siddoway is on the Committee and Armbruster will work through him for some of the Eastern Idaho activities.

**Motion to Enter Executive Session Pursuant to Idaho Code Section 74-206(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 74-206(1)(c), Linda Martin seconded the motion. Radford called for vote by roll call: Thompson, yes; Gazdik, yes; Hally, yes; Larsen, yes; Martin, yes; Radford, yes; Staker, yes; Thompson, yes. Motion passed 7-0.**

**Thomas Hally moved to exit executive session, Kirk Larsen seconded the motion. Radford called for vote by roll call: Thompson, yes; Gazdik, yes; Hally, yes; Larsen, yes; Radford, yes; Martin, absent; Staker, abstain. Motion passed.**

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

**Respectfully Submitted: Beckie Thompson**