

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

April 16, 2009

Regular Meeting
Minutes

Council Chambers

Call to Order: Chair Barnes call the meeting to order at 4:00 p.m.

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

Members Absent: Dave Radford.

Also Present: Ryan Armbruster, legal counsel; Renee Magee, executive director; Thane Sparks, treasurer; Jan Blickenstaff, grants administrator, City of Idaho Falls; Mayor Jared Fuhriman; Shirley Chastain, executive director, Idaho Falls Downtown Development Corporation (IFDDC); and approximately five interested citizens.

Minutes, February 19, 2009: Linda Martin moved to approve the minutes of February 19, 2009, as written. Motion seconded by LaMar John. Motion passed.

Approval of bills: Chair Barnes presented the finance report dated April 16, 2009. The following bills were presented to be paid: Carl Walker, Inc., \$63.22; Harlan Mann, \$115.50; Pierson Land Works, Inc., \$1,625.00; and Elam and Burke, \$988.88. The following bills were presented to be ratified: Donna Carlson, \$68.00; Elam and Burke, \$2,169.42; Pierson Land Works, Inc., \$437.50; Harlan Mann, \$365.35, and Elam and Burke, \$132.00. **Lee Radford moved to approve the bills as read. Motion seconded by Linda Martin. Motion passed.**

Approval of Audit: Scott Bond of Rudd and Company had presented the audit report to the Board at its February 19, 2009, meeting. **Lee Radford moved to accept the audit as prepared and presented by Rudd and Company. LaMar John seconded the motion. Motion passed.**

Approval of Annual Report: At the February 19 meeting, Renee Magee presented a narrative annual report. Since the presentation in February, Harlan Mann has provided Magee with updated increments for Candlewood Suites and the Hilton Garden Inn which were included on page 5. In addition, Ryan requested three paragraphs be placed at the end of the report describing the process for filing and the audit. **LaMar John moved to accept the annual report as presented. Linda Martin seconded the motion. Motion passed.**

Changing Location of Checking Account: Chair Barnes excused himself from the discussion since he has an interest in the bank soliciting the account. Thane Sparks explained the Agency's checking account is presently at the Bank of Commerce. There are three issues with the Bank of

Commerce account: the rate of interest, the limited number of transactions permitted without transaction fees, and the lack of a true business account which recognizes the need for multiple signatures on withdrawals. Sparks has looked at the banks in downtown due to convenience. The Bank of Idaho is the only bank which offers an account that will resolve these issues. With a \$50,000 minimum balance, the Bank of Idaho will give the Agency an interest rate which exceeds current investments with the State of Idaho investment pool. Staff is recommending the Agency relocate its checking account to the Bank of Idaho. The Bank of Idaho will have IFDC insurance to the maximum of \$250,000. Sparks tries to maintain a low balance in the checking account but it will need to be \$50,000. The interest rate changes monthly or more often. Sparks explained a resolution of authority is needed to change accounts and to authorize signatures on the account. Both Barnes and Lee Radford are authorized to sign checks.

Armbruster explained Idaho statutes for redevelopment agencies prohibit board members from having an interest in any contract in connection with an urban renewal project. The issue is whether a project includes the general business of an agency or only a particular project such as Memorial Drive. Armbruster advised the Agency and its Board members to understand the risks prior to formal action. A violation of the statute is misconduct in office, and misconduct in office are grounds for removal from the Board. Any transaction could also be null and void.

Armbruster continued there is another statute which states that for non-compensated board members it is not a violation of the other statutes for an agency to enter into a contract with a business in which a member has an interest provided the member has disclosed the interest and has taken no action in the solicitation or execution of the contract. That statute has been used as a safe harbor.

Lee Radford explained he had greater discomfort with accounting than a legal side. Radford asked John if a second signature was advisable. John believed it was a good idea for a second signature, especially for the chairperson. **Radford moved to approve moving the checking account to the Bank of Idaho, all Board members but Barnes be signatories on the Bank of Idaho account, and two signatures be required on the account. Martin seconded the motion.** Vice-Chair Greg Hill asked for a vote. **The motion passed** with Hally abstaining since his wife is a vice-president of the Bank of Idaho.

Legislative Update: Armbruster explained the Idaho Legislature has not enacted much legislation affecting redevelopment agencies this session. He discussed three bills. House Bill 244 would have tweaked the 24 year life for revenue allocation, required unanimous consent of all taxing entities for any urban renewal plan or plan amendment, and required a detailed analysis of the 10% rule. If a local government ever went over the 10% rule, there was potential for the district to be reduced to assure 10% was not exceeded. After going to floor, only the 24 year limitation remained. The bill will likely pass both houses. The exercise with HB 244 indicates the Legislature may be interested in major reform of Chapters 20 and 29. The bill will likely pass both houses. The agencies may need to prepare their own proposal to fend off this interest.

Legislation amending the open meetings law passed which will affect agendas and provides for a

mandatory fine for violating the statute. Finally, House Joint Resolution No. 1 would have changed how cities incur debt but is being held in committee at this time.

Barnes asked about extending the life of the urban renewal district in the downtown area. The district is scheduled to end in 2018. Can life of district be extended in downtown? Armbruster replied, to the best of his knowledge, there is no current statutory authority to extend the district's life. In 2018, the district, the initial Lindsay plan, will have been in existence for 30 years. Without statutory authority, a legislative amendment is needed to several sections of the statute and, in this current climate, that is a major uphill battle.

Radford asked if the downtown could be severed from the other portions of the district. Armbruster suggested the statute be amended to clarify such a scenario which may be difficult. A third option may be to re-establish the base from 1988, 1992, and 2004 to a new date. Again some legislation will be needed. The agency will have to be sure the two holders of notes are not impaired by any change in the district but they are limited to specific parcels. Armbruster repeated there is a call for to end the life of districts and to not continue forever. Magee asked if a new development in north portion of downtown would enhance the argument for creating a new district for downtown only. Armbruster replied this might have the potential for working but again legislation may be required.

Mayor Fuhrman explained two or three developers were looking at downtown but the economy is slowing such plans. He was afraid the district will expire before these developers are able to take advantage of tax increment financing. Armbruster replied the move to reform tax increment financing and urban renewal districts is forcing a review of legislation in other states. Armbruster will continue to explore possibilities for extending the life of the district in the downtown area. Unfortunately at this point he does not see a good light at the end of the tunnel. Fuhrman asked about making downtown a stand alone after 2018. Armbruster replied that question has to be researched since he knows of no other communities which have done such a plan. There is the issue of the tax base which has to be reviewed with the State Tax Commission. In hindsight, it may have been better to make downtown stand alone. The question is whether there is sufficient legislative support for extending downtown's time line. Barnes reminded the Agency was originally approached to expand the district since there were funds available from the district.

Update on Memorial Drive: Barnes excused himself from discussion due to a conflict of interest. Magee explained two principles of Pierson Land Works will come to Idaho Falls to present concepts for Memorial Drive to an expanded Mayor's committee on Memorial Drive. She has received new concepts which have been reviewed by Public Works and Parks and Recreation. The meeting will be scheduled for Monday, April 27, 2009.

Magee also explained restriping Constitution Way will produce an additional 20 spaces rather than the 40 to 44 spaces discussed in the past. There are two issues: emergency access for the police department and fire department and access for fire fighting equipment to the Bonneville Hotel. The center parking on Constitution Way has been designed to encourage those parked in

the center of the street to pull forward, and spaces adjacent to the Bonneville Hotel have to be eliminated to allow for access by fire fighting equipment.

Miscellaneous: Barnes informed the Board the greenbelt path between Broadway and Pancheri has some areas which are sloughing away. Parks and Recreation will contact McNeil Development about the deterioration and the need to repair the path. Magee stated the Agency has never paid for an work on the greenbelt by McNeil Development, and the director of Parks and Recreation may be contacting the Agency about the cost of repairs. Barnes asked if the Agency had any recourse if the problems were the result of the work by McNeil. Barnes clarified the Agency does not participate in maintenance.

The meeting was adjourned at 4:50 p.m.

Respectfully submitted,
Renee R. Magee