

# IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

**June 15, 2023**

**Regular Meeting Minutes**

**Annex Conference Room**

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

Members Present: Lee Radford, Kirk Larsen, Brent Thompson, Jon Walker (via Teams)

Members Absent: Terri Gazdik, Chris Harvey, Tom Hally

Also Present: Wade Sanner City of Idaho Falls Planning Director, Catherine Smith (Economic Development Administrator), Brad Cramer, Executive Director; Meghan Conrad, Esq. (via Teams); and interested citizens.

**1. Modification to Agenda.** Item 8 will be moved and be heard after Item 3 then renumber agenda appropriately.

**2. Approval of Minutes May 18, 2023.** Thompson moved to accept the Minutes for May 18, 2023, Larsen seconded the motion, and the motion passed unanimously.

**3. Approval of Expenditures and Finance Report.** Lee Radford presented the Finance Report Dated June 15, 2023. In the River Commons Area: \$62.50 to Rebecca Thompson for transcription of minutes; \$1,381.50 to Brad Cramer- Perspective Planning and Consulting, LLC; \$1,410.00 to Elam and Burke for legal services; \$740.00 to City of Idaho Falls for administrative fees. In Eagle Ridge \$100.00 to City of Idaho Falls for administrative fees. In Jackson Hole Junction \$100.00 to City of Idaho Falls for administrative fees. In Pancheri East Area \$45.00 to Elam and Burke for legal services.

**Thompson moved to approve the Finance Report dated June 15, 2023, Larsen seconded the motion and the motion passed unanimously.**

**4. Statement from Executive Director.** Cramer stated that when he quit working for the City of Idaho Falls, he met with his new employer at the INL and was allowed to continue with his role as Executive Director and have an LLC that allowed him to work with small local government and agencies like the Urban Renewal Agency. He

is now told that they don't like the Executive Director as they feel he is supervising employees, and there is a high potential for conflicts of interest, and they thought it was a temporary thing until his replacement came in. Cramer raised concerns about potential conflicts of interest with people the INL works with in both BEA and IFRA roles. His employer has given him direction to remove himself from IFRA as the Executive Director as soon as reasonably possible to exit. Immediately Cramer cannot have any more involvement with Stanley Boge District; and with Yellowstone Square he needs to stay at arm's length as the INL leases services in that area and from the developer. Cramer doesn't have restrictions to continue with Northgate Mile as they work through that project area, and he would like to get through the budget. Cramer will not immediately exit but will respect his employer's wishes to stay away from the two listed items.

##### **5. Resolution Approving MOU with Yellowstone Square Development.**

Conrad stated that the MOU is in the packet with Yellowstone Square Development. Exhibit A to the MOU has a map attached with the general location for the study area. This is a standard template that has been seen on other development projects with no significant changes. Conrad spoke with Keim to ensure that he had reviewed the MOU. The financial aspects are advanced funding planning cost related to establishing an Urban Renewal Project Area. Beginning with eligibility phase and the cost of that scope of work is estimated to be \$8,000; with \$5,000 due and payable upon the effective date of the MOU and the balance due at the time of City Council approving the eligibility report. The next payment for planning costs for urban renewal plan commences and the anticipated fees are \$27,000 with the first payment due within 7 days of City Council's approval of the eligibility report, and the balance due 60 days after first payment.

Radford turned the Chair position over to Vice-Chairman Brent Thompson as Radford has a conflict with this item.

**Steve Keim.** Keim stated that they have received and reviewed the MOU and it is acceptable and the terms that are discussed are understood and they believe that the area is conducive to this project. Keim is requesting the Board's approval.

Thompson asked if Keim had had any conversations with the Murphys and neighboring property owners. Keim stated that it is likely that the neighbors would want to participate, and they should include the neighboring property in the boundaries. Thompson asked if the neighboring property owners have intentions of approaching the Redevelopment Board. Keim stated that they hadn't but are prepared to after they have time to review, and they are anticipating development activities soon.

Thompson asked Conrad what it would look like if the neighboring properties approached, and would they have to modify the agreement. Conrad stated that it depends on how the developments are going to be timed. This agreement does not limit the scope of review and as the consultant reviews the geographic area it can expand and, it can be brought back during the eligibility study. Conrad wonders if the development would warrant its own project area or should be considered in this area.

Thompson stated that with the Chair – Lee Radford recusing himself, they are left without a quorum. Conrad stated that even though the chair is recused he is counted as quorum. Thompson asked if they would vote after discussion. Conrad agreed that they can vote and proceed. Thompson asked if they should wait for Murphys or move forward. Thompson asked if they proceed with the eligibility study at this time. If Magee gets into the study and they have to expand the boundaries, how can they do that. Conrad stated that for timing it is better to have a known area of study, as it is less efficient to go in and review and then add more areas. If they want to study a broader area, they should study that at the outset.

Thompson asked if they should approve the MOU as stated and then wait until they are certain whether Murphys are involved, before they proceed with the eligibility study. Conrad stated that today they can move forward and in order to get the consultant they would need to consider the MOU and then the payment made. It is a timing issue, and a preference of the Board.

Keim stated that the timing on his portion of the project is eminent, and time is of the essence. They have plans underway for immediate improvements. Keim stated that while the Murphys have expressed interest, their timing is not as soon as Keim. Keim would be concerned about the time delay.

Thompson feels that they should vote on the MOU today and make a contact with Murphys in the near future and if they are interested, they need to get on board quickly and if not, they can proceed with the eligibility study. Conrad agreed that is a good path, and that gets it started and maybe the timing would line up.

Larsen stated that if the timing is an issue, they can always have the next piece be a separate district.

Thompson feels it would be tough to hold up the project at this point. Thompsons stated that they have a resolution to approve the memorandum that follows the boundary exhibit.

Conrad read the Resolution by title.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF IDAHO FALLS, IDAHO DBA IDAHO FALLS REDEVELOPMENT AGENCY, APPROVING THAT CERTAIN MEMORANDUM OF UNDERSTANDING BETWEEN THE IDAHO FALLS REDEVELOPMENT AGENCY AND YELLOWSTONE SQUARE DEVELOPMENT LLLP; DIRECTING THE CHAIR OR VICE-CHAIR AND SECRETARY TO EXECUTE AND ATTEST SAID AGREEMENT; AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT; AUTHORIZING ANY TECHNICAL CHANGES, SUBJECT TO CERTAIN CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.

**Larsen moved to accept the Resolution for the Memorandum of Understanding with Yellowstone Squared Development, Walker seconded the motion.**

**Thompson called for roll call vote: Larsen, yes; Thompson, yes; Jon Walker, yes; Radford, abstain/recused. The motion passed unanimously.**

Thompson clarified with Magee that she is available to begin the study. Renee Magee stated that Brian Stevens is out for the month of June. Magee needs Keim's email address so she can exchange information needed. Magee will try to get this done by August. Magee will try to talk to Shane Murphy and needs the information to contact him.

Thompson has Murphy's contact information and asked Magee to report back to him.

## **6. Review of the Draft Urban Renewal Plan for the Stanley Boge Urban Renewal Project and the Draft Economic Feasibility Study.**

Conrad presented the draft Urban Renewal Plan for the Stanley Boge Renewal Project. This is not a contract but provides a path forward to implement the desired development within a specific geographic area. Conrad provided an overview of the process: November 4, 2022 the MOU with Tree Spring Partners was signed and provided advanced funding for eligibility and planning costs. They have worked through the eligibility phase, Eligibility Study was dated February 20, 2023, and accepted by the Agency of February 16, 2023, by Resolution 2023-05. The City Council adopted the study on March 30, 2023 by Resolution 2023-07. The City Council's adoption is what directed the Agency to commence planning efforts in this project area. The developer is seeking to construct a business park on Boge Ave., south of Stanley on 6.42 acres. The development is expected to be in 2 phases with 2 - 19,000 sq ft buildings and that can be divided into smaller suites. The second phase is 1- 19,000 sq ft and 1- 32,0000 sq ft concrete building. The projects within this area are similar to past areas primarily focused on rock and earth work blasting, roadway and utility improvements to North Boulevard, road improvements to Boge to create a southern access to Anderson, proposed extension of water main in Stanley within the allocation area. This is a post 2016 area, so all potential projects that could be

accomplished need to be identified. Conrad went to page 3 showing outlined goals set forth. Section 301 on page 12 provides a narrative explanation of how funds are to be used in the district. It provides more detail than Attachment 5. Conrad stated that in section 100 it focuses on existing conditions in the area, and compliance with State Law requirements. Section 300 is focused on the description of the project and provides information on how they participate in contracting with developers which is mostly through developer advanced funding and memorialized with an OPA. Section 500 of the Plan starts on page 29 of the Plan they have the revenue allocation provisions and it is anticipated that the planning would be completed by December 31, 2023, and base will be January 1, 2023. That section ensures that they are in compliance with the 10% valuation limitation, and they are using the July 2022 values because when the documents were being prepared the values for 2023 were not out yet, this area is well under the 10% threshold. The levy rate is included in section 500 and for this projection the 2022 levies have been used as the 2023 levies will not be established until September, 2023. Section 800 provides termination date of the plan (20 Year Plan) December 31, 2043. Conrad stated that the attachment to the plan has Brian Stevens working on it and expects to have them when the agency considers the plan in July or possibly by the time they publish the notice for the City Council, and it is actively being produced. They will include maps for public infrastructure improvements. They will incorporate zoning and land use maps. Attachment 5 is in the packet, and Magee will address the specifics.

Renee Magee went to page 4 of the report where they have the projects listed that the study is based on. Rock excavation has an estimate of \$885,350 from Tree Spring, and they have \$950,000 listed. Magee added \$64,000 as not all the land has been developed and they may have another request for rock excavation. That is why the number listed does not coincide with the estimate from Tree Spring. They have estimated costs for North Boulevard improvements, Boge Ave. extension for the Stanley Street water main extension, and they are based on a document from the department of public works (Idaho Falls Public Improvement cost estimate sheet). Further into the area and district, and when they look at these projects you will receive an estimate from an engineer that will be a firm estimate. The estimates in this document are for planning purposes. The levy rates are based on 2022 levy rates that are available, and essentially for \$1 million of new assessment the income is \$9,000 to the Agency. If you have a 75% repayment back to developer, the developer would get \$7,000/year. Magee has assumed that the new development will increase in valuation by 2% annually and that is shown in the table on page 6. The assessed value of the existing parcels will increase by 1%. Boge Business Park would increase by 2% and there are 4 projects under construction in this area already, and Magee has talked to the design professionals for those projects and received an estimated date for Certificate of Occupancy for those projects and anticipated that the revenue for those

projects would be 2 years after the receipt of CO, and that is shown in the 4<sup>th</sup> column of the table. This area will be approved by December 31, 2023, so the new projects can be picked up in the new allocation area. The estimated increment for the entire project area is \$4.1 million; with \$1.7 million coming from the Boge Business Park. The total assessed valuation of both phases is based on the estimate of the developer at just over \$11 million. Anticipated revenues and expenses show a 2% increase in valuation to estimate the revenues from the business park, assuming that the Agency pays 75% back to developer for repayment of the estimated costs. 10% of revenues after 2027 will be used for administration and anticipate repayment of loan in the sum of \$30,000 from other Districts in 2025, 2026, 2027. Repayment to developer by 2028-2030. This project is feasible.

Radford asked where the cost for future years and the necessity for those comes into play, including North Boulevard, and Boge Avenue. Magee stated that in future years (go to page 10 on cash flow analysis) \$64,000 could be used for remediation and it is in there to say to the public and the Board that it could be anticipated that additional monies could be used and needed for site remediation. Radford asked about improvements to N. Boulevard and Boge. Magee showed public improvements in 2038 in the amount of \$1.4 million and that would be North Boulevard. Magee showed \$51,000 could be done in 2028 and the water main extension could be done at that point. In 2040 there is \$500,000 for a roadway from south of the present Boge Ave., that could serve Pacific Recycling, Steele company where there are no public roads. Those are just estimates based on revenues and projected expenditures. Radford stated that the bottom line is \$800,000 is needed to repay Tree Spring and that can be done in a matter of years, and then additional funds that could be used for the area, as the funds come in or they can end the district early.

**Tree Spring.** They believe in the project. They feel it will be a great project for the City and neighborhood.

Radford will put this on the agenda for approval for next month. Conrad agreed that is the next step.

Larsen asked about the down the road funds, and they are not part of the project, but things that they could spend revenue on. Radford agreed they are in the project area and could attract investment down the road. Larsen stated that the rock removal is the agreement with this applicant. Thompson confirmed that the rock removal cost is subject to City Engineer audit. Conrad stated that following the establishment of an urban renewal plan, the process would be to engage with the developer in an OPA and there are cost documentations that have to be submitted by the developer as part of the internal City staff review.

Magee stated that the projects added were added because they are important as to why this area was eligible, so in this study they should address those issues as well as the developers need for earth work and blasting.

Conrad indicated that at this point there is not a quorum present, as Jon Walker is no longer present on Teams, and the remaining items are discussion items.

#### **6. Update on the Owner Participation Agreement with Developer Regarding Anderson Bush Project Area.**

Cramer stated they are still working through issues and questions on this project. The Board needs to consider how to cover and pay for things, including sewer and water installation to the property to the north. Conrad stated that they provided the developers with a draft OPA, and after seeing the draft there were questions raised about scope of plan and those are being reviewed internally. They did receive comments on the OPA and for purposes of today, she wants to let the Board know they are actively negotiating on this matter and hope to be back in July for consideration.

**7. RAI and Legislative Update.** Conrad stated the annual meeting of membership and board, and RAI is launching initiatives for upcoming Legislative Session including: Push to gather success stories; request for agency representatives to meet with legislative delegation and provide introduction to urban renewal; tour of project areas with Idaho Falls as they have successful projects close out.

Next Regular Meeting: July 20, 2023. (in City Hall Annex conference room)

**Thompson moved to adjourn the meeting, Larsen seconded the motion and it passed unanimously.**

Radford adjourned the meeting at 1:06

Respectfully Submitted: Beckie Thompson