

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**July 20, 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, Chris Harvey, Terri Gazdik, Jon Walker (late).

Members Absent: Tom Hally

Also Present: Wade Sanner City of Idaho Falls Planning Director, Brad Cramer, Executive Director; Ryan Armbruster, Esq. (via Teams); and interested citizens.

**1. Modification to Agenda.** Changed action item 5 to action item from discussion for review of fiscal year 2024 budget.

Armbruster indicated there is a motion needed to change the discussion item to action item. If that is not changed there would be a need to have 2 August meetings.

Armbruster agreed that there needs to be a tentative approval of the budget, set it for public hearing, and then come back have the public hearing, and approve the budget. Item 5 needs to be changed to an action item.

**Larsen moved to modify the Agenda to have Item No. 5 Review of Draft FY 2024 Budget to be an action item instead of a discussion item, Thompson seconded the motion. The motion passed unanimously.**

**2. Approval of Minutes June 15, 2023.** Thompson moved to accept the Minutes for June 15, 2023, Gazdik seconded the motion, and the motion passed unanimously.

**3. Approval of Expenditures and Finance Report.** Lee Radford presented the Finance Report Dated July 20, 2023. In the River Commons Area: \$87.50 to Rebecca Thompson for transcription of minutes; \$495.00 to Brad Cramer- Perspective Planning and Consulting, LLC; \$2,823.15 to Elam and Burke for legal services; \$1,300.00 to City of Idaho Falls for administrative fees. In Eagle Ridge \$200.00 to City of Idaho Falls for administrative fees. In Jackson Hole Junction \$200.00 to City

of Idaho Falls for administrative fees. In Pancheri East Area \$811.50 to Elam and Burke for legal services.

**Larsen moved to approve the Finance Report dated July 20, 2023, Thompson seconded the motion and the motion passed unanimously.**

#### **4. Resolution Approving the Urban Renewal Plan for Stanley-Boge District.**

Brad Cramer recused himself and Wade Sanner is taking his place for this item.

Radford stated that they are considering a resolution adopting the Stanley Boge Urban Renewal District so it can be moved forward to City Council.

Armbruster stated that the form of the plan is similar to the plans that have been reviewed on Anderson Bush and Pancheri East. It is a one project urban renewal plan and there are a number of improvements that have been proposed. This is a post 2016 Urban Renewal Plan, so it is not able to easily be amended. For that reason, there are public improvements that are not related to the specific development. Armbruster presented a power point. Showing the area of the plan and boundaries under consideration. The Plan Elements are out of the Statute book and all sub sections have been addressed and identified. Next is a brief overview of 10% limitation. The base values of the various plans adopted to date, including the base of this proposal, cannot exceed 10% of the overall assessed value of the City; and they are well below the 10% limit. This project area can be considered and stays within the 10% limit. Next page is the overview of the projects within the Stanley Boge Area, including an estimated timeline of the improvements. This plan will go until 2043 with revenues coming in until 2044. Next slide is a Breakdown of estimated assessed valuation increases overtime and based upon assumptions of the levy rates and the increment that would be received over the life of the plan. Next slide indicates this plan cannot be amended except minor things without risking the base being reset. Next slide shows the plan approval process and summarizes where they are at currently. The Final page is going to City for processing and considered by City Planning and Zoning for conformity to Comprehensive Plan and then it will be sent out for notice of public hearing and public hearing would be considered by City Council October 26, 2023, and thereafter recorded and transmitted to the County officials and State Tax Commission.

Renee Magee reminded the Commission that the area boundaries are: Western boundary is N. Boulevard, northern is US 20 and Stanley street, Union Pacific RR and Anderson create south boundary, Eastern boundary is hard to describe, and is the eastern property line of the properties that lie east of Boge Ave, and what could be its extension south to Anderson.

Magee indicated that this Feasibility Study includes projects that were not requested by the developer. Rock excavation, earth work and blasting are the developers project and Magee has listed that higher than the estimate provided, as their estimate was close to \$885,000 and Magee added monies for a higher estimate or if not all the lots are developed, and they might have other requests for earth work and blasting from other developers.

Magee noted that this slide shows \$43 million + for the Stanley Boge District and if the table on page 11 of the Feasibility Study it shows a figure closer to \$41.5 million. The assessor's office told her that she used the Bonneville County parcel viewer to get the values, and the values are subject to change until the end of the month and when she went back to review it the numbers have changed and that is why there is a lower figure, but there is still below 1% of the community in terms of the 10% statutory limitation (still below 1%).

Magee stated that there is an estimated tax increment over the life of the area of slightly over \$4 million and in the Boge Business Park there would be over \$1.7 million. The developer is asking for below \$1 million in assistance, and that should be covered if it goes forward as scheduled. Phase I is valued at \$4.7 million and Phase II would make the entire project over \$11 million.

Radford asked if the first stage is blasting and then building Phase I building at the location to the northeast side, and the second Phase may or may not happen, and what is included in the second phase.

Magee stated that the developer is planning for the second phase, and it should happen, but the time frame could be different than what is projected. Magee stated that the improvements will go down drastically if there is not a second phase, and the assistance requested would not be \$885,000 but half that amount just over \$400,000 as phase I is \$562,860. Magee stated that there are presently 4 projects under construction in this area, and so Magee added additional projects as some of the increment may be due to the other development occurring in the area.

**Tree Spring Partners.** Tree Spring thanked everyone for working on this and getting to this point. Tree Spring indicated that they have the intent of doing Phase I and Phase II staggered. Tree Spring feels this will be a great opportunity for local businesses to move in. Phase II has a bigger building and as businesses grow, they can move to bigger spaces. Tree Spring is excited for this project.

Armbruster reminded the Board that the process will be similar to what has been done before where the developer is responsible for the cost of the project, and they enter into a reimbursement as increment is generated from the project itself.

Thompson stated that based on history the rock excavation could be greater than the add on that has been put in for future projects in the study area. An incremental amount has been added in addition to what the developer wants, and what is the possibility of larger expenditures being incurred in the future. Magee stated that she added \$65,000 to recognize the lots that are not developed and may have rock and may need assistance. They have run into the experience where the costs come in higher than the original estimate. The real issue would be repayment if there is no Phase II. Phase I could be repaid by the end of the revenue allocation area, but it would be close without Phase II. Until they have real estimates which will be reviewed when they enter the OPA, the numbers will be reviewed and figure out what the Agency can finance.

Radford added that Magee is giving assurance that if this is the only project that happened in the next 20 years, they could pay it back. Thompson is asking if the lots that have not been built on because of rock could be accelerated and get the area built out. Radford is optimistic to return more money by getting the properties developed and on the tax rolls.

Thompson asked what they do if someone comes with another project, as the whole area is one big lava rock. If someone has another project and there is lava, how does the Agency handle the analysis of feasibility of additional projects. Radford stated that they'd go through the OPA process and would just be with the Board and not City Council.

Armbruster agreed and stated that essentially the commitment to Tree Spring will be increment from its' development, and if another developer comes in, they will go through a similar analysis. Using discretion and committing the increment for that project they'd pay that developer for rock removal.

Thompson stated that they have looked at rough payback analysis and that could be put into this same agreement that they are looking to approve. Radford indicated that the 20 years would come into play, and they would want Catherine Smith to go out and encourage property owners to build during this 20-year time frame.

Radford stated that the area adjacent is not included, but it could be a wonderful development area with some residential in the middle of town close to infrastructure.

Armbruster read the Resolution by Title:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF IDAHO FALLS, IDAHO, ALSO KNOWN AS THE IDAHO FALLS REDEVELOPMENT AGENCY, RECOMMENDING AND**

ADOPTING THE URBAN RENEWAL PLAN FOR THE STANLEY BOGE URBAN RENEWAL PROJECT, WHICH PLAN INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING AND DIRECTING THE CHAIR, VICE-CHAIR, OR ADMINISTRATOR AND THE SECRETARY OF THE AGENCY TO MAKE CERTAIN TECHNICAL CHANGES; AUTHORIZING AND DIRECTING THE CHAIR, VICE-CHAIR, OR ADMINISTRATOR TO TAKE APPROPRIATE ACTION; PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

**Thompson moved to accept the Resolution Approving the Urban Renewal Plan for Stanley Boge Area, Larsen seconded the motion. Radford called for roll call vote: Walker, yes; Radford, yes; Gazdik, yes; Harvey, yes; Larsen, yes; Thompson, yes. The motion passed unanimously.**

Thompson asked for the Power Point to be emailed to him.

## **5. Review of Draft FY 2024 Budget.**

Mark Hagedorn stated that they have added 3 Districts to the budget proposal with the idea that they will be active during 2023/2024 and the revenue coming in would not be property taxes but would be developer contributions for legal fees and staff costs. Hagedorn stated that the budget is all estimates and not intended to be an exact idea. The property taxes for the remaining 3 districts are estimated with 3% increase and are based on the levy rates within those areas. Hagedorn stated that these estimates are based on 2022 levy rates which are lower than 2021. The cash balance and revenue make up the maximum theoretical amount they could spend in the District. Hagedorn has added professional fees, administration fees, audit fees, insurance with ICRMP, and OPA Payments that are based on revenue sources. If there is a change during the year, they move the funding from capital to the appropriate line and the most common change is in the OPA line, so it has a larger budget. Hagedorn went through the public hearing document. Showing actuals for 2022, 2023 active now and proposed for 2024. River Commons is being increased by \$100,000.

Cramer stated that there is a jump from \$59,000 to \$100,000 under administrative fees and that is because initially funds going towards creating district come out of that big pocket and that reflects active projects and projects in the pipeline. Radford confirmed that they are borrowing from River Commons to keep the other districts a float until they can pay back. Hagedorn stated that a borrow would be through the balance sheet, but since its Government, everything has to run through the income statement, and has to go against a budget somewhere.

Hagedorn stated that Eagle Ridge and Jackson Hole are straight forward with incremental increases on general administrative costs.

Revenues in 2022 collected \$1.4 million and it was estimated of \$1.3 million. Hagedorn stated that they are proposing a budget, but the second biggest tax payment is 2 weeks off being received. Hagedorn stated that they are passing a budget missing information and so they insert a delta. They chose to be conservative with a 3% increase. Hagedorn showed that the rest is interest and developer contributions. Hagedorn indicated that the cash balance is what is needed to fund the expenditures which is needed to make the budget \$0.

Radford asked Walker if the commercial property valuations are remaining steady as compared to residential values. Walker stated that residential valuations went up, but not as much as they have, commercial and Ag both went down to balance the system, one goes up and one comes down. Tax shift is occurring again now, more towards residential. Walker stated that valuations are on sales for 2022. Walker stated that levy rates get adjusted to the budget amount and that goes up close to cost of living +.

Hagedorn feels it is simple budget process and they are trying to give the maximum capacity to use funds.

Thompson asked what the general thinking is going into projected expenditures, budget expenditures in 2023 and proposed expenditures in 2024, relative to the amount of development that is projected to occur in those districts. Thompson asked if those districts are looked at and are the developers contacted, and what is the basis for feeling that the revenue is going to stay level. Radford stated that River Commons is building, and some will come on the tax rolls, but as a conservative approach they do not investigate.

Hagedorn stated that the City and County are trying to build a relationship where they understand when things come on their tax rolls. The City issues building permits and issue COs, but do not know when they come on the tax role. It is not always in the same year that they are occupied. Hagedorn is working on a collaboration so they can predict how that affects the Agency. It takes time to develop that, and the turnover of employees is not helping. Walker stated that if you have a property and you get a CO in November of 2023, and the tax notice going out is for last year, November occupancy won't show up until next year, and it will only be for December. Radford stated that it is a difficult process and Jackson Hole has apartments going and they will hit at some point, but it is hard to predict when those will be on the tax rolls.

Radford stated that generally they have had a cash balance with taking the conservative approach every time. Thompson understands it is a crystal ball.

Hagedorn stated that if they knew that things were coming, they could put that in the budget. Cramer agreed that they could produce a spread sheet for the Snake River District to look out for as many years to see what the balance is and consider projects.

Gazdik asked if they need to reopen the budget as they are overspending on professional fees before they get to the end of September.

Hagedorn agreed to work with Cassie and get it adjusted. They typically in the County don't have the Board approve those adjustments, the City they have an internal approval process, but they can bring them to the Board if the Board wants them brought forward for approval. Radford asked them to bring them forward to the Board. Gazdik agreed to bring them forward to the Board to review. Hagedorn stated that a budget transfer from one District to another would need to be reviewed.

Armbruster stated that when the notice is published and when they have the public hearing, they can still make changes, but they cannot go up in terms of substantial increases on the revenue side, this is a good budget process that staff has prepared. Armbruster checked that they will be back in Council Chambers next month. Sanner indicated construction should be done by July 31, 2023.

**Gazdik moved to tentatively approve the proposed FY 2023/2024 budget and authorize staff to publish the appropriate notice setting the hearing for August 17, 2023, Walker seconded the motion. The motion passed unanimously.**

**6. Owner Participation Agreement for Anderson Bush District.** Armbruster stated that the OPA should be available for August. Cramer stated that the developer is still finalizing his spread sheets for costs, and that is the final piece they have been waiting for. Radford asked if there is a problem from what the City is requiring from public works perspective. Cramer stated that they have resolved those questions, and the next question is if the Agency can pay for general contractor overhead and that is not something that is typically done. Conrad is discussing that with the developer and Cramer would accept Board input.

### **7. Project updates for Northgate Project and Yellowstone Partners Project.**

Cramer stated that Northgate they have had a meeting with property owners in the area to start discussion on whether they have projects ready to go and whether to include them in the District. The Boundary may shrink when it gets to the plan stage. Radford stated that there is one developer that wants to build on the west side and the project needs to go forward for him and it would pay back with his project. The east side might need its own clean start instead of including them in this project area, so they don't lose years in the District.

Thompson asked if they would include the Murphy property in the Yellowstone Partners Project. Radford asked Magee about Yellowstone Partners Project. Magee indicated that Steve Keim has not been responding to emails. Radford stated that he may be too far ahead to get help from the Board.

Northgate is exciting and Catherine Smith as the Economic Development Advisor she is applying smile and enthusiasm to good purposes and has people interested in fixing things up on Yellowstone.

Radford stated that they are working on how to staff and structure things with Cramer's conflicts to get him free of concerns with his employer.

**8. RAI and Legislative Update.** Armbruster stated that RAI will meet today and will try to create a narrative to share with Legislatures over the summer and highlight project successes. Kootenai County District Judge issued an opinion that negated the ability of the County to withhold interest and late fees when a delinquent taxpayer pays his taxes. Urban renewal agencies are impacted the same as taxing districts. RAI has put out presentation materials over the last few months and those would be useful to anyone who is trying to explain urban renewal and redevelopment. Armbruster will check to see if that material is available online and will ask Conrad how to get that to the Board.

**Thompson moved to adjourn, Larsen seconded the motion. The motion passed unanimously.**

Next Regular Meeting: August 17, 2023.

**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