

IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

August 17, 2023 Regular Meeting Minutes Council Chambers

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

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

Members Absent: Chris Harvey.

Also Present: Wade Sanner City of Idaho Falls Planning Director, Brad Cramer, Executive Director; Megan Conrad, Esq. (via Teams); Mayor Casper (in person and then via teams); Catherine Smith, Economic Development Director; and interested citizens.

1. Modification to Agenda. None.

2. Approval of Minutes July 20, 2023. Thompson moved to accept the Minutes for July 20, 2023, Larsen seconded the motion, and the motion passed unanimously.

3. Approval of Expenditures and Finance Report. Lee Radford presented the Finance Report Dated August 17, 2023. In the River Commons Area: \$87.50 to Rebecca Thompson for transcription of minutes; \$810.00 to Brad Cramer- Perspective Planning and Consulting, LLC; \$2,852.50 to Elam and Burke for legal services; \$1,290.00 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.

Larsen moved to approve the Finance Report dated August 17, 2023, Gazdik seconded the motion and the motion passed unanimously.

4. Public Hearing to Consider the FY 2023-2024 Budget.

Radford opened the public hearing for public input regarding the 2023-2024 Budget.

No one appeared in support or opposition.

No public comment was received in writing.

Radford closed the public hearing.

Cassie Auten indicated that she talked with Mark Hagedorn and she feels comfortable with the numbers and looked at each of the allocation funds and has looked closely on budget to actuals and is comfortable with the numbers presented.

Larsen asked about the professional fees number that is higher than last year. Under expenditures total of \$120,000 and this year they were over budget by \$20,000 and it should come in about \$80,000 for this year.

Auten stated that they budgeted higher for professional services because River Commons needs expenditures for future development that take place and once the District is formed the expenses will be moved to that district. Auten looked at River Commons based on this year, and how many projects they had coming out of that fund, and tried to budget to make sure they would be ok to look at future districts in the upcoming year and would have enough to cover those districts, and once the district is official, they move the costs to that district.

Radford stated that they do have new districts in the works. Radford stated that they are adding staffing later on the agenda and they are having more public relations to get the word out, and they are going to discuss splitting responsibilities. They are dealing with a lot of districts.

Thompson stated that there was almost \$57,000 in River Commons YTD and the additional districts will kick up with professional fees.

Thompson asked if most of the revenue from Eagle Ridge is from Guns and Gear. Cramer indicated that most of that revenue is Guns and Gear, and there might be a little bit from base values. There are significant projects pending and the new hotel will be captured, and other developers are talking with City Staff for a potential project.

Conrad stated that Exhibit A to the Budget Resolution should be the budget notice that was published.

5. Resolution Approving the FY 2023-2024 Budget.

Conrad read Resolution No 23-13 by title.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF IDAHO FALLS, IDAHO AKA IDAHO FALLS REDEVELOPMENT AGENCY TO BE TERMED THE “ANNUAL APPROPRIATION RESOLUTION,” APPROPRIATING SUMS OF MONEY AUTHORIZED BY LAW AND DEEMED NECESSARY TO DEFRAY ALL EXPENSES AND LIABILITY OF THE URBAN RENEWAL AGENCY, FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024, FOR ALL GENERAL, SPECIAL AND CORPORATE PURPOSES; DIRECTING THE CHAIR OR EXECUTIVE DIRECTOR TO SUBMIT THE RESOLUTION AND BUDGET TO THE CITY OF IDAHO FALLS AND ANY OTHER ENTITY ENTITLED TO A COPY OF THE RESOLUTION AND BUDGET; AND PROVIDING AN EFFECTIVE DATE.

Thompson moved to approve the Resolution Approving the FY 2023- 2024 budget, Gazdik seconded the motion. Radford called for roll call vote: Radford, yes; Hally, yes; Larsen, yes; Thompson, yes; Gazdik, yes; Walker, yes. The motion passed unanimously.

6. Resolution Approving the Owner Participation Agreement with Tailwater BF4 Venture LP Regarding Anderson Bush Project Area.

Conrad stated that items 6 and 7 are related and she will cover both with one presentation. There are 2 OPA’s related to the affordable housing development in the Anderson Bush Housing Area. The 7-acre parcel that is subject to this development was split into 2 lots. 2 acres (lot 1) and 5 acres (lot 2) each will be developed by a separate development team. The first OPA is related to lot 2 (5 Acres), the second is related to Lot 1 (2 acres). Lot 2 (5 acres) is with Tailwater BF4 Venture LP. The first OPA for Lot 2 (5 acres) is for 126 affordable housing units, and the second (lot 1, 2 acres) is for 30 affordable housing units. The Agency entered into an MOU for planning costs associated with the Anderson Bush Project Area. They have estimated costs to be \$38,000 and as they work through the final OPA they will do a formal internal accounting to determine if there are any additional amounts owed. After that is calculated they will finalize that number and memorialize that in a confirmation of reimbursement form. The planning costs are for purposes of efficiency and are tied to the larger lot 2 development. Conrad stated that as part of the effective date they wanted the developer to move quickly with the project and there are timelines associated therewith. The participant must complete the project within 48 months of the effective date. There is the opportunity to extend by 12 months. The expiration of the plan is December 31, 2043. The agreement is similar to other agreements. Page 5 identifies the amount of the reimbursement of not to exceed \$1.7 million, with no interest accruing on the reimbursement obligation. Section F2 sets forth notification and approval, indicating that the developer has to submit cost documents to be

reviewed by staff to make sure the costs are eligible under the agreement. Conrad stated that page 7 stated that the actual eligible costs do not include soft costs. The proposal that was submitted and attached to the agreement are hard cost items, and in further negotiations with the developer they have agreed that 7% of the total actual eligible costs to cover soft costs (overhead). The allocation set forth in page 9 has a specific reimbursement procedure outlined. Agency reimbursement does not occur until there is a CO issued, completion of all agency funded public improvements, execution of conformation of reimbursement form, if project is completed within 48 months from effective date, revenue allocation proceeds as described are received by the Agency by the private development. This is a 75/25 split for revenue allocation. The rest of the agreement is standard OPA language. There have been some statutory changes on page 18, including an anti-Israel boycott certification, and a certification on the top of page 19, related to a contract with a company owned or operated by the Government of China is prohibited. Attachment 4 identifies the cost worksheet associated with the public improvements.

Radford asked if there is an update on the status of the project. Radford asked Conrad to go through the attachments starting with attachment 3 that shows the split of Lot 1 and Lot 2.

Brian Stevens gave a description of what is shown on attachment 3. Stevens indicated that Anderson Street is at the bottom of the sheet, and there is alley way that goes up and turns 45 degrees on the west edge of the structure (big red bar). Stevens stated that this is intended to serve properties deeper into the District to the north. There is a short section of street frontage associated with the smaller lot. Stevens continued to walk through the pictures on the attachments describing what is shown. The larger lot will pick up the majority of the obligation payments because it has the majority of the street frontage and the lift station.

Radford stated that there will be 3 buildings along Anderson that will be phased. Radford asked if Conrad knew about the phasing. Conrad stated that the 126 unit would go first and that is the larger parcel BF4 (Lot 2). Conrad believes that there is not a lift station element to this anymore. Stevens is not the project manager and that was the last he heard as a lift station would be required.

Radford went to Attachment 4 and asked Conrad to go through Attachment 4 so everyone understands what the cost for the project includes. Conrad stated that Attachment 4 is the hard costs estimate for the proposed scope of work that would be eligible for reimbursement. It is limited to rock blasting and filling, primarily related to utilities. There is a breakout for public improvements (road work) as well as public utilities for the installation of water and sewer mains. This has been reviewed by City Staff, but these are only potentially eligible costs, and they have to submit cost

documentation to be reviewed before the actual eligible costs are determined. Conrad confirmed that this scope of work does represent the hard cost except for the 7% that has been added to the total for overhead (3.75% for general commissions and 3.75% for overhead). It is common to have some type of contingency built in or some transparency for overhead costs. The Agency is limiting those soft costs to a total of 7%.

Thompson stated that 3.75 + 3.75 is 7.5 - Conrad stated that it should be 7.5 and that typo will be corrected.

Radford asked them to go through the costs for Lot 1. Radford asked if the building will be at the same time with two different owners. Conrad understood that the 126 units would go first before the 30. Conrad doesn't have an answer on phasing.

Attachment 4 lot 1 is for \$433,000 for blasting and rock removal. 156 total units for all 3 buildings.

Conrad stated that the developer has signed off and had no issue on the timeline. Thompson confirmed that CO is required before funds are disbursed.

Conrad read resolution No. 2023-15 by title.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEAL AGENCY OF IDAHO FALLS, IDAHO, ALSO KNOWN AS THE IDAHO FALLS REDEVELOPMENT AGENCY, AUTHORIZING THE AGENCY TO ENTER INTO AN OWNER PARTICIPATION AGREEMENT WITH TAILWATER BF4 VENTURE LP; AUTHORIZING THE CHAIR OR VICE CHAIR AND THE SECRETARY OF THE AGENCY TO EXECUTE AND ATTEST SAID AGREEMENT AND ANY NECESSARY DOCUMENTS, SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR, VICE-CHAIR OR ADMINISTRATOR TO TAKE APPROPRIATE ACTION TO IMPLEMENT THE AGREEMENT AND MAKE ANY NECESSARY TECHNICAL CORRECTIONS TO THE AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE APPROPRIATION OF FUND PURSUANT TO THE AGREEMENT; AND PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

Thompson moved to approve the Resolution 2023-15 Resolution Approving the Owner Participation Agreement with Tailwater BF4 Venture LP Regarding, Hally seconded the motion. The motion passed unanimously.

7. Resolution approving the Owner Participation Agreement with Tailwater Bf9 Venture LP Regarding Anderson Bush Project Area Project.

Conrad read Resolution No. 2023-14 by title.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEAL AGENCY OF IDAHO FALLS, IDAHO, ALSO KNOWN AS THE IDAHO FALLS REDEVELOPMENT AGENCY, AUTHORIZING THE AGENCY TO ENTER INTO AN OWNER PARTICIPATION AGREEMENT WITH TAILWATER BF9 VENTURE LP; AUTHORIZING THE CHAIR OR VICE CHAIR AND THE SECRETARY OF THE AGENCY TO EXECUTE AND ATTEST SAID AGREEMENT AND ANY NECESSARY DOCUMENTS, SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR, VICE-CHAIR OR ADMINISTRATOR TO TAKE APPROPRIATE ACTION TO IMPLEMENT THE AGREEMENT AND MAKE ANY NECESSARY TECHNICAL CORRECTIONS TO THE AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE APPROPRIATION OF FUND PURSUANT TO THE AGREEMENT; AND PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

Larsen moved to approve Resolution 2023-14 Resolution Approving the Owner Participation Agreement with Tailwater BF9 Venture LP Regarding, Hally seconded the motion. The motion passed unanimously.

8. Review of Draft Eligibility Report for Yellowstone Square

Cramer recused himself from this project. Renee Magee took over.

Magee stated that as far as she knows the developer is still interested, and the last contact was 3 weeks ago. Magee presented the Eligibility Study with a Power Point.

Slide 1- aerial photo showing the boundaries of the study area approximately 42 acres.

Slide 2- Summary of Criteria for Eligibility (3 criteria that are most important) underdevelopment, deterioration, unsuitable topography.

Slide 3- left is photo taken in 1988 showing Fred Meyer and Albertsons anchoring the area and multiple commercial, retail and food stores. This was one of the 2 main commercial areas in Idaho Falls. The photo on right is taken in 2020, and this area is no longer a main commercial area in Idaho Falls. 4 of the 10 buildings have been vacant for 3+ years. The traffic on Yellowstone and Anderson has decreased.

Slide 4- The area has deteriorating structures (pictures of buildings on site) 7 of the 10 buildings are over 48 years old.

Slide 5- pictures of rock and unsuitable topography due to elevation and basalt rock. (approximately 5 acres).

Page 15 of the study discusses the Idaho Falls Comprehensive Plan. This study area is designated as Mixed-Use Centers and Corridors and that designation supports the developer's plan. There was a planning study for Northgate/1st Street that is referenced on page 15.

Slide 6- picture showing concept of intersection improvements for Anderson, Yellowstone and Lincoln.

Slide 7- Goes over 10% limitation and these numbers are new because Bonneville County provided the 2023 numbers for base assessments. This slide reflects the new numbers, and this will be in the final draft. The total of all districts and proposed districts is \$74 million and is still below 1% of the City's total assessed valuation.

Radford recused himself and Thompson will chair this matter.

Thompson asked if the report is available to the developer. Thompson stated that last month there was a comment made that Steve Keim is not responding to emails. Magee stated that Keim has responded, and he gave her the vacancy numbers and he had to do research to get the vacancy numbers. Magee stated that she was asking for the information that was given in the May IFRA meeting and Stevens subsequently provided the numbers to Magee. She feels Keim knew she already had the information and so he didn't respond because she already had the information.

Conrad indicated that the next step would be to finalize the study for formal consideration and acceptance in September. There is a MOU with this developer, and he has made the 1st payment, so they understand they are moving forward.

Thompson stated that the next step is finalize the study in September. Conrad agreed and then there would be direction for it to go to the City Council for approval. Once the City Council approved, then they could prepare the Urban Renewal Plan. Thompson stated that all that is needed is to direct Magee to put together a final copy.

Conrad stated that this is just a discussion and not specific action, and Magee can move forward. Magee found a typo she will fix, and she will move forward, and asked the Board members to email comments to her if they have any.

Gazdik stated that the developer has already started to work on something with Starbucks. Has that been started? Gazdik recalled that the developer was moving ahead even though they had several months of work. Magee is not sure if that building has been demolished. Magee stated that they did test pits in the location that the warehouse would be. Magee will talk with Keim and find out. Magee stated that if the Community Services Department has not received a demolition permit, it is likely nothing has happened.

9. Project Update for Northgate Mile. Radford asked Cramer for an update.

Cramer stated that there have been meetings with other property owners to gauge interest. Cramer stated that one piece related to the eligibility report was a failure to notify Magee that the Board had authorized proceeding forward with the eligibility report and that developer has paid fee, and because it is now behind, Cramer will help get that rolling in the background. Cramer stated that the goal is to have a final draft in September to get that project back on track.

Radford stated that they have contacted a lot of owners along with Catherine Smith (Economic Development Director) in this District and there is interest in improvement in the area.

10. Appointment of New Executive Director.

Radford stated that Cramer left his position with the City of Idaho Falls and has stayed on the board as Executive Director, but his position with the INL creates conflicts of interest. Wade Sanner has been appointed as Planning Director for the City of Idaho Falls and has been getting familiar with Idaho's unique system. Radford stated that Cramer's employer is not comfortable with him continuing as Executive Director of the Agency and Sanner is capable and willing to help with that role. Radford has met with everyone involved and the proposal would be to move Wade Sanner to be Executive Director for the Agency with responsibility for all the aspects of moving projects forward and keeping everything in compliance with open meetings laws, records act, multiple government requirements and keeping the Agency completely compliant and transparent. The Agency would continue to contract with Cramer to help with the promotional aspects of getting the word out about urban renewal and what is available, and Cramer would work with Catherine Smith as the City Economic Development Director. Cramer and Smith would talk with people and have the Executive Director make sure everything is done correctly and in compliance. Radford proposed to appoint Sanner as new Executive Director and create a new contract with Cramer to delegate assignments to work with certain developers and take other task orders to fulfill for the Agency. Conrad has prepared a professional services agreement.

Thompson asked if INL is ok with this proposal. Cramer stated that when you have a side business outside of your employment you have to file paperwork with the conflict-of-interest office. Cramer filed 2 separate conflicts (executive director and his new business of Perspective Planning). The concern with INL and BEA's legal team has been with the Executive Director position because it appeared that Cramer had potential supervisory roles with the City staff and potentially managing a government agency budget and he was representing the agency's interest with the same developers that he was representing BEA's interest and that is when Cramer self-reported to the conflict-of-interest office and they asked him to step away. They do not have a problem if he is doing technical work and there is a buffer between him and the developers. The idea behind this proposal is that City staff could communicate with Cramer to get information and City Staff can take that information to the developer and Cramer is buffered from that conversation. Cramer can do technical writing as it does not represent anyone's interest.

Mayor Casper stated that she was not aware of this. The Agency's success is the City's success, and she is grateful that there are City employees who can add value to the work that IFRA is doing. Mayor Casper wants to continue to achieve success, but the workload is significant as is the workload for Community Development Director Services and the original proposal where Cramer was going to do it for a year would give the Director of Community Development Services time to get squared away before having to consider taking more on, and this is coming sooner than she thought it would. Mayor Casper would propose this to be a trial, rather than permanent, because if they find Director Sanner is being pulled in too many directions, it still might be wise for the Agency to find a separate director. Mayor Casper wants to create an inflection point to have this dialogue again in 6 months. Radford stated that the intent is to take some off the Community Director's shoulders as they are busy.

Wade Sanner stated that in terms of his service the only thing he can add to the discussion is that he has entered public service to serve. Sanner is not sure what he is getting into, and it is wise to see what the workload is, and he will defer to the Agency as to what is needed of him. Sanner is looking for balance in his life. Sanner will defer to Agency as to what they feel is best.

Cramer stated that the task order is structured so that Wade Sanner is welcome to use Cramer as often as needed.

Gazdik asked Cramer about the employer concerns about supervisory standpoint, but he will be required to train and educate Mr. Sanner in this position and asked if that is a concern with the employer. Cramer stated that training is different than supervising. Cramer doesn't have to be the only source for training as Conrad is an expert, and if it

becomes an issue Cramer will step back to however it works out. Cramer stated that as long as Cramer is not asking Sanner to do things for him then it takes the “supervisor” role out of it.

Hally feels that if it works out it benefits the whole program.

Radford understands the Mayor’s concern and wants to make sure Sanner does not have too much of a load and feels the 6-month suggestion is good. Radford indicated that the Agency would look back at this again in March. They must release Cramer from his commitment.

Gazdik Thanked Brad Cramer for his service, and moved to appoint Wade Sanner as new Executive Director with the understanding that the appointment will be revisited in 6 months (March), Hally seconded the motion and it passed unanimously.

11. Resolution Approving Professional Services Agreement Together with Associated Task Orders.

Conrad indicated that the professional services agreement and the existing agreement is terminated today by mutual termination. The new arrangement with Brad Cramer is similar to the professional agreements that have been entered into in the past. The most significant change is under the compensation section paragraph 2 it changes the compensation to more of a task order system. The Executive Director would have certain authority to have Cramer perform specific identified scopes of work. 2 Exhibits attached on page 8 and 9 with the first being a proposed form of task order which identifies the task order number, etc. Exhibit B sets for the proposed rates for scopes of work. There are two different rates- technical assistance to the Agency, this category would provide City Staff with the ability to meet and confer with specific projects or seek guidance on process and procedure. The rate is \$100/hr. The other examples provide more of a technical scope and the rate for those is \$130/hr. There are 3 proposed task orders.

Task Order 1- direct Cramer to prepare the Eligibility Study of Northgate.

Task Order 2 – River Commons Termination discussion

Task Order 3- Technical assistance to the Agency. This allows Cramer to communicate with Agency Staff.

Larsen asked when they revisit the executive director with Sanner that would have nothing to do with this as Cramer cannot go into that position.

Thompson moved to approve the Professional Services Agreement Together with Associated Taks Orders, Larsen seconded the motion, and it passed unanimously.

12. RAI and Legislative Update. Rumblings of potential legislative activity, but no specifics. RAI circulated letters regarding initiatives for education and gathering information on successful projects.

Thompson moved to adjourn the meeting, Gazdik seconded 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 1:30

Respectfully Submitted: Beckie Thompson