

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**January 19, 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, Terri Gazdik, Kirk Larsen, Chris Harvey

Members Absent: Jon Walker, Brent Thompson

Also Present: Brad Cramer; Meghan Conrad, Esq. (via Teams); Renee Magee (via Teams); Derek Ence (Via Teams) and interested citizens.

**1. Modification to Agenda.** None.

**2. Approval of Minutes December 15, 2022.** Kirk Larsen moved to accept the Minutes for December 15, 2022, Tom Hally seconded the motion, and the motion passed unanimously.

**3. Approval of Expenditures and Finance Report.** Lee Radford presented the Finance Report Dated January 19, 2023. In the River Commons Area: \$87.50 to Rebecca Thompson for transcription of minutes.

**Terri Gazdik moved to approve the Finance Report dated January 19, 2023, Kirk Larsen seconded the motion and the motion passed unanimously.**

**4. Resolution to Approve the Urban Renewal Plan for Anderson-Bush Urban Renewal Project.** Brad Cramer introduced the Plan for the area by AH Bush Elementary. Cramer stated that last month there was a draft for review of the Plan and Financial Feasibility Report. Renee Magee has updated and finalized the Financial Feasibility Report, and Magee will walk through those changes. Cramer stated that after consideration this will go to P&Z for consideration as to whether it is consistent with the Comprehensive Plan, and then to the City Council for finalization.

**Renee Magee.** Magee will not go through the entire Economic Feasibility Study. Magee stated that there are some differences. Magee removed the option for the assessed valuation to increase .5% annually and went back and provided a separate column where you can see the estimated tax increment due to developers project and that column didn't exist last month, as it was blended into the entire tax increment

project for the entire area. Magee stated that now they have in the increase a 2% evaluation that is projected the developer will be repaid in 2042. Magee added a cash flow analysis to the Report, that shows with the expenses for operation as well as the revenues that will be received how the debt service and expenses should work overtime. Magee kept the increase of 1%. Magee stated that repayment is 2042 under that scenario and a cash flow analysis is added. Magee stated that in terms of actual substance, there isn't much difference and the repayment year is still the same (2042). Magee stated that because the assistance that is requested is over 10% of the estimated assessed valuation of the new project, the revenues that are being dedicated to debt service are 80% and 85% instead of standard 75%, and that was listed the same in the feasibility study that the Agency saw last month. Magee stated that there are limitations to the study and that the projections can only be accurate without substantial changes to tax levies, economy, legislation, and timing of the development. Magee stated that as it stands if the assessed valuation only increases by 1% annually the \$2.3 million will be repaid by 2042.

Larsen asked about the tax revenue projections and were they based on the County valuing the property at \$19.5 as a starting point. Magee stated that the base value is based on the County data, and the valuation of the project is based on the developers estimate, which was reviewed with Bonneville County tax assessor. Magee is relying on the developer on this Feasibility Study because this is section 42 housing, with income approach, which is different than what is generally dealt with.

**Meghan Conrad, Esq. went over the Urban Renewal Plan.** Conrad stated that they have the Plan and the corresponding Resolution. Conrad stated that there have not been substantive changes since the document was reviewed in December, and the changes made have been clean up items, and they have worked with Magee on finalizing attachment 5. Conrad oriented the Agency to the project – 48 acres bounded by US 20/Science Center Drive (N), North Boulevard (E), Anderson Street (S). Introduction on page 1 there is a list of elements set forth in 50-2905 that must be included within an urban renewal plan and those elements are satisfied in the narrative and in the Economic Feasibility Study. The site conditions have impacted development and unsuccessful attempts in the past. There is basalt, topography issues, no internal street, no access to the northern section of site. Conrad stated that as part of the projects they are looking at remediation of rock with blasting and removal, and fill, internal roadways and improvements to Anderson Street, and sewer specific improvements. The total is \$2.5 million in infrastructure and \$2.25 million is for the 156 unit affordable housing site, plus the reimbursement for advanced planning costs related to the Memorandum of Understanding entered into with the developer for the establishment of this project area. This draft does continue to have blanks that will need to be filled in before it is transmitted to the City, including missing resolution

numbers and dates in section 102. Conrad stated that they do not have attachment 1 and 2 which are the survey map and legal. Conrad anticipates that will be completed by the beginning of February and inserted upon completion.

Conrad read 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 ANDERSONBUSH URBAN RENEAL PROJECT, WHICH PLAN INCLUDES REVENUE ALLOCATION FINCNAING PROVISIONS SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING AND DIRECTRING THE CHAIR, VICE-CHAIR OR ADMINISTRATOR AND THE SECRETARY OF THE AGENCY TO MAKE CERTAINTECHNICAL 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.

**Terri Gazdik, moved to pass the Resolution approving the Resolution for the Anderson-Bush Urban Renewal Project, together with technical edits, Kirk Larsen seconded motion, motion passed unanimously.**

##### **5. Review of the Draft Eligibility Report for the Stanley-Boge Urban Renewal District.**

Cramer stated that the Eligibility Study in the packet is not the most current. Magee will explain the changes.

**Renee Magee presented the Eligibility Report.** Magee stated that the most recent Eligibility Study was emailed by Ann this morning. Magee thanked Brian Stevens for doing a lot of the study including background work. Magee stated that in the future winter is not a good time to do an eligibility study in Idaho Falls, especially if it includes rock due to snow fall. Magee stated that they had to rely on sources they don't generally rely on. Magee showed the study area. North Boulevard (W), US 20 and Stanley (W), eastern boundary is hard to describe with the east property line of the lots that front Boge Ave. until you get to the southern portion of the study area, where there is a lot owned by the City of Idaho Falls, and in width it ranges from 25 - 28' and functions as a driveway to serve 5 parcels, Union Pacific Railroad and East Anderson (S). The area consists of 113 acres and the final description after the survey is done, could be slightly different than the noted 113 acres, as the acreage is based on the GIS system and Bonneville County parcel viewer and those figures sometimes

differ from a survey and legal description. The statutory criteria is outlined in pages 4 and 5 of the study and Magee will not go through them, as everyone understands what the criteria is. Magee went over what she felt were the most important characteristics of this study area: Unsuitable topography, with wide spread basalt in this area, and will increase the cost of development; inadequate street layout, or an outmoded street pattern - North Boulevard is not developed to current standards, with no curb, gutter or sidewalk and some of the unplatted lots do not have direct access to a public street and some are moving through another person's property to get to a street, and Boge Ave. is legal the way it is platted, but without the anticipated access to the eastern areas or the south, Boge Ave is over 1200' in length and could have an issue with emergency access; unsafe conditions, including no sidewalks on North Boulevard, and a need to supplement the fire flow in the study area; faulty lot layout and obsolete platting, the southern portion of the area shows this, with the parcels being small and oddly shaped, some parcels are landlocked.

Magee noted that this report is a draft and it could be altered before coming back to the Board because this area, unlike other areas, is an area that is in transition and the number of vacant parcels could decline depending on the timing. Magee stated that in the winter in Idaho Falls it is hard to develop documentation on the basalt in the area with snow on the ground. Magee has found that one or more of the statutory criteria are met, but that does not obligate the Board, or City Council to include any portions in an Urban Renewal Area.

Radford stated that the particular parcel does have a lot of topographical and rock issues that have limited it, but other parcels have been developed into commercial locations. Radford stated that parts of this haven't developed because of problems with the ground. Some of the parcels in the area have more problems than other parcels, but the area is one integral unit. Magee agreed and stated that on page 8 there is the study that was done by Atlas and that shows the 6 acres and the rock located at surface level or within 3' which does challenge the utilities. If there was the ability to walk on the site, they might find more rock in the area including the triangle lot at the corner of North Boulevard and Stanley Street, as it might have rock, that is visible from the surface. Magee stated that in 1989 she was on the property and the area along North Boulevard had visible rock. The geologic map indicates that the entire area has basalt present.

Larsen asked about the downside to putting lots in that don't have access to a public road and is there a negative to the Agency. Radford stated that the hope is to cure some of that, and the Board could help.

Gazdik asked if this is developer driven. Radford stated that the parcels on the north want to be developed east of Boge Ave. Radford stated that you can see rock at the

surface on the subject parcels. Radford stated that the developer is looking for help and this could be narrowed to only that area that the developer is wanting to develop, but because some of the parcels in the area appear to have a similar problem, they have included them in the Study. When another developer comes, they would have to take a look at the lot and its topographical characteristics. Cramer stated that the developer is in the room today.

**Brendon Dose is the developer.** Dose stated that the site is filled with basalt and the estimates to remove the rock and install utilities and flatten the site to make it buildable are high. Dose stated that they are aiming to put in suites between 2000 – 3000 sq. ft. for local businesses to use as warehouse space.

Radford stated that if the Agency wants to encourage development of parcels within areas that are appropriate for that type of building, the alternative is developing farm land. This land is not good for much, and if it can be made useful it makes a good location for this type of building.

Conrad asked Cramer to mention the water main loop and the boundary related to that loop. Cramer stated that one of the findings in the Eligibility Report is that there are inadequate utilities. That finding refers to the water department talking about insufficient fire flow. The system is looped within the boundary, but it would be better if the water line flowed out to Holmes Ave, to increase fire flow. Cramer stated that there is a question of whether the boundary needed to be expanded if the Agency is wanting to remedy that problem. Cramer stated that the challenge with extending the boundary is properties on the north of Stanley remain in the County and if those properties are included, there are extra steps that must occur in order for them to be included in the District. Cramer stated that there are additional steps and complications if the boundary does expand. Magee's report shows that the area qualifies without the utility issue, and there are reasons to stay with the boundary or reduce it. There are no potential projects going in that direction.

Radford stated that the area along Anderson and Holmes have parcels that suffer from the same geologic limitation and there has been some talk of developers wanting to develop that area, but it is not included, as they want that area to start on its own date, and that could solve some of the looping problem.

Larsen asked if the same concern is valid for the proposed area, and if no one was looking at doing anything should they start the clock on that portion. Cramer stated that they had started, and he hadn't gotten a report from the City's Economic Development Administrator was contacting property owners to see what other things were happening. They have determined that the parcel on the southwest has site plans submitted for development from a warehousing company.

Cramer wants authorization to finalize the report and bring it back next month to the Agency.

**Kirk Larsen moved to authorize Brad Cramer to finalize the Report and bring back the Resolution for adoption next month, Chris Harvey seconded the motion, and it passed unanimously.**

**Brad Cramer introduced the Agreement.** The Urban renewal District for Pancheri East Bank has been established and they need to do the Owner Participation Agreement to stipulate the details of financials, what portions the Agency will pay, identified projects, and timelines. Cramer stated that there are notes and points for discussion. Cramer stated that some has to do with timeline and how long it would take to construct the project and how much of an extension the Agency wants to offer and it has been potentially resolved. The second question is whether the reimbursable amount is higher due than what was originally proposed due to inflation concerns with costs going up. Cramer stated that they are looking for authorization to finalize and bring back for final approval next month.

**Derek Ence, Developer.** Ence stated that they intend to start the project in the Spring 2024. Ence stated that they intend to have the project finished by the end of 2025 and have the hotel open. Ence stated that things can take longer than projected and they are seeing some significant delays in other projects getting construction items. Ence has asked to extend the timeline a little bit, and he would like clarity if things take longer and what happens. Ence is looking for a \$50,000 increase in the anticipated cost of demolition. 2 years ago, they had a firm come out and give a cost of demolition of \$250,000 and in the last year prices have gone up and increases in materials and labor costs have increased. Ence is asking for the total amount set aside of \$400,000.

Meghan Conrad stated that a high level overview intends to identify the Agency funded public improvements that will be deemed eligible for reimbursement under the duration of the plan. It sets out a process as to how eligibility of those costs are determined, and how those are reimbursed over time. Conrad stated that for purposes of this OPA they are using the \$350,000 plus reimbursement of planning costs, specifically the costs incurred pursuant to the Memorandum of Understanding. The costs estimated in the plan are for the demolition and remediation cost of \$250,000 and the Riverwalk improvements of \$100,000. The planning costs are estimated at +/- \$38,000. The draft was circulated to Ence for his review and comment. Page 2 of the Agreement shows the effective date, and it is anticipated that this will be effective upon signature of the parties and originally they had a completion of construction period of 36 months and the developer has requested that it be pushed to 48 months pursuant to concern with market and other things. There was a one-time extension that

was put in there of 9 months and the developer is requesting it to be 12 months. Conrad feels those changes are reasonable and they have to rely on the developer to have a feel for construction timelines. The packet includes those changes for extensions of time. Reimbursement obligations are under the same paragraph and the obligations are in place until the participant (Sentinel) has been paid, the agreement is terminated or expiration of the urban renewal plan (December 31, 2042). Conrad moved to page 6 on Reimbursement Obligation (F). The reimbursement amount is still do not exceed of \$350,000 and the developer has indicated that the scope of work will not commence until spring/summer 2024, and this agreement is one that can be amended, but for purposes of this they need supporting detail at the time that the improvements are considered, once there are better numbers in order to support an increase. This draft agreement remains \$350,000. Conrad stated that in paragraph 2 Notification Inspection and Approval, that upon completion of eligible costs (i.e. Demolition and remediation would occur in time prior to the Riverwalk improvements.) Upon completion of each scope there would be a notification of completion issued, the review of improvements, cost documentation submitted in support of improvements, and ultimately costs memorialized in a Confirmation of Reimbursement Form. That would put a hard number on what is to be reimbursed. (G) Reimbursement Procedure. There are triggers that have to occur to trigger the reimbursement obligation for repayment of eligible costs, and they are outlined in G(1). The triggers include a certificate of occupancy on private development, completion of all of the Agency funded public improvements and acceptance by the City, execution of the Confirmation of Reimbursement forms, project must be completed within 48 months from effective date and actual receipt of revenue allocation proceeds in hand before reimbursement starts. This is a 75%/25% split. With 75% of revenues generated from the private development would be passed back to the developer and 25% retained by the Agency for costs.

Radford stated that this is an OPA where the developer will be paying for the improvements and then receive reimbursement over time as the money comes in. That gives incentive to the developer to do it as low as possible. Radford stated that the \$350,000 if it has deviation the developer can bring it in to the Agency for consideration and make changes as it occurs. Conrad agreed, and stated that OPA now has numbers outlined in the planned for best data point, and since they are over a year out from construction there will be better numbers as they draw closer to the date, and it will make sense to consider the additional increase and the explanation at that time, and it can be memorialized as an amendment. The existing building demolition will be expensive, and the site plan of what they are proposing shows the landscaping of Riverwalk Drive and attachment 4 gives the estimates of \$250,000 and \$100,000. Radford stated that the Plan was done with a certain set of numbers and the

Feasibility used a certain set of numbers and as things happen, there can be flexibility in the numbers if the economy and project changes.

Derek Ence has no problem with waiting. Ence stated that Magee could back him up that the anticipated tax revenues will more than compensate for the improvements, and Ence thought it would be easier to put it in the document now as opposed to coming back later. Ence has incentives to keep costs lower. Ence is happy with whatever the Board decides and will proceed with what is decided. Radford feels there will be no problem amending when necessary. Radford wants to keep this document consistent with the Plan.

Cramer indicated a motion to authorize staff to finalize the agreement and bring the resolution and agreement to the Agency next month for approval.

**Terri Gazdik moved to move forward with the final Owner Participation Agreement for Panheri East Bank and the Resolution, Chris Harvey seconded the motion and it passed unanimously.**

#### **7. Approval of Professional Services Agreement with Perspective Planning and Consulting for Executive Director Services.**

Brad Cramer has started a new position with INL and Battelle Energy Alliance and Cramer has created an LLC called Perspective Planning and Consulting LLC. The Agreement is to work with Cramer to continue to have his help in working with the Agency.

Meghan Conrad presented the Agreement. Conrad stated that the critical points are that it is an independent contractor relationship, and Cramer would not be an employee of the Agency, but rather, he is assigned tasks, but not deemed under law an employee. Page 1 references the scope and services provided and that is set forth in the attachment. Paragraph 3 is the price and payment with a proposal of \$90/hour excluding travel time, as well as including reimbursable expenses. Cramer will have to provide invoices for payment that are processed in the normal course. Insurance requirements are made and Cramer will have to retain and keep in good force certain insurance policies while serving in this independent contractor role. The Agreement is piggy backed on the agreement that Cramer is working through with the City of Idaho Falls to keep consistency between the arrangements.

Brad Cramer has reviewed the Agreement and feels the contract is fine, and he is happy to continue in this role as long as it works out for both parties and the City.



Radford stated that this Agreement will require a lot of cooperation between Cramer and the City, and they have attempted to have a flexible agreement, but they will still require help from Kerry Beutler, Ann Peterson, and coordinate with the City.

Kerry Beutler stated that the intent would be to have it function as it has, where developers and interested parties that want to meet with the Agency to consider a potential district, they would make the initial contact with the Community Development office and they would arrange a meeting with Cramer and Staff to have initial conversations and they would be placed on agendas as they progress. Beutler stated that day to day operations, requests, and things would still go to City Staff and they would interface with Cramer. Beutler anticipates being in contact weekly with Cramer to organize meetings, etc. Radford stated that Ann will still do documents, Beckie Thompson will do minutes. Beutler agreed and added that Brian Stevens has a GIS and Financial background that is ideal for the district work, and as planning office he will be the direct planner assisting with the Agency. Radford added that at time they will have the economic development director as well helping out with some projects. There will continue to have a close coordination with the City.

Cramer pointed out that the Agency needs to work with the City to formalize that piece. In order for Cramer to do this, he needs to work with INL legal team, and one of the concerns was to make sure that Cramer cannot supervise employees and the Agreement with the City memorializes that Cramer is not a supervisor, and each doing their own tasks. Radford asked Conrad if there was something moving forward on that. Conrad stated that she and Ryan Armbruster are working on that and moving it forward.

Gazdik asked if they envision this as an additional overhead cost or is this replacing costs that were already being paid to the City, and now those costs will go to Cramer. Radford stated that some will be offset because Cramer will be doing it through his LLC and not the City. Gazdik clarified it is not a 100% add on.

Conrad 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 REDEVELOPEMENT AGENCY, APPROVING THE AGREEMENT FOR EXECUTIVE DIRECTOR SERVICES RELATED TO THE IDAHO FALLS REDEVELOPMENT AGENCY WITH PERSPECTIVE PLANNING AND CONSULTING, LLC; AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE THE AGREEMENT AND ANY OTHER NECESSARY DOCUMENTS; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE**

## AGREEMENT; AUTHORIZING THE APPROPRIATION OF CERTAIN FUNDS PURSUANT TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

Chris Harvey is abstaining from voting as he works for the Federal Agency that oversees the Battelle Energy Alliance Contract and doesn't want any conflict of interest or appearance thereof.

**Kirk Larsen moved to approve the Resolution approving the Agreement for Executive Director Services, Tom Hally seconded the motion. Radford called for roll call vote: Larsen, yes; Gazdik, yes; Hally, yes; Radford, yes. The motion passed unanimously.**

### **8. Introduction of Cassie Auten as Redevelopment Agency Treasurer.**

Cassie Auten introduced herself. Auten has worked for the City for 3.5 years and worked with Brad Cramer. She has been the accountant for Community Development. Auten has been lucky to work with Community Development and looks forward to working with the Agency.

Radford stated that Hagedorn's responsibilities have changed and some of the work needed shifted to Cassie Auten.

Larsen asked if that service has been paid to the City, and so it would not be an add on. Radford stated that there has been an allocation of funds, and everyone gives an estimation as a percentage, and the Agency pays that percentage. Cramer is suggesting that Conrad and Randy Fife (City attorney) to get another agreement to formalize that understanding and make it clear. Hally asked what the dollar amount currently for reimbursement to the City. Larsen stated that the budget shows \$17,000. Auten stated that amount covers Brad Cramer, Kerry Beutler, Mark Hagedorn, Ann Peterson, and will include Brian Stevens as well. Cramer stated that at the end of the year, they try to estimate how many hours were spent for the year, and they have likely been underestimating the hours spent on IFRA. Cramer feels that formalizing the agreement will be good for both sides. Radford doesn't want to disrupt it too much as it's been a good deal for the Agency.

**9. 2022 Annual Report Outline.** Cramer stated that this is the time of year they work on the annual report, and in the past Brent McLane was working for the City and had design skills so he took the report and made it look professional and another employee did the layout last year. Cramer feels that with the strain that the City staff is currently under, and resources that are available outside of the City, Cramer is proposing layout and design using IE Productions to do the layout and printing. Cramer will continue to do research and text. They have done the Community

Development Services Department Report and have been easy to work with and cost effective. Cramer has asked them and it is \$85/hour for the services, and they have looked at what was produced in the past, and if there aren't major changes, it would take a couple hours and printing costs if the Agency wanted it sent to Alpha Graphics for printing. Cramer feels it would alleviate the burden on the City for the layout.

Radford feels that the annual report has been good, and it is important to let the public know what the Agency has been doing and it needs to be in a good format.

**10. RAI/Legislative Updates.** Meghan Conrad stated that the Legislature has kicked off and there is an RAI meeting today and a Legislative Report will be presented at that meeting. There are no urban renewal specific Bills at this point, but they are starting to see more activity in the committees. Conrad will keep Agency posted and in the next couple of weeks it will be busy.

Next Regular Meeting: February 16, 2023.

**Tom Hally moved to adjourn the meeting, Kirk Larsen seconded the motion and it passed unanimously.**

Radford adjourned the meeting at 1:10 p.m.

Respectfully Submitted: Beckie Thompson