

IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

February 18, 2021

Regular Meeting Minutes

Council Chambers

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

Members Present: Lee Radford, Brent Thompson, Chris Harvey, Kirk Larsen.

Members Absent: Terri Gazdik, Thomas Halley

Also Present: Brad Cramer; Ryan Armbruster Esq.; Meghan Conrad, Esq.; and interested citizens.

1. Modification to Agenda. None.

2. Approval of Minutes January 21, 2121. Kirk Larsen moved to approve the Minutes for January 21, 2121, Brent Thompson seconded the motion and it passed unanimously.

3. Approval of Expenditures and Finance Report. Lee Radford presented the Finance Report dated February 18, 2021. Mark Hagedorn presented OPA Payments: Jackson Hole Junction equaling 8% although that payment was discounted by \$8,000 for the costs and fees associated with the creation of the District, and those fees/costs were fronted by River Commons, so there is a transfer to transfer those funds back to River Commons. Hagedorn presented an OPA payment to Eagle Ridge Development and that has been discounted for some developer participation. Hagedorn explained that in 2015 there were costs in the sum of \$75,000 and the developer paid \$20,000 and there was an outstanding receivable of \$15,280 (ish) it sat on the books for a couple of years prior to Hagedorn working for the City and so he didn't understand what it was, so he and Cramer discussed it, and after talking to auditors they found out what it was and wanted to resolve it, the costs apply to legal fees and advertisement fees and there were \$15,280 in development costs that were covered by the developer. Hagedorn presented the OPA to Bandon River which is 75% of their projects. Payment to Rebecca Thompson for Transcription of Minutes.

Brent Thompson moved to approve the Finance Report dated February 18, 2021, Chris Harvey seconded the motion. The Motion passed unanimously.

4. Public Hearing on 2020 Annual Report. Cramer explained that they intended to hold the public hearing, but there are some issues with the document that need to be worked out. There was an advertisement that went out that would allow public comment, although there is no one present at this time, but if someone joins, they will take those comments. Cramer stated that he took the feed back he got last month about making sure that items related to the closure of Pancheri/Yellowstone and the Dr. Lee Project, as well as notes starting up the micro district concept. Cramer stated that the size of the report has gone down because they have taken out the Snake River District. Cramer stated that most of the report remains the same, and he has added the closeout information on Pancheri Yellowstone and how much money went back to the County and City. Cramer stated that now that Jackson Hole Junction has projects, they have been able to update on their increment. Cramer likes the final table that has the Summary of the Increment Value. Cramer stated that even in the newer districts, in just a couple of years their

increment value is over \$15 million and there is still more coming in that development. Cramer stated that the Agency is still doing good things and they are not doing a lot of projects like they were.

Larsen agrees that they should show the cumulative effect of the Redevelopment Agency's efforts as it has value.

Radford suggested putting "Legacy" projects in another table because it is important to keep context and history. Cramer showed the table of all of the Snake River projects that is still in the report. Radford wanted the Legacy projects added to the summary of income value with a separate table for "Legacy Projects", that gives the beginning and ending increments.

Radford opened the public hearing for the 2020 Annual Report and accepted public comment on the annual report.

No one appeared in person, virtually, or through written comment.

Armbruster stated that the Annual Report that is put together by Idaho Falls is one of the best Documents out there when compared to other Agency Reports. Armbruster stated that they will again allow opportunity for anyone to comment before or at the March meeting.

Radford closed the public hearing for the 2020 Annual Report.

No action will be taken at this meeting, and the 2020 Annual Report will be noticed again for the March meeting as a public hearing.

5. Sub-Committee Update on Northgate and 1st Street. Cramer stated that Chad Murdock is working with property owners to see what options are out there for acquiring property, and they have also been working with Stantec who is managing the EPA Grant and they are working on developing a site development plan concept for the areas that have been discussed. Cramer stated that Stantec presented three options to the sub-committee and the group discussed those options and narrowed them down to a modified version. Cramer reminded the Board that they don't control the property, and this is just a concept to show something is possible. Cramer explained that the latest version shows: The pharmacy stays the same, but the rest of the buildings will disappear and there will be a mix of commercial, apartments and townhomes. Cramer showed that this option has 83 dwelling units, 15,000 sq. ft of non-residential space (office/commercial), creative uses of parking to minimize the amount of asphalt for parking, but still have enough to be functional.

Larsen stated that there was discussion about the three plans, and the original concepts were A-1, A-2, B1 and C-1 is a modification to the A-2 plan. Larsen stated that there was discussion of the tuck under parking and the value of that and it was agreed that it had value. Larsen stated that the housing on the east side of Lee has green space associated and that is a plus. Larsen stated that they discussed if they could move forward with one of the projects if they did not get the used car lot. Larsen stated that they decided to move forward as shown as if the whole project came together, but there was discussion in developing the project without the used car lot.

Thompson stated that the interesting concept for building was mixed use with the retail on lower level and a three- or two-level building with apartments on one. Thompson stated that the car lot is problematic, and the Pharmacy will stay as the footprint indicates, and it needs to be turned around backwards to provide entry from the interior parking space. Thompson feels an access off of Yellowstone would be nice. Thompson is concerned about the apartments on one side and older stuff across the street.

Thompson feels the concept is appealing, especially the mixed use. Thompson feels the used car lot is critical.

Larsen stated that all the on-street parking on 3 sides would still remain so there is additional parking besides what is shown.

Thompson stated that the concept doesn't show the triangle building because if they re-route the traffic and provide a left turn onto 1st Street it will take the curbside parking off of Yellowstone, so the triangle building won't have any parking at all, unless they work out something.

Radford asked if the Chinese restaurant project could work independently but questioned how the live/work units and how sellable /marketable they would be. Cramer stated that one of the alternatives showed an apartment building similar to 3-A and one of the options could be a more standard apartment building. Larsen stated that B-1 had regular apartments on the east side of Lee.

Radford asked about the concept that you could access Yellowstone/Northgate. Thompson thought one of the concepts had access to Yellowstone. Cramer couldn't recall that concept and looked through the concepts. Thompson agrees that access to Yellowstone would make the commercial buildings more marketable.

Radford asked if without the car lot is this development impossible. Radford feels like if they split the alley in half. Thompson agreed that if they eliminate building 1-B and 3-B. Thompson stated that the used car lot doesn't include property which is the north west frontage on Lee. Cramer indicated that the secondhand store has been talked to about an option. Thompson stated that they could possibly put a building where the secondhand store is that would back up to Lee Ave., where the Thrift store and the east end of the blue roofed building. Thompson says it is not impossible, there is just a lot of concern about that being included in this project.

Larsen can't find the access off of Yellowstone on the plans he is looking at. Larsen stated there is access off of Lomax and 1st Street near Yellowstone.

Cramer doesn't think ITD would permit an access on Yellowstone. Cramer showed another concept that showed a couple of apartment buildings that could fit on the east side of Lee.

Radford asked what the market is on the 3level apartments. Thompson doesn't have much experience with 3 level, but an elevator would make them easier to sell. Radford stated that the tuck ender parking takes up a lot of the first level, so the living level would be the second and bedrooms on the third. Radford commended the concepts and feels they advance the ball.

Chad Murdock stated that the seller isn't the seller, he's had it on three different notes, and he has to foreclose on each one. Chad stated that Armbruster brought up the concern about going through the foreclosure process, and if someone buys it at the sale it is a huge risk. Murdock stated that he thought about following the banks approaches in banking for REO Properties and seek after the actual owner who lives in Arkansas or Oklahoma who hasn't paid on anything including taxes. Murdock could reach out to him and do what is called a cash for keys and see if he will allow a deed in lieu. If the owner would sign it over maybe they could offer like \$1500. Murdock says he has seen it turn a bitter landowner into a cooperative person because there is some money to exchange.

Cramer asked if they need to move into executive session before they discuss it more.

Armbruster confirmed with Cramer that there are only 4 Board members on the meeting, so they cannot go into Executive Session unless they have 2/3 (5 members).

Radford stated that there is a legal issue on how to approach this and they need a meeting with the attorneys and give some guidance to Murdock. Radford feels this is a sophisticated area when you get into foreclosures and deeds in lieu have problems too. Radford wants Conrad, Armbruster, Harvey and himself to get together and figure out how to go through this to then give Murdock direction on the legal approach issue.

Armbruster asked Murdock to get the documents from the lien holder so they can review and figure out what interest he is holding.

Murdock asked if they could reach out to the owner in the south and help him sell the property and do a short sell, then the note holder could reduce the payoff to the amount agreed to already and that could be done quickly.

Cramer will put a meeting together; Murdock can get the documents quickly as most of them should be with the Title Company.

Cramer asked them to consider the Pharmacy property and the Pharmacy property line is large and they want to know what the Board is willing to pay for an option for that property.

Armbruster stated that they shouldn't talk about price in open session.

Radford directed the sub-committee to work with Murdock on that issue.

6. RAI and Legislative Update. Armbruster stated that Conrad put together a very comprehensive letter that has been formally submitted on behalf of the Redevelopment Association opposing Senate Bill 1108. Senate Bill 1108 is a budget cap on taxing entities in terms of how they can raise their budgets from year to year and it limits the amount of new construction value a taxing entity can take to 75% of the actual value in any given year with the exception in a close out situation of a revenue allocation area that amount drops to 50%. Armbruster stated that due to some Heroic efforts by Mayor Casper last year she was able to persuade the Bill sponsor to totally exempt from any cap the value of new construction/tax increment value that comes on when a project area terminates, but that is not in this Bill. Armbruster stated that there are some changes to a foregone amount which would limit any calculation of any new construction value, the 3% budget value, and foregone to a hard cap of 4%. Armbruster stated that the hearing on that bill is today at 3 p.m. There have been a lot of letters in opposition filed. The Association of Idaho Cities has lined up people to testify in opposition.

Armbruster mentioned Senate Bill 1044 that is a repeat of a Bill that went almost all the way through the process but did not get House approval due to the session adjourning for Covid, that Bill indicates that a mixed Board such is on ours, if it ever wanted to invoke eminent domain it would have to get the approval of the City Council to file any type of eminent domain action. Armbruster stated that the Bill would prevent an Agency like this one to issue tax exempt debt. Armbruster stated that they worked to get an additional provision in the Bill that Bond Council is confident would continue to allow them to issue tax exempt debt. Armbruster stated that the Bill has passed the Senate and is over at House Local Government this afternoon, and he assumes it will sail through the House as well.

Armbruster stated that it has been a tough session due to Covid things and trying to reign in some of the Governor's powers.

Conrad feels Armbruster covered it well. Conrad stated that there has been a significant flow of letters to the Senate Committee from all fronts and there have been plenty signed up to testify this afternoon at 3 p.m. and it can be live streamed if interested.

7. Executive Session pursuant to Idaho Code 74-206(1)(c) to acquire an interest in real Property which is not owned by a public agency. There are not enough Board members present to go into Executive Session 2/3 is needed (5 members).

Next Regular Meeting: March 18, 2021

Kirk Larsen moved to adjourn the meeting, Chris Harvey seconded the motion and it passed unanimously.

Radford adjourned the meeting at 12:45 p.m.

Respectfully Submitted: Beckie Thompson