

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**March 16, 2023                      Regular Meeting Minutes                      Council Chambers**

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

Members Present: Lee Radford, Terri Gazdik, Tom Hally, Brent Thompson

Members Absent: Chris Harvey, Jon Walker

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

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

**2. Approval of Minutes February 16, 2023.** Thompson was present at the meeting, not on Teams and that needs to be indicated correctly on the Minutes. **Hally moved to accept the Minutes for February 16, 2023, Thompson seconded the motion, and the motion passed unanimously.**

**3. Approval of Expenditures and Finance Report.** Lee Radford presented the Finance Report Dated March 16, 2023. In the River Commons Area: \$100.00 to Rebecca Thompson for transcription of minutes; \$1,485.00 to Brad Cramer-Perspective Planning and Consulting, LLC; \$6,261.75 to Elam and Burke for professional legal services; \$4,500 to Rudd and Company for professional services. In the Pancheri East Revenue Allocation Fund: \$1,690.50 to Elam and Burke legal services.

**Thompson moved to approve the Finance Report dated March 16, 2023, Gazdik seconded the motion and the motion passed unanimously.**

**4. Receive Public Comment and Consider Resolution on 2022 Annual Report**

Radford opened the public hearing for comment on the 2022 Annual Report for the Idaho Falls Redevelopment Agency.

No one appeared in support or opposition.

Radford closed the public hearing.

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 REDEVELOPMENT AGENCY, TO BE TERMED THE "ANNUAL REPORT RESOLUTION," APPROVING THE ANNUAL REPORT OF THE URBAN RENEWAL AGENCY, FOR CALENDAR YEAR 2022; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT WITH THE CITY AND IDAHO STATE CONTROLLER; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE ANNUAL REPORT; AUTHORIZING THE CHAIR, VICE-CHAIR, OR AGENCY ADMINISTRATOR TO FILE SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

**Thompson moved to approve the Resolution Approving the 2022 Annual Report, Gazdik seconded the motion. The motion passed unanimously.**

#### **5. Resolution Approving An Agreement Between the Agency and the City of Idaho Falls for Staff Services.**

Radford stated that there is an agreement that has been worked on and was presented in part last month.

Conrad indicated that this is the agreement between the City and Agency for use of City Staff time. The Agreement specifically identifies the categories and scopes of work that the Agency will use City employees to produce. Conrad stated that the Board reviewed the Agreement at the last meeting in February, and this Agreement has now been reviewed by the City Attorney's office, and they had some comments to the agreements, and the changes were made and incorporated into the final draft. Conrad indicated that the most significant changes were the agreement did have some retroactive effect, and it is now changed to the effective date of this agreement is the date last signed. This will be the document that manages the relationship between the parties moving forward. The City had requested an addition of their specific non-discrimination language and an anti-Israel Boycott paragraph which is consistent with Idaho Law. The City also requested that there is a mutual termination for cause, the Agency had a termination for cause provision in the Agreement, and the City asked for a similar mutual provision. Conrad indicated that Radford had asked for changes to paragraph 4 about how the base salary was established (not just salary considered, but the City's monthly hourly rate shall be based on the salary and other benefit cost included.) Conrad stated that the City Attorney has reviewed and signed off on the Agreement.

Radford stated that they are trying to reflect the past agreement and understanding with the City in writing so it is formalized.

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 REDEVELOPMENT AGENCY, APPROVING THE ADMINISTRATION AND SUPPORT SERVICES AGREEMENT BY AND BETWEEN THE CITY OF IDAHO FALLS AND THE IDAHO FALLS REDEVELOPMENT AGENCY, AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE THE AGREEMENT AND ANY OTHER NECESSARY DOCUMENTS, AUTHORIZE ANY TECHNICAL CORRECTIONS TO THE AGREEMENT, AUTHORIZING THE APPROPRIATION OF CERTAIN FUNDS PURSUANT TO THE AGREEMENT AND PROVIDING AN EFFECTIVE DATE.

**Hally moved to approve the Resolution Approving the Administration and Support Services Agreement, Gazdik seconded the motion.**

Gazdik stated that in this Agreement they improvised for annual evaluation of staff, and asked if they have done those evaluations in the past. Cramer stated that has not been done in the past. Gazdik stated that it isn't saying that we are needing to do that, and she is curious about the addition on page 6, as it seems strange to have it in the agreement. Radford stated that it is giving the City some security that if they don't raise the issues annually that they can assume that the people assigned to the Agency are doing a good job, and that issues won't be brought up later. Gazdik feels that the Agreement is stating it is a mandatory thing that they need to have an evaluation process done. Radford clarified that the second sentence states "One of the purposes of such evaluation is to provide for the opportunity to request the City assign other employees to provide the services." Radford asked Conrad for insight. Gazdik added that it indicates that the Agency needs to provide the results of the evaluation to the City, and looks like an action item that the Agency is signing on to do. Conrad stated that because this is a City Agency agreement and the Agency is paying an hourly rate for staff time, it sets up a process wherein the Agency is making sure that the time that they are paying for is consistent and it provides a process for providing feedback, and if the relationship is not working, there is an opportunity to move forward with a different individual. Radford stated that this has 30-day termination provision, and both sides can terminate with 30 days' notice, making it a short term agreement if either party is unhappy. Radford stated that he feels that they can do the evaluations and submit it, and if they don't they will assume that the Agency is ok with the staff. Gazdik is not opposed but feels like it formalizes something the Agency is now forced to do. Thompson stated that it could read "IFRA may evaluate the performance." As this Agreement states that "IFRA shall...". Hally stated that the staff that provides the services from the City to the Agency, they are evaluated so he feels that is part of their evaluation, and maybe to make a little paragraph on June 1 that things are going

well, and staff is doing a good job. Gazdik would prefer changing that word to “may” rather than shall. Radford agreed and asked Conrad if they can make that change and approve the Resolution with that change, and then that can be submitted to the City and see if they are ok with the change. Conrad agreed.

Radford indicated that they would change “shall” to “may” in the 1<sup>st</sup> sentence of Section 7.

**Hally moved to modify the motion with the correction that has been discussed with the wording being changed from “shall” to “may” for providing feedback to the City, Gazdik seconded the modification, and the motion passed unanimously.**

## **6. Request for a New Urban Renewal District along the Northgate Mile.**

Cramer stated that the Northgate Mile has been an area of concern in the City as it has a number of large businesses leave, including car dealerships, and some of the buildings have fallen into disrepair. It has been on the Agency’s radar for years, and one of the reasons the City applied for the EPA Brownfields Grant. Cramer indicated that he begun the discussion while he was still working for the City. The discussion has been led by Curtis Ward and Greg Croft who are present today. Cramer showed the aerial of the area that they are looking into a for a potential project for redevelopment. Cramer stated that over the 6-8 months of discussion, the boundary has grown, and now the proposed boundary is larger. Cramer stated that some of the specific renderings are still in the original discussion site, but the overall boundary is larger and will encompass some of the dealerships that are now vacant. The request is if the Agency is prepared and willing to pursue a new district in the area, and what the boundary would look like. Cramer has put it on the Agenda as an action item, in the event that the Board wanted to take action today and authorize staff to prepare an MOU to start the Eligibility Report. The Board is not obligated to take action.

**Greg Croft.** Croft stated that this area has buildings that are going out of fashion in this area. Curtis Ward currently owns the old Foundry location and some property behind it, and that is where the request centered in on. Croft stated that there are streets within the boundary that are not paved and they have had discussion with some of the planning and zoning staff. The proposed district goes up to the new police station and also encompasses most of the commercial area down to Gladstone and including the blocks on both sides of Yellowstone. Radford clarified the boundary of Gladstone to just past May to encompass the fire station. Croft stated that the dealership that has left the area has left a void in the area, and there is opportunity to redevelop this area into something that is the Gateway to Yellowstone and an extension to the Downtown. The City had a study done on Northgate a few years ago, and this boundary falls in line with the study and what they are intending to do in the

area. Croft stated that they are wanting to create a mixed use project with commercial on ground floor due to the interesting topography, and multi-family projects for the rest, and the back of the building up against the rail road tracks would be multi-family. The building would have substantial walls to deal with the sound and mitigate the sound for the residents. Croft stated that these are rough ideas, and they aren't through the schematic design.

Cramer showed the boundary. Cramer indicated that the owners of the building that is L shaped have talked to Cramer in the past and are interested in being included, so as that discussion unfolds, there is a willing property owner.

Thompson asked if the buildings that have residence in them are fronting Northgate. Croft indicated that the two residents would be fronting onto Northgate, but would be above the street view and those are proposed as a loft type of apartment. Thompson asked if they can have sound walls that high to screen the noise. Croft indicated that the thickness of the walls is proposed to be a tilt up structure, which is heavy and they would still have to meet the standard STC sound transmission rating for apartments in general. The walls are tilt up of 14 inches and are made of concrete and rigid insulation foam (Sandwich).

Gazdik asked if they are to block the sound from railroad, or Northgate. Croft indicated that the walls are thick enough and would be used around the site. There will be no fence.

Hally asked how many acres the proposed development is. Croft indicated that it totals out to 1 acre. The City is proposing that they might abandon the alley and split it between the 2 neighbors.

Radford asked if there is a potential developer, and potential financing and/or funding for this project. Croft indicated that Curtis Ward is the owner of Guardian Homes and is the developer for the project.

Radford asked what properties would the developer be buying, as there is a mixed up property pattern, including Idaho Steele Products, Bok Choy, WP Holdings. Croft doesn't believe that all of the owners would want to redevelop, but they want to create the opportunity to do so. It is an expensive process to create a district and there is a lot of opportunity across Yellowstone for those areas being redeveloped. Croft stated that the property at the top where the police station isn't using the land, it would be a redevelopment sooner than 20 years. Most of the automotive buildings that are across Yellowstone could develop. Croft is trying to act as a gateway for other projects to come, so instead of creating a spotted map, they are trying to create a zone where the

epicenter project would kick off the development, but it could result in other projects occurring in the same zone.

Radford is glad there is interest and he wants the Agency to help them be successful in how to do the projects. Radford stated that the Districts only have a 20 year life and so every year that goes by you are reducing the effectiveness of the District by 1/20. The Agency's tendency has been, to get a feel for the area, do a study of eligibility for the broader area, and then establish the District just for the piece of land that is proposed to be developed, that way you don't start running the clock on the 20 years on everything else.

Croft stated that his thought is that by having the District in place they are reducing everyone else's time by 6-8 months to get prepared to create a District, and if they make the entire area eligible, they feel that 20% is land/buildings that have come up for sale or option for sale. There is a huge turnover happening in this area, and if the other people have to come up with the \$40,000 to create the District, they could not afford to create a new District. Croft stated that they are wanting to take the opportunity during this time of turnover, and the investment and interest is there to create a district that is bigger than a single project and reduce the overall burden on the other projects.

**Curtis Ward.** Ward is the owner of the one parcel. Ward understands Radford's concern and he has been actively reaching out to home owners, but most aren't ready to sell, or aren't ready yet, but the car dealership has 3-4 parcels already under contract with Jace Howell. Ward cannot afford to do a lot with his one parcel, but he is taking a big risk to put money in one piece of land, with the goal to get Jace Howell to come in, and make the area more desirable with cool shops and a walkable area. Ward stated that there are a lot of roads in the boundary that need improved, or tearing down some old buildings.

Radford stated that if Jace Howell wanted to participate, and some of the costs could be shared so they can move forward it would help a lot. Radford stated that saving cost is valid, but the balance between the smaller districts having costs, and they are trying to find ways to smaller districts at lower cost. The 20-year life span makes it hard to wait for a property as they are hurting its future potential to get tax increment financing by having the district on it. They are trying to find the compromise to make the whole tool effective.

Thompson stated that they mentioned demolition and that would be a significant cost. Thompson asked if they have done any cursory survey of the presence of asbestos, and would that make the demolition costs normal.

Ward stated that he has heard rumors that building around him have asbestos. Ward stated that when he bought the Foundry and the old auto body shop, they did the EPA and the concrete is contaminated, but as long as he is demolishing the building he is free and clear. The Foundry and the building are \$125,000 for demolition. Ward stated that it is \$125,000 and if the District costs him \$50,000 to set up he can get the rest back over time. Ward understands that the District freezes the taxes, and anything greater goes into a pot and as needed the he can reclaim. Ward stated that there is a gas line through the property that has to be re-run, Garfield isn't paved right now. There are big costs, and right now, he paid \$500,000 for all three properties. Ward guesses that he will be about \$7.5 million so the taxes will go up a lot and he feels that he will be putting a lot into the tax with just his building alone.

Radford asked which building Ward owns. Ward indicated that WP Holdings is his company. Radford stated that Idaho Steel Products is not you and Paula Ochoa is not purchased by Ward. Ward stated that Paula is willing to sell, but everyone's prices are too high to make the numbers work. Ward stated that he has some investors that are interested in the area. Paula wants a lot more than what Ward can afford. Ward is hoping that if Paula's property is put in the District she can improve something on her building. Ward wants to encourage people to be part of the District. Ward's realtor has talked to most of the property owners, and they are considering selling, but the selling price is higher than Ward can afford. Ward stated that in a month the building down from him is going up for auction and Ward will be there to pick up that property. Ward would like to encourage someone to come in and help and push on the development in the area in the 20 year time frame. Ward feels he can recoup the cost in his own building and if he can get more people interested, it will encourage movement.

Croft asked about the 20 year life span, and how it works. Radford stated that they would enter into a Plan that described what was going to be done with his property, there would be an Owner Participation Agreement that would outline what the Agency would help with, and what public infrastructure can be assisted with, and how the Agency can help with demolition, and there would be an agreement to repay the developer over a time period, and the remainder would be available for other projects. Croft stated that if you can create that propulsion system, in 10 years there are really good projects that happened, then there is a lot of fuel and money behind you for the last 10 years. He feels you can propel the area with a slightly larger District, rather than being super focused on one property.

Radford stated that they have seen some that they have started on and a recession happens and it impacts their ability to recover funds, and the Agency wants the developers to be successful. Radford wants to find a successful path forward.

Thompson asked which building is Paula Ochoa's. Ward showed which building is Ochoa's. Ward stated that everybody is willing to sell, but the cost is more than he can make the numbers work. Ochoa has ½ acre, and if they can find value in the buildings it is great, and her building isn't designed for anything he wants to do, so it is a tear down, and Ochoa sees it as a usable 20,000 square foot building.

Thompson asked about south. Ward stated that Muddy's is currently for sale and he is selling the business with the building including the liquor license and it is more money for the inclusion of the liquor license. Ward hasn't gotten a hold of the property owner for the property right below Muddy's and the chop shop, and Denning Well Drilling owns a 5' strip near those properties. Richard's Diesel is willing to sell, but the number he was given don't work for him.

Radford stated that this is an area the Agency wants to work on, but the question is how to help Ward be successful. Radford's impression feels that it needs more meetings to talk about how to do that before they start defining a District Area. Radford suggested sitting down with Ward and Croft this month and talk about paths forward.

Cramer agreed it would be helpful to have some conversations before the next meeting. Cramer stated that at this point they cannot get a quorum on the meeting date, so the next meeting would be May before they can revisit this item.

Radford stated that if they were moving forward only on Ward's property it would be great, and everyone can get on board. Radford asked if there is still money to help with costs. Cramer stated that there is some money left and that money hasn't been spent yet. Radford stated that they could agree to do a District and forward some of the costs that the Agency could recover from the tax increment in the future, so Ward is not impacted as much. Radford is worried that as soon as the Agency starts nosing around, making a big District, no one will sell, and it becomes a consolidation problem. Ochoa will think that her property is the Taj Mahal as soon as they start moving forward. It will become more difficult.

Croft agrees, and he felt that the bigger the area, the more likely the approval. Croft and Ward didn't know that they could only do their lot as an option.

Cramer indicated that there will be no staff available on April 17 for the regular meeting, and they could run the meeting with just Meghan Conrad.

Thompson stated he would not be available on April 20, but could possibly appear online.



Radford wants to get a meeting on April 20, and if that is the only item on the Agenda they can talk more and see what to do, and look at the single lot approach.

Gazdik asked if there is going to be some interim discussion with Ward and Croft on how to structure the District before the meeting.

Cramer stated that it would be helpful if there is a member or 2 of the board that would be willing to join in the meetings and hear the discussion along the way. Radford agreed to be part of that, and Thompson can do it in March. Gazdik is busy until after April 15.

Radford feels it is a great area, and needs a lot of work, but they need to get it going in the right direction.

**10. RAI and Legislative Update.** Conrad stated that HB 292 appears to be a compromise of several property tax relief bills and the perspective of the Agency one of the main concerns is there are several provisions that contemplate sales tax replacement funding. Certain levies would be removed from owner occupied and the last revenues to the overlapping taxing districts would be replaced with sales tax revenue. That is moving through the process quickly. There is still lingering a data center in an urban renewal agency bill, and it was replaced by another bill that was just printed this morning.

Next Regular Meeting: April 20, 2023.

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

Radford adjourned the meeting.

Respectfully Submitted: Beckie Thompson