

IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

March 17, 2022

Regular Meeting Minutes

Council Chambers

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

Members Present: Lee Radford, Terri Gazdik, Chris Harvey (Via WebEx), Kirk Larsen (via Webex), Brent Thompson, Thomas Hally.

Members Absent: Jon Walker

Also Present: Brad Cramer; Ryan Armbruster Esq. (via Webex.), Abigail Germaine, Esq. (via Webex); Renee Magee (via Webex) and interested citizens.

1. Modification to Agenda. None.

2. Approval of Minutes February 17, 2022. Armbruster had typographical errors requested to be fixed. **Thomas Hally moved to approve the Minutes with modifications for February 17, 2022, Terri Gazdik seconded the motion and the motion passed unanimously.**

3. Approval of Expenditures and Finance Report. Lee Radford presented the Finance Report Dated March 17, 2022. In the River Commons Area: \$62.50 to Rebecca Thompson for transcription of minutes; \$1,000 to Renee Magee for the Feasibility Study for the new Pancheri East Bank area, \$1,955.61 to Elam and Burke for legal; \$2,000 to Rudd and Company for final payment on Audit; In the Jackson Hole Junction Area: \$112.50 to Elam and Burke for legal.

Terri Gazdik moved to approve the Finance Report dated March 17, 2022, Thomas Hally seconded the motion and the motion passed unanimously.

4. Public Comment and Resolution Approving the 2021 Annual Report. Cramer stated that Armbruster sent corrections and those adjustments have been made. Cramer stated that where they don't have as many projects going, the summary has become much shorter, and the majority of 2021 was spent working on the micro-district concept in Northgate/1st Street Area. Cramer stated that effort has continued into 2022 with looking at smaller districts. Cramer stated that he has maintained the Legacy Table in the report that shows the older Districts and what happened over their life span. Cramer stated that one of the data points that the Board has appreciated is the table on Page 10 gives the base value of the current Districts as of 2021, the net taxable value of the District and the current tax increment value. Cramer stated that Jackson Hole Junction has continued to see growth and development. Cramer stated that River Commons has continued to have a strong performance and Eagle Ridge is now growing and there is some interest in the vacant land in Eagle Ridge.

Armbruster gave updates on page 4 that showed an acknowledgement of closing out Snake River and Pancheri Yellowstone and now there are 3 Districts that the Agency has jurisdiction over. Armbruster stated that it has been over 30 years since the Agency was established in 1988. Armbruster stated that on page 11 the reference should be the audited financial statements from September 30, 2021. Armbruster stated that the bottom of the page is a reflection that the Agency doesn't own property anymore, so there is no property to dispose of. Armbruster stated that on the final page Governing Statutes, they have added

some text and they are still working with the State Controllers Office to figure out where they need to file this document along with the Audit. Armbruster state that the document goes to the City, and last year the Legislature Changed the law to require the Agency to submit it to the State Controller, and they continue to have dialogue with the State Controller as to where they send it, as they don't have an open portal. Armbruster indicated that the irony is that what they send at this point is the same information that they have to send later in the year, and they are trying to persuade them that the duplicitous of this should allow them to only send once.

Cramer summarized how he has distributed and posted this information to give the public the opportunity to comment at the meeting today. Cramer stated that he published a legal ad in the newspaper notifying the date of the hearing, and the notice included that it would be available on the website and has been available on the website for people to review and comment on, and no comments have been received.

Radford opened the public hearing for any comments regarding the 2021 Annual Report.

No one appeared to comment in support or opposition.

Thompson asked why the base values are from 2021 and wouldn't it be more descriptive if the base value was from when the District was created. Armbruster stated that when you establish as project area, there is a base value of the year that you are establishing the area, but there can be adjustments to the base over time. Armbruster stated that it is a process that the Assessor goes through, and it depends on whether there has been exempt property coming out and in. Hally stated that the base could change if you made changes to the District in terms of adding area or taking area out.

Larsen asked if the portal that Armbruster is talking of for reporting to the State Controller, is that just a mechanism to get it digitally transferred to their department. Armbruster stated that the State Controllers Office as required by the recent State Statute is the recipient of the information so it would be more transparent, and they are working through how to make that available and it really isn't available formally yet.

Radford closed the public hearing.

Armbruster read the Resolution by Title

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE IDAHO FALLS REDEVELOPMENT AGENCY OF IDAHO FALLS, IDAHO, TO BE TERMED THE "ANNUAL REPORT RESOLUTION," APPROVING THE ANNUAL REPORT OF THE URBAN RENEWAL AGENCY, FOR CALENDAR YEAR 2021; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT WITH THE CITY AND IDAHO STATE CONTROLLER; CHAIR, VICE-CHAIR, OR AGENCY ADMINISTRATOR TO FILE SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

Brent Thompson moved to adopt the Resolution Approving the 2021 Annual Report, Thomas Hally seconded the motion. Radford called for roll call vote: Gazdik, yes; Hally, yes; Harvey, yes; Larsen, yes; Radford, yes. The motion passed unanimously.

5. Second Cost Estimate for the Pancheri East Bank District Authorization to Draft Plan.

Cramer gave a summary of where the project is to date. Cramer stated that the City Council did approve the Eligibility Report so that will proceed to the development of a plan. Magee has provided a new cost estimate. Cramer stated that there is a list of things the Planning Staff would need to help with. Cramer had some concerns raised given the current workload of staff and they might have to find additional help. Cramer stated that the cost is extremely reasonable. Cramer stated that from this point forward they will

put together another agreement with the developer to provide some upfront costs so they can get started, and then go from there. Radford asked who they would “find” for the additional help. Cramer stated that there are some people in the City, and the concern was if it was just Kerry Beutler and Caitlin Long, that it would be too much. Cramer stated that there is additional staff that can help and there are some consultants that could pull together a piece of two if needed.

Renee Magee stated that because she is familiar with the area, she might not need to come to Idaho Falls. Magee stated that she put together a proposal in which the City Staff would undertake to do the parts that she would do if she came to Idaho Falls. Magee stated that will include sitting down with the property owners and talk to them about having an urban renewal area created to cover their property; what it meant for their property; and if they believed that they had any improvements that they would see on their property in the future. Magee has asked staff to work with the property owners to obtain information about any improvements that could be made and a timeline for those, along with the estimated costs, and an estimated CO, if they are serious. Magee stated that they also need the public improvements that would be financed by the Urban Renewal Agency and so talking to the property owners they need to establish what issues the owners see in the Pancheri East Bank Study Area, and what public improvements do they believe are necessary, and what public improvements to some City departments (public works/ parks and rec) envision for this area, so they have a list of possible private and public improvements, and knowledge about what tax base may be generated. Magee stated that they would then sit down with that information and predict future tax revenues and a timeline for how that would work. Magee stated that recently it has been done with Jackson Hole Junction who was completed by Phil Kushlan. Phil Kushlan also did Eagle Ridge, but Magee and Cramer did a lot of the work to help Kushlan do it in a quick time frame. Magee stated that if they split the duties Magee’s cost would be \$3,000 maximum. Magee stated that if the Board decides to have Magee do this, her feasibility study will probably resemble Arland Mann’s more than Kushlan’s because this is a simple area to work with, and it will not have homeowners’ exemptions, and some other things that are present in Kushlan’s tables as they are not applicable. Magee will simplify the tables and resemble Harland Mann’s studies.

Radford believes it is important to talk to the property owners and get a good baseline of where they are at, including the Berry Oil Company and Burggraaf’s. Radford would like the property owners buy in and show some interest to make the project better than just the hotel alone.

Cramer stated that he agrees that it is an important process and they have had property owners reach out already and they have scheduled a meeting with the property owners as a group to start with in April and the letters will go out in a 1.5weeks, and they will have any private meetings that are necessary.

Gazdik asked for clarification that this cost estimate is for Magee’s cost, but there are additional costs to get the process going as well. Radford agreed that that should be put in context of the overall cost that they have in this project like the up-front costs that they agreed with Derek Ence

Cramer stated that they established with Derek Ence that the cost could go as high as \$50,000 with the hope that it would be less than that. Radford stated that they are well within hitting the mark of staying under \$50,000. Radford feels this is a good effort to keep overall costs low.

Thompson stated that the contract with Magee would need some type of flexibility.

Kirk Larsen moved to approve moving forward with the Financial Feasibility Study for the Pancheri East Bank Urban Renewal Area, pursuant to the terms outlined by Renee Magee in her March 20, 2022 proposal based on the cost estimate of \$3,000 for Renee Magee with staff’s help or

\$7,000 is staff cannot help Renee Magee, Thompson seconded the motion. The motion passed unanimously.

6. Potential Micro-District at the southeast corner of Broadway and Utah. Cramer explained the southeast corner of Broadway and Utah has some potential development. Cramer stated that this would potentially be a one property district. Cramer stated that the applicant will explain what they are wanting to do and what assistance they are looking for and then the Board could discuss if that is something in which they are interested.

Matt Cardon, Applicant: Cardon has been running a business since 1997 with Cardon's Car wash on 1st Street, and has since branched out to Express Wash. Cardon stated that the proposed project will be similar. Cardon has spoken with the adjacent property owner but hasn't gotten a level of interest for sure. Cardon is hoping to get assistance and has met public works about extending the right-hand turn lane of Utah back to the railroad tracks. Cardon stated that they would be giving up frontage on Utah. Cardon stated that there are ingress/egress that will be abandoned at the request for Public works the access point as far away from the intersection as possible. Cardon indicated that they will have to demo the existing building. Cardon believes there could be lava rock in the area, and to get the correct drainage they might need to dig, and they haven't been able to do successful test holes because they have ran into electrical lines, so they need to do some more excavation to see if they will run into lava.

Radford stated that it does get complicated with the property owners with Wackerli, and Railroad property further south. Radford stated that Cardon's property is adjacent to Steve Wackerli's property to the south, and there are road easements already established. Cardon stated that the engineers have drawn up how they want the turn lane to look. Cardon hasn't gone through the total design with the City to determine if they will need more property, or if what they have is sufficient property to extend the street. Thompson asked for clarification that Public Works is wanting part of Wackerli's property to continue the turn lane.

Radford asked Cardon to explain a little bit about the property and why there are two small parcels that aren't integrated. Cardon explained that he attempted to buy the whole piece including the Steve Wackerli piece, and Cardon's original offer included the whole piece of property. Cardon bought property from the Burg Family Trust and the family had to come to an agreement on what to do with the property and during that process Steve Wackerli decided he wanted to retain his back portion.

Radford indicated that they need to look into the future a bit to make sure they are doing something that will be good for the entire community and encourage development. Cardon suggested having Wackerli include the property across the street that was the old dealership. Radford stated that they need to determine if it is economically feasible to do a small district and traditionally, they haven't done single lot districts. Radford stated that they need to look at what the property tax value that could be assessed on this type of project. Cardon stated that he pulled the assessment from his property on Hitt Road, but he feels the assessment will be different on this one because the cost of construction is substantially higher. Cardon stated that they are planning on putting on another building beside the carwash that will be like a java hut/convenience/Dutch bro, etc. approximately 1,000 square feet. Cardon stated that two businesses will maximize what will be able to happen on that piece of property. Radford asked about the taxable value on the Hitt Road property. Cardon indicated that it is right around \$1 million.

Gazdik asked if they can create a District that is made up of non-contiguous property (talking about the old BA Wackerli building). Gazdik asked if the acquisition of the property was from Wackerli Trust. Cardon explained that Steve is the owner of the back piece and decided to keep the property and didn't give a reason for not selling. Gazdik wondered if he had development plans. Cardon assumed that where

the property borders the railroad tracks, Wackerli's might desire to have a lease agreement with the railroad to utilize the property for parking.

Radford asked if Cardon has sat down with City Staff and gone through how Urban Renewal Districts work. Cardon spoke in length with Kerri Beutler.

Radford stated that the property tax on Hitt Rd. is \$915,000, and property tax at 1.5% so that would be \$10-14,000/year in property tax increment. Radford informed Cardon that it costs almost \$50,000 just to create the District and then after that is paid then you have to start paying for the improvements. Radford stated that on this one it is hard to know exactly how much the improvement figure would be, and the Agency can fund public improvements like road and street, sewer that everyone uses, and right now there is no idea what type of a figure that is. Cardon had a contractor put together some estimates: Curb and gutter along Broadway and Utah - \$36,265; Widening on Utah for turn lane - \$18,400; demolition of building - \$21,000; move power pole in right hand turn lane - \$4,500; lava rock blasting/remediation - \$100,000. Radford feels that those are allowable costs and there could be some questions with how the sharing of the cost of the roadway would play out.

Radford stated that this probably needs to be vetted more with staff. Radford is worried that it will only generate \$10-13,000/year, and you have to pay back the cost of creating the District (30-50,000); then you have to start paying off improvements.

Larsen stated that he is concerned that there are hard up-front costs on the property this size is the same as a larger project and Larsen wonders if the dollars pencil out over time.

Hally feels it is a small valuation increase. Hally stated that you are going through a lot of effort and money to get a small increase. Hally stated that it depends on what you build.

Radford stated that the GS shows the land value of \$350,000 so you will get an increment of the improvement above that.

Gazdik is still wondering about adjoining land holders developing too, and that would be an incentive to move forward.

Harvey agrees with the financial prospects of the increased value, and it is a significant gap in the development of that stretch of the City, so if it does work to be able to participate, it would be great to do it, but it is hard to absorb the cost of something like that.

Radford stated that it would be good to have more discussions with staff and asked Cramer to work with this and do some proforma on the numbers to see if it will pencil. Radford stated that they haven't done anything like this where it is just one location and building, and they are usually trying to multi-family residential that will bring something in, and Radford is concerned if they did this then, the next fast-food restaurant would want assistance too. Radford wants staff to discuss and see what the total costs are, and the total valuation to make sure the property tax coming from it will pay it back in 5-7 years as the Legislature wants short districts. Radford stated that there are so many steps that have to go to get this approved and the steps are designed for big projects, and the Agency has been struggling to see if they can get it to go to a smaller district, but they aren't there yet.

Gazdik asked if they could get more of a package district with some of the old warehouses. Radford stated that they have information that the railroad is willing to sell some of the land, so if they could bring people together and have Cardon instigate it, then they would do something for the whole area, and that is

more of what the Agency is used to dealing with. Radford indicated that staff has some information on how to approach the Railroad.

7. RAI/Legislative Updates. Armbruster stated that they are working with the State Controller's Office as previously mentioned. They are watching legislation and it is crazy time now, so the one big bill is not going any where that would have eliminated property tax and replace it with sales tax. Armbruster stated that there are some bills that are going through concerning property tax relief that may result in an impact on urban renewal by virtue of the levy rate. Armbruster feels that they are down to the last couple of weeks, and they will continue to watch.

Next Regular Meeting: April 21, 2022

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

Radford adjourned the meeting at 1:00 p.m.

Respectfully Submitted: Beckie Thompson