

IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

March 28, 2019

Regular Meeting Minutes

Council Chambers

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

Members Present: Lee Radford, Terri Gazdik, Brent Thompson, Thomas Halley, Chris Harvey.

Members Absent: Dave Radford, Kirk Larsen

Also Present: Brad Cramer; Ryan Armbruster, Esq. (via telephone); and interested citizens.

1. Modifications to Agenda: Cramer indicated that item # 7 has been added, which is the Bid award for the Broadway Streetscape Project. Cramer indicated that he had to put it on the Agenda after the deadline for posting. **Terri Gazdik moved to add item #7 to the agenda, Brent Thompson seconded the motion and it passed unanimously.**

2. Minutes February 21, 2019: **Brent Thompson moved to approve the minutes for February 21, 2019, Thomas Halley seconded the motion and it passed unanimously.**

3. Approval of Expenditures and Financial Report. Lee Radford presented the Finance Report dated March 28, 2019. The following bills were presented to be paid from the Snake River Revenue Allocation Fund: Elam and Burke, \$3,760.92 for legal services; Rebecca Thompson, \$100.00 preparation of Minutes; Kevin Machen, \$330.00 for snow removal; Rudd & Company, \$1,00.00 for audit; IFDDC, \$34,495.0042 for Downtown Intersection.

Terri Gazdik moved to approve the Financial Report dated March 28, 2019, Chris Harvey seconded the motion and it passed unanimously.

4. Review and Approve the Notice Letters Regarding Termination of the Snake River Revenue Allocation Area, Update on Assessed Values, Final Projects and Update Revenue. Armbruster stated that this is “heads up” to taxing entities and Tax Commission advising that the Agency intends to close out the Snake River Urban Renewal Project Area this year and that the assessed values of the project area will be established by the assessor and will be available for the taxing entities to use in their budgeting sessions for FY20. Armbruster stated that the letter describes the anticipated excess that will be available for distribution back to the taxing entities. Armbruster stated that the letter describes the valuation that is in the project area is available on a new construction basis for the taxing entities and refers them to the assessor or tax commission for that information. Armbruster stated that the letter also indicates that the April meeting will have a consideration of a formal resolution declaring the closeout and termination of the project plan, an updated budget, and a narrative describing how the remaining months of FY19 will go. Armbruster stated that the Board needs to consider if they want any particular presentation or public relations event at the April meeting and whether they want the list of successful projects included in the letter. Armbruster suggested the annual report already provides a good overview that has occurred since the first project in 1988 and that could be included with the letter.

Cramer reiterated that the letter will be delivered to the taxing entities and that the area is closing and summed up the letter. Cramer asked how the Board wants to express appreciation in the letter to the

taxing entities or if including the list of projects from the annual report would be appropriate and sufficient.

Thompson agreed that they should include just the Snake River District excerpt from the annual report, and the graphics and narrative about the projects. Lee Radford asked if they should attach the entire annual report and then direct them to the pages that are particularly relevant. Cramer stated that he can extract the specific pages easily. Radford stated that they will leave how to handle that up to Cramer.

Radford stated that he wants numbers of how this impacts the levy rates, the City Budgets, impact on tax payers. Radford stated that the Urban Renewal District has improved the community by making it more beautiful and keeping business close to the urban core and will have a direct impact on improving budgets for tax payers and improving tax rates and that is hard to depict without numbers. Halley stated that it is hard to see how it impacts the levy rate without the valuation. Halley stated that it appears that with the new construction money coming in from closing this district that the levy rates will go down, but its hard to say how much.

Gazdik suggested reiterating the summary page in the annual report that shows the beginning base value as x and the value at the end of 2018 is x , reflecting an increase in the value in x amount and that will give perspective. Halley agreed that is the big number and it goes on forever. Cramer agreed that he can insert those numbers.

Lee Radford questioned the starting level of Snake River as he believed it was approximately \$10 million and not 56. Cramer stated that the 56 is the base value today, not what it was valued at when the District started, so it's a comparison of today's dollars. Cramer stated that they can insert the original number from the start date of the District as another column. Radford agreed that would be helpful. Armbruster stated that there are ways in which the base value "adjusts" over time and the Snake River Plan had additional annexations that came in at different years. Armbruster stated that the Assessor and Tax Commission keep track of the adjusted base value which is the adjusted base value that exists today. Armbruster agreed they can track what they started out with \$10 million and include the base values of the two annexed areas as they came in. Halley asked if inflation is figured into the adjusted base value. Armbruster stated that inflation is not factored in, and the adjusted base value will vary depending upon whether the property has gone from exempt to taxable and also includes a personal property phenomenon.

Radford indicated that they will direct Brad to make the changes with the comments, and nothing further to announce the letter or do any publicity.

Terri Gazdik moved to approve the Notice Letter and direct that it be sent with the suggested changes, Brent Thompson seconded the motion and it passed unanimously.

5. Agreement with IFDDC for Purchase of Parking Management Infrastructure.

Catherine Smith, IFDDC. Smith stated that along with Cramer and Armbruster they went through the details on the parking agreement for the infrastructure purchase. Smith stated it will be straight forward and similar to the agreement on the corners. Smith stated that they have identified the equipment that will be purchased within the \$100,000 budget and they will purchase the equipment in chunks and request reimbursement after they have receipts.

Cramer stated that they do not have an agreement ready to approve although it will be similar to the agreement with the Downtown intersections. Cramer stated that they want a specific list of the infrastructure to work into the agreement, and make sure the Board is still comfortable with the \$100,000

and the concept of doing progress payments after receipts are received. Armbruster added that they need a map or location of where the parking equipment will be going.

Radford asked if the items have been ordered and if they wait another month to approve the agreement will it affect the project.

Smith stated that they have been working together with a sub-committee to review equipment, materials and concepts and within a month they can narrow down which equipment they will purchase. Smith stated that within the \$100,000 budget they have it broken down to each line item for purchase and she will provide that. Smith stated that each meter is approximately \$12,500 and they plan to purchase 4 meters which will take the first \$50,000 of the budget. Smith stated that the timeline should work fine to install the meters this summer.

Radford concluded that the agreement can be presented next month.

6. Public Comment and Consideration of a Resolution Approving the 2018 Annual Report and Financial Audit. Radford asked if they can do the Annual Report and Financial Audit together.

Armbruster stated that because the way the annual report is set forth the audit becomes an exhibit to the annual report, and the appropriate first step is to take public comment on the annual report.

Radford suggested having Mr. Bond from Rudd and Company provide the comment on the Audit and then open for public comment, and then move on.

Radford opened the public hearing.

Radford read “Now is the time for public comment on both the Annual Report and the 2018 Financial Audit.” Radford indicated that the notices have been published and is available on the website and notices published in the post register of the availability.

Scott Bond, Rudd & Company. Bond presented the 2018 Audit. Bond indicated that he has provided the financial statements along with the auditor’s opinion and a separate letter that accompanies the financial statements and the letter is not a public document. Bond indicated that they gave an unmodified opinion on the Financial Statements which is a clean opinion, for the year ended September 30, 2018 that is found on pages 1, 2, 3, of the Financial Statement packet. Bond stated that they evaluated the controls that are in place at the Agency level and that is the last report at the back of the Financial Statement packet. Bond stated they do not provide an opinion, but they do evaluate and test the controls and provide in the letter any items that come to the attention that they recommend management review. Bond moved to the Financial Statements and highlighted areas beginning on pages 14 and 16 that show the 5 different Districts within the Agency. Bond stated that each District is accounted for within a Special Revenue Fund which segregates each of the inflows and outflows of revenues and expenditures so they can be monitored by District. Bond stated that page 16 shows the revenues and expenditures that went in and out of the Districts. Bond indicated that the inflows are mainly the property taxes received through the County, penalties and interest on late payments, and earnings on the investments. Bond stated that the expenditures are what they budget for each fiscal year. Bond stated that the bottom of the page shows where the funds start at the year, the additions and deletion for the fund balance and where the funds ended. Bond showed page 14 that references the balances of the 5 funds and it shows that the Snake River Allocation Fund at the end of the year will have a total fund balance totaling \$2,203,408.00. Bond stated that the fund balance is broken out to show commitments that have already been made for expenditure in the upcoming years and then what is left. Bond stated that there have been more commitments than fund balance, and they are anticipating the receipt of revenues in the upcoming fiscal year. Bond indicated that

Jackson Hole Junction ended the year in a deficit. Bond stated that they are required to disclose whether any funds ended in a deficit and disclose whether any expenditures are in excess of budget and there were 3 this year. Bond stated that the remaining portion of the Financial statement is for the notes that provide additional information about the numbers. Bond highlighted page 27, footnote #6 entitled *Commitments*. Bond stated that page 27, 28 and 29 have a brief paragraph summary about each of the commitments entered into by the Agency that are outstanding at the end of the year. Bond went to page 33 to show how the commitments affect the fund balances. Bond stated that the first two categories don't apply to the Agency as they are non-spendable fund balances and restricted fund balances. Bond stated that the Committed fund balance means that the Board has voted to commit certain dollars for future projects, and they are detailed on page 33. Bond stated that the assigned fund balance are the informal discussions that were had to earmark projects but have not had a formal vote on how to commit the funds. Bond stated that unassigned is left over funds or deficits. Bond stated that the fund balance for Snake River Allocation has commitments in excess of the fund balance in the sum of \$790,000. Bond moved to page 30 that are the Required Disclosures at footnote #8. Bond stated that they are required to disclose any funds whose expenditures exceed the adopted budget by the Board. Bond stated that it doesn't mean that funds aren't available it, just means that the approved budget was exceeded. Bond stated that as they make recommendations based on the controls that were reviewed and tested, they discussed footnote #8 in the first part of the letter and the recommendation is that sometimes there is a need to open and amend a budget if they have projects that come to the table that were not anticipated. Bond stated that during the control testing they noted that the deposit of funds had some late deposits being made, and the Agency receives funds monthly from the County and the City takes care of the funds, but some of the deposits were not being timely deposited, so the suggestion is made to avoid against loss or theft, they recommend that the deposits be made shortly upon receipt. Bond stated that the letter summarizes the responsibility of the auditor and the Agency's responsibility as the Auditee.

Gazdik asked for clarification that in total they did not exceed the budget for the whole year, but the auditor is required to report on a fund basis when the Agency exceeds a budget. Bond clarified that they are required to report on the funds they adopt the budget for, even though in total the expenditure budget might not have been exceeded. Bond stated that page 35 has the budget/actual comparisons. Gazdik asked if on the monthly finance report if they should include the budget/actual by fund. Bond agreed that would be a good control.

Halley stated that the overspending is more likely to occur on a brand-new project. Bond agreed that you see it a lot in governmental entities where they adopt a budget 2-3 months before the year begins and then the projects come up. Halley asked if the tax valuation was under what was allocated. Bond stated that this is not revenues, but only at the expenditures. Bond stated that budget is a control and mid-year it is ok to re-open the budget and amend it.

Mark Hagedorn. Hagedorn indicated that the suggestion from Gazdik could be put into the monthly Financial Statement. Radford asked about the late deposits. Hagedorn indicated that when the deposits come over, they go through City Mail, then through several hands before he gets them, and he then puts them in a box until the next time they do the meeting. Hagedorn indicated that they have now gone to the County and made them all direct deposits which will solve the problem.

No one appeared in support/opposition to make comments on the Annual Report or Financial Audit.

Radford closed the public hearing.

Armbruster read the Resolution by Title.

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 THE CALENDAR YEAR 2018, APPROVING THE NOTICE OF FILING THE ANNUAL REPORT, AND DIRECTING THE CHAIR TO SUBMIT SAID REPORT, AND PROVIDING AN EFFECTIVE DATE.

Brent Thompson moved to approve the Resolution Approving the 2018 Annual Report and Financial Audit, Thomas Halley seconded the motion and it passed unanimously.

Armbruster indicated that Cramer will file the Annual Report and Audit with the City Clerk and Cramer and Hagedorn can upload the audit onto the LSO Website.

7. Award Bid for Broadway Streetscape Project. Cramer stated that the Bids were returned on this project with the bid tabulations. Cramer summarized that the project with one exception easily fits within the budget that was approved. Cramer stated that the lighting is the exception on line SP-9 showing there is \$237,000 budgeted for street light and they are trying to determine if Idaho Falls Power will be contributing all or a portion of the cost towards the project and if that is not accurate then a portion of the lighting budget would need to go away to complete the project within budget. Cramer stated that if Idaho Falls Power does contribute some or all, then the project is easily completed within the budget. Cramer asked if the Board is still comfortable proceeding with the project if the lighting portion went away and they kept the current lighting.

Kent Fugal. Fugal stated that when the estimate was put together, they believed the contractor would just install conduit that was supplied by Idaho Falls Power, and the scope expanded from conduit to now the contract includes doing the work and putting the new lighting in. Fugal stated that some of the materials would be supplied by Idaho Falls Power, but there is a lot of work that is in the contract that wasn't in the original estimate. Fugal stated that his conversation with Idaho Falls Power this morning indicated that they have intentions of paying money towards the project to get the lighting done. Fugal stated that they believe the cost will be covered to some extent. Fugal stated that one estimate of participation was \$165,000. Fugal stated they have not received a written confirmation from Idaho Falls Power, and if they don't come through on the money then they will not do the lighting and Idaho Falls Power can do the lighting separate from this project.

Radford asked if the bids come in lower than the estimate if you discount the \$220,000. Fugal stated that the low bid is a very good bid and the other three bidders are very close to the estimate. Fugal stated that they believe the low bid is a good bid to accept and concrete is the main item this contractor does so he can do it more efficiently and not having the sub out the work. Radford indicated that the Board is familiar with HK, Depatco, and Knife River, but asked who JM Concrete is. Fugal stated that JM Concrete is known for their concrete work and have done projects for the City that were concrete specific. Fugal stated that JM Concrete constructed the Idaho Canal Bridge at Garfield Street when that was rebuilt in 2013; and recently water, sewer, pipeline work for subdivision development, and a waterline project for the City now. Fugal stated that they are attempting to branch out into other parts of Public Works construction.

Thompson asked if Fugal believes they are competent enough to not bid too low. Fugal indicated that they are able to do it from what they have seen from them.

Armbruster indicated that the Board needs to endorse the City awarding the bid.

Thompson confirmed that the lights portion will be cut out if Idaho Falls Power doesn't come up with a significant contribution. Fugal agreed and indicated that they will take this to City Council for award, and it should be resolved before the next Council meeting is in 2 weeks for the award and things will be sorted out before that meeting. Fugal stated that Idaho Falls Power is also approaching ITD for a contribution because Broadway is a State roadway. Fugal stated that if the funding doesn't come through, they will recommend to City Council to award the bid minus the street lighting item.

Brent Thompson moved to recommend to the Mayor and City Council that they accept the recommendation from the City Public Works Department to accept the bid as presented to JM Concrete, Chris Harvey seconded the motion and it passed unanimously.

8. Request for Funds to Improve Civitan Plaza. Cramer indicated that they did not receive any response as to the status of that project.

9. Update on IFDDC and City/Broadway Projects.

Catherine Smith, IFDDC. Smith indicated Broadway is moving along well and they are excited about the bids. Smith stated that the corners Downtown have the concrete contractor lined up, using Jayson Reinhardt with Reinhardt Concrete who came in with a great bid on the project. Smith stated that the order for the pots on the corners will go out later this week and things are on schedule and they will begin in 2 weeks pending weather.

10. Request for Assistance on Medical Office in Taylor Crossing. Cramer showed the site plan and familiarized the Board to the area. The Medical Office is planned to go in to the north east of the Eagle Fountain and they need assistance for rock blasting. Cramer stated that they do now have an estimate from Morgan Construction with an estimate for rock blasting in the sum of \$145,000. Cramer stated that they are hopeful the project would be completed before the end of the District, but as a contingency if the Board is willing to support the project, they could have a different threshold to make the payment other than the CO. Radford suggested that it be the actual remove of the lava, not the completion of the building.

Janeal Shaw, on behalf of Dr. Brian Lee. Shaw stated that Dr. Lee is an oral and maxillofacial surgeon that has been in practice for 8 years. Shaw stated that Dr. Lee is currently treating patients within a 500-mile radius. Shaw stated that Dr. Lee has credentials at the hospital here. Shaw indicated that Dr. Lee is currently located in Rexburg and there have been a lot of requests to come to Idaho Falls. Shaw indicated that as the practice grows, they expect to bring on a partner in July 2020. Shaw stated she did her due diligence in the area in Idaho Falls, and the area in Taylors Crossing seems to be the right fit for the practice. Shaw stated that they'd like to help develop that area a bit more and clean it up.

Thompson asked if Dr. Lee would actually be practicing in Idaho Falls. Shaw indicated that Dr. Lee would be in both locations (Rexburg and Idaho Falls), and when a partner comes on Dr. Lee will be in Idaho Falls more and the partner would be in the Rexburg location.

Gazdik asked if it will be solo practice, or will they sublease to other providers. Shaw indicated that there is potential and right now they are focusing on the design/build/phase of the project and it could be a two-story building with an operating room and other similar specialties could come in and work in that space, or in the upstairs of the building could hold professional space that could be utilized.

Thompson asked if the request is for foundation and utilities. Shaw stated that the request is only for the rock blast. Thompson clarified if it is to blast the foundation and utilities. Shaw indicated that the utilities and foundation as well as fill.

Radford asked Cramer if there are funds available to allocate, but this is a revenue producing project. Cramer stated that the estimated value of the project is between \$1.5-1.7 million. Cramer stated there is enough funding to cover this project. Cramer stated that the loss of the Idahoan project freed up a lot of money. Cramer stated that this District will likely have \$1 million at the end of the District.

Thompson asked if they fund fill. Cramer agreed with Thompson that in the past they have funded the blasting and removal of rock, but not the fill, unless it is in a public right of way. Radford asked about the formula they've used in terms of value. Cramer stated that in the past they have looked at the return on investment for tax revenue and they want a return in 3-5 years. Radford stated that at 1.5 it is \$25,000/year on \$1.7 million. Thompson indicated that fill will be less than 1/3 and the drilling and blasting is the expensive part. Cramer stated that the estimate is a consistent number for blast and removal. Cramer stated that the 58/cubic yard has not typically included the fill.

Armbruster stated that they can prepare an agreement that will look like the Dessert Book or Indian Motorcycle for the April meeting for consideration and they will include a not to exceed and indicate it is only for drilling and blasting, and not for fill outside of right of way.

11. Projects in Pancheri-Yellowstone District. Cramer stated that there have been discussions about doing improvements including lighting along Yellowstone, and the hang up was there was not enough width to do a project for an arterial that would include the 8' wide pathway and 6+' of landscaping. Cramer stated that the land owners are very open and willing to get a project done.

Matt Berry. Berry showed his property on Yellowstone and indicated that he has discussed with other property owners, including Loran Walker, and Greg Burgraff and they are willing to give up the additional ground to make the project happen. Berry indicated that his property has 6 or 7 entrances and only 4 being utilized. Berry stated that his concern for his business to function is the ability to get semi-trucks out of the property and RV's out of the area and taller landscaping trees could be a hazard but a shrub or something smaller for visibility. Berry showed an entrance they'd be willing to get rid of to allow for more landscaping.

Radford stated that the profile that Public Works Recommended is 8' sidewalk with 6' landscaping strip. Radford confirmed that the owners would need to give property to make that happen and the owners are willing to make the commitment. Radford summarized that Berry needs access to the property, but are willing to give up entrances for landscaping, and Burgraff and Walker might be willing to limit their entrances to 2.

Lisa Peterson, Works for Greg Burgraff. Peterson showed an entrance they could remove and leave the property 2 curb cuts.

Radford indicated that they have old estimates of what the project might cost, but the Downtown project came in lower than they thought on concrete. Radford stated that as of September 18th there was \$830,000 and when planning looked at the project before it would cost just under \$500,000.

Berry showed where the curb cuts that are most used by his business and the curb cuts, he'd like to keep for his business. Berry showed that they are redoing the plumbing and the satellite pump will go away and they can straighten out the line.

Thompson indicated that this is an entrance into the town and where the property owners are willing to give up access points then that is a good indication on how much they want this project promoted. Thompson believes they should seriously consider the project.

Halley indicated that the improvements will magnify the value of the property overtime and return the revenue to the entities.

Gazdik agreed that this will improve the streetscape and provides an entrance to an area that appears to be blighted when you drive down the road.

Harvey is in support of the project with the ownership willingness to cooperate.

Radford agreed that with the property owner's willingness to give up access points and property it will be a good project.

Berry asked if they can work with Public Works and Cramer to get a revised drawing. Cramer agreed to work with Public Works to get a concept drawing. Cramer indicated that using the same model they are doing for the Broadway would be beneficial in using Public Works.

12. RAI and Legislative Updates. Armbruster stated that HB217 was passed on March 27, and now it has to go back to the House to concur with the amendments. Armbruster stated that the Bill would have initially brought the impermissible activities of an Agency on the electorates, and it was broadly defined so that something like a restroom facility in a park would need to be voted on by the people. Armbruster stated that the amendments in the senate are helpful in that they create a 51% use of TIFF Funds, but it aggregated funds so that if the Agency and City wanted to jointly do a project if the combined dollars exceeded the 51%, they would have to get a vote. Armbruster stated that the municipal building definition has been tightened and so the restroom idea is gone. Armbruster stated that there are portions of the amendments that will be problematic for Urban Renewal Agencies. Armbruster stated that the amendments in the senate help in that it doesn't include parking garages/facilities and traditional infrastructure activities such as water, sewer, streets, etc. Armbruster stated that no one from the Association of Idaho Cities or Urban Renewal Agency or other public entity or any developers were called to the table to discuss the Bill and the specifics of the Bill. Armbruster believes this Bill will be on the books and effective July 1, 2019.

Next Regular Meeting: April 18, 2019

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

Respectfully Submitted: Beckie Thompson