

April 25, 2019

The City Council of the City of Idaho Falls met in Regular Council Meeting, Thursday, April 25, 2019, in the Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 7:30 p.m.

Call to Order:

There were present:

Councilmember Thomas Hally
Councilmember John Radford
Councilmember Jim Francis
Councilmember Michelle Ziel-Dingman
Councilmember Shelly Smede
Councilmember Jim Freeman

Absent:

Mayor Rebecca L. Noah Casper

Also present:

All available Department Directors
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Pledge of Allegiance:

Mayor Pro Tem Hally requested Kacen McGary, a student at Taylor's Crossing Public Charter and Boy Scout Troop 127, to lead those present in the Pledge of Allegiance.

Public Comment:

Mayor Pro Tem Hally requested any public comment not related to items currently listed on the agenda or not related to a pending matter.

Mr. Thomas Hoff appeared. Mr. Hoff stated he does not live within City limits but owns a business in the City limits. He expressed his concern regarding the suggested changes to airport leases for both the commercial and private hangar owners. He believes the issues are due to four (4) misconceptions about the Idaho Falls Regional Airport's (IDA) current leases: 1-IDA leases are undervalued and do not reflect real market values when in reality many of the leases are in-line with or exceed market value on comparable airports; 2-the Federal Aviation Administration (FAA) guidance on leases and related matters is unconditional. Airports, City Councils and other parties governing airports can and are encouraged to find compromise that benefit all stake holders. There is evidence to show that compromises are key to negotiating leases on comparable airports and, healthy airports have diverse approaches to comply with FAA guidance; 3-there is a threat or emergency that requires drastic action to save the airport from its leases. In reality the FAA will not punish an airport for having a variety of leases while wanting some consistency is understandably desirable. The leases need to be negotiated individually and with all parties concerns addressed in a fair manner; and, 4-the City Council has no ability to direct policy regarding leases at IDA. While the airport is fully funded by its own revenue and FAA funds, the City is the sole owner of the property that IDA resides and has the right and duty to ensure the management meets FAA guidance and the needs of the City, its citizens, and, those with investments in the airport. Mr. Hoff stated these misconceptions have engendered a possibility of policies that would be at odds with the viability of private investment and commercial enterprise. He believes there are two (2) concerns: 1-the lease cost will be increased to the point of making IDA uninhabitable. He acknowledged there may be several undervalued leases which should be addressed individually. Before any increases are made, the City Council should thoroughly research comparable airport leases to ensure continued health and growth of the airport; 2-all leasees, especially those with commercial enterprises, are concerned about reversion. Their investments are at risk for being taken at an arbitrary point in time, this is a

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serious matter than affects many livelihoods. This issue has already damaged the airport and will bring investment and growth to a stop.

Mr. Robert Hoff appeared. Mr. Hoff is not a citizen of the City but owns a business in City limits. He expressed his appreciation to the Council. Mr. Hoff distributed information regarding current lease rates which range from approximately \$500-\$8000 per year, lease survey information from nine (9) comparable airports including lease rates, and, two (2) examples of Billings, Montana and Missoula, Montana lease contracts. Mr. Hoff stated, per conversation with other airport directors, there is no indication of imprudence at lease termination as long as the building is being used appropriately and is maintained in good condition. He noted in some instances, there was a policy of compensation. He indicated Bozeman Airport has an extremely low lease rate which encourages growth. Mr. Hoff also stated in these conversations the terms fair, reasonable, and in good faith were commonly used. He noted not one Montana airport expressed concern regarding FAA compliance over land lease issues. Mr. Hoff expressed his concern that action would be taken without appropriate consideration and input. He believes it is important the Council hear all the details before they act arbitrarily. Mr. Hoff does not consider himself an expert although as he has been flying from IDA for 62 years. He believes he is the oldest pilot in town that is still flying. Mr. Hoff extended an invitation to the Council to visit the facility and to discuss airport issues.

Mr. Hoff (son of Robert Hoff) appeared. Mr. Hoff also expressed his appreciation to the Council. He addressed rapid depreciation that many leasees at IDA have experienced in the last few weeks. He stated the suggested lease terms and prospect of recursion have almost overnight caused hangar values to plummet. Mr. Hoff indicated hangar owners have stopped plans to sell their hangars and prospective buyers have stopped looking. Those looking to lease on the property have been given good cause to reassess. For the previous 35 years IDA has steadily and organically grown. Individuals and corporations have made substantial investments with the expectation they would retain and grow the values of their investments. These investments were made in good faith with the understanding new agreements could be made at the end of the lease while protecting the investments and with terms favorable to both the leasee and the airport. Mr. Hoff believes the suggested lease terms can and will slow or stop growth at IDA, if the investment is not viable the investors will go elsewhere, current businesses will not make improvements, and, few aircraft will be based at the airport. The suggested lease terms will hurt the leasees, the airport, the City, and, Bonneville County as diminished hangar values will decrease property, tax revenue, and, reversion will eliminate property tax completely.

Consent Agenda:

Office of the Mayor requested appointment of Fire Chief.

The Airport requested approval of Master Contract with T-O Engineers.

Public Works requested approval of Bid Award – Well 19 New Well House; and, Bid Award – Seal Coats – 2019.

Municipal Services requested approval of the Treasurer's Report for the month of March, 2019; approval of Hydroelectric Property Insurance Contracts for Idaho Falls Power; and, Purchase of One (1) Replacement Toro Outcross Turf Utility Vehicle for Pinecrest Golf Course.

The City Clerk requested approval of the Expenditure Summary for the month of March, 2019; minutes from the April 8, 2019 Council Work Session and Executive Session; April 11, 2019 Council Meeting; and, April 15, 2019 Council Work Session; and, License Applications, all carrying the required approvals.

Councilmember Freeman congratulated Duane Nelson as the new Fire Chief. He stated he has worked with Chief Nelson extensively and is proud to call him a friend. Councilmember Francis recognized Chief Nelson's analytical mind and problem solving skills. Councilmember Dingman concurred with Councilmembers Freeman and Francis. She also recognized Chief Nelson's level of critical thinking and leadership skills. Councilmember Hally stated he is impressed with the education and leadership Chief Nelson has pursued.

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At the suggestion of the City Attorney, it was moved by Councilmember Francis, seconded by Councilmember Dingman, to remove the appointment of the Fire Chief from the Consent Agenda to a more formal and separate item. This item will immediately follow the Consent Agenda. Roll call as follows: Aye – Councilmembers Hally, Francis, Radford, Dingman, Smede, Freeman. Nay – none. Motion carried.

It was moved by Councilmember Radford, seconded by Councilmember Smede, to approve all items on the Consent Agenda minus the Fire Chief Appointment. Roll call as follows: Aye – Councilmembers Dingman, Radford, Francis, Smede, Hally, Freeman. Nay – none. Motion carried.

Regular Agenda:

Office of the Mayor requested appointment of Fire Chief

It was moved by Councilmember Francis, seconded by Councilmember Dingman, that the Council formally appoint Chief Duane Nelson to the position of Fire Chief. Roll call as follows: Aye – Councilmembers Freeman, Hally, Smede, Francis, Radford, Dingman. Nay – none. Motion carried.

Office of the Mayor – Economic Development

Subject: Economic Development Incentive Program

For consideration is a Resolution for an Economic Development Incentive Agreement between the City of Idaho Falls and proposed applicant. The Agreement, pursuant to City Code Title 1, Chapter 16, allows for expedited permit processing and waiver of fees associated with the establishment of a business at the discretion of the City Council. At the time of agenda publication, the associated documents are in the process of being gathered and finalized. Due to the timeliness factor of the project, it is requested that the item be considered, with documents provided at the time of the Council Meeting.

Dana Briggs, Economic Development Coordinator, appeared. Ms. Briggs stated the applicant for this program is Costco Wholesale Corporation. She reviewed the location, the northwest corner of Lincoln and Hitt Roads, stating the parcel is just under 18 acres with plans for a warehouse facility and fueling station. She also reviewed the preliminary site plan and stated a development agreement is forthcoming. She briefly reviewed the application submitted by Costco including applicant information and, the legal description and plat. Ms. Briggs stated this land recently became contiguous due to a City-initiated annexation. She recognized the Community Development Services staff and the property seller, Leslie Folsom, for their roles in acquiring the land. Ms. Briggs stated Costco intends to develop a merchandise facility of approximately 150,000 square feet, a fuel station of 16 to 30 fueling positions, and, 700-750 parking stalls. A minimum of ten percent (10%) of the internal parking area will be landscaped along with a twenty foot set-back from the east and south property lines. Six (6) foot planting strips will be placed adjacent to the sidewalks along Hitt and Lincoln Roads and Costco will extend water and sewer to the property as needed for connection. The total capital investment of building and land improvements is approximately \$21M. Ms. Briggs stated Costco anticipates hiring 100 or more full-time or equivalent employees with an average hourly wage of at least \$15 plus medical, dental, and vacation benefits. She noted Costco offers benefits to full-time and part-time employees. The expected labor source for these positions are local residents and employees typically stay long-term with the Costco family. The projected commencement date for operation is August 2020 with site plan and construction to begin in September 2019. Mr. Briggs believes Costco will help spur additional economic development in this area of the City and will act as a significant driver for retail activity. Ms. Briggs reviewed Costco's requests per the Economic Development Incentive Ordinance including an expedited permitting process, full waiver of road and bridge fees, surface drainage fees, land use application and plan review fees, and, building permit fees. She briefly reviewed Costco's current financial statement and the annual report. The report indicates an increase in net revenue, an increase in membership, an increase in dividends paid to their shareholders, and, continual new locations in the U.S. and abroad. Ms. Briggs briefly reviewed the economic development agreement including the incentive waivers in the amount of \$130,789.13. She indicated upon review from City staff, the applicant has met all eligibility and criteria requirements. Ms. Briggs stated, based on

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calculations that Costco has submitted, it is anticipated the tax revenue will be approximately \$156,500 per year. She noted this amount exceeds the requested fee waivers. Mr. Briggs believes Costco will be a welcome addition to the City, the community, and, the residents.

It was moved by Councilmember Hally, seconded by Councilmember Dingman, to approve the Resolution of the Economic Development Incentive Agreement between the City and Costco, and to grant the incentives contained therein, and give authorization for the Mayor and City Clerk to execute the necessary. Roll call as follows: Aye – Councilmembers Radford, Freeman, Smede, Francis, Dingman, Hally. Nay – none. Motion carried.

RESOLUTION NO. 2019-04

A RESOLUTION OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, ENTERING INTO AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT WITH AND GRANTING INCENTIVES TO COSTCO WHOLESALE CORPORATION; AND PROVIDING THAT THIS RESOLUTION BE EFFECTIVE UPON ITS PASSAGE, APPROVAL, AND PUBLICATION ACCORDING TO LAW.

Public Works

Subject: Water Rights Lease Agreement with the City of Pocatello

For consideration is a Water Rights Lease Agreement with the City of Pocatello to lease 2,400 acre-feet of water at \$31.30 per acre-foot for a total cost to the City of \$75,120.00. Sufficient funds are available from the Water Fund.

Councilmember Freeman stated the City has downstream obligations for mitigation, Pocatello has a surplus of water. He noted this item has previously been discussed.

It was moved by Councilmember Freeman, seconded by Councilmember Francis, to approve the Water Rights Lease Agreement with the City of Pocatello and give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows: Aye – Councilmembers Hally, Smede, Dingman, Freeman, Francis, Radford. Nay – none. Motion carried.

Community Development Services

Subject: Final Plat, Development Agreement, and Reasoned Statement of Relevant Criteria and Standards, Silver Leaf Estates Division No. 4

For consideration is the application for Final Plat, Development Agreement, and Reasoned Statement of Relevant Criteria and Standards, Silver Leaf Estates Division No. 4. The Planning and Zoning Commission considered this item at its February 5, 2019, meeting and recommended approval by unanimous vote. Staff concurs with that recommendation.

Councilmember Smede stated this property was annexed in September 2016. This is the fourth phase of the preliminary plat and is being platted as the final phase. The plat includes 34 single-dwelling unit lots. One (1) lot, the canal, is not usable. The Division falls within the airport limited development area although it is located outside the moratorium. Community Development Services Assistant Director Kerry Beutler indicated a note will be placed on the plat for potential buyers stating the plat is located near the airport.

It was moved by Councilmember Smede, seconded by Councilmember Dingman, to approve the Development Agreement for Silver Leaf Estates Division No. 4, and give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows: Aye – Councilmembers Smede, Hally, Radford, Dingman, Freeman, Francis. Nay – none. Motion carried.

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It was moved by Councilmember Smede, seconded by Councilmember Dingman, to accept the Final Plat for Silver Leaf Estates Division No. 4, and give authorization for the Mayor, City Engineer, and City Clerk to sign said Final Plat. Roll call as follows: Aye – Councilmembers Dingman, Smede, Francis, Freeman, Hally, Radford. Nay – none. Motion carried.

It was moved by Councilmember Smede, seconded by Councilmember Dingman, to approve the Reasoned Statement of Relevant Criteria and Standards for the Final Plat for Silver Leaf Estates Division No. 4, and give authorization for the Mayor to execute the necessary documents. Roll call as follows: Aye – Councilmembers Francis, Dingman, Freeman, Hally, Radford, Smede. Nay – none. Motion carried.

Subject: Final Plat and Reasoned Statement of Relevant Criteria and Standards, Taylor Crossing on the River Division No. 10

For consideration is the application for Final Plat and Reasoned Statement of Relevant Criteria and Standards, Taylor Crossing on the River Division No. 10. The Planning and Zoning Commission considered this item at its February 5, 2019, meeting and recommended approval by unanimous vote. Staff concurs with that recommendation.

Councilmember Smede stated this property was annexed in February 1976 as part of the City-wide rezone. The area was rezoned in April 2018. The two (2) lots are currently under one (1) ownership although they may be separated in the future. Both lots have frontage and access to a public street so shared access is not required although it is encouraged.

It was moved by Councilmember Smede, seconded by Councilmember Dingman, to accept the Final Plat for Taylor Crossing on the River Division No. 10, and give authorization for the Mayor, City Engineer, and City Clerk to sign said Final Plat. Roll call as follows: Aye – Councilmembers Smede, Hally, Dingman, Radford, Freeman, Francis. Nay – none. Motion carried.

It was moved by Councilmember Smede, seconded by Councilmember Dingman, to approve the Reasoned Statement of Relevant Criteria and Standards for the Final Plat for Taylor Crossing on the River Division No. 10, and give authorization for the Mayor to execute the necessary documents. Roll call as follows: Aye – Councilmembers Hally, Francis, Radford, Dingman, Smede, Freeman. Nay – none. Motion carried.

Subject: Final Plat and Reasoned Statement of Relevant Criteria and Standards, Windsor Addition Division No. 1, 1st Amended

For consideration is the application for Final Plat and Reasoned Statement of Relevant Criteria and Standards, Windsor Addition Division No. 1, 1st Amended. The Planning and Zoning Commission considered this item at its March 5, 2019, meeting and recommended approval by unanimous vote. Staff concurs with that recommendation.

Councilmember Smede stated this property was annexed in October 1979. It is currently developed with two (2) structures although the lots may have separate ownership in the future. Dependent upon approval, each lot will be required to create shared parking and access agreements. A cross access agreement to 17th Street will also be required. Utility service easements will be finalized with the amended final plat development agreement.

It was moved by Councilmember Smede, seconded by Councilmember Dingman, to accept the Final Plat for Windsor Addition Division No. 1, 1st Amended, and give authorization for the Mayor, City Engineer, and City Clerk to sign said Final Plat. Roll call as follows: Aye – Councilmembers Freeman, Radford, Smede, Francis, Dingman, Hally. Nay – none. Motion carried.

It was moved by Councilmember Smede, seconded by Councilmember Dingman, to approve the Reasoned Statement of Relevant Criteria and Standards for the Final Plat for Windsor Addition Division No. 1, 1st Amended,

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and give authorization for the Mayor to execute the necessary documents. Roll call as follows: Aye – Councilmembers Hally, Radford, Francis, Dingman, Smede, Freeman. Nay – none. Motion carried.

Subject: Public Hearing – Community Development Block Grant (CDBG) FY 2018 Comprehensive Annual Performance and Evaluation Report (CAPER)

For consideration is the FY2018 CDBG Comprehensive Annual Performance and Evaluation Report (CAPER). The CAPER is an important document required by U.S. Department of Housing and Urban Development (HUD) in order to the City to continue to receive CDBG funding. Following this public hearing, a 15-day public comment period will begin. The public comment period will end on May 9, 2019. The report is due to HUD offices on or before June 30, 2019. A resolution approving the CAPER will be presented to the City Council on May 23, 2019.

Mayor Pro Tem Hally opened the public hearing and ordered all items presented be entered into the record.

Lisa Farris, Grants Administrator, appeared. Ms. Farris stated the CAPER is an annual requirement by HUD. She then presented the following:

Slide 1 – CDBG Basics, Criteria for Projects/Activities

- Must meet one (1) of three (3) National Objectives (HUD)
- Must be a HUD Eligible Activity
- Additional Criteria

Slide 2 – Project/Activity must fit into one (1) of four (4) priorities defined by HUD

- Community Development Priority
- Economic Development Priority
- Housing Development Priority
- Public Service Priority

Slide 3 – Projects/Activities completed in FY2018. Ms. Farris stated FY2018 allocation, in the amount of \$132,312.56, was received after October 2018.

- Behavioral Health Center Eastern ID – \$9052, assisted 220 clients with Case Management, mental health assessments, and services for homelessness due to a mental health crisis, or alcohol or substance abuse
- Domestic Violence & Sexual Assault Center (DVSAC) – \$9720.56, rehab project to upgrade heating, electrical, and repair sink backsplash
- Idaho Legal Aid – \$10,000, assisted 82 households with legal aid for victims of domestic violence
- Idaho Falls Senior Citizen Community Center – \$25,000, window rehab replaced 25 windows, 2 doors, and added 1 office window
- Public Works – \$164, project sign for curb, gutter, sidewalk in Bel Aire started June 2018
- Administration – \$78,376, one (1) full time staff administered the CDBG Program, 2018 Annual Action Plan, CAPER 2018, Financial/Performance Reporting, and, management of all projects and activities

Slide 4 – Pending 2018 Projects/Activities. Ms. Farris stated due to the allocation received after October 1, several contractors were involved in other projects and, the winter season was longer than normal.

- Habitat 4 Humanity Idaho Falls (H4HIF) – \$38,000 rehab/placement of donated home to support Low to Moderate Income (LMI) home ownership opportunities in CT 9712 end of June 2019
- Public Works curb/gutter/sidewalk Bel Aire Subdivision – \$125,451, project scheduled to start end of June 2019
- Idaho Falls Downtown Development Corporation (IFDDC) - Façades – \$55,000, 2018 funding to be used once 2017 obligated funds are spent
- Targhee Regional Public Transportation Authority (TRPTA) – \$35,000, needing additional match funds for bus purchase
- Community Food Basket – \$4000, needing additional match funds to purchase portable loading dock
**DVSAC completed project with a balance of \$2279.46 redirected to Community Food Basket 4-23-2019*

Slide 5 – 2017 Program Year (PY) funds spent in 2018, \$147,337.24

- Public Works – \$41,835, 18 LMI properties benefitted with sidewalk/curb/gutter project in CT 9707

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- CLUB, Inc. – \$6713.45, assisted over 76 homeless individuals with Case Management services/resources
- Façade Projects
 - \$10,000, 400-410 Memorial and Capital
 - \$44,275, 393 Park Avenue (I.O.O.F)
 - \$1231.90, 301 A Street (Lyn’s)
 - \$142.53, 591 Park Avenue (Historic Post Office)
 - \$5350, 413 B Street (MCS Advertising)
- Code Enforcement – \$5788.36, 433 G Street Cleanup
- Housing Rehab – \$32,000, 328 N. Water-ADA bathroom rehab and major sewer line replacement

Slide 6 – 2016 PY funds spent in 2018, \$2291.34

- CLUB, Inc. – assisted 46 homeless individuals with Case Management services, referrals, and resources

Slide 7 – 2014 PY funds spent in 2018, \$15,976.78

- Façade Program
 - Sign project – \$500, Veterans Memorial (485 Constitution)
 - Sign project – \$500, Urban Nook (365 B Street)
 - Façade/awning – \$14,976.78, Historic Post Office (591 Park Avenue)

Slide 8 – Census tracts map, identifies 29 projects completed

Slide 9 – Current balances 03/28/2019

Year	Award	Balance	% remaining
FY2004	\$491,000	\$0	0%
FY2005	\$465,543	\$0	0%
FY2006	\$418,940	\$0	0%
FY2007	\$417,257	\$0	0%
FY2008	\$402,199	\$0	0%
FY2009	\$407,064	\$0	0%
<i>CDBG-R</i>	<i>\$109,234</i>	<i>\$0</i>	<i>0%</i>
FY2010	\$441,751	\$0	0%
FY2011	\$369,546	\$0	0%
FY2012	\$314,082	\$0	0%
FY2013	\$361,453	\$0	0%
FY2014	\$342,373	\$0	0%
FY2015	\$342,928	\$2.00	~0%
FY2016	\$342,935	\$0	0%
FY2017	\$336,511	\$19,562.12	~5.81%
FY2018	\$391,880	\$260,425	~66.45%
15 years	\$5,954,696	\$286,683.06	~72.26%

FY2019 allocation announced 4-15-2019 with \$399,774 expected in mid August 2019

Slide 10 – PY 2018 Completed Projects, \$34, 884.56

Slides 11 and 12 – Photos of before/after electrical/heating/sink project DVSAC, 1050 Memorial Drive

Slides 13 and 14 – Photos of before/after Senior Center window replacements

Slide 15 – Photo of Homeless Stand Down, November 3, 2018 Skyline Activity Center

Slide 16 – PY 2017 Completed Projects, \$140,622.79

Slide 17 – Photos of before/after Public Works curb/gutter/sidewalk projects, Bel Aire Subdivision

Slide 18 – Photos of before/after façade project, 400-410 Memorial and Capital

Slides 19-21 – Photos of before/after façade project, 393 Park Avenue

Slide 22 – Photos of before/after façade project, 301 A Street

Slides 23-26 – Photos of before/after façade project, 413 B Street

Slides 27 and 28 – Photo of before/after Code Enforcement cleanup, 443 G Street

Slides 29 and 30 – Photo of before/after housing rehab, 328 N. Water

Slide 31 – PY 2014 Completed Projects

Slide 32 – Photos of before/after sign project Veterans Memorial, 485 Constitution

Slide 33 – Photo of after sign project Urban Nook, 365 B Street

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Slides 34 and 35 – Photos of before/after Historic Post Office, 591 Park Avenue

Ms. Farris reiterated the public comment period will end May 9, 2019 followed by a Council Resolution on May 23, 2019, with the plan being submitted to HUD before June 30, 2019.

Councilmember Smede questioned the TRPTA funding. Ms. Farris stated the lack of match funding caused the delay. She stated this topic will be addressed following the public comment period regarding the redirection of those funds. Separate discussion will be held at the May 20, 2019 Council Work Session. Councilmember Radford expressed his appreciation for this work as he believes these funds helps community members and businesses who may not have individual resources. Mayor Pro Tem Hally noted the City became eligible for these funds once the City population exceeded 50,000 through strict HUD guidelines. The City has also passed the \$5M for grant money. He expressed his appreciation for the grants. Ms. Farris stated as an entitlement community the City can file directly to HUD for federal funds.

Mayor Pro Tem Hally requested any public comments. No one appeared.

Mayor Pro Tem Hally closed the public hearing. He stated there is no recommended action at this time.

Announcements and Adjournment:

There being no further business, it was moved by Councilmember Freeman, seconded by Councilmember Radford, that the meeting adjourn at 8:22 p.m.

s/ Kathy Hampton

CITY CLERK

s/ Rebecca L. Noah Casper

MAYOR