

IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

May 16, 2019

Regular Meeting Minutes

Council Chambers

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

Members Present: Lee Radford, Kirk Larsen, Brent Thompson, Thomas Halley, Chris Harvey, Teri Gazdik.

Members Absent: Dave Radford

Also Present: Brad Cramer; Meghan Conrad Esq. (via telephone); and interested citizens.

1. Modifications to Agenda: None.

2. Minutes April 18, 2019: Brent Thompson moved to approve the minutes for April 18, 2019, Teri Gazdik seconded the motion and it passed unanimously.

3. Approval of Expenditures and Financial Report. Lee Radford presented the Finance Report dated May 16, 2019. The following bills were presented to be paid from the Snake River Revenue Allocation Fund: Rebecca Thompson, \$70.00 preparation of Minutes; Title One, \$107,841.31 for Escrow on The Broadway; and ratify a bill to IF1, LLC., \$1,195,054.44 for payment on The Broadway.

Thomas Halley moved to approve the Financial Report dated May 16, 2019, Kirk Larsen seconded the motion and it passed unanimously.

4. Approval of Real Estate Transfer Agreement with City of Idaho Falls. Radford recused himself from this action and Brent Thompson Chaired this item. Cramer indicated that all of the other documents have been considered, but the two new documents are the Real Estate Transfer Agreement with the City of Idaho Falls, which is the transfer between the Agency and the City to convey the property to the City and City Council has already reviewed, approved, and signed the document. Cramer indicated that the second document is the Tax Reconciliation Agreement, and asked Conrad if a motion to modify the agenda is required to discuss the item. Conrad indicated that it is part and parcel of the closing that was authorized pursuant to the Purchase and Sale Agreement, and it can be discussed as part of this real estate transfer agreement. Cramer stated that as part of closing they take care of taxes and the first bill for the 2019 taxes on the property has not been put out and rather than go with an estimate the Oppenheimers have requested that the Agency sign a tax reconciliation agreement that states once they have the bill, then the parties can sit down and figure out the numbers and they will pay the bill. Cramer indicated that the Tax Reconciliation Agreement is not in the packet but was able to pull it upon the screen for review. Cramer indicated that today they are getting all documents signed and tomorrow they will deliver all the documents to the Title Company for closing and recording. Thompson reiterated that the document will postpone the resolution of the proration of taxes in the closing in the final settlement, once the tax statement comes out which is in June. L. Radford indicated he did look at the agreement and it is typical of what the title agency will require as a condition of closing. L. Radford indicated he understood that there is an appropriation at closing date of what they know the taxes are now, but because the condo plats haven't been completely accepted that the number might have to be accepted. Conrad disagreed and indicated that there has been a change, and they will pay the second half of the 2018 taxes, but for 2019 because of the delay in the creation of the tax parcels for the units there was a real unknown as to what it

would ultimately emanate in terms of taxable revenue and the initial number that was thrown out was high and not based on any real data. Conrad stated that at the request of IF-1 there has been a change to just address the proration of the 2019 taxes once there is a determination of a figure that can be worked off of. Conrad stated that is why they requested that the City sign off on this because of the subsequent transfer of the units to the City in a simultaneous closing. Cramer indicated that in the closing documents with the Oppenheims there is the right of first refusal if they would like to purchase the condo units, the parking management agreement, and the transaction between the Agency and the City there is a quitclaim deed and the Transfer Agreement being considered today. Thompson confirmed and Cramer agreed that tomorrow during closing Oppenheimer will be signing a Warranty Deed to them for the 3 units. Conrad believes that a motion on the Tax Reconciliation Agreement should be made as it is a ministerial document as part of closing. Conrad suggested during the motion on the Real Estate Transfer Agreement that they give the Agency the authority to sign off on all pertinent closing documents. Thompson asked what date the transfer agreement will be effective. Conrad stated that it is a two part simultaneous closing with the first part dealing with IF-1 Broadway closing and the signing off of the Special Warranty Deed, the Parking Agreement, the Right of First Refusal and the Memorandum related thereto and additional closing documents including the settlement statement and the Tax Reconciliation Agreement, with the effective date of May 17; and part two will be the Agency formally transferring those units to the City pursuant to the Real Estate Transfer Agreement and the Quitclaim Deed, and that transaction will occur immediately following the first transaction. Conrad stated that there has been a title policy issued and because of the nature of the simultaneous closing the title company has agreed to have the City be the named insured so there is not a need to duplicate costs, and that second transaction will have the effective date of May 17. Conrad confirmed that Cramer has the check ready to take to the closing and has coordinated with the Boise and Idaho Falls title office for collection of signatures and recording of the various documents.

Kirk Larsen moved to authorize the Chair or Vice-Chair to sign the Real Estate Transfer Agreement with the City of Idaho Falls, and any other related documents, Chris Harvey seconded the motion and it passed. L. Radford abstained from voting.

Kirk Larsen moved to authorize the Chair to sign the Tax Reconciliation Agreement that will allow the postponement of settlement on property taxes until such date as there is an accurate number and then can prorate the taxes, Chris Harvey seconded the motion and it passed. L. Radford abstained from voting.

5. Resolution Approving Grant Agreement for Medical Arts Building. Radford invited Janell from Dr. Bryan Lee's Office to speak.

Janell, representing Dr. Bryan Lee's Office. Janell indicated that they are working on the purchase of property and obtaining IFRA funds for the development of a building in the Taylors Crossing area. Janell stated that currently they are engaging in getting an environmental report, geo tech report, as well as engaging with a Civil Engineer to do a full site plan and have those documents ready. Janell indicated that the architect is putting together the structure design and that will be presented to the Walker's Architectural Committee, and once it is approved then Dr. Lee will move forward on the purchase for the property. Janell indicated that Dr. Bryan Lee is an oral and maxillofacial surgeon (wisdom teeth, cosmetic surgery, trauma) and he would like to expand his practice from Rexburg to an Idaho Falls location for his Idaho Falls patients. Janell indicated that Dr. Lee is licensed and does a lot of surgery at EIRMC and Mountain View hospitals.

Cramer indicated that the agreement has a not to exceed amount for rock blasting for \$150,000. Cramer stated that there is an estimation for the blasting of approximately \$125,000. Cramer explained that the not to exceed of \$150,000 is because they are unsure of the rock level, and the 5 year tax return on the investment, and \$150,000 is more consistent with the 5 years worth of taxes and historically what has been needed in other projects in the area.

Gazdik clarified with Janell that they have not purchased the property. Thompson clarified that the funds are for blasting and removal and not backfill. Cramer indicated that this agreement differs as they are not waiting for reimbursement until the CO is issued, and rather the funds could be reimbursed after the framing inspection is complete. Radford clarified that this is not for a basement, and only a foundation for the building.

Cramer read the Resolution Approving Grant Agreement for Medical arts Building.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE IDAHO FALLS REDEVELOPMENT AGENCY OF IDAHO FALLS, IDAHO, APPROVING THE GRANT PARTICIPATION AGREEMENT BETWEEN THE AGENCY AND BRYAN LEE; AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY NECESSARY DOCUMENTS, SUBJECT TO CERTAIN CONTINGENCIES; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

Radford clarified that this agreement is only for this participant and if the sale doesn't go through or the project doesn't go, then this would not apply to another property owner. Conrad agreed, and indicated that this is a Grant Participation Agreement between the Agency and this specific participant and this specific scope of work.

Gazdik indicated that under the recitals it states that the Participant owns or controls the real property, however they have not purchased the property, and is that ok to approve. Janell confirmed that they have a Purchase and Sale Agreement, and they are only waiting for approval of their architecture design. Radford believes that they control the property with the Purchase and Sale Agreement. Conrad agreed that under these circumstances it would be accurate that the Purchase and Sale Agreement would show sufficient control over the site. Thompson asked if there are contingencies in place if the geo tech fails. Janell agreed that there is contingencies in the purchase and sale agreement.

Brent Thompson moved to approve the Resolution Approving the Grant Participation Agreement for Medical Arts Building, Thomas Halley seconded the motion. Radford called for roll call vote: Gazdik, yes; Halley, yes; Harvey, yes; Larsen, yes; Thompson, yes; Radford, yes. Motion passed unanimously.

6. Approval of Tru Hotel Reimbursement. Cramer indicated that they are not completely ready. Cramer stated that he has a request for the reimbursement as the Hotel has received its temporary CO, Cramer has inspected the site and the improvements they committed to build are complete, but he just received in the invoices and has not done the audit. Cramer asked the Board if they are comfortable to authorize the check to be written pending the audit being complete and then the bill could be ratified at the next meeting. Thompson asked what items are in the reimbursement. Cramer stated that there is a bridge, striping for pedestrian path to the bridge, and small amount of rock removal. Radford asked if it appears to have come in within the estimates. Cramer indicated that he hasn't looked at the documents yet. There was a consensus to wait until they have the audit complete and postpone action on this item until next month.

7. Project Updates. Cramer indicated that The Bonneville is still moving along and still on target to open in October. Cramer reported that the Broadway Streetscape project is moving forward as well as the Downtown intersection improvements. Cramer reported that Catherine Smith informed him that they are making progress on the Parking Infrastructure and making sure it is coordinated appropriately with all parties including the Oppenheimers to coordinate with the garage. Cramer stated that Pancheri Yellowstone is waiting until Public Works' construction schedule is lighter so they can finalize a design. Cramer reported in Jackson Hole Junction that they have issued the permits for the Holiday Inn and should see buildings going vertical soon. Halley indicated that they have an agreement to build a medical kidney institute with the Raheems. Larsen asked about the parking equipment on The Broadway. Thompson indicated that the electrician is over there now getting ready to install stuff in the island and the equipment is in the storage area. Radford indicated that there have been some delays in getting the equipment and there was a problem with wrong equipment being ordered.

Radford indicated on May 28, 2019 at 11:00 a.m. there will be a grand opening for the plaza.

8. RAI and Legislative Update. Conrad indicated that RAI will meet this afternoon. Conrad stated that they are monitoring the State Tax Commission Rules process which all State agencies are now having to undertake due to the Legislatures failure to concur on all of the administrative rules. Conrad indicated that AIC's annual meeting is in June and there will be a breakout session on Thursday June 20 addressing House Bill 217 and following that will be the RAI Annual Meeting for members and Board.

9. Cash Flow Projections for Snake River District. Cramer stated that the June and July tax payment is the question. Cramer indicated that they sent a letter to the taxing entities notifying them of the intent to close the District and disburse the left over monies and the letter cites a figure of \$888,000 which between Conrad, Hagedorn and Cramer that is fairly accurate and could increase or decrease just a bit. Cramer clarified that the \$888,000 did assume that the Board would approve the Grant Participation Agreement for the medical building.

Next Regular Meeting: June 20, 2019

Brent Thompson moved to adjourn the meeting, Kirk Larsen seconded the motion and it passed unanimously.

Respectfully Submitted: Beckie Thompson