

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**May 18, 2023                      Regular Meeting Minutes                      Council Chambers**

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

Members Present: Lee Radford, Chris Harvey, Kirk Larsen, Terri Gazdik, Brent Thompson.

Members Absent: Jon Walker, Tom Hally

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

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

**2. Approval of Minutes April 20, 2023.** Larsen moved to accept the Minutes for April 20, 2023, Gazdik seconded the motion, and the motion passed unanimously.

**3. Approval of Expenditures and Finance Report.** Lee Radford presented the Finance Report Dated May 23, 2023. In the River Commons Area: \$62.50 to Rebecca Thompson for transcription of minutes; \$652.50 to Brad Cramer- Perspective Planning and Consulting, LLC; \$4,112.50 to Elam and Burke for professional legal services; \$924.08 to City of Idaho Falls to cover notice of Anderson Bush publication.

**Thompson moved to approve the Finance Report dated May 18, 2023, Gazdik seconded the motion and the motion passed unanimously.**

**4. Resolution Amending the OPA with Sentinel Properties for the Pancheri East Bank Project.**

Radford stated that there have been changes to the costs as they developed.

Derek Ence, (Via Teams). Ence stated that they originally had preliminary estimates to demolish the old jerky plant on Pancheri, and Landon Excavation gave a preliminary estimate in the amount of \$250,000.00. Since that time, they have gone out and gotten official quotes, and Landon bid was way above the preliminary estimate, so they went out and got more bids, and the cheapest option is going with Roadhouse Construction, and they will demolish the concrete structure and take the

warehouse made of metal. Their bid is lower as they feel they can sell or do something with the metal warehouse structure. The bid will be approximately \$350,000.00. They are asking for the amount to be increased because of the final quotes being higher.

Radford stated that tax increment coming from the hotel is still more than sufficient to reimburse.

Meghan Conrad has prepared a resolution. Conrad stated that the first amendment in the packet is limited to increasing the do- not- exceed amount to permit the increase of costs to the demolition and remediation of taking down the old manufacturing site. In the replacement of Attachment 4 the developer had asked for a contingency amount to be added in, and there is a 5% contingency rendering the entire do- not- exceed amount is for the Agency funded public infrastructure improvements to be \$445,133.00. The remainder of the agreement does remain the same.

Thompson asked about the \$38,000 in the break down and asked if that is included in the \$445,000 or is that added on top of the \$445,000. Conrad stated that the \$38,000 is related to the MOU and the advanced funded planning costs to establish the Panchari East District. The increase to the do-not- exceed amount is for the Agency funded costs. The planning costs are going to be separately reimbursed and there is no change to that amount. It is \$445,000 + \$38,000.

Radford asked Ence to give the schedule on the project. Ence stated that they will proceed with demolition at the beginning of next year in 2024. Then into the civil work for the hotel and plan to open the hotel at the end of 2025.

Conrad read the Resolution by title.

**BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF IDAHO FALLS, IDAHO, A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF IDAHO FALLS, IDAHO, ALSO KNOWN AS THE IDAHO FALLS REDEVELOPMENT AGENCY, AUTHORIZING THE AGENCY TO ENTER INTO THE FIRST AMENDMENT TO OWNER PARTICIPATION AGREEMENT WITH SENTINEL PROPERTIES, LLC.; AUTHORIZING THE CHAIR AND VICE-CHAIR, AND THE SECRETARY OF THE AGENCY TO EXECUTE AND ATTEST SAID FIRST AMENDMENT, AND ANY NECESSARY DOCUMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR AND VICE-CHAIR OR ADMINISTRATOR TO TAKE APPROPRIATE ACTIONS TO IMPLEMENT THE FIRST AMENDMENT AND MAKE ANY NECESSARY TECHNICAL CORRECTIONS TO THE FIRST AMENDMENT, SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE**

APPROPRIATION OF FUNDS PURSUANT TO THE FIRST AMENDMENT;  
AND PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS  
PASSAGE AND APPROVAL.

**Thompson moved to approve the Resolution for the First Amended Owner Participation Agreement, Larsen seconded the motion. Radford called for roll call vote: Larsen, yes; Gazdik, yes; Thompson, yes; Harvey, yes; Radford, yes. The motion passed unanimously.**

**5. Resolution Approving the Memorandum of Understanding with Middle R. Holdings, LLC to begin process for considering an urban renewal district along Northgate Mile.**

Cramer stated that this is a project that has come forward in the last couple of months and the most relevant document is the map showing the visual of what this document authorizes staff and Renee Magee to begin the eligibility report. Cramer stated that as they continue to meet with property owners, if they determine that this is too large of an area the area can be reduced to a more appropriate boundary. The MOU is standard, showing the payment schedule and amounts.

Radford asked Cramer to explain the payments and how the developer is supporting this process. Cramer stated that the developer is responsible to pay the up-front costs that cover Renee's work and Elam and Burke's work to put documents together, and there might be some City staff involvement. Cramer stated that more than half is due up front, and the remaining is due upon Council approval of the report. That is developer funded and the costs are reimbursable if the District becomes effective and tax increment revenue can be reimbursed to the developer.

Curtis Ward. Ward stated that they have put it on hold to see what the report turns up. Ward stated that the soonest this report will be ready is December, and the first portion of his project is demolishing, which will be one of the biggest expenses. Ward stated that they plan to start on the actual project next spring. Ward has tried to reach out to other owners, and has found that they are wanting to sell, but they are asking too much for the property. Ward stated that he will be talking to Chad Murdock.

Conrad gave an overview of the MOU. Conrad stated that this document breaks down the scope of work into the two phases as they prepare the planning effort for a new project area, beginning with the eligibility phase, and the second if it moves forward is the urban renewal planning effort, which includes the preparation of the Plan Narrative and all of the attachments thereto, which include the costs related to mapping and legal, as well as the economic feasibility study which is prepared by an

independent third party consultant. The Planning effort contemplates reimbursement for funds related to preparation of the future OPA. One change from prior agreements is section 7(B) any balance due and owing, used to be 30 days after the payment of 7(A), and to better align that date was pushed to 60 days.

Conrad read the Resolution approving the MOU.

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY  
OF THE CITY OF IDAHO FALLS, IDAHO.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF IDAHO FALLS, IDAHO, ALSO KNOWN AS THE IDAHO FALLS REDEVELOPMENT AGENCY, APPROVING THAT CERTAIN MEMORANDUM OF UNDERSTANDING BETWEEN THE IDAHO FALLS REDEVELOPMENT AGENCY AND MIDDLE R. HOLDINGS, LLC; DIRECTING THE CHAIR OR VICE-CHAIR TO EXECUTE, AND THE SECRETARY TO ATTEST SAID AGREEMENT; AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT; AUTHORIZING ANY TECHNICAL CHANGES SUBJECT TO CERTAIN CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.

**Larsen moved to approve the Resolution Approving the Memorandum of Understanding with Middle R. Holdings, LLC, Thompson seconded the motion. Radford called for roll call vote: Larsen, yes; Gazdik, yes; Thompson, yes; Harvey, yes; Radford, yes. The motion passed unanimously.**

**6. Authorize Staff to Draft Memorandum of Understanding with Steve Keim to begin process for considering an urban renewal district near Anderson and Northgate Mile.**

Radford's office does work with Steve Keim, and as such, he is recusing himself from this matter, and turned the Chair over to Brent Thompson to conduct the following agenda item.

Steve Keim. Keim stated that they are wanting to work on the redevelopment of Yellowstone Square. The parcel was an original retail mall, and they acquired it and started the redevelopment in 2010 and have most of the vertical portion of the existing improvements completed and converted to industrial and warehouse spaces. Keim stated that they have indoor storage facilities, and leased industrial space, consisting of 220,000 square feet of improved class B industrial and flex space. Keim stated that they also have the INL Park and Ride. The area that has the old Lucy's Pizza, China

Garden and Auto's For Less are tired and need refurbishing. They are wanting to demo those buildings. Keim stated that in addition to the frontage, they have 7-8 acres of land that borders the County Jail. The plan is to build 45,000 square feet of industrial class A warehouse next to the jail and then develop the retail. Keim is proposing 2 – 8,000 – 10,000 square foot retail buildings on the Yellowstone Highway and the same footprint on Anderson. The 8,000 square foot buildings will be leased and ready for construction to house Starbucks, AT&T Wireless, and Arctic Paws. Some of the site may be undevelopable without some assistance with the rock work. They have estimates on the demolition of \$300,000 for the 3 buildings around the frontage. Jeff Freiberg and Keim dug test holes where the warehouse building will go and there is rock at various levels, and they could have \$200,000 in rock work. Keim showed a rendering of the warehouse building. Keim stated that outside of reimbursable expenses they will be investing approximately \$6 million for Phase 1 and Phase 2 and 3 would be similar in cost.

Thompson clarified that all 4 of the existing frontage buildings will be demolished. Keim stated that Lucy's Pizza, Autos For Less, and China Garden will be demolished. The Java Express will remain as it is newly built.

Thompson clarified that the demolition costs are not represented. Keim stated that the demolition costs are about a year old and were about \$200,000.

Thompson asked if the Board just needs to vote for support of moving forward and exploring the feasibility of the project. Cramer agreed that they need authorization for Conrad to prepare an MOU to authorize proceeding forward with the eligibility report.

Gazdik asked Cramer if he feels this is a project they should consider. Cramer stated that he does, as eligibility is likely as shown in the photos and this is an area that was identified in the City's Northgate Mile Corridor Plan as an area to focus on. There is significant land, significant frontage, and high traffic volumes. Cramer has discussed the boundary with Steve, and this boundary is interesting as there are tired areas to the west and the east of the area, and there is some preliminary interest to the west, but maybe not ready to jump in yet. They will have more conversations.

Gazdik asked for clarification that the area would qualify because there is lava and it is worn down, looks bad, and the reason the existing businesses have left. Keim stated that it was a long-term exodus to the other side of town, and when he took over the property they had a few businesses, and now they have started redoing the property. The traffic on the intersection has increased and retail should be on that highway frontage. Gazdik asked if other developers are bringing in new companies to indicate that there is interest to grow on that intersection. Keim stated that from a retail standpoint, that is close to the highest traffic count intersection in the City. Gazdik

asked if other developers are seeing the opportunity. Keim feels there is retail interest, and from an industrial perspective, you cannot find warehouse in this area to lease.

Thompson asked how limiting is the lava to the development. Keim stated that it is not as bad as they thought, and the test holes show lava around 2 feet, so there will be rock work to install utilities, but not for the foundation of the buildings. Keim feels it is a good building site. Larsen asked if there is 2 feet of soil, and 2 feet of stable rock. Keim stated that they don't know how deep the stable rock is, but it is about 2 feet deep consistently through that area. They were pleased it was consistent. Keim stated that most of the reimbursable expenses will be demo and rock.

Cramer stated that similar to Pancheri East Bank, there was only the demo and right-of-way work and the larger area had significant public improvements if the District is successful. With Districts to the west, you start to get more of a critical mass to have funding to do some improvements on Northgate Mile and Anderson. They will want to coordinate with the City carefully to make sure they understand the City's needs in the area and identify those as potential projects.

Thompson asked what steps are needed to establish a final boundary. Cramer stated that they want to take the eastern boundary and shift it across the intersection to pick up the corners so they can work on the intersection. Cramer stated that they discussed whether to come from the west and at this time it doesn't make sense, but they will chat with the City to see if it makes sense to go to the South side of Anderson. To the north there is public property, County jail, animal shelter and those lack revenue sources and potential projects. Cramer stated that they could make a large district and include the Murphy property to the west. Before that is determined they need to discuss it with the landowner to make sure they are ready to go, if not they need to wait on that section.

Keim stated that they have talked with Murphy and maybe the 1<sup>st</sup> Phase of a project could be included.

Larsen stated that these projects are easy to get excited about because this is the core, and things the Agency wants to do, and could produce energy for potential growth.

Conrad stated that going forward they need formal consideration authorizing staff to draft an MOU with Mr. Keim and his development entity to move forward with the MOU for the June 15 meeting.

Gazdik clarified that once they enter the MOU, they would have Renee Magee look at the feasibility and the financial portion. Cramer stated that she would begin with the eligibility report, and then after that go into the financial feasibility.

**Gazdik moved to authorize staff to draft a MOU with Steve Keim to begin process for considering an urban renewal district near Anderson and Northgate Mile, Larsen seconded the motion and the motion passed unanimously.**

## **7. Marketing Opportunities with the City of Idaho Falls Public Information Officer.**

Radford stated that they have discussed being better about public relations and what the Agency is doing. Radford mentioned the discussions to Bud Craner, Chief of Staff for the City, and he suggested talking to Eric Grosarth about that.

Eric Grosarth. Grosarth is the Public Information Officer for the City of Idaho Falls. He has worked for East Idaho News prior to that. The City offers a variety of different services. Grosarth stated that their goal is to help City staff come up with ways to communicate what is going on in the City and general public outreach. Grosarth works with different departments, including police and fire. Grosarth stated that they can help with strategic communication planning, photos, videos, general media relations, production and creation of different products (FAQ sheets, flyers, etc.) Grosarth stated that after reviewing the annual report, he feels that the Board could come up with goals to communicate to the public and take the goal to develop a plan to reach out to the public.

Thompson asked what the thought is for reaching out to the public. What kind of ideas have been tossed around and what are they trying to accomplish? Gazdik stated that part of what they have been discussing is that this is a valuable tool, and it is not broadcasted well. They want to find a way to develop a wider net to advertise what is available to potential developers to inform them of what is available, and also keep the public informed of what they are doing as well to attract more interest to the area. They need to decide what means of communicating they will use, social media, emails, brochures, and what is the timing for sending out the information on a consistent basis to inform public of what IFRA is doing.

Larsen stated that keeping the public advised of what is coming online would be good.

Radford stated that they want to be transparent and open and meet their mission in trying to encourage development.

Larsen suggested geography should be important and include the west side of the state, and parts of Utah. Radford agreed and felt that the success of the Agency is bringing in outside developers. Letting people know what is going on with development will encourage more interest and development.

Gazdik stated that they could publish a map of the entire Northgate Mile Area with the proposed districts highlighted and getting that sent to public and developers showing the renewed interest in redeveloping this area, so people know there is something going on.

Radford stated that there are a lot of projects going on and if people knew they might want to be a part of it.

Gazdik feels that if they set up a communication plan and stick to it, they will get the information concurrently as it is happening to the public.

Thompson asked if the information would go through Grosarth's office. Grosarth stated that they can work through his office with the tools they have to determine the best way to release the information.

Radford stated that there are different choices, and there are private public relations firms in town that could be used. They do have the new City Agreement that has flexibility, and they can incorporate different things from the City under that agreement.

Gazdik stated that they should first anticipate what the plan is going to be, and what does the communication plan look like. It will entail this Board working with someone who is skilled in communications to know how to put the plan together. Grosarth is happy to meet with any of Board members to go through tools and determine the best method and scope of the project.

Radford asked if they should have sub-committee or invite the entire Board. Larsen likes the idea of a sub-committee, and at some point, everyone needs to be involved, but it would be helpful to know about the options before they plan. Radford asked Gazdik and Larsen to sit down and develop a draft of the plan. Gazdik would like to get something in place that is budgeted every year that they apply consistently. Radford asked Gazdik and Larsen to meet with Grosarth this next month and come back in June with a proposal. Gazdik stated that they will work on a plan and then the specifics the Board can agree on.

Radford stated that the City has hired a new economic development administrator. Catherine Smith has accepted the appointment to be the director and she will bring



another level of excitement and combining her with this idea will ramp up the efforts to improve the community.

**8. Update on contract Between City and Agency.** Cramer stated that it is completed and on the City Council agenda for May 25 to be approved.

**9. RAI and Legislative Update.** Conrad reported that the RAI Annual Meeting will be held in June, and they will coordinate with the AIC Meeting and RAI will be sponsoring an urban renewal educational session during the AIC Annual meeting.

Next Regular Meeting: June 15, 2023. (in City Hall Annex conference room)

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

Radford adjourned the meeting.

Respectfully Submitted: Beckie Thompson