

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**June 18, 2020**

**Regular Meeting Minutes**

**Council Chambers\***

**\* Notice: Due to Governor Little’s proclamation on March 19, 2020 and the Stay-At-Home Order given on March 25, 2020, the doors to the meeting were locked, but notice was given to the public on how to participate via any of the following ways: Submit comments in writing; participate via internet through a Webex meeting; participate via phone through Webex meeting; and watch the meeting via live stream on the City’s website.**

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

**Members Present:** Lee Radford, Brent Thompson, Terri Gazdik, Dave Radford, Kirk Larsen, Thomas Halley

**Members Absent:** Chris Harvey

**Also Present:** Brad Cramer; Ryan Armbruster Esq.; and interested citizens.

**1. Modifications to Agenda: Kirk Larsen moved to modify the Agenda to add Item to discuss Dr. Lee’s Medical Office Building, and the progress on the blasting, Terri Gazdik seconded the motion and it passed unanimously.**

**2. Minutes April 16, 2020: Thomas Halley moved to approve the minutes for April 16, 2020, Kirk Larsen seconded the motion and it passed unanimously**

**3. Approval of Expenditures and Financial Report. This item was not on the Agenda and had to be added as a discussion and the bills will be ratified next month.** Lee Radford indicated that there is a payment to Elam and Burke for legal work; and payment to Rebecca Thompson for transcription of Minutes.

**4. Medical Office Building at Taylor Crossing (Dr. Lee).** Cramer gave a brief reminder to the Board of the project and indicated that it is to be completed by June 2021, and the blasting is to be June 2020. In April they came to the Board and relayed concerns about the deadline due to Covid 19.

Janeal Shaw from Dr. Lee’s office was available to report the progress. Shaw stated that the project is going smooth, however she would like to take advantage of the offer to extend because they are getting close to the deadline. Shaw stated that they now have someone that is interested in taking the second floor space of the building and so that is an opportunity and he doesn’t want to pass that, but in order to close the deal they have needed to change the floor plan and they would need to change the entry way to the building. Shaw stated that this change has cost the project about 3 weeks with the meetings. Shaw stated that they will need to finalize the cost and how the cost will be split between the parties. Shaw stated that they have correspondence with Eagle Rock Blasting and they are in the que, but they do not have a set blasting date. Shaw asked if the Board would be willing to extend, and how far out can they extend, possibly 4 weeks. Shaw stated that the 2<sup>nd</sup> floor tenant is a medical use, and their space will remain the same with the clinic space on the 1<sup>st</sup> floor. Shaw stated that June 30<sup>th</sup> was the original deadline, the plans are through the City, and they have some comments under review for Civil and they

want to have all plans nailed down before they blast. Shaw requested that the deadline be extended to July 31. Shaw stated that they have no concerns about the project not going forward or being completed by June 2021.

Dave Radford indicated that he feels it is a reasonable request give the circumstances and he is comfortable with August 15 for a deadline.

Brent Thompson asked if there will be any changes to the foundation based on the new tenant. Shaw stated that the blasting should stay the same, and the only change might be a change to the square footage (adding 200-300 square feet) of the foundation and that should be finalized in 2 weeks. Thompson indicated that if they are kept up to date, he is in favor of the continuation of the agreement.

Thomas Halley stated that he doesn't feel that the City will have a problem with the extension. Halley is concerned that an extension here will delay the completion date of June 2021. Halley stated that there is a shortage of labor and that could be a problem.

Cramer reminded the Board that they need a CO issued by June 30, 2021. Shaw stated that their timeline is to have the walls up and asphalt, concrete done by Thanksgiving and then work on the inside over the winter, with a target date to open the office in February 2021. Shaw stated that if they keep to the building timeline, they will have no problem with the June 2021 date. Shaw stated that her contractor, Head Waters, gave them build time of 6-9 months.

Lee Radford wants to push the next meeting out until August 20 and push the deadline for the blasting to be complete to August 20 as well and they can act at that point.

Armbruster stated that they cannot act today. Armbruster stated that the June 30 date will come and go, and the Board will simply not exercise the remedy available and defer anything until the August meeting, so no motion is needed today, they will acknowledge they heard the report, and understand the circumstances and will deal with it at the next meeting.

Shaw was comfortable and understood the Board's position. Shaw is going to take that to her people and let them know that there is no possible extension past the August 20<sup>th</sup> date.

All the commissioners concurred with the decision to wait until the August 20 date.

**5. Update on Northgate Mile/1<sup>st</sup> Street Planning Efforts.** Cramer reminded the Board of the EPA Brownfield Grant and they are entering the final year of the \$600,000 grant, and they are working on the main project which was to write and develop a redevelopment plan for the Northgate Mile and 1<sup>st</sup> Street area. Cramer stated that all the requirements that are needed for a redevelopment plan are being addressed by the consultants as they go through so that at the end the data for an eligibility report would be available. The consultants have done the public outreach, draft market study, and they have prepared a Priority document. Cramer directed the attention to Table D, that relates to the map showing opportunity sites. Cramer stated that the main draft of the plan should be done in a few weeks and then it will go to the coalition partners for review. Cramer stated that the way urban renewal is done in Idaho Falls, might have to have a different approach for this area.

**6. Future Urban Renewal Projects and Approaches.** Cramer stated that generally they would wait for a developer to take a large chunk of land and work on the area over the 20 years and get pay back for, but this area is similar to Downtown, and that only worked because it was attached to a pre-existing district.

Lee Radford stated that they don't have any major projects coming up and they are keeping an eye on a few areas like South Downtown. Lee Radford stated that they need to take a conservative approach. Lee Radford stated that the Agency has done remarkable things with the City of Idaho Falls. Lee Radford wants to talk about ways to be conservative and a target approach to get the market going the direction they want.

Larsen asked about the knowledge of the Redevelopment Agency and if it is brought up to developers. Cramer stated that if someone comes to him in an area such as this, he tries to make sure they know about it, if they didn't already know. Cramer stated that some of them know about TIF and urban renewal, but generally contractors that work outside of Idaho tend to know more about TIF and urban renewal. Cramer stated that the challenge is the unknown of rehabbing buildings as there is no clear path.

Lee Radford stated that in the past there have been developers like Ball Ventures that have put major resources into redevelopment and they were willing to learn about urban redevelopment, but some contractors and property brokers don't know about this resource, and so a potato field is easier to develop on. Lee Radford doesn't feel like the message has gotten out. Lee Radford stated that they need to get the word out and let them know its good to build in this area and decrease taxes for all the taxpayers.

Kirk Larsen stated that as the new Police Station moves along it should generate some interest.

Terri Gazdik asked about the potential for tax base. Cramer clarified that there is not a large tract of land with nothing with a really low base, and so everything has something on it, so you are going from an existing building that does already have increment for the site, and you aren't looking at a regional area. Site by Site vs. Neighborhood.

Lee Radford stated that they need to figure out how to get into traditional urban renewal in a conservative way because they are not going to use eminent domain and they aren't going to condemn anything and they aren't going to tell anyone what they have to do with their property.

Terri Gazdik stated that they saw how it didn't work on Yellowstone when they gave the owners an option and no one wanted to go forward with it.

Lee Radford stated that they have done this before with the Bonneville, and this will just be modifying it. The Agency can try to get an option on the property then go to the developers with property to do something and put it out for RFP and see if there is a developer that wants to do it. Lee Radford stated that there are a lot of options in this area for example, the old drug store on the corner that has poor access, and the rest of the block is not being used. Lee Radford suggested having a real estate agent talk to the owner and give them an option agreement, and if the property sells, great, if not the owner gets to keep the option money. Radford stated that they would use the tax increment to buy the property. Lee Radford stated that because they aren't using condemnation it will require some up-front money to pay for the options. Radford indicated that he talked to Mayor Casper and will talk with City Council to discuss the \$1 million that is being returned on the Pancheri Fund, and instead they could put it in the fund for the Agency to buy options and it could return good money in the long term. Radford suggested not targeting a specific area, but rather test the market to see if there is something that a real estate agent would be interested in doing. Radford stated that some buildings in the area have been abandoned. Radford believes they can get developers looking at the area. Radford stated that through the Grant they have already put in the work to meet the 14 points of eligibility and there is an eligibility report for any particular area to create a plan and quickly have it ready. Radford stated that they need to be conservative and get the biggest bang for the buck.

Halley stated that the Law Enforcement building will be a good start, but they need a catalyst.

Gazdik agreed that they need a catalyst to make developers want to build in this area. Gazdik asked if there was way to get some street scape done with money allocated from the State, so that it would show improvement, and show developers that they want to come there even though the area is blighted. There needs to be something to show them this can be something more than what it is today. Gazdik stated that you are fighting against opportunities elsewhere in the area, and this area has nothing to draw developers.

Lee Radford stated that 1<sup>st</sup> Street has nice buildings and shops and shops that are trying to get a foot hold, and a little bit of sidewalk and trees could attract some things. Radford stated that they don't have the money because this would be new area.

Cramer stated that there is energy on 1<sup>st</sup> Street amongst the business owners and they feel neglected, and they are ready to partner on something exciting. Cramer stated that there hasn't been anything happening in this area, but the site behind the Bowlero has plans in place for a new apartment complex, and The Housing Company has purchased property on Lomax for apartments as well. Cramer stated that Fred Meyers is an anchor to the area and is considering leaving because there are no house tops in the area. So these two projects will create housetops. Cramer stated that the Agency can help make a Place and a reason to be in this area.

Thompson stated that in the market study the rents in the District are low, and if there are pre-existing rents its hard to get higher rents based on cost when you have below market rents. Thompson stated that private housing development or commercial development the participation of the Agency to supplement the costs will be significant.

Lee Radford worked on an apartment complex for a client and they put in 35 units on a brownfield site, and it was a fantastic project. Radford realizes the underpass is hard to get over to get to the River.

Dave Radford stated that he was going to resign today as he has been a Commissioner for 18 years. Dave Radford stated that 1<sup>st</sup> Street used to be the drag in Idaho Falls. Dave Radford stated that the challenge of not having a developer to drive it. D. Radford stated that legislatures campaign against Tax Increment. D. Radford is glad that they are not going to exercise eminent domain. D. Radford stated that the high school has some history pieces that could be important. D. Radford stated that the County Commissioners feel that when the urban redevelopment goes away from the City they feel that is a misuse, but this area is central and it is needed to have some market driven approach that the Agency can help. D. Radford stated that without the drive of a developer the Districts can last forever and that is a problem that the Commissioners feel is a problem because of the time the Districts can go. D. Radford stated that the County gets nothing for these areas and get nothing for it. D. Radford has enjoyed his time in the Agency. D. Radford stated that the Agency has done good on getting things closed and money back to the taxing entities. D. Radford stated that they have to be able to justify the exemptions in order to avoid the opponents showing up for City Council seats. D. Radford stated that August will be his last month, although he is in office until January 2021.

Lee Radford stated that D. Radford's standing keeps them in good standing with the taxpayers. L. Radford agrees that there is a limitation in time and geography so there isn't a big burden on the City and the County.

Thompson stated that he didn't realize that you can plug a contemporary development in and get the returns that are indicated and that is a more optimistic approach. Thompson stated that the comments from the public in the market study didn't have positive comments. Thompson stated that the public feels

that the area is run down and had its time. Thompson stated that the old drug store has been renovated and hopefully something can be tied in with the renovation of the drug store and redevelop that area for the anchor on 1<sup>st</sup> Street.

L. Radford stated that they want to know what the market wants, and this highway gets you to Rexburg and Pocatello easily, close to parks, green space, schools, etc. If there was a nice building to live in, people would want to live here. It has things to offer.

Gazdik asked if the State has any money allocated to request for the stimulus allocation for Idaho. L. Radford suggested Dana Briggs could look into it, as they'd need to work with the city departments because this plan is bigger than the Agency, and the Agency would just have a small contribution to make the plan work. Lee Radford and Gazdik agreed that a bike path in the area would be helpful.

Lee Radford will discuss this with City Council and would like to talk to County Commissioners. D. Radford agreed that the Board Members should talk to Roger Christensen and Bryan Reed to keep them updated on what is going on.

**7. RAI and Legislative Update:** Armbruster reported that RAI has its annual meeting today and they will talk about 3 major issues (1) the Interim Committee on property taxes that will examine urban renewal and tax increment; (2) \$200 million set aside from Federal funding for property tax relief and public safety cost and how that will impact the levies and monies generated for urban renewal; (3) Filing a Friend of the Court application on the pending Supreme Court Case on a challenge to the City of Boise's adoption of an urban renewal plan.

Armbruster stated he would send notes and a letter pertaining to the discussion today.

Lee Radford agreed that if Armbruster helped develop a template for development in the area that would be helpful.

**Next Regular Meeting: August 20, 2020**

**Thomas Halley moved to adjourn the meeting, Terri Gazdik seconded the motion and it passed unanimously.**

**Respectfully Submitted: Beckie Thompson**