

IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

August 16, 2018

Regular Meeting Minutes

Annex Building Conference Room

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, Terri Gazdik, Dave Radford

Members Absent: None.

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

1. Modifications to Agenda: Lee Radford indicated that #9 and #10 can be deleted and will not be necessary.

2. Minutes July 19, 2018: Dave Radford moved to approve the Minutes for July 19, 2018, Kirk Larsen seconded the motion and it passed unanimously.

3. Approval of Expenditures and Financial Report. Lee Radford presented the finance report dated August 16, 2018. The following bills were presented to be paid from the Snake River Allocation Fund: Elam and Burke, \$4,453.13 for legal services; Rebecca Thompson, \$115.00 for transcription of minutes; Horrocks Engineering, \$4,975.00 for Alta Survey for Broadway Site; Renaissance Partners \$78,577.83 for OPA. The following bills were presented to be paid from the River Commons Revenue Allocation Fund: Title Financial Specialty – Bandon River, \$10,129.67 for OPA; Title Financial Specialty – BV Lending, \$339,078.44 for OPA. Cramer indicated that the plan is to close on the Bonneville Hotel later this month and the Board has already approved the expenditure and next month that check will show up in the finance report. Lee Radford clarified that is the \$1.4 million. **Brent Thompson moved to approve the Finance Report, Thomas Halley seconded the motion and it passed unanimously.**

4. Public Hearing on Tentative FY 2019 Budget. Cramer indicated that the budget that was proposed last month covers all the Districts. Cramer indicated that there are two different sheets for the Snake River District. Cramer stated that the Snake River District consists of what they believe the revenue will be, all of the current commitments, plus potential projects. Cramer stated that the budget is pretty standard with the OPA, or no activity. Cramer stated that River Commons is a simple district to budget as it is only revenues and the OPA payment. Cramer stated that Pancheri Yellowstone is inactive. Cramer stated that Eagle Ridge does have some cash available and the developer still has not executed their note, so that will need to be worked on. Cramer indicated that Jackson Hole Junction is new and has little activity. Cramer stated that they did not receive any written comment directed specifically toward the budget. Mark Hagedorn indicated that they are trying to make the cash and the predicted revenue match what the budget is, so the number is \$0 at the end of the closure, and they are suggesting not to budget any remaining cash, so the budget has capacity for the Agency to make any decision during the year.

Lee Radford opened the public hearing for the Fiscal Year 2019 Budget. No one appeared in support or opposition of the Fiscal Year 2019 Budget and no written comment was received. Lee Radford closed the public hearing.

Gazdik indicated that the Snake River Allocation Fund has a different proposed budget than the termination budget, there is a \$15,000 difference. Gazdik asked what the difference is between the two budgets. Hagedorn is unsure why they are different. Cramer indicated that it is likely an error and there will need to be some reconciling after the next hearing due to the \$2.25 million in the negative.

Lee Radford stated that they are budgeting to give the possibility of expending all funds if projects come along that merit the money. Lee Radford stated that in the Pancheri Yellowstone Fund it shows \$650,000 in expenditures and they have told the owners that if they have a good proposal they can come forward and the Agency might invest the money in the properties, however no good proposals have come forward and it is likely that money will be returned to the taxing entities. Thompson confirmed and Radford agreed that this is the Fund that had the proposed streetscape project. Lee Radford stated that the money will be returned unless there is a project brought forth that will return more money to the tax payers.

Dave Radford asked if the \$300,000 on OPA is accurate. Cramer indicated that the \$300,000 is only for Snake River and one entity (Renaissance Partners) still has an OPA. Lee Radford indicated that is a commitment the Agency has to them. Dave Radford asked if that is what will end up being paid when the area closes. Cramer indicated that it is fairly accurate.

Armbruster read the Resolution by title.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE IDAHO FALLS REDEVELOPMENT AGENCY OF IDAHO FALLS, IDAHO, TO BE TERMED THE “ANNUAL APPROPRIATION RESOLUTION,” APPROPRIATING SUMS OF MONEY AUTHORIZED BY LAW AND DEEMED NECESSARY TO DEFRAID ALL EXPENSES AND LIABILITY OF THE URBAN RENEWAL AGENCY FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30 2019, FOR ALL GENERAL, SPECIAL AND CORPORATE PURPOSES; DIRECTING THE CHAIR OR EXECUTIVE DIRECTOR TO SUBMIT THE RESOLUTION AND BUDGET TO THE CITY OF IDAHO FALLS AND ANY OTHER ENTITY ENTITLED TO A COPY OF THE RESOLUTION AND BUDGET; AND PROVIDING AN EFFECTIVE DATE.

Terri Gazdik moved to approve the Resolution for the Fiscal Year 2019 Budget, Thomas Halley seconded the motion. Lee Radford called for roll call vote: Terri Gazdik, yes; Dave Radford, yes; Thomas Halley, yes; Brent Thompson, yes; Chris Harvey, yes; Kirk Larsen, yes; Lee Radford, yes. The motion passed unanimously.

5. Public Hearing on Tentative Preliminary FY 2019 Termination Budget for the Snake River Project Area. Armbruster stated that the statute requires a specific termination budget. Armbruster stated that the practice has been in other areas that have been closed throughout the State, to pull the project closeout budget into a separate document. Armbruster stated that it provides the opportunity to consider and discuss more specifically the last remaining obligations and/or projects. Armbruster stated it is phrased as a preliminary budget because when they get into the first quarter of calendar year 2019 then they can hear a formal notice to the taxing entities and tax commission and assessor to let them know the area is closing out and the budget will be updated in the first calendar quarter and a final-final update in the third calendar quarter of 2019. Armbruster stated that this has been publicly noticed and any solicitation from any one at the meeting, or written comment can be heard.

Cramer noted that the revenues in the Snake River Fund shows proceeds of \$200,000 and that was to reflect the sale of the Bonneville Hotel, and that will take place in this fiscal year so that won't need to be part of this budget and can be removed from this line item. Cramer stated that if The Housing Group receives their additional grant they are committed to paying the Agency back an additional \$300,000, but

that is an “ify” proposition. Hagedorn indicated they can transfer it down to *Cash Needed to Balance Budget*, and then that amount would be \$1,450,000.00.

D. Radford asked why they would only put \$200,000 instead of the \$300,000. Cramer stated that The Housing Group agreed to buy the building for \$500,000 and they came up short with their anticipated funds, and so they asked the Agency to reduce the price to \$200,000, knowing that part of the gap they were trying to fill was a grant they were going to re-apply for, and if they receive the grant they would pay the Agency the original price of \$500,000.

Cramer stated that under the expenditures the professional fees and City Administration have been increased above previous years to reflect that this is the close out year and between legal and other staff there will be extra time and funds needed to get the District closed out. Cramer stated that Audit Insurance and Office & Dues are similar to previous years. Leases are the same as last year and reflect the lease with the Unitarian Church parking lot. Cramer stated that the OPA is the payment to Renaissance Partners.

Cramer stated that the top 5 items under Capital Projects (Broadway Plaza Purchase; Deseret Book Rock Removal; Tru Hotel Rock Removal and Bridge; Pfaff Sewing Center Purchase; Riverwalk Dive are items that the Board has already committed to in some fashion. Cramer stated that Deseret Book with a remaining commitment of \$79,789 has no project underway, but the amount is committed if they build on the property. Cramer indicated that he spoke with the owner of the Pfaff Sewing Center building and they are concerned about the roof requirement, but they will let Cramer know within this week if they are going to accept the offer, and if the offer is declined it will free up an additional \$125,000. Cramer stated that the remaining projects listed under Capital Projects are only ideas that have been presented to the Agency. Cramer stated that he understood that the Board wanted to include all ideas and then work through the projects to get to a balanced budget. Cramer stated that with all of the Capital Projects listed (committed and uncommitted) there is currently \$2.257 million in the negative, and that needs to be brought to a \$0.

Lee Radford asked about the item *Cash Needed to Balance Budget*, as the revenue report shows total funds available of a different number. Hagedorn stated that they are anticipating that by the end of the fiscal year they will have \$1.2 million left in the Action Investments. Thompson clarified and Hagedorn agreed that Cash Needed to Balance Budget is the cash balance that is anticipated at the start of the close out year. Lee Radford stated that \$3.8 million is what they will have available. Cramer stated that he and Hagedorn used historical revenues and stayed conservative. Cramer stated that the challenge will be the new levy rates and valuations. Hagedorn indicated that they don't set the levy rate, they take the levy rate from the County and City and that is what they get for payments. Armbruster stated that it is a constant struggle for all urban renewal agencies, as they legislature requires their budget and filed by September 1, and the levies are not set by the taxing entities until later in September and so it is an educated guess. Armbruster stated that they will continually be updating and modifying the budget in order to reflect actual dollars coming in and out.

Lee Radford stated that the Deseret Book Rock Removal is a project that will only go forward if they build a building on the site in the next year and it doesn't appear to be moving forward. Lee Radford stated that he has received word from Julie Isom that she is not interested in selling at this time so Aladdin Floral can be removed. Lee Radford stated that Idahoan Parking doesn't appear to be going. Lee Radford stated that the other items that have been requested will have to be decided using the Agency's discretion to determine which are best for tax payers. Lee Radford stated that Idahoan is not completely

gone and they are still talking about the building, and if they stay in the building they aren't going to build parking, but they may need infrastructure items that they want help with.

Brent Thompson asked if the \$1.3 million on The Broadway is just for the plaza condo and that is anticipating that they will already have paid for the other two condo that is reflected in the cash balance. Cramer indicated that all payments have been made except the \$1.3 million that is due after they have the CO.

Lee Radford indicated that these items don't have to be decided today and they can have a budget that shows that this is the wish list and the Agency knows it can't spend over \$0, and L. Radford would like to have a dividend to give back to the taxing entities.

D. Radford asked if there is any way to help on the number for The Broadway Plaza. Cramer indicated that The Broadway Plaza is set. D. Radford asked if they are set on the Tru Hotel Rock removal and Bridge. D. Radford stated that he hopes that Pfaff Sewing doesn't accept the offer to buy. Lee Radford stated that they don't have to come to a zero budget, as they know they can't spend more than they have. Lee Radford stated that this budget would give notice of the different projects that are out there and they can advocate for them. Armbruster indicated that a solution could be merging Idahoan and Constitution Street together at whatever number is needed to balance, or get the budget to zero by creating a miscellaneous item that included potential projects. Halley stated that if they remove Constitution and Idahoan the budget will balance. Armbruster stated that the Board will have opportunities to refine the budget and under the regular Statute there is the opportunity to amend the budget as long as they go through the same process of notice, hearing, approval.

Lee Radford opened the Public Hearing for testimony on the Termination Budget for the Snake River Revenue Allocation Fund.

Catherine Smith, IFDDC. Smith indicated that when they presented last month they had also asked for \$320,000 to rebuilding the 8 intersections Downtown costing \$40,000/each, and that has not been added to the budget for potential projects. Smith stated that the numbers she has from Public Works for the Broadway Street Improvements are \$550,000 not \$300,000 as listed on the budget, and the Downtown Development Board of Directors would consider contributing to that project in a substantial way with funds that are held in the Business Improvement District held in the City and that would have to be a Board vote so she cannot pinpoint a dollar amount. Smith indicated that the priority for the projects they have presented would be the Broadway Street Improvements number one; Corner improvements number two; and parking meters third. Thompson asked if the \$320,000 for the intersection is 100% of the cost. Smith agreed that it is 100% of the cost and indicated that Downtown Development is redoing Capital and "A" intersection and they are covering all of the cost so they know what the costs are. Greg Crockett stated that right now they are doing Capital and A and all the costs are fixed and they are waiting on materials to conclude the project.

Greg Crockett, Esq., 428 Park Ave., Idaho Falls, Idaho. Crockett is a member of the Board of Directors of Idaho Falls Downtown Development Corporation. Crockett added his support of the Broadway Street Improvements being the top priority. Crockett stated that Broadway is highly important to the Downtown corridor and that area has been neglected as the streetscapes that are on Broadway date back to 1972. Crockett stated that the planter boxes and brick are extremely deteriorated. Crockett indicated that in cooperation with the City of Idaho Falls they have a conceptual design and some engineering work that has been done. Crockett stated that the \$550,000 is a reliable number to proceed forth with in improving the area from the west side of the Broadway Bridge to Yellowstone Avenue. Crockett indicated that they have aspirations of focusing on areas south of Broadway in the future, but the

Broadway Corridor needs attention now. Crockett indicated that the parking meters are a bit misleading. Catherine Smith clarified that they are parking meters for the off-street parking lots. Crockett stated that they are in the parking management business and they will do more in terms of parking management in the future. Crockett stated that they are losing out on revenue on parking because they are in the dark ages. Crockett stated that the Yellowstone parking lot is highly utilized and is on the honor system and there is not an attendant there very often as it is not cost affective. Crockett stated that with some money for capital investments they could create more revenue. Crockett stated that they manage parking to make it efficient.

Jake Durtsche, IFDDC. Durtsche seconded Smith and Crockett's comments as far as priority lists.

Cramer indicated that no written comment was received.

Lee Radford closed the public hearing for the Termination Budget for the Snake River Fund.

Thomas Halley indicated that Tru Hotel was going to build some sort of bridge and for overall benefit, he'd like to scrap the bridge and do the Downtown Intersections and Broadway Street Improvements. Lee Radford indicated that the Board had this discussion last month and they made a commitment to Tru Hotel and they have moved forward. Halley asked how much of the commitment is the Bridge. Harvey indicated that the bridge was \$170,000. Halley indicated that he feels that inflation has caught up with them and they want a contribution to ease the cost of labor. Halley stated that he feels that Broadway Street Improvements are important. D. Radford asked if Halley was wanting to remove \$172,000 out of the \$463,500 that was committed to Tru Hotel. Lee Radford stated that they had the discussion and vote last month and a commitment was made and they've moved forward with construction.

D. Radford indicated that he is uncomfortable voting for a budget that is \$2 million in the hole. D. Radford stated that removing Aladdin Floral will be helpful. D. Radford stated that Tom Halley feels that Constitution rebuild is less of a priority that Broadway. D. Radford stated that if the Idahoan Parking is not going to proceed then they can get to a \$0 budget.

L. Radford stated that they were trying to get the potential projects out to the public and they gave the public notice of that and then they can say where the priorities are through testimony. Armbruster stated that if they can get the budget to \$0 and end up spending less in the fiscal year that is fine. Armbruster stated that anything that doesn't have a binding obligation to spend will evaporate at the end of FY 2019. Armbruster suggested combining Idahoan and Constitution Street rebuild to a single place holder to get to \$0 then you can make the decision in the fiscal year if you are going to fund those projects and to what amount. Brent Thompson stated that they can take out Aladdin and put in the Downtown corner projects and that would put it right at \$0. Cramer adjusted the spreadsheet to show no Idahoan; no Constitution; added the intersections; increased the Broadway; and that puts the budget at \$22,007 in the positive. L. Radford indicated that the Board is not committing to any of the projects except the top 5 that have had formal votes on and committed. L. Radford stated that they can put things on a budget and not be committed to the project, it is simply a place holder for an action in the future. Cramer asked if the Board would feel more comfortable with lumping all of the Downtown projects, including Constitution and Idahoan was put in a single line item. D. Radford stated that he doesn't want to put in writing that they intend to spend -\$2 million. L. Radford stated there is no questions that they cannot spend more than they have. Gazdik likes Cramer's idea to combine the budget into one line item that says Downtown projects, and that will not commit them to anything in particular. Gazdik stated for budget purposes they can make it a one line item. Armbruster indicated that will work for the budget.

L. Radford suggested putting the 5 committed projects listed separately and then an “other” category for the remainder and that will balance it to \$0.

Halley indicated that the estimate will be easier to make once they get the final figures from the County for levies. D. Radford stated that the valuations for the last 3 years will be similar. D. Radford stated that on the BOE’s this year they didn’t make any adjustments Downtown and there weren’t very many appeals. D. Radford stated that it is important that people want to partner and when they show up with money it should be a priority for the Board to think about when making decisions. D. Radford stated that when Downtown Development shows up with money the priority on the projects should reflect that. Halley agreed with D. Radford.

Greg Crockett indicated that they want to help with the Broadway project. Crockett stated that the money for the parking improvements doesn’t get the parking 100% funded it only gets them started with bringing the technology up to speed.

L. Radford clarified that they revised the Snake River Termination budget to put uncommitted projects to \$1,242,700.00.

Armbruster stated they need to do a motion first to authorize staff to prepare the revised spreadsheet and attach it to the resolution and then the resolution will be read by title.

Dave Radford moved to adopt the budget that reflects the total revenue of \$3.882 million and the projects as listed, with the 5 committed projects and the other projects listed as “other” and set aside and funded if there is new monies that showed up, with a zero balance at the end, Brent Thompson seconded the motion and it passed unanimously.

Armbruster read the Resolution by title.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE IDAHO FALLS REDEVELOPMENT AGENCY OF IDAHO FALLS, IDAHO, TO BE TERMED THE PRELIMINARY “TERMINATION BUDGET RESOLUTION,” SETTING FORTH THE PROJECTED REVENUES AND EXPENSES OF THE URBAN RENEWAL AGENCY, FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019, FOR THE URBAN RENEWAL AND REVENUE ALLOCATION AREA KNOWN AS THE SNAKE RIVER URBAN RENEWAL PROJECT AREA, FOR ALL GENERAL, SPECIAL AND CORPORATE PURPOSES; MAKING A DETERMINATION THAT THE SNAKE RIVER URBAN RENEWAL PROJECT AREA CAN BE TERMINATED ON OR BEFORE DECEMBER 31, 2018; DIRECTING THE CHAIR TO SUBMIT THE RESOLUTION AND TERMINATION BUDGET TO THE CITY OF IDAHO FALLS; AND PROVIDING AN EFFECTIVE DATE.

Kirk Larsen moved to approve the Termination Budget Resolution as read, Brent Thompson seconded the motion. L. Radford called for roll call vote: Gazdik, yes; D. Radford, yes; Halley, yes; Thompson, yes; Harvey, yes; Larsen, yes; L. Radford, yes. The motion passed unanimously.

6. Approval of Grant Participation Agreement for Tru Hotel. Armbruster stated that premised upon the action last month this is the formal agreement and Cramer needs to fill in some blanks concerning the developers corporate entity and the exact list of public improvements. Armbruster stated that this draft had \$395,000 listed and the actual number is \$463,500.00. Armbruster stated this is a similar agreement to Deseret Book and Indian Motorcycle.

L. Radford stated that Tahri Malifua came and provided information and there was a vote last month on what to do. Brent Thompson suggested in the future if they have two different components in a grant that they discuss them and fund them separately. Thompson stated that he is in favor of one component and opposed to the other. D. Radford indicated that he had the same problem as he did not like the bridge and there wasn't enough public parking committed. L. Radford stated that the Board did commit to the sums and construction has moved forward.

Armbruster read the Resolution by Title.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE IDAHO FALLS REDEVELOPMENT AGENCY OF IDAHO FALLS, IDAHO; APROVING THE GRANT PARTICIPATION AGREEMENT BETWEEN THE AGENCY AND B&T IDAHO HOTELS IV, LLC., AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY DOCUMENTS SUBJECT TO CERTAIN CONTINGENCIES, AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENT, AND PROVIDING AN EFFECTIVE DATE.

Thomas Halley moved to approve the Resolution Approving the Grant Participation Agreement, Terri Gazdik seconded the motion. L. Radford called for roll call: Gazdik, yes; D. Radford, yes; Halley, yes; Thompson, yes; Harvey, yes; Larsen, yes; L. Radford, yes. The motion passed unanimously.

7. Project Updates on Pfaff Sewing Center, Bonneville Hotel, and the Broadway. Cramer indicated that they will know by the end of the week if they accept the offer on Pfaff Sewing Center. Cramer indicated that the Bonneville Hotel will close on August 28, 2018 and construction will start shortly thereafter. The Broadway is moving forward and they are working through an issue on the City side talking about burial of power lines in the alley, and still on schedule.

8. Legislative/RAI Updates. None.

L. Radford stated that items 9 and 10 were going to be discussing the Aladdin Floral building. L. Radford stated that Julie Isom was upset that the property was listed as a possibility. L. Radford stated that they did have more information for her, but she is not interested.

Larsen confirmed that the agreement for Pfaff is accepted is \$125,000 total. Cramer stated that the owner asked if they would be willing to do \$120,000 and not require him to fix the roof, and that causes too many liability issues, but they declined the offer. D. Radford stated that he feels the \$125,000 could be used somewhere else.

Next Regular Meeting: September 20, 2018.

Dave Radford moved to adjourn the meeting, Brent Thompson seconded the motion and it passed unanimously.

Respectfully Submitted: Beckie Thompson