

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**August 25, 2022                      Regular Meeting Minutes                      Council Chambers**

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

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

Members Absent: Terri Gazdik, Thomas Hally, John Walker

Also Present: Brad Cramer; Ryan Armbruster Esq. (via Webex,), Meghan Conrad, Esq. (via Webex); Renee Magee (via Webex) and interested citizens.

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

**2. Approval of Minutes July 21, 2022.** Brent Thompson moved to accept the Minutes for July 21, 2022, Kirk Larsen seconded the motion, and the motion passed unanimously.

**3. Approval of Expenditures and Finance Report.** Lee Radford presented the Finance Report Dated August 25, 2022. In the River Commons Area: \$50.00 to Rebecca Thompson for transcription of minutes; \$3,654.00 to Elam and Burke.

**Kirk Larsen moved to approve the Finance Report dated August 25, 2022, Brent Thompson seconded the motion and the motion passed unanimously.**

**4. Public Hearing on FY 2022-2023.**

Mark Hagedorn presented the proposed FY 2022- 2023 Budget. There are three Districts (River Commons, Eagle Ridge, Jackson Hole) proposed in the budget and if other districts are created, they will deal with those budgets at that time. The estimated revenue are based on current tax collections and expenditures are based on the estimated tax collections plus current cash balance forecast for the end of the year.

Eagle Ridge estimated expenditures are \$160,250; Jackson Hole estimated expenditures are \$290,250; River Commons estimated expenditures are \$2,952,500. The total expenditures for all Districts are \$3,403,000 for the FY 2023. Most expenditures are in the form of OPA payments and then consulting services with legal and the City, as well as insurance costs.

Larsen asked if the capital improvement numbers are place holders. Hagedorn agreed and stated that the place holders will give the Board capacity to make decisions throughout the year.

Radford opened the Public Hearing on the Fiscal Year 2022-2023 Budget. Radford indicated that they have published this notice in the local newspaper.

No one appeared in support/opposition of the Fiscal Year 2022-2023 Budget. No one appeared online; and no written comment was received.

Radford closed the Public Hearing on the Fiscal Year 2022-2023 Budget.

## **5. Resolution to Approve the FY 2022-2023 Budget.**

Armbruster read the Resolution by Title.

A RESOLUTION OF THE BOARD OF THE COMMISSIONERS OF THE IDAHO FALLS REDEVELOPMENT AGENCY OF IDAHO FALLS, IDAHO, TO TERM THE ANNUAL APPROPRIATION RESOLUTION, APPROPRIATING SUMS OF MONEY AUTHORIZED BY LAW, AND DEEMED NECESSARY TO DEFRAY ALL EXPENSES AND LIABILITY OF THE URBAN RENEWAL AGENCY FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2022 AND ENDING SEPTEMBER 30, 2023; FOR ALL GENERAL AND SPECIAL AND CORPORATE PURPOSES; DIRERTING 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.

**Brent Thompson moved to accept the Resolution for the FY 2022-2023 Budget as written, Kirk Larsen seconded the motion. Lee Radford called for roll call vote:**

**Larsen, yes; Thompson, yes; Harvey, yes; Radford, yes. The motion passed unanimously.**

## **6. Resolution Accepting the Anderson-Bush Eligibility Report.**

Cramer presented the Eligibility Report and Resolution accepting the report for the currently named Anderson-Bush (Blackfeather Apartments). The first step in creating a district is to determine whether it is eligible under the State Statutes. Renee Magee has been retained by the Agency to produce the Eligibility Study to determine if the area is eligible.

Renee Magee presented the Eligibility Report. Magee prepared slides to go through the document. The study area is bounded on the north by Science Center Drive, west by US 20, south by Anderson, east N. Boulevard extended. The reasons for eligibility for this acreage is 1) basalt rock that lies ½ foot to 11 feet below the surface on the southern portion of the 20 acres; 2) limited vehicular access going in and to the study area. The interchange for US 20 and Science Center severed this study area from the rest of the community that was connected by a grid street system, and now to get access to the west, you first must travel east, and it is counter intuitive. The interchange also resulted in limited access to the properties in the study area. 3) lot sizes that are obsolete for development. 66% of the study area is vacant due to the conditions of basalt rock, lack of access and shallow sewer system. Magee stated that the conditions in this area have created an area that is difficult to develop and therefore has been bypassed in the growth of the City. Magee stated that this area is eligible to be an urban renewal area and a revenue allocation area.

Kirk Larsen asked if the developer is aware of the situation with the water distribution and sewer collection. Magee stated that the developer brought up the lift station of the property, so he is aware.

Brent Thompson about the piece that flanks Science Center Drive, and the limitations of development. Magee stated that in the past a developer brought in a site plan and try to plat the property, but the problem was the lack of depth of the property and the front set back, parking and building size it gets to be difficult to develop. Access is also a problem to the property and whether they can make a loop road.

Radford stated that Magee has found that this area is eligible based on the criteria listed in her summary.

Blake Jumper was available to answer questions. Thompson asked about the timeline for development. Jumper stated that they will have a preliminary plat going to P&Z in September, and they expect to close on the property by the end of the year and will begin working on architectural documents around the same time and hope to have construction starting June 2023. Radford asked what they are doing with the US 20 upgrade project, and how will that play into this development. Radford stated that this property is one of the alternatives for the US 20 project and if chosen it will take a lot of this land. Jumper stated that before they even got the site under contract, they had meetings with ITD (Ryan Day and Kelley with Horrocks). Jumper stated that if this is selected as the improvement path for US 20 they didn't want a conflict, so they identified the improvements on the highway project would come down 330' off of West Anderson, so from the curb cut of West Anderson north 330' and that would be the boundary of the highway improvement project, and their plat shows their north

boundary at 273' so they are trying to get wiggle room so they aren't conflicting with ITD. They are working together as partners, so they aren't stepping on toes.

Armbruster read the Resolution by title.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE IDAHO FALLS REDEVELOPMENT AGENCY OF IDAHO FALLS, IDAHO, ACCEPTING THAT CERTAIN REPORT ON ELIGIBILITY FOR CERTAIN PROPERTY REFERRED TO AS THE ANDERSON BUSH URBAN RENEWAL DISTRICT AREA AS AN URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA AND JUSTIFICATION FOR DESIGNATING THE AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE REPORT; AUTHORIZING AND DIRECTING THE CHAIRMAN OR EXECUTIVE DIRECTOR TO TRANSMIT THE REPORT AND THIS RESOLUTION TO THE CITY COUNCIL OF THE CITY OF IDAHO FALLS REQUESTING ITS CONSIDERATION FOR DESIGNATION OF AN URBAN RENEWAL AREA AND SEEKING FURTHER DIRECTION FROM COUNCIL; AND PROVIDING AN EFFECTIVE DATE.

**Brent Thompson moved to approve the Resolution for Anderson-Bush Eligibility Report, Kirk Larsen seconded the motion. Radford called for roll call vote:**

**Larsen, yes; Thompson, yes; Harvey, yes; Radford, yes. The motion passed unanimously.**

**7. Review Draft of Pancheri East Urban Renewal Plan.** Cramer stated that they have been waiting on updates on land ownership questions, and they got the answers to the land ownership about the time they got the plan, and they have some answers on the Capital extension project. Radford stated that public works went through a lot of title work to find out what the title looks like on this property with various owners and rights of way.

Cramer explained as he showed an ownership map of the subject property. Cramer explained that when this area was the Pancheri Yellowstone District one of the goals of the plan was to connect Pancheri/Capital to Yellowstone, but that never happened. Cramer stated that as they were going through the eligibility report for Pancheri East Bank and visiting with property owners there was concern from Burggraaf about whether a road would be built through their property and so they wanted to explore who controlled the property because it was showing up in the County Tax Records as City owned and that wasn't consistent with what was recalled. Cramer worked with the title company to do a search and it was a complicated effort and public works, surveyors and the GIS crew worked over a week on sorting this out. Cramer showed

a map, and the blue lines are owned by the City of Idaho Falls (north and south with a center gap). Cramer stated that a lot of the land includes easements from the Federal Government Land that is owned, and in the 40's the City had designed Capital Ave, extension to wrap around like this configuration, and in the 60's when the Federal Government was remeandering the river, they took that design from the City and in the land patents they reserved 30' in width for future public road and access and that is the dashed black lines that fill in the gap. Cramer confirmed that the City does not own or control that, but there is a reservation in the land patents for that use at some point if it came to fruition. Cramer clarified that it isn't an easy process because the land underneath the patent is still owned by the Burggraaf's. Cramer stated that it would be complicated. Cramer stated that BLM does own a portion of property that the City thought it owned as it had a substation there for many years that is now gone, and the City was there by license and it is not City controlled, so the BLM would have to agree to build the road through their property. Cramer stated that there is a possibility and as shown in the financial feasibility report it is unlikely that there would be funding to be able to build it with TIF dollars.

Thompson asked how wide the patent is. Cramer explained that it is 30' that wouldn't meet any standards beyond the asphalt needed for a road. Thompson asked if Burggraaf could build something across the road patent, and they went and applied for a permit would it be issued or is the patent binding on the underlying owner. Cramer is unsure on the answer but indicated that the RV Park to the south wanted to build a structure within the BLM easement (not the same but similar) and that was a process and they had to build it on the edge of the easement.

Derek Ence is the developer of the property. Ence stated that the road would be nice, but it is not critical for his project. Ence stated that they are ok with the access they have. Ence stated that the old plant is going to take a lot of money to demolish so they can build. Ence stated that they are wanting to start construction mid-2024. Ence stated that they are doing a new Fairfield Inn by Marriott and they have agreed to open by the end of 2025 and these projects take 18 months to complete.

Magee went through the Financial Feasibility Study. The Purpose of the study is to determine if the planned hotel on 40 acres will generate sufficient revenues to finance the necessary assistance requested initially by Sentinel Properties. The findings indicate that the revenues will be sufficient to finance the site and public improvements that Ence has talked about, with the developer initially funding the assistance, and be repaid through tax increment funds generated. The assistance requested is demolition costs and help with improvements to the river walk adjacent to the proposed hotel, as well as some additional public improvements that could be funded such as right of way improvements, public utility assistance, and additional river walk improvements. There has been discussion of additional work on

Yellowstone Highway and conversations regarding a road through this area. The estimated revenue generated from 2022 – 2031, using the following assumptions: Magee used a lower estimate on the hotel value, by taking out the personal property valuation and reduced the hotel value by the land estimate to be conservative with her estimation). Magee stated that the CO would be granted in December 2025 so the revenue allocation proceeds wouldn't flow into the Agency until 2027. Magee assumed that the levy rates would decrease by 1% annually and the value of new construction would increase by 2% annually. Magee has assumed that the accessed valuation would be reduced by the demolition of the former King B Jerky Plant (value currently \$1.3 million). Magee looked to the past and this area has been stagnant, with only a small increase in valuation annually (0.5%). Magee stated that the estimate doesn't reflect, but Ence has indicated that the value of the hotel will be \$15.7 million as reflected at the end of her report. Magee has inputted \$250,000 for demolition and \$50,000 for riverwalk improvements and she assumed that there would be \$350,000 in assistance, plus a repayment of \$38,000 that has been advanced for the development of this Plan with a total of \$390,000. Magee assumed that the other urban renewal areas would loan this area \$50,000 for administrative fees. Magee stated that looking back at the 4 years of audits it is doubtful that it will be \$50,000 in administrative fees and \$25,000 is probably more accurate. Magee finds that there are sufficient revenues to pay the debt to Sentinel Properties and the other urban renewal area loans and some funding available for other project in the sum of \$200,000. Magee showed the estimate over 20 years to show what could be generated by the area, in the amount of \$2,460,000. Magee wanted to show that if the original Pancheri Yellowstone Urban Renewal Area had been a 20-year area and not 11, there might have been sufficient revenues to do the roadway through the area. Magee stated that in the original Pancheri Yellowstone Feasibility Study there was a second hotel predicted and it was delayed by circumstances. Magee feels the Agency needs to think about how long you want the urban renewal area to extend, and they should want to do more in this area.

Radford stated that the summary is great, and the question is the length of the Area. Radford stated that they made good choices to return the money from Pancheri Yellowstone at the end of that area. Radford asked if they should keep the area going for longer so there is money out there, that could be an incentive for someone to do something better in the area.

Cramer stated that the City has been exploring deeply the EPA Brownfield Program. Cramer stated that the Agency was a sponsoring entity in getting an assessment grant and part of that grant paid for an inventory of known brownfield sites in the City and this district has 50-60% identified as brownfield. Cramer stated that there are assessment grants and planning grants, but there are also a lot of money for clean up

and redevelopment that can be found. Cramer stated that they have been talking with other communities and they are finding that there are communities that combine TIF incentives with brownfield redevelopment incentives, and the two funding sources together give you more value, but it does take time to get them together.

Radford feels that this is an important section of the property, and the community is utilizing this side of the river more. Radford stated that the area is making progress and the log jam is that Burggraaf's have no interest in developing the property. Radford feels it could be lucrative to develop and they want to set it up in a way that they could have money for infrastructure and road improvements to match the other side of the river and the other greenbelt loops.

Thompson asked about the improvements mentioned along Yellowstone and if the District goes on long enough and builds some money they could do those improvements for pedestrian access, etc. Thompson asked if ITD would not be involved in that because ITD's standards were a problem. Cramer stated that when they did the title search, they discovered that along Yellowstone the ITD deeded 30' of the right of way to the City and no one was aware of that fact, and it could create a different scenario in the future.

Radford summarized that the Agency is on board with getting the plan going so Ence can get his money to get his building demolished and built.

Armbruster indicated that a distinction between the first Pancheri Yellowstone and this Pancheri East Bank is that they do not have the opportunity to change and amend the plan if things change, so as they think about things it is worthwhile to accept Renee's longer term and bolster the types of improvements that they may seek as the plan has to be "with specificity".

Larsen asked if they can give monies back to the County at any point during the Plan, or can it only be given to the County when the District is closed. Armbruster stated that a better way to do is to close out early like they have done in the past, as opposed to giving money back. Armbruster stated that you can de-annex some property out of the project area, and that value would go to the County and taxing entities.

Thompson asked what degree of specificity needs to be established. Armbruster stated that he doesn't have a great answer as that is all the statute says. Armbruster stated that so long as they are identifying traditional infrastructure improvements like pedestrian walkways, green scape, streets, water, sewer, they will be in good standing.

Meghan Conrad gave an overview of the Plan narrative. Conrad stated that this is a post July 1, 2016, plan and as such, it significantly limits their ability to amend

without the risk of a base reset. Conrad stated that the direction to extend for the full 20 and identify projects makes sense. Conrad stated that they have already gotten through the eligibility piece and that is Phase 2 of the process and having that helps facilitate the process and makes it quick to go through the next steps in order to get this plan stood up by 12-31-22. Conrad reminded that an Urban Renewal Plan is a guide as they implement projects within a project area, and it is not a contract. Conrad stated that there is a developer significantly involved in this one, but ultimately should the Plan be adopted by City Council there will be a presentation that specifically addresses the reimbursement. Conrad stated that the Statute 50-29-05 sets forth what must be in a plan. Conrad believes that the Plan Narrative along with the attachment covers each one of the 8 factors identified by Statute: (1) Establish that the collective base assessment does not exceed 10% of the taxable value and that has been run by Renee and it is well under the 10% threshold; (2) Analysis of projects in the area, and the list will be built out; (3) Economic Feasibility Study (most critical component); (4) Analysis of the Project Cost; (5) Fiscal impact statement in the Plan indicating the fiscal impact on the overlapping taxing district (done is Section 500); (6) The new construction done in this District is relayed back to the County upon termination of the area; (7) Description of the method of financing that is covered in section 500; (8) Termination date is required and Plans can only go out for 20 years although they do receive revenue in the year following the termination date and there has to be a disposition at the termination date. If there are real property assets held by the Agency the most likely recipient of the assets would be the City. Conrad went through the sections of the Plan – Section 100 talk about current conditions existing in the area; Section 300 is a narrative of the projects and addresses the OPA and disposition and development agreements; Section 500 has the economic feasibility study and revenue allocation section that talks about the effective date of the base assessment role, analysis discussing overlapping taxing districts, assumed levy rate, and language from the economic feasibility study and the assumptions used; Section 800 that addresses the termination date of the plan. Conrad stated that there are attachments to the Plan including the survey map and legal of the boundary.

Radford feels that the consensus is to make it a 20-year plan and reflect some of the discussion regarding the property that could have a road put through it, but it is what the property owners decide to do, and they are hoping they will see the value in doing it moving forward.

Thompson asked if all the potential road is on Burggraaf land. Cramer stated that the 30' reservation is all on Burggraaf. Cramer stated that if it was wider some of it would be on the BLM piece of property.

**8. RAI/Legislative Updates.** Armbruster stated that not much is going on. There is a Legislative Special Session on September 1 to provide tax rebate, tax rate cut and education funding.

Next Regular Meeting: September 15, 2022.

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

Radford adjourned the meeting at 1:10 p.m.

Respectfully Submitted: Beckie Thompson