

IDAHO FALLS REDEVELOPMENT AGENCY

P.O. BOX 50220

IDAHO FALLS, ID 83405

September 20, 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, Thomas Halley, Terri Gazdik, Dave Radford

Members Absent: Brent Thompson, Chris Harvey

Also Present: Brad Cramer; Matt Parks Esq. (via telephone); Ryan Jumper (The Housing Company- via telephone); and interested citizens.

1. Modifications to Agenda: Brad Cramer indicated that #8 can be removed and #9 has been added but was not added in time so it is on the “Amended Agenda” **Thomas Hally moved to amend the Agenda to eliminate #8 and add #9, because the issue on #9 just arose on Tuesday afternoon, Terri Gazdik seconded the motion and it passed unanimously.**

2. Minutes August 16, 2018 and August 30, 2018: **Thomas Hally moved to approve the minutes for August 16, 2018 and August 30, 2019, Kirk Larsen seconded the motion and it passed unanimously.**

3. Approval of Expenditures and Financial Report. Lee Radford presented the finance report dated September 20, 2018. The following bills were presented to be paid from the Snake River Allocation Fund: Elam and Burke, \$3,535.28 for legal services; Rebecca Thompson, \$55.00 for transcription of minutes; Randy Crofts, \$5,000 for option on Pfaff; Post Register, \$1,717.22 for notice of budget; City of Idaho Falls, \$32,810.00 for assistance from City Staff (Cramer, Beutler, Naysha Foster, Hagedorn). The following bill was presented to be paid from the River Commons Revenue Allocation Fund: City of Idaho Falls, \$11,800.00 for assistance from City Staff. The following bill was presented from the Pancheri Yellowstone Revenue Allocation fund: City of Idaho Falls, \$2,400.00 for assistance from City Staff. **Thomas Hally moved to approve the Finance Report, Terri Gazdik seconded the motion and it passed. Dave Radford Abstained from voting.**

4. Resolution Approving Third Amendment to the DDA for the Bonneville Hotel. Cramer stated that this Amendment to the DDA removes the requirement for The Housing Company to pay any portion of the \$600,000 grant they have applied for, where originally, they had agreed to pay \$300,000 back to the Agency if they were successful in the grant, and that would bring the purchase price of the building back to \$500,000. L. Radford confirmed, and Cramer agreed that this document is the documentation from what was approved at the Special Meeting on August 30, 2018.

D. Radford asked about the consulting fees that were removed. Cramer indicated that the Consulting Fees are the same dollar figure. Cramer stated that there were issues with the way the tax credits work, and the funds couldn't be called “additional purchase price” and had to be listed under something else so they used “consulting fees” to cover the \$300,000 with the end goal of getting the total amount of revenue up to \$500,000 which was the agreed upon purchase price.

L. Radford stated that they had hoped to get some money back if the grant was approved, but due to increase in construction cost, The Housing Company needs to grant money if it is awarded to alleviate some of the stress caused by increased costs.

Cramer stated that originally the issue was from the Grant that was not received, and they were going to reapply, and now with the increase in construction costs The Housing Company is asking the Agency to amend the Agreement so that regardless of whether they get the grant, the Agency is foregoing any portion of that grant.

Matt Parks read the RESOLUTION BY TITLE.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF IDAHO FALLS, ALSO KNOWN AS THE IDAHO FALLS REDEVELOPMENT AGENCY OF THE CITY OF IDAHO FALLS, IDAHO, APPROVING THE THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE URBAN RENEWAL AGENCY OF IDAHO FALLS AND THE HOUSING COMPANY; AND AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID AMENDMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.

D. Radford asked about the second amendment and the deadline of October 31st. Cramer stated that the plan is to close on September 27, 2018 and the resolution that is being considered does not affect the performance deadline of October 31, 2018.

Blake Jumper indicated that the plan is to close on September 27, 2018 and everything is in place to move forward, and construction should start on October 1, 2018.

L. Radford stated that the original cost for the Bonneville to the Agency was \$900,000 and it has inched up \$1.3 million.

D. Radford asked what the Second Amendment authorized. Cramer stated that the Second Amendment was in relation to the deadline to close because they were not able to close by August 31.

Kirk Larsen moved to approve the Resolution Approving the Third Amendment to the Disposition and Development Agreement, Terri Gazdik seconded the motion and it passed 3-2. Thomas Hally and Dave Radford opposed the motion.

5. Request for Assistance for Broadway Streetscape Improvements, IFDDC.

Catherine Smith, IFDDC. Smith introduced the people with her; Jake Durtsche, Vice-Chairman of the DDC Board of Directors; Chris Taylor, property owner Downtown (2 buildings); and Graham Jones, Project Manager. Smith presented the request for Broadway Streetscape Improvements with a total bid of \$575,000. Smith indicated that the DDC Board Meeting they approved \$50,000 match for the project from the Business Improvement District Funds so they are requesting \$525,000 from the Agency. Smith indicated that Broadway was a hopeful piece to go along with Memorial and Yellowstone, and the Broadway improvements would include new curb, gutter, planter boxes, drip line, and trees.

D. Radford asked when construction will start. Smith stated that project will go out to bid and hopefully construction will start in the spring, 2019 and take 6-7 months.

6. Request for Assistance for Downtown Corner Intersection Improvements, IFDDC.

Catherine Smith, IFDDC. Smith presented the improvements planned for the 8 remaining Downtown Intersections, for a total request of \$320,000 (\$40,000 per intersection). Smith showed pictures of the status of the intersections with crumbing planter boxes. Smith indicated that they will finish the corner of Capital and A this weekend, and it will match the design found at Shoup and A, with red brick pavers, new pots with water reservoir (3-day water storage), and trees.

7. Request for Assistance for Downtown Parking Infrastructure, IFDDC.

Catherine Smith, IFDDC. Smith presented the request for Downtown Parking with a total request for \$127,000 to purchase the meters to monitor the off-street parking lots. Smith indicated that the paid parking lots are at capacity with a waiting list. Smith stated that people are not nervous about paying for parking in the off-street parking lots. Smith stated that the funds from the Agency will also purchase the enforcement cart, a license plate reader, bikes, security cameras, and improved signage. Smith gave details regarding the Luke Meters and the license plate readers to familiarize the Board members.

L. Radford asked which parking lots the Luke Meters will be placed. Smith stated that currently there are two parking lots that DDC manages for the City with one behind Idaho Mountain Trading on Yellowstone and that parks monthly 75 cars @ \$35/month with 8 public parking spots for customers, with a validation program; the other parking lot is behind the Colonial Theatre on “B” and Capital that parks 60 cars monthly @ \$35/month. Smith stated that the Luke Meters would be installed with 2 meters per parking lot. Smith stated that the meters would deal with the validation, hourly parkers and provide the software to effectively monitor the monthly parkers. Smith indicated that the meters can service 20-25 spots each and are very programable. Smith stated that they will have a part time parking specialist to help facilitate all this new parking. Hally asked and Smith confirmed that the goal is to have meters on the street. Smith went over the details of the license reader and Luke meters. Larsen asked, and Smith confirmed that the parking fees will cover its own day to day operation costs. Smith indicated that the off-street parking will allow them to grow the operations, however the on-street parking is more problematic and there is an \$80,000 gap. D. Radford asked, and Smith responded that there are 63 spots on the parking lot off Capital and B. Smith discussed how the monthly parkers pay and reserve spots. D. Radford asked if DDC will be able to put any funds toward the Parking. Smith indicated that DDC had the \$50,000 set aside and wants that to go to Broadway streetscape, but DDC has been making the improvements to the parking lots all along. Smith stated that the Board might react favorable to a request from the Agency to participate financially in parking. D. Radford asked and Smith Confirmed if the Agency puts \$100,000 toward the parking project it would still be feasible.

Jake Durtsche, Durtsche stated that this is all City property that the DDC manages for the City and the DDC has taken the time to take care of the lots and the DDC has put a lot into parking.

Lee Radford suggested discussing all three proposals together.

Hally stated that there is no such thing as free parking, and the parking is a great investment for the citizens of Idaho Falls, and Bonneville County. Hally indicated that all 3 projects are great and the DDC is willing to match \$50,000. Hally stated that the Agency has taken care of some big projects and this is the next project the Agency should fund.

D. Radford stated that he is worried about the trees. D. Radford stated that the parking is the direction of the future and that is one thing the merchants express to Radford that they believe their businesses would

do better if the parking was more stable. D. Radford indicated he is in favor of the 3 proposals and suggested cutting back on the Luke meters to \$100,000.

Gazdik stated that they asked Smith about the trees during the first presentation and based upon business owners input DDC went back and redesigned with fewer trees to address concerns. Smith indicated that the trees will have a 30-year lifetime and they have identified fast growing trees with an appropriate canopy. Gazdik asked Cramer about the un-allocated funds.

Cramer stated that the budget lumped all available funds into a line-item for “uncommitted projects” that represents the cash available to work with until the end of the District. Cramer stated that there is \$1,242,700 available to work with.

L. Radford stated that the DDC’s proposal has a wholeness to complete the Downtown efforts the Agency has done throughout the District. L. Radford stated that they had hoped to have another large stimulus project such as the Idahoan and that is not going to happen, so this would be a good end project for the District. L. Radford stated that Smith has complied with all the requests of the Agency and has given a tremendous effort to presenting these projects. L. Radford stated that the alternative to doing these projects is to return \$1 million to the City/County and the County gets 20% and the City would get \$700,000, and then ask the City to take on these projects. D. Radford stated that the County and Agency have worked together to do big projects such as the parking lot by the Courthouse.

Hally stated that these projects are vital to the County and the City and if the money is returned there could be other projects that the money could go towards and these projects would not get funded. Hally stated that these projects are going to finish the Downtown and the Agency can end the District with a sense of completion.

Larsen agreed that spending money wisely is critical, and the projects need to provide value to the City for a long time. Larsen stated that creating an attractive Downtown is key to getting community support in the Downtown area. Larsen agrees with the 3 proposals.

Gazdik agreed with Hally that the money should be used by the Agency, rather than leaving it for the City/County to determine how to spend the money.

Thomas Hally moved to approve the request for the IFDDC for the 3 projects, including, Broadway Streetscape in the sum of \$525,000; Downtown Corner Intersections in the sum of \$320,000; and Downtown Parking Infrastructure in the sum of \$100,000, for a total maximum contribution of \$945,000, Gazdik seconded the motion and it passed unanimously.

9. Request for Additional funds by Kent Lott concerning Real Estate Option Agreement. L. Radford explained that the Agency entered into an option Agreement in 2015 to buy the Bonneville Hotel for \$1.5 million and agreed to pay \$50,000 as an option to hold the Bonneville Hotel for 2 years, and the \$50,000 would apply to the purchase price so the final purchase price would be \$1.45 million. L. Radford stated that the time was running out on the option and Brent Thompson and Brad Cramer met with Kent Lott to talk about extending the option to give the Agency the additional time until the end of 2018 to close on the building. L. Radford stated that Lott agreed to extend the option for an additional \$50,000, a one page agreement was drafted that stated that \$50,000 will be paid to Kent Lott to hold the option until December 31, 2018 and if the building was purchased the deposited amounts would be applied to the purchase price with a total purchase price of \$1.4 million (after the \$100,000 had been paid for options) leaving the total purchase price of \$1.5 million. Kent Lott picked up the new 1-page agreement and took it to his home, then returned the agreement signed by Lott and his wife and the Agency moved forward

with the understanding of the Agreement that was signed. L. Radford stated that they are in line to close next week on September 27, 2018 and begin Construction on October 1, 2018. L. Radford stated that Tuesday the settlement statement for the closing came out and Kent Lott saw it and was upset because his understanding of the meeting was that the 1st \$50,000 was lost and not now applied to the purchase price and that the next \$50,000 would reduce the purchase price to \$1.45. Lott was upset and indicated that it was not his understanding that the \$50,000 would be applicable to the purchase price, although he agreed that the language in the Agreement clearly stated that it was applicable, and that was not what he had intended to agree to. L. Radford stated that he spoke with Kent Lott to try to resolve the dispute and Lott indicated that he was misled by the Agency, however Lott indicated that if the Agency would pay him an additional \$30,000 he would go forward. Cramer added that Brent Thompson's memory of the meeting and the interpretation of the meeting was the same as Cramer's. Cramer indicated that Thompson had told Cramer that he would be willing to meet in the middle (\$25,000).

Hally stated that Lott is leveraging the extension to a bonus for himself. Hally stated that the Agency has dealt with Lott fairly. Hally doesn't feel that they can delay the project, or the project will go away.

Gazdik stated she is very disappointed but feels that this project cannot be postponed for \$30,000. Gazdik asked if The Housing Company would be willing to split with the Agency due to the reasons for the delays in the project.

D. Radford indicated that the Agency just lost a claim to \$300,000 from The Housing Company and even if the \$30,000 is paid to Lott, Lott still will feel like he is losing \$20,000. D. Radford stated that if contract law means anything then you enforce the contract.

Hally indicated that he would like to see if The Housing Company can pay any portion of the \$30,000 due to the delays.

Blake Jumper from The Housing Company gave some history on the "Consulting Fee". Jumper indicated that The Housing Company did put a lot of their own money on the line and they have put their best foot forward.

Gazdik confirmed that Lott will not sign the closing documents without the additional money and has threatened to hold off signing until the option runs. Larsen stated that the delay will gobble up more than the \$30,000 and writing a check will be the best option given the circumstances. Hally relented to that idea. D. Radford indicated that he will be voting no in advance of a motion.

Kirk Larsen moved to approve the additional \$30,000 to Kent Lott, Terri Gazdik seconded the motion. Radford called for a roll call vote: Larsen, yes; Gazdik, yes; D. Radford, no; Hally, yes; L. Radford, yes. The Motion passed 4-1.

10. Project Update, Bonneville Hotel, and Pfaff Sewing Center. Cramer stated that Pfaff sewing center will have the final draft posted for the RFP soon.

11. Legislative/RAI Updates. None.

Next Regular Meeting: October 18, 2018.

Dave Radford moved to adjourn the meeting, Thomas Hally seconded the motion and it passed unanimously.

Respectfully Submitted: Beckie Thompson