

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**February 20, 2020**

**Regular Meeting Minutes**

**Council Chambers**

**Call to Order:** Brent Thompson called the meeting to order at 12:00.

**Members Present:** Brent Thompson, Dave Radford, Teri Gazdik, Chris Harvey, Kirk Larsen, Thomas Halley

**Members Absent:** Lee Radford

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

**1. Modifications to Agenda: None.**

**2. Minutes December 19, 2019: Kirk Larsen moved to approve the minutes for December 19, 2019, Thomas Halley seconded the motion and it passed unanimously**

**3. Approval of Expenditures and Financial Report.** Lee Radford presented the Finance Report dated February 20, 2020. The following bills were presented to be paid from the River Commons Revenue Allocation Fund: Elam and Burke \$237.67 for legal; Rudd & Company \$4,250 for audit; title Financial Specialty, \$492,061.42 for OPA Payment; and title Financial Specialty, \$11,436.36 for OPA payment. The Following Bills was presented to be paid from the Pancheri Yellowstone Revenue Allocation Fund: Elam and Burke \$560.00 for legal; Rudd & Company \$750.00 for audit. The Following Bill was presented to be paid from the Eagle Ridge Revenue Allocation Fund: Rudd & Company, \$750.00 for audit. The Following bill was presented to be paid from the Jackson Hole Junction Revenue Allocation Fund: Rudd & Company, \$750.00 for audit. \$150,000 is reserved in the Snake River District. Cramer indicated that the Dr. Lee has proved he purchased the property and the next deadline is to break ground and have foundation permits later this year.

**Dave Radford moved to approve the Financial Report dated February 20, 2020, Thomas Halley seconded the motion and it passed unanimously.**

**4. 2019 Audit Report.** Scott Bond from Rudd and Company presented the 2019 Audit Report. Bond directed the Board to the Auditors Opinion on Page 1 and 2 showing an Unmodified Opinion (clean) for the year ending September 30, 2019. Bond directed the Board to page 16 showing the Revenues, Expenditures, and changes in the net assets of fund balances of each of the five funds, including the Snake River Revenue Fund. Bond showed on the Snake River Fund there was Revenue in flow of \$2.8 million and expenditures of \$4.8 million. Bond indicated that the Snake River District Termination payment to the County showed the amount returned to the County of \$1.6 million. Bond directed the Board to page 14 that shows a snapshot as of September 30, 2019 of the assets and liabilities that are outstanding in each of the 5 funds. Bond indicated that the majority of the assets held are property taxes to be collected or cash and investments held by each fund. Bond directed the Board to the notes for the financial statements on page 30 and directed the attention to footnote number 8. Bond indicated that they are required when they do an audit of a governmental entity, they must disclose to the Board any time there is a fund whose expenditures exceed the adopted budget or any time there is a fund that ends the year in a deficit. Bond indicated that the Snake River fund had expenditures in excess of the adopted budget and the large number had to do with the final close out payment to the County and that

was deemed to be an expenditure that was not on the original budget so it shows the budget was exceeded by \$1 million. Bond indicated that Jackson Hole still shows a deficit that is a carry-over from the previous year as there has not been a lot of action in that fund. Bond moved to page 35-36 that shows the Snake River Fund's Budget to Actual comparison along with the variance. Bond indicated that the letter that was provided explains the audit process and talks about Rudd and Company's responsibility as the auditor, the Agency's responsibility with the Audit and provides the opportunity to make any recommendations.

Thompson turned to page 16 and asked about the interest amount of \$895,000. Bond indicated that there are debt service agreements with previous projects so it goes through the title company with principle and interest being paid and that will continue until the funds terminate and at that time the remaining balance is eliminated. Bond indicated that page 24, foot note 4 will show the specific debts and describe the promissory note that is related to the River Commons.

Dave Radford asked about the \$150,000 that is set aside for Dr. Lee. Cramer stated that there were three dates for deadlines, the first being proof of ownership by December 31, 2019; June 2020 for blasting; and June 2021 for CO. Bond indicated that page 29 gives a footnote discussion of the commitments that the Agency has made including Dr. Lee's \$150,000 commitment. Cramer clarified that the improvement is rock blasting by the end of June 2020. Cramer indicated that any remaining funds will be returned to the County.

Armbruster clarified that page 25 has a comment about "...after deductions for school credit", however there are no more deductions for the school credit because the statutory provisions have been changed, so there is no levy from the school district.

**Terri Gazdik moved to accept the 2019 Audit as presented and directed Brad Cramer to file the Audit with the appropriate entities, Chris Harvey seconded the motion and it passed unanimously.**

**5. Public Comment: Consider Resolution Approving the 2019 Annual Report.** Thompson indicated that it is a wonderful compilation and a lot of hard work. Thompson noted that the Report shows the return of \$1.6 million to the County. Thompson stated that it is a great piece of information about what is going on in the City. Thompson commended staff for the great report. Cramer pointed out page 3 on the Executive Summary that showed changes in the increment value. Cramer stated that in River Commons the increment value was \$93,334,000 and the year prior it was \$81.9 million showing an increase of almost \$13 million. Cramer showed a significant change in Jackson Hole Junction with a first year being a district the increment value was \$12,846 and that has jumped to over \$1.1 million. Cramer stated that the Eagle Ridge District is interesting as the property owner used a provision in the tax code last year that kept the value of the property the same, so the increment last year showed as \$466,000 and this year the increment shows at \$3.2 million. Cramer stated that this is likely the final report that the Snake River District will appear in, so he paid tribute to the good work of the District. Cramer pointed out an error on page 7 as the payment to county is noted as \$1.38 million and it should be \$1.6 million. Cramer turned to page 12 that highlights the upgrades downtown including the Bonneville. Cramer stated that on page 14 shows the photo of Holiday Inn in Jackson Hole Junction and there are a lot of projects going in that area, and Matt Morgan has contacted Cramer multiple times to tell him that if it were not for urban renewal this project would have been harder to get up and running as quickly as it has and he is grateful to the Board.

Dave Radford stated that he originally did disagree with Jackson Hole Junction, but not looking back he is glad that Jackson Hole Junction is going strong and everyone is invited on the 27<sup>th</sup> to a ribbon cutting and ground opening.

Thompson likes the tables in 15 and 16 and the Historic projects that have been done in Snake River are fascinating to reflect back on the projects. Thompson likes the table at the end of page 16 that has the base values and the tax increment value and that is impressive.

Thompson opened the hearing for public comment.

No one appeared to make comment.

Thompson closed the hearing for public comment.

Armbruster had a few small changes prior to publication: Page 3 it references Jackson Hole Junction note, and there is not a note with Jackson Hole; Snake River text has a grammatical change (strike will).

Armbruster has another sentence he wants inserted and will send it to Cramer.

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 REPORT RESOLUTION,” APPROVING THE ANNUAL REPORT OF THE URBAN RENEWAL AGENCY, FOR CALENDAR YEAR 2019; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT; DIRECTING THE CHAIR TO SUBMIT SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

Dave Radford asked a question about Jackson Hole Junction and the expenditures listed as \$10,000. Cramer indicated that they budgeted conservatively for the District and the number is accurate from what was in the budget but might be low for the year.

**Kirk Larsen moved to adopt the Resolution Accepting the 2019 Annual Report, subject to minor edits made by staff, Terri Gazdik seconded the motion. Thompson called for a vote by roll call: Gazdik, yes; Halley, yes; Harvey, yes; Larsen, yes; Thompson, yes; D. Radford, yes. The motion passed unanimously.**

Armbruster applauded staff on the Annual Report and the content of this report is one of the best and it provides a very definitive and transparent document that can be shared with anyone that wants it.

**6. Pancheri Yellowstone Closeout.** Armbruster stated that this closeout will go exactly the same as Snake River in terms of the process. Armbruster wanted to have the set of stock letters that would go to the taxing entities and Tax Commission formally advising them of the intent to terminate the project area and expending all funds by September 30, 2020. Armbruster stated that as a result of a pending bill at the State House the letters cannot make any sense to the recipients until they know where the Bill (Budget Freeze HB 409) is going and if it passes. Armbruster stated that it has been on the reading calendar for a while. Armbruster stated that the Bill if passed, would require every taxing entity to freeze its portion of its budget that comes from Property Taxes to the same level that has been approved for FY 2020. Armbruster stated that the other provision of the Bill would affect Pancheri/Yellowstone, because there can be no accrual of foregone in FY 2021. Armbruster explained that the Annual Report shoes \$7 million in value that would in normal circumstances be available for all the other taxing entities to use as it sets its FY 2021 Budget, but if the Bill passes, that will not happen. Mayor Casper sent a letter urging the Revenue and Taxation Committee not to pass the Bill as written because of the impact and losing all of the value for the project area that they have worked hard on for the last 10-12 years. Armbruster stated that they will have letters available next month. Cramer will be putting together an updated budget.

Halley indicated that he was at a legislative hook up meeting this morning at CEI and Representative Armond said she wasn't sure if the third reading the Bill was going to be read, and there was a group that was going to meet and go over that Bill and possibly modify it even in the House prior to going to the Senate.

D. Radford asked how many other urban renewal districts that Armbruster represents would be affected by this Bill. Armbruster stated that they tried to take an inventory of the Redevelopment Association which has 24+ redevelopment agencies in the organization and unfortunately Pancheri/Yellowstone is the only one that is in this same boat this year.

Armbruster stated that the other thing this Bill could impact is the 63-602 NN exemptions which are granted by County Commissioners subject to a variety of conditions, and that is another one that if any of those exemptions are falling off this year they get caught up in the same boat. D. Radford feels that other smaller counties will be affected by HB 409.

**7. Eagle Ridge Updates.** Cramer stated that at the last meeting the Board authorized moving forward with getting signatures on the Note. Cramer stated that the property owners have signed it, with no changes, and when Lee Radford is back, he can sign and then the note will be ready to go. Cramer added that the owners have some things in the work and some development activity should be coming shortly.

**8. RAI and Legislative Update.** Armbruster stated that there are two more Bills that are problematic. Armbruster stated that HB 484 which is also pending before House Revenue and Taxation Committee would eliminate any levy imposed by a highway district from accruing to the benefit of an urban renewal agency. Armbruster stated that whatever the levy is you would not get that as part of the levies that come to the Agency. Armbruster stated that this is a significant piece of what is bad legislation and a hearing is expected soon. Armbruster stated that both the Redevelopment Association and individual agencies will be asking the Committee to hold the Bill and will likely testify in opposition. Armbruster stated that the other bill is Senate Bill 1303 and that Bill surfaced last week and is a Bill sponsored by Senator Sousa from the Coeur d' Alene area, and it says that if an urban renewal agency is an unelected board which almost all are, if the urban renewal agency wanted to evoke eminent domain it has to receive approval of the City Council or the County Commission. Armbruster stated that the impact is, that would eliminate the ability of any urban renewal agency to issue tax exempt financing and for several agencies that is a big deal. Armbruster stated that they have been looking for other changes to make to the statute that could essentially not result in the loss of tax- exempt authority. The Bill is on the amending order of the senate and has already passed out of the local government committee of the Senate.

**Next Regular Meeting: March 19, 2020.**

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

**Respectfully Submitted: Beckie Thompson**