

**IDAHO FALLS REDEVELOPMENT AGENCY**

**P.O. BOX 50220**

**IDAHO FALLS, ID 83405**

**July 15, 2021**

**Regular Meeting Minutes**

**Council Chambers**

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

**Members Present:** Lee Radford, Chris Harvey, Thomas Halley, Brent Thompson, Kirk Larsen

**Members Absent:** Terri Gazdik.

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

**1. Modification to Agenda.** Radford indicated that there is a need to change the Agenda to include the approval of the 2022 Budget. Armbruster also asked that they add to the motion that the reason they have to approve the Budget today is keep in time sequence with the required statutory notices and publication because technically adding something on the Agenda at this late date under the new statute would not allow you to take action. Armbruster added that the motion would be for “Tentative approval of the budget”

**Brent Thompson moved to add to the agenda an action item to tentatively approve the proposed FY 2022 Budget, as there was an oversight of the action item not getting on the agenda, and action needs to be taken to today in order to comply with the statutory requirements, Thomas Haley seconded the motion and it passed unanimously.**

**2. Approval of Minutes May 24.** Kirk Larsen showed one small error on the minutes on Item #5. **Kirk Larsen moved to approve the Minutes for May 24, 2021 with the change requested, Brent Thompson seconded the motion and the motion passed unanimously.**

**3. Approval of Expenditures and Finance Report.** Lee Radford presented the Finance Report dated July 15, 2021. In the River Commons Fund: Rebecca Thompson \$50.00 for transcription.

**Thomas Halley moved to approve the Finance Report dated July 15, 2021, Kirk Larsen seconded the motion. The Motion passed unanimously.**

**4. Approval of the Proposed Budget for FY 2021/2022 Idaho Falls Redevelopment Agency.** Cramer pointed out a small error on the Notice of Public Hearing on the backside, that notes that the Board of Directors will tentatively approve the budget on July 23, and that will be changed to the 15<sup>th</sup>. Cramer directed attention to the Budget Worksheet and stated that the budgeting process is easier that in years past because all that is happening at this point is writing OPA checks to developers. Cramer stated that this budget is similar to last year budget with one change being the Jackson Hole Junction Revenue Allocation Fund and those expected revenues are shown at an increase now that the hotel and medical office are in place there is revenue starting to come in that District and they are also going to break ground soon on an apartment complex, and they just received plans for 2 auto dealerships. Cramer forecasts that the revenue will increase in the coming years. Cramer stated that Eagle Ridge is left where it is, but they are now having discussions with the owners and developers in Eagle Ridge, and they are in the process of rezoning property so they can start some projects there and that District will take off.

Cramer stated that River Commons is holding steady with two OPA payments to Ball Ventures and Thomas Development. Cramer stated that the budget is straight forward.

Mark Hagedorn stated that there is nothing exciting just OPA payments.

Radford summed up that they will get money in for River Commons and most of that will be sent back out to the developer pursuant to previous OPA payments; Eagle Ridge might get some money in that could go back to the developer; Jackson Hole should start getting money in that will go out to the developer. Radford stated that all Districts are moving forward. Radford stated that this proposed budget will go out for public notice and published in the newspaper and the public will have a chance to review it and comment at the hearing, and next month the budget can be approved so it is in place for the next fiscal year.

Thompson asked in the River Commons showing \$1 million and \$1,409.00 million, so \$2.5 million dollars, and will that be covered by the revenue of \$1,250,000 plus the fund balance carry over. Hagedorn indicated that the budget is balanced based on cash and revenue, so the \$1.3 million at the bottom that says fund balance is the current cash balance (projected cash balance at end of year) and take that to project revenue to get to the expenditure authority and gets the maximum amount of revenue cash to get the maximum discretion they can get. Cramer added that it is a lesson learned from the Snake River District as it got close to the end there was a lot of cash, but it wasn't being budgeted at the beginning of the year unless they knew what the project was, but as the District got close to the end, it was hard to know how the money would be spent, so it was budgeted as available to budget everything out and if a project comes up you don't have to wait till the next year or re-open the budget to deal with upcoming projects. Halley added that the Board was conservative on the agreements.

Thompson asked how to tell which District the funds are accumulated funds as it just states Fund Balance Carry over. Hagedorn stated that each fund has its own bank account. Thompson stated that the budget just states fund balance carry over. Hagedorn stated that each fund balance is represented by each separate fund.

There was some confusion discussed on Fund Balance on the Public Hearing Notice. Thompson and Hagedorn along with Cramer worked through the miscommunication.

**Brent Thompson moved to approve the Notice of Public Hearing for the Proposed Budget for FY 2021/2022 with one revision made by Hagedorn, Thomas Halley seconded the motion and it passed unanimously.**

**5. Update on Potential District Requests for Small Districts.** Cramer stated that the last year he has had people looking at projects in Idaho Falls, that are smaller in nature than previous Districts, but given the state of Idaho Falls in development and the state of the Urban Renewal Statute in Idaho, they are probably the most likely candidates for District that the Board will see. Cramer stated that they are finding in Idaho Falls, that the easy sites are about all gone, and what is left is rock and difficult sites and parcels. Cramer stated that he has invited a few people to come and introduce themselves and the sites they are looking at the challenges of the sites. Cramer introduced Austin Fitzgerald and Ryan Weimer (online). Cramer asked Austin Fitzgerald to show the sites they are looking at and the potential need they would have for their project to get the Board familiar with what they are doing.

**Austin Fitzgerald and Blake Fitzgerald.** Fitzgerald stated that they have some property that they are looking at in the City and they have gone through the planning and zoning portion and waiting on City Council. Fitzgerald stated that they are not totally familiar with how it works, but this ground has a lot of

lava on the 48 acres with sections of lava. Fitzgerald stated that they are envisioning some light commercial and industrial, with the possibility of multi-family.

Radford stated that this is what the Agency is trying to encourage and under the Urban Renewal Law the Agency can try to help in areas of town that have been blocked or obstructed by natural features or poor development in the past. Radford stated that the Agency has done a lot of rock removal to try to facilitate that type of development for areas that would not otherwise develop. Radford stated that they try to direct the help to areas that can be a help to the whole community and create more efficiencies and getting more property on the property tax roll to benefit all the taxpayers.

Radford asked if they are looking at more of a residential development. Fitzgerald stated that half of the property would be higher density residential and entry level housing, and the rest of the development would be commercial leases to supplement the residential development. Fitzgerald asked if there are zones that they prioritize over other zones for Districts. Radford stated that they the Agency tries to maximize the return to the taxpayer. Thompson added that they leave it up to the developer to know what is the most feasible areas and the Agency is to assist the developer to get the project going. Radford stated that the Agency always asks what has impeded this development in the past. Fitzgerald stated that there is a lot of rock on the site. Fitzgerald stated that they went and did test holes and some areas they were fine at 12' deep and other areas where they were inches before rocks and that has likely discouraged other developers from this land. Halley asked how many core drillings they did. Fitzgerald stated that they did approximately 20 test holes. Halley asked if Fitzgerald is aware of the eligibility process to create a District. Fitzgerald is unaware of the process but will talk more with Cramer and Beutler on the details. Radford asked if there is a need for a bridge. Fitzgerald stated that there is a potential need for a bridge on the development. Fitzgerald stated that they are trying to make the best use of the space.

Radford stated that the Agency is always looking to the future and have invested in areas that have been slow to develop. Radford asked Fitzgerald why he feels this would sell in the markets he is looking into. Fitzgerald stated that once you get into the site it does have a secluded feel and that will help with the residential side of things. Fitzgerald stated that the INL is always needing housing for their interns and workers just out of college. Fitzgerald stated that the light commercial uses would benefit the residential and compliment each other with the two uses. Fitzgerald stated that the industrial would be a buffer and they would do their best to create natural buffers.

Cramer stated that when they looked at the Comprehensive Plan they struggled at first with the idea of residential and the they studied it and the Comprehensive Plan does say find creative ways to develop areas like this that are industrial, but close to services, and a lot of ways this will ultimately become a really good spot, but you can see where the rock starts to hit because the development hasn't occurred even to the industrial spot to the west. Cramer stated that the surface rock is the reality for the area. Cramer showed some other areas in Idaho Falls that have people looking to develop, but they have the same issue with the surface level rock, and it doesn't make financial sense to invest in it without assistance to make it viable.

Radford asked if there are any pathways in the area, for people to walk to the INL, as that would enhance the property if the people could connect to the INL and the river. Beutler stated that the railroad corridor is not part of the Connecting Our Community Pathways system. Beutler stated that Public Works is trying to do a better job in putting in the public infrastructure and the sidewalk in the undeveloped area has recently been installed by Science Center.

Radford instructed Fitzgerald to talk to Cramer and Beutler as they know the requirements and conditions that have to be met and the process for approval. Radford stated that this is what the Agency is supposed to be doing in helping with infill developments.

**6. Northgate/1<sup>st</sup> Street Project Updates.** Cramer stated that he got an interesting phone call regarding the property that the Agency has been discussing on the Northgate and 1<sup>st</sup> Street project. Cramer stated that today was supposed to be the auction for the Melina's property but an investment group out of Boise had put the property under contract on a cash deal and are also working on the pharmacy building but were interested in what the Agency and the City wanted to see happen there. Cramer sent the developer the Proforma and the Plan that had been developed with the EPA dollars and they are interested in that plan but wanted to know if it had to be built exactly like that, which Cramer informed them that no, it is a vision and a goal. Cramer had invited them to explain their vision and explain to them about partnering on the other properties that the Agency could potentially purchase options on. The developer had to drop off the call and was unable to discuss. Cramer indicated that the properties are now under private contract, and the developer is still interested on the pharmacy building if there is an opportunity to create a district and help with some of the property purchase costs or reimbursement for the costs.

Radford asked how they were able to buy the Melina's property out of a foreclosure process without going to the auction. Chad Murdock stated that the foreclosure sale was set for yesterday and so they had reached out to the previous owner who was being foreclosed against and worked out a deal to buy it higher than the price that the Agency had discussed and then paid off the lien holder in full with fees before the auction to make the property current and pay off the lien, so it never made it to sale and it was paid off and the sale cancelled. Radford stated that the Agency could have helped accelerate that process. Murdock stated that it is hard to say, but he had reached out to the owner a bunch, and the owner did call Murdock when he was working out the deal with the other people. Murdock stated that it is crazy how things work when property has sat for years and then suddenly property starts moving as soon as the Agency has an interest.

Cramer stated that they haven't given a lot of development plan, but they did state that they were interested in doing residential and what mixed use they could do. Cramer doesn't feel that the visions are mis-aligned.

Radford asked if the Agency should push on the Chinese restaurant and get the option or see if the other developer can buy it. Murdock stated that he is open to what ever instructions the Agency gives him. Murdock stated that the Chinese restaurant owner is easy to get a hold of and has a family member that wants to start the business back up, but the building is still sitting empty.

Murdock stated that the drug store on Northgate Mile is still for sale and available. Cramer stated that he would get Murdock in touch with the developer (Ryan) and Cramer feels that they are interested in expanding what the original project was, but not without assistance. Cramer stated that they bought what they could with their capital and cash, but if there were some reimbursement dollars, they are willing to expand. Murdock asked if the plan in buying Melina's was to only develop that lot. Larsen asked if they made any comment about the Chinese restaurant. Cramer stated that that the only comment was regarding the Northgate mile building, and they weren't seeing value in it unless there was purchase price assistance.

Radford asked if there is an option out to the Chinese Restaurant. Murdock stated that they haven't got that far, and the owner had said \$660,000 is where he would sell it, as that is the deal, he worked with the family member. Murdock stated that he is likely more flexible.

Radford asked Larsen and Thompson to work with Cramer and Murdock on the Chinese restaurant and determine how to approach that.

Thompson talked with Kelly Sayer briefly and he said he'd be willing to talk. Thompson is going to keep trying to talk with Sayer about his property.

Radford stated that the City is making progress on 1<sup>st</sup> Street and the Agency needs to keep pushing.

**7. RAI/Legislative Updates.** Armbruster stated that the Property Tax Interim Committee has not scheduled a meeting and there should be something scheduled in the next month and there is talk that it may reconvene to deal with other issues and if they do other things could come up. Armbruster stated that the House recessed, but did not adjourn, and so they could come back together and with concurrence the Senate could too

**Next Regular Meeting: August 19, 2021**

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

**Radford adjourned the meeting at 12:50 p.m.**

**Respectfully Submitted: Beckie Thompson**