

This regular meeting of the Jerome Urban Renewal Agency was called to order at 3:00 p.m.

Present were Chairman Marjorie Schmidt, Commissioner Kathy Cone and Commissioner Gary Warr . Commissioner Jason Peterson was excused.

Also present were City Clerk Bernadette Gomes, City Administrator Mike Williams, Legal Counsel Ryan Armbruster and Assistant Finance Director Michelle Frostenson.

### **CONSENT CALENDAR:**

Items in the consent calendar are as follows:

A. Approve minutes of the April 5, 2018 regular meeting

B. Review and approve claims for April 2018

City of Jerome, \$2,280.87; EHM Engineers, \$3,011.50; Elam and Burke, Inc., \$1,644.22; J-U-B Engineers, \$309.44; Kushlan & Associates, \$937.50

C. Review and approve financial reports for April 2018

Commissioner Warr made a motion to approve the consent calendar as presented. Second to the motion was made by Commissioner Cone. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Schmidt, Commissioner Cone and Commissioner Warr. **NAYES:** None.

### **EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT EXTENSION:**

Mr. Williams introduced Jeremy Malone with the Oppenheimer Development Group with a brief update on the project at Block 56. Mr. Malone stated they are still very excited with the project although it has come with some unforeseen complications. Site logistics were of concern with ground issues, plus it was determined the area no longer qualifies for new market tax credits; this set back plans for the education partner, College of Southern Idaho (CSI), with plans to buy down some of the costs of the project. Because of other projects on campus, their ability to look at this project aggressively without funding and new market tax credits became an issue. The potential size of the project has been modified, but still faces potential cost increases in construction. Site logistics are being re-evaluated without the CSI portion but the retail component is still intact. Staff is working with the retailer to see if the new pricing will fit their budget; the building may be repositioned from the back end of the property to the front. Due to these issues the plans are slightly behind schedule.

Mr. Williams stated the distressed census area tract designation removal was a surprise but believes the Oppenheimer Group is making good effort to mitigate some of the circumstances. After meeting with counsel it was determined that the most appropriate course of action would be to grant a 60-day extension on the Right to Negotiate Agreement from June 4<sup>th</sup> to August 4<sup>th</sup>.

Mr. Armbruster stated this is not uncommon although the circumstances are unusual. Granting the extension is appropriate as it shows good faith in moving forward with the project. He recommends the board make a motion to extend the agreement.

Commissioner Warr made a motion to extend the Exclusive Right to Negotiate Agreement with Oppenheimer Development Group an additional 60 days. Second to the motion was made

by Commissioner Cone. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Schmidt, Commissioner Cone and Commissioner Warr. **NAYES:** None

### **REIMBURSEMENT AGREEMENT:**

Mr. Williams stated Commercial Creamery announced their facility expansion plans and have approval by the Department of Environmental Quality (DEQ) for the water line reroute; it serves their facility as well as others in the area. The total estimated cost of the reroute was approximately \$300,000; Commercial Creamery put the project out to bid to eight contractors but received only one bid at approximately \$195,000 with \$70,000 of that total being for rock removal. The contract has been signed and staff had been waiting for an exact number to develop a reimbursement agreement. Staff recommends to reimburse 75% of the increment value of their new project on an annual basis until the area closes or the debt is satisfied. However, if as a result of the project their taxes increase the agency will reimburse 75% of that total. Additionally, if the assessed value goes down, the agency will be under no obligation to repay.

Mr. Armbruster added that, with the figure being close to \$200,000, a short-form agreement can be used with a not-to-exceed stipulation. The costs will need to be verified, and reimbursement would begin once tax payments come in after the certificate of occupancy is issued for the expansion project. Little information is often received from the county in terms of face value and tax increment value but an agreement can still be developed. As parcels increase over time, reimbursements will be paid; it would be too difficult for the county to break it down by parcel because of the various projects, and this should be a fair compromise between them and the agency. He expects the agreement should be ready at the June meeting and recommends the board make a motion to authorize staff to work on the agreement as outlined.

Commissioner Cone made a motion to authorize staff to work on the negotiations of that agreement as outlined today. Second to the motion was made by Commissioner Warr. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Schmidt, Commissioner Cone and Commissioner Warr. **NAYES:** None

### **LEGISLATIVE UPDATE:**

Mr. Armbruster had no updates to report.

### **STAFF REPORT:**

Mr. Williams reported he met with Phil Kushlan regarding the eligibility study for the Magic Valley Quality Milk Producers (MVQMP) parcel and is looking at a variety of options. One option is annexation although he is leaning towards the option of creating a new area as there some parcels that can easily be connected, plus other undeveloped parcels in that immediate area. Staff hopes to have more information to discuss at the July meeting.

Mr. Armbruster added that some parcels were originally in the Southeast Industrial project area at one point but were never redeveloped. It is appropriate to include them in a new area

Mr. Williams also reported positive meetings with Project Husker, related to Project Fraction, and expects to have more concrete information from them in terms of infrastructure within the next few weeks. A summer ground breaking is still expected. May 5<sup>th</sup> will be the Lynch Oil grand opening for the new truck stop facility on the west side of town; it falls just outside of an urban renewal area but will be beneficial to the agency with parcels in the nearby

area. Staff is seeing good activity and interest in projects downtown and have met with a company wanting to develop and build on an empty lot on S. Lincoln; it has been some time since a new building was constructed downtown. At the conclusion of this meeting there will be a Main Street Parking and Beautification Committee meeting at 3:30 p.m., and board members are invited to attend. The Jerome City Clean-up Day will be May 5<sup>th</sup> beginning at 9:00 a.m. and will involve trash clean-up, sidewalk sweeping and some painting projects on Main Street; lunch will be served at Washington Federal at noon.

Idaho Milk Products (IMP) was awarded funding from their TRI application for plant upgrades and are hoping to move forward in July. A new project, Project Arte, is an Area 2 \$25 million project expansion of an industry. Meetings will take place to discuss permit adjustments, loadings and flow permits. The wastewater treatment plant is set for substantial completion in October with final completion in December; there will be capacity to add flow. At this time solid material loadings are still an item of concern. Upon inquiry by Chairman Schmidt, Mr. Williams stated the four basins are full although one is taken offline every quarter for repairs and maintenance. When the wastewater project is complete there will be six basins.

**ADJOURN:**

There being no further business to discuss, Chairman Schmidt adjourned this May 3, 2018 regular meeting at 3:27 p.m.

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Chairman Marjorie Schmidt

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Secretary Jason Peterson