

July 11, 2019

This regular meeting of the Jerome Urban Renewal Agency was called to order at 3:03 p.m.

Present were Chairman Gary Warr, Commissioner Kathy Cone, Commissioner Bryan Craig and Commissioner Jason Peterson. Commissioner Shonna Fraser was excused.

Also present were City Clerk Bernadette Gomes, City Administrator Mike Williams, Legal counsel Ryan Armbruster, Finance Director Ross Hyatt, and City Engineer Tyson Carpenter.

PLEDGE OF ALLEGIANCE:

Chairman Warr led the audience in recitation of the pledge of allegiance.

CONSENT CALENDAR:

Items in the consent calendar are as follows:

- A. Approve minutes of the June 6, 2019 regular and executive meetings
- B. Review and approve claims for July 2019
City of Jerome, \$706.66, Elam & Burke Inc., \$2,381.56.00
- C. Review and approve financial reports for July 2019

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

EXECUTIVE SESSION:

Commissioner Peterson made a motion to enter into executive session pursuant to Idaho Code 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency at 3:04 p.m.. Second to the motion was made by Commissioner Craig. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Warr, Commissioner Cone, Commissioner Craig and Commissioner Peterson. **NAYES:** None.

RECONVENE:

Commissioner Craig made a motion to enter back into regular session at 3:26 p.m. Second to the motion was made by Commissioner Cone. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Warr, Commissioner Cone, Commissioner Craig and Commissioner Peterson. **NAYES:** None.

RESOLUTION NO. 03-19:

Resolution No. 03-19 in full is as follows:

RESOLUTION NO. 03-19

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF JEROME, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE JEROME URBAN RENEWAL AGENCY OF THE CITY OF JEROME, IDAHO, APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE JEROME URBAN RENEWAL AGENCY AND PATRICIA AND ANGEL MURILLO; AUTHORIZING THE EXECUTION OF THE PURCHASE AND SALE AGREEMENT BY THE CHAIR OR ADMINISTRATOR; AUTHORIZING ANY TECHNICAL CHANGES TO THE AGREEMENT; AUTHORIZING THE CHAIR OR ADMINISTRATOR TO TAKE ALL NECESSARY ACTION REQUIRED TO IMPLEMENT THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Jerome Urban Renewal Agency of Jerome, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the "Law") and the Local Economic Development Act, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the "Act"), a duly created and functioning urban renewal agency for Jerome, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the City of Jerome ("City"), on November 4, 2014, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Area 3 Urban Renewal Project;

WHEREAS, following said public hearing, the City adopted its Ordinance No. 1135 on December 2, 2014, approving the Urban Renewal Plan for the Area 3 Urban Renewal Project (the "Area 3 Plan");

WHEREAS, pursuant to the Area 3 Plan the Agency has embarked upon certain public improvement projects within the Project Area as defined by the Area 3 Plan;

WHEREAS, the Agency's Area 3 Plan includes certain objectives, including the purchase of property and development of such property;

WHEREAS, Patricia and Angel Murillo (the "Murillos") owns certain real property (the "Property") which Agency identified as a potential location for purposes of achieving the objectives set forth in the Area 3 Plan;

WHEREAS, Agency and the Murillos desire to agree upon terms and conditions which would allow Agency to acquire the Property through a voluntary sale to Agency;

WHEREAS, the Murillos' real estate agent and Agency staff have prepared a Purchase and Sale Agreement (the "Agreement"), between Agency and the Murillos, a copy of which is attached hereto as Exhibit A and incorporated herein as if set out in full;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Agreement as described and summarized at the July 11, 2019, Board meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE JEROME URBAN RENEWAL AGENCY OF JEROME, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Agreement, attached hereto as Exhibit A, is hereby incorporated

herein and made a part hereof by reference and is hereby approved and accepted, recognizing technical changes or corrections which may be required prior to execution of the Agreement.

Section 3. That the Chair or Administrator of the Agency are hereby authorized to sign and enter into the Agreement and to execute all necessary documents required to implement the actions contemplated by the Agreement, subject to representations by Agency staff and Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Agreement or other documents are acceptable, upon advice from Agency's legal counsel that said changes are consistent with the provisions of the Agreement and the comments and discussions received at the July 11, 2019, Agency Board meeting; Agency is further authorized to appropriate any and all funds contemplated by the Agreement and to perform any and all other duties required pursuant to said Agreement.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Jerome Urban Renewal Agency of the City of Jerome, Idaho, on July 11, 2019. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on this 11th day of July 2019.

APPROVED:

By:

/s/ Gary Warr
Chairman

ATTEST:

/s/ Jason Peterson
Secretary

Mr. Armbruster stated staff had been having ongoing discussions with the property owner and a negotiated price of \$50,000 was reached to move forward with purchase.

Commissioner Craig made a motion to pass Resolution No. 03-19. Second to the motion was made by Commissioner Peterson. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Warr, Commissioner Cone, Commissioner Craig and Commissioner Peterson. **NAYES:** None.

PRELIMINARY BUDGET REPORT:

Mr. Williams stated staff will provide preliminary budget information at the next board meeting. He noted in Area 2 the strategy has been to expedite bond payments; additionally, the final payment to Scott Jackson will be due and paid out in Fiscal Year 2020. Additionally, staff is recommending one project in Area 2 which consists of a water line along Yakima that was never completed. Mr. Williams stated the looped water line will help Idaho Milk Products (IMP) with their expansion.

Upon inquiry by Commissioner Craig, Mr. Williams stated the rail spur in question is located in Area 4, and he provided a map for the board to review. He showed the parcels owned by IMP and stated the water line would run from the railroad tracks towards the east and needs to be looped for water pressure purposes. He further stated the water line would also benefit Area 4 and could be the final project in that area. He also spoke of expenses paid out from other areas

with reimbursement and stated the debt to Area 2 is nearly paid off. Upon inquiry by Commissioner Craig regarding potential future expansion by IMP, Mr. Williams stated expansion in Area 4 would generate increment for the next fifteen years or so. Additionally, a Purchase and Sale agreement has been signed by a company purchasing approximately 18 acres, and they are seeking assistance with site mitigation (i.e. rock removal) to make the site buildable. Because of limited funds in Area 4 a reimbursement agreement would be required for expenses paid out. Mr. Williams further stated an additional 10 acres are pending under a letter of intent with a distribution company. Area 4 will have smaller parcels available on Yakima while the business park parcels will be primarily owned by four or five companies.

Regarding Area 3, Mr. Williams stated that revenues will account for administrative expenses and capital with anticipated expenses of approximately \$78,000 should the sale move forward on the downtown property. Anticipated revenues are expected to be approximately \$120,000 per year but staff will have better figures once assessments are in for the Commercial Creamery and the new Franklin Truss Plant. Staff has discussed potential procurement of additional properties in the area and Mr. Williams suggested having a separate line item for property procurement in the budget. He stated that it does not appear the North Park Improvements Committee will be seeking additional funding from the agency to support the improvements.

Regarding Area 5, Mr. Armbruster stated a pending tax commission rule governs when monies will be received from the assessed value. He stated that, while the statute says the agency is entitled to monies, the tax commission software does not recognize the area exists because it is retroactive to the previous year. He further stated first revenue monies will most likely be received in 2021. Mr. Williams stated tax increment will be immediate due to the Magic Valley Quality Milk Products investment in the area.

Mr. Williams stated the preliminary budget will be presented at the August 1st meeting. Mr. Armbruster stated the board will tentatively approve the budget and authorize publication of the notice for a public hearing in late August.

LEGISLATIVE REPORT:

Mr. Armbruster distributed a document summarizing the legislative session. He stated the main bill which impacted the Urban Renewal Agencies (URA) is that which expanded the definition of projects that cannot be spent with tax increment dollars to include sports facilities, either open or closed, and changed the way tax increment can be used in conjunction with other public dollars and the required public vote on said projects. The bill also created a list of areas where dollars can be spent including parking, water/sewer and infrastructure improvements. Agencies are advised to apply increment funds towards supporting factors of a project rather than buildings themselves. He feels this a continued example of how the legislature wants to reign in URA's as it is very specific and detailed. This legislative session was one of the longest sessions closing on April 11th, many issues were reviewed and some will return in 2020.

Mr. Armbruster stated the document also lists slight changes that will benefit smaller agencies. He stated the session hit administrative rules hard; in previous years agencies would adopt temporary rules that would then go to the legislature where one chamber or the other would adopt them. Due to a series of disputes between the house and senate, administrative rules were never formally adopted. The governor's office re-did the rules, and temporary rules have been adopted. A few tax commission rules to be watched include that rule regarding the occupancy tax.

Mr. Williams stated he and Mayor Davis met with Intergovernmental Affairs Specialist Bobbi-Joe Muelman and Representative Clark Kauffman and discussed concerns including URA bills. They discussed concerns regarding those in leadership positions who might want to do away with URA's and that restrictions placed upon agencies creates conflicts. He further stated the Jerome URA has been in compliance with all requirements and should not be punished or penalized due to issues occurring in other parts of the state.

Chairman Warr excused himself from meeting at 3:25 p.m. and Vice-Chairman Cone continued with the meeting.

FINANCIAL REPORT:

Mr. Hyatt stated he had nothing new to report other than the bills paid for administrative staff work and Elam and Burke.

STAFF REPORTS:

Mr. Williams stated a Purchase and Sale agreement has been signed in Area 4 and now the parties involved have 90 days to close. Staff expects a visit from one of the company's executives to discuss options for assistance by URA; they were advised to provide building plans, their level of investment, number of anticipated jobs and site preparation estimates to determine the level of assistance by the URA and develop a reimbursement agreement. Another company involved in a separate purchase has not yet reached out to staff for URA assistance.

In Area 2, Idaho Milk Products (IMP) is near completion on their expansion; staff is waiting on final costs to develop a reimbursement agreement.

In Area 3, Mr. Williams met with a company interested in Block 56; possible uses of that property would be mixed-used with two tenants (an educational facility and a non-profit group) plus a multi-family housing unit, single family homes and green space. He also stated additional meetings will take place and any potential proposals will be presented to the board for review and approval. Upon inquiry by Commissioner Peterson, Mr. Williams showed the board a map showing Blocks 55 and 56 and stated the company's proposal includes all seven acres. Additionally, there may be private access onto the property rather than a public road which would save on costs for infrastructure improvements although sewer line extensions may be needed.

Mr. Williams reported on several buildings being remodeled in Area 3 along S. Lincoln including Si Senor Taqueria, a new beauty salon and the old Napa Auto Parts building. The new property owner of the Napa building had intended for it to be an event center but had not inquired about city requirements; they are seeking other options for use of the building and have submitted design review materials for exterior improvements to the building. The old Paul's Market building has seen large interior and exterior improvements although no building plans have yet been submitted by the next tenant. Mr. Williams anticipates increased increment values based on the improvements.

Mr. Williams briefly spoke of the S. Tiger Drive project and significant change orders based on changes made to the original project. Mr. Carpenter reviewed the different changes made to the project including a replaced irrigation structure near the Glen Eagle subdivision to straighten the pathway and make it safer; the redesign of the intersection at Nez Perce to improve industry traffic flow; landscaping at Desano's and additional traffic control; electrical work along the roadway and pathway, after it was determined that one service pedestal had no power; and, a

quantity difference change order for additional concrete sidewalk. Mr. Williams stated the overall change orders were approximately 11% of the project budget whereas a project of this magnitude generally sees 3-5% in change orders. He stated there was much oversight and possible lack in communication between staff members throughout the project while decisions were made. Mr. Carpenter stated he came into the project after the fact and it took some time to assess the situation and has done his best to cut other costs to keep damages under control.

Commissioner Peterson commented on the phases of the project and the cost of mobilization and that more questions should have been asked during the early phase of construction. Mr. Carpenter stated traffic control costs were part of the problem but necessary. Mr. Williams stated staff will compile information to present at the next meeting and that a few punch list items remain for the project.

Mr. Williams stated he spoke with a potential investor in a downtown property who provided a preliminary concept for a potential restaurant with connectivity to Main Street and to parking. He briefly spoke of landscaping and a courtyard area along with a nice pathway, and stated the potential investor has an existing restaurant in the Kansas City area and could be a positive attribute to downtown.

ADJOURN:

There being nothing further to discuss, Vice-Chairman Cone adjourned this July 11, 2019 regular meeting at 4:12 p.m.

Chairman Gary Warr

Secretary Jason Peterson