



2017 Annual Report

Jerome Urban Renewal Agency



To create opportunities for economic growth through public improvements and neighborhood redevelopment.

I. EXECUTIVE SUMMARY

The Jerome Urban Renewal Agency did not undertake any capital projects in any of its areas in the 2017 calendar year. There were several projects being evaluated and other planning activities occurred during 2017.

The following are active projects that may move forward in the 2018 calendar year:

Area 2

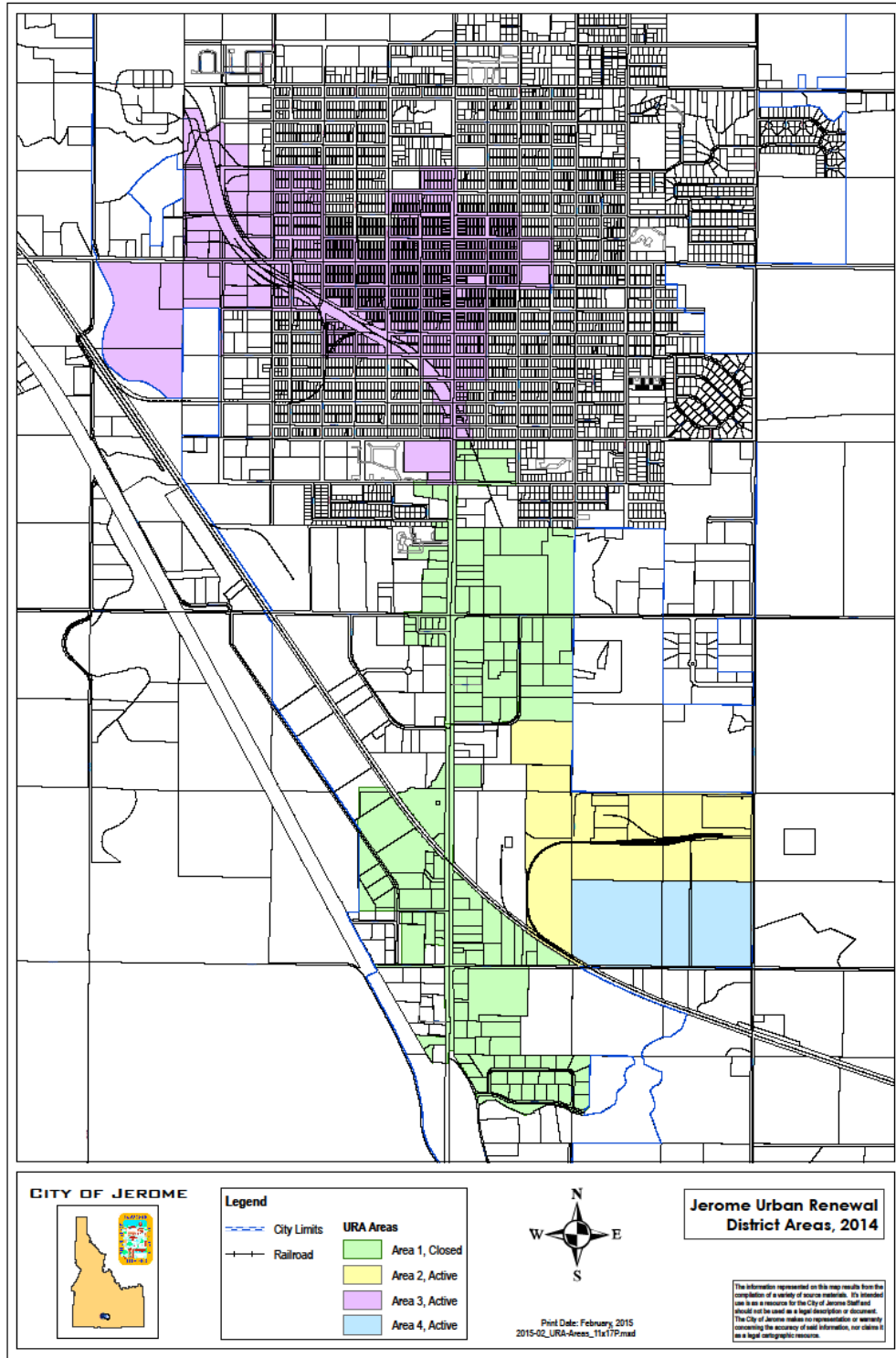
- **Project Fraction:** This unique hay processing facility is proposed for the Northside Development in Area 2. It's estimated that the project investment will be approximately \$7 million. This project would require a natural gas upgrade to the area.
- **Project Husker:** This project would bring a new process and product to an existing facility. The capital investment is estimated at \$7 million. There may be some unique site remediation work to be done which may invoke the assistance of the URA in order to make the project happen.

Area 3

- **Project Horizon:** This is a proposed industrial expansion that may require the vacation and rerouting of current infrastructure to make way for physical improvements to the plant. Staff has analyzed the infrastructure needs for the expansion and has provided the company with a couple of alternatives. It's projected that this will be a \$7 million project and will take place in a part of town that is in desperate need of redevelopment.
- **Project Handy:** The Jerome URA entered in to an exclusive right to negotiate agreement with the Oppenheimer Development Corporation for the development of Block 56. The Oppenheimer group has made progress with a couple of different retail/commercial facilities on design and cost estimates. They are proposing a two tenant/building project and will be working over the next few months on agreements with those tenants. It's hopeful that a DDA can be signed in the spring of 2018 with construction commencing in the fall of 2018.

II. MAP OF THE JEROME URBAN RENEWAL DISTRICTS

The map below indicates the boundaries of the four plan areas the Agency has established since its inception. As indicated on the map, Area 1 is now closed.



III. ORGANIZATION AND MISSION

Mission and Vision

To revitalize and improve the quality of life for Jerome; to create opportunities for economic growth through public improvements and neighborhood redevelopment.

Currently, the agency oversees three different plans: Area 2, Area 3 and Area 4. The Agency operated one urban renewal plan in calendar year 2014, as the urban renewal plans for Areas 3 and 4 were not approved until late in 2014. The City of Jerome established the Jerome Urban Renewal Agency in 1998 with the formation of the South Lincoln Plan (Area 1). On July 7, 2011, the JURA Board voted to close the South Lincoln Area (Area 1) by September 30, 2012 which was 10 years earlier than required by state law.

In late 2005, the Agency established the Southeast Industrial Area (Area 2), which is now home to Idaho Milk Products and Jackson/Scoular.

In 2013, the agency hired Kushlan Associates, a consulting firm, to assist with the eligibility report and economic feasibility study related to Area 3. The study was completed in 2014 and the Agency established Area 3 in December 2014. The area takes in all of W. Main to Interstate 84 within the City limits. This area would encompass some of the most dilapidated and blighted areas of Jerome.

In 2014, the Agency also amended the Southeast Industrial Area (Area 2) to eliminate the unfunded portion, which then became the new Area 4.

The Agency Board of Commissioners is currently comprised of five appointed individuals:

- Marjorie Schmidt, Chair
- Gary Warr, Vice-Chair
- Carl Morrell, Treasurer
- Jason Peterson, Secretary
- Kathy Cone

Professional staff for the agency is comprised of both City of Jerome staff member and outside consultants hired by the Agency. Legal counsel is provided by Ryan Armbruster with Elam and Burke. City staff is comprised of Mike Williams, Executive Director, Michelle Frostenson, Finance Director, and Bernadette Gomes, Administrative Clerk.

IV. STRATEGIC PRIORITIES

On August 25, 2011, the Agency held a Strategic Planning meeting where the board members, staff, and public discussed the strategic focus areas for the next 12 months and five years. As a result, the Agency established its first mission statement, vision statement, and a strategic plan for the five years. The Agency had last officially updated the strategic priorities in January 2013. As part of its budgeting process in 2016, the Agency began identifying major areas of importance and outlined basic objectives for the agencies focus. An “official” statement will be developed this spring by the Agency Board.

Priority Objectives:

- 12 Month Plan
 - Continue marketing downtown area for revitalization projects
 - Explore options for park and recreational opportunities to drive traffic downtown
 - Green space, splash pad, etc.
 - Continue marketing Area 2 and 4 as the prime location in the Magic Valley for industrial expansion

- Long Term Directives
 - Acquire empty buildings and open spaces within Area 3
 - Improve parking opportunities in Area 3
 - Improve west entrance to Jerome for economic development and redevelopment
 - Maintain adequate water and sewer capacity for economic development
 - Support walkability and connectivity between key gathering points in the City and URA areas

V. TAX INCREMENT REVENUE: 2017

The only source of Agency income, other than interest on interest bearing accounts, is property taxes generated within the tax increment revenue allocation areas. In 2013 the Idaho Legislature approved legislation to provide personal property tax relief to all Idaho businesses while replacing the revenue losses for local governments, including Urban Renewal Agencies. At the conclusion of calendar year 2017, the total Tax Increment Revenue received by the Agency was \$1,550,178 for the Southeast Industrial Area and \$48,891 for the Downtown Improvement Project Area. The Agency also received \$11,619 in property tax replacement revenue. The following chart shows a summary of revenue received for the 2017 calendar year:

Urban Renewal Area	Revenue Received in 2016
Southeast Industrial Area (Area 2)	\$1,561,797
Downtown Improvements Project (Area 3)	\$ 48,891
TOTAL	\$1,610,688

VI. JEROME URBAN RENEWAL DISTRICTS

- **South Lincoln District - Closed**

- The Jerome City Council formally approved the South Lincoln Urban Renewal Plan in December of 1998 through Ordinance No. 870. The plan was amended and restated as follows: November 1999 through Ordinance No. 887, December 2000 through Ordinance No. 903, and March 2003 through Ordinance No. 940. The base value for the district is \$5,992,823. A copy of the complete plan with all amendments is available in the Office of the Jerome City Clerk, 152 East Ave. A, Jerome, ID.
- In 2012, the Agency closed the area.



- **Southeast Industrial Area**

- The Jerome City Council formally approved the Southeast Industrial Urban Renewal Plan in December of 2005 through Ordinance No. 986. The plan was amended and restated in December 2014 through Ordinance No. 1133. The adjusted base value for the district is \$999,512. The copy of the plan is available in the Office of the Jerome City Clerk, 152 East Ave. A, Jerome, ID.



- **Area 3**

- The Jerome City Council formally approved the Urban Renewal Plan for Area 3 in December 2014 through Ordinance No. 1135. The base value for the district is \$30,160,058. The copy of the plan is available in the Office of the Jerome City Clerk, 152 East Ave. A, Jerome, ID.

- **Area 4**

- The Jerome City Council formally approved the Urban Renewal Plan for Area 3 in December 2014 through Ordinance No. 1134. The base value for the district is \$315,935. The copy of the plan is available in the Office of the Jerome City Clerk, 152 East Ave. A, Jerome, ID.

VII. SUMMARY OF INCREMENT VALUE OF JURA DISTRICTS

District	Base Value	Increment Value (2017)
Southeast Industrial (Area 2)	\$ 999,512	\$84,533,298
Area 3	\$30,160,058	\$ 3,546,437
Area 4	\$ 315,935	\$0

Area 2 has been very successful with the additions of Idaho Milk Products, Scoular, Inc. and Specialty Sales building new facilities in the Southeast Industrial Park. We are beginning to see increment value in Area 3 which appears to be mostly through property values increasing. There very likely may be new investment in Area 3 in 2018 which should increase the increment value even more.

VIII. PROJECT PRIORITIES AND ALLOCATIONS FOR FY 2018

There were no budgeted projects for FY 2018. The agency did, however, allocate \$1,000,000 for South Tiger roadway improvements which are set to take place in FY 2018.

Project	District	Budgeted Cost	Explanation
Improvements to South Tiger Drive	Area 2: SE Industrial	\$ 1,000,000	Road design, construction cont.
Infrastructure	Area 2: SE Industrial	\$ 1,702,515	Projects to be determined
Infrastructure	Area 3: Downtown	\$ 21,497	Projects to be determined
TOTAL PROJECT COSTS		\$2,724,012	

IX. LEGAL REQUIREMENTS AND ADDITIONAL DOCUMENTATION

Under the Idaho Urban Renewal Law, an urban renewal agency is required to file with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include a complete financial statement setting forth its assets, liabilities, income and operating expense at the end of the calendar year. A copy of the Agency's (informal) financial statements for the period ended December 31, 2017 is attached. By virtue of certain amendments to the Idaho Urban Renewal Law adopted in 2002, the fiscal year of an urban renewal agency has been established as October 1st through September 30th. Consequently, any formal financial statement would be limited to a report through the end of the Agency's fiscal year. Under Idaho Code section 67-450B, all local government entities must complete an audit of its statements at the conclusion of its fiscal year. A copy of the Agency's 2016 audited financial statements is also attached for purposes of review and comment. In accordance with new reporting requirements under Idaho Code Section 67-450(E) the Agency must submit certain information to the Legislative Services Office by December 1,

2017 for the 2017 fiscal year period ending on September 30, 2017. The Agency filed this report prior to the statutory deadline of December 1, 2017.

Public Involvement and Outreach

On March 22, 2018 at 3:00 p.m., this annual report was officially presented to the public at a special meeting of the Jerome Urban Renewal Agency. In presenting this annual report, the Agency sought to engage the public for comment through several outreach mediums. Advertisement of the presentation of the annual report was accomplished by these methods:

- Posted on the City of Jerome Facebook page (City of Jerome, Idaho)
- Advertised on the City Website (www.ci.jerome.id.us)
- Listed in the *City Newsletter*, which is published monthly by the City of Jerome. An electronic archive of the newsletter can be found at www.ci.jerome.id.us

Fiscal Year Financial Statement (Audited)

In March 2018, the Agency received a report from Rexroat, Harberd, and Associates expressing an opinion on the audit of the agency's financial statements for Fiscal Year 2017. In this auditor's opinion, the financial statements present fairly the financial position of the agency in conformity with accounting principle generally accepted in the United States of America. This report identifies the Agency's assets, liabilities, income, and expenses through September 30, 2017. A copy of the report is also available on the City of Jerome's website at www.ci.jerome.id.us

Budget

The Agency is also required to formally adopt its fiscal year budget by September 1 of each year. The Agency adopted its FY 2017-2018 Budget on August 24, 2017. As required by the Idaho Urban Renewal Law and Local Economic Development Act, the Agency has filed its budget with the City of Jerome. Copies of the budget are available through the Agency's offices.

X. APPENDIX

- The Jerome Urban Renewal Agency Financial Statements for FY 2017 (Audit)
- Balance Sheet (FY 2017-2018, Period Ended 12/31/2017)
- Revenue/Expense Report (FY 2017-2018, Period Ended 12/31/2017)