

This regular meeting of the Jerome Urban Renewal Agency was called to order at 3:00 p.m. Council Chambers were open to the public, and the meeting was held in person and by teleconference. The video conference was conducted via Zoom and was made available to all members of the public in a format that allowed all participants to hear the meeting, including all deliberations by members of the Urban Renewal Agency board and other speakers addressing the board, whether in person or via virtual connection, and to comment if so desired, all of which was noted in the agenda, email, and notices at council chambers and on the city's website.

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

Also present were City Clerk Bernadette Coderniz, City Administrator Mike Williams, Finance Director Ross Hyatt, Accounting and Budget Manager Lori McCrae, City Engineer Tyson Clark and IS Field Technician Andy Newbry. Legal Counsel Ryan Armbruster joined via teleconference.

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 January 7, 2021 regular meeting
- B. Review and approve claims for February 2021
- C. Review and approve staff financial reports for February 2021
City of Jerome, \$1,626.13; Elam & Burke, Inc., \$805.10

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

ANNUAL REPORT PREPARATION AND SCHEDULE:

Mr. Williams stated that Idaho Code requires the agency to prepare an annual report for each Urban Renewal Area (URA) district and then hold a public meeting to present the report and allow for public input. A draft of the annual report will be presented for board review at the next URA meeting with the public comment period scheduled two weeks later. After the comment period where the board may approve the annual report, an informative document will be provided, which illustrates the financial performance and project list for each URA area along with strategic priorities. The report will not be published in the newspaper, however it will be available on the city's website and social media. Mr. Armbruster stated that public comment is rare. Social media and the website are good sources for obtaining the information. No action is needed at this time.

LEGISLATIVE UPDATE:

Mr. Armbruster reported on several bills of interest. House Bill (HB) 53 is an effort to get electronic posting of notices rather than formal publications in newspapers. It would allow an entity to take advantage of electronic posting but the future of this bill is unknown at this time.

The Senate committee proposed changes to the Request for Proposals (RFQ) process for architects and engineers including an increase to the minimum limit from \$25,000 to \$50,000 when entities are seeking construction managers, surveyors, etc. Senate Bill (SB) 1044 is somewhat similar to a bill introduced last year on the Senate side. Sponsored by Senator Souza, it indicates that if a URA consisting of appointed members wanted to invoke eminent domain, approval must come from the city or county depending on the entity which sponsored the urban renewal agency. The bill is supported by the Association of Idaho Cities (AIC) but it does not appear the Redevelopment Association of Idaho (RAI) will take a position one way or another. The eminent domain authority is one of few authorities that URA's have to issue tax exempt bonds under applicable Internal Revenue Service (IRS) rules. An amendment was developed last year stating that if a URA is dissolved, any assets it has are transferred to the municipality. Bond counsel has confirmed that this would be enough to keep tax exempt authority with URA's. Mr. Armbruster spoke of HB73 deemed the uniform reporting bill which changes reporting requirements and where information is reported for every public entity including URA's, taxing districts and others. It transfers the reporting recipient from the Legislative Services Office to the State Controllers Office. The purpose of the bill is to establish an oversight committee consisting of the Controller and legislators to come up with a uniform reporting manual to be distributed to all entities involved. It will dictate how information (i.e. budgets, audits, annual reports, etc.) is to be reported on a uniform platform. It is an attempt to provide taxpayers the ability to compare taxing entities' information and spending.

SB1048 has received the most attention and is in its 2nd reading and known as the "property tax cap" bill. It creates a process by which entities can capture the 3% plus new construction and annexations without exceeding 4%. Regarding impact on URA's, agencies are not involved in the budgeting assessments or levying process of taxing entities. The new construction values (tax increment value when URA areas close out) have been available for taxing entities when project areas close out. When plans are adopted it was understood by all taxing entities that they were "giving up" taxes for a certain period of time. With no benefit in getting the new value when a URA area closes out there is little incentive to create an area. Additionally, this bill discourages an agency that may be considering the close out of an area early if it is more beneficial to accrue additional dollars and then close out as planned. Last year when property tax caps were introduced an amendment had been recommended which removed the value of project areas closing out from the equation so that it could still be counted in the taxing entities' budget calculation in the following year. However, the amendment is not included in the current version of SB1048. It currently sits before the Senate Local Government Committee chaired by Caldwell's Senator Rice, the bill's chief sponsor. Chances of further amendments or the fate of the bill are unknown at this time. There have been constant struggles between the Legislative and Executive branches regarding emergency orders, proclamations, special sessions, etc. The legislature is seeking a way to spend or earmark the \$600 million surplus that Idaho has accrued in this fiscal year. There has been talk of transportation projects, tax relief and education but nothing specific has been released as far as spending. One bill potentially changes the Circuit Breaker but no other changes have been seen on the homeowner's exemption. A third bill from the Property Tax Interim Committee which has not yet surfaced would substantially hinder any taxing entity from creating reserves or rainy day funds.

Mr. Williams commented on the property tax cap bill and stated that it would be detrimental to the City and the future of URA. When URA's are established, other taxing districts understand that growth is incentivized but there is significant impact on the community

(i.e. strain on roads and city services) until the area is closed and funds are captured to pay for the impact to the services (i.e. streets, fire, police, etc.). Area 2 is a successful industrial park with four tenants and others on the way. The new bill would disallow taxing districts the ability to collect additional revenue to pay for growth and Mr. Williams stated he is unsure of why a taxing district would consider approving a new area in the future. He stated there will be discussions with local leaders to discuss the merits of the bill as it has the potential to have a huge negative impact on URA's. The Senate Local Government Committee meets on Tuesdays, Wednesdays and Thursdays at 3:00 p.m. and staff expects an update next Tuesday. Mr. Williams stated staff will track the bill and provide updates to the board. Some other Idaho cities have areas closing out this year, and Mr. Armbruster stated that URAs are instructed to begin the close out process in March/April; this proves to be a nearly impossible task when the rules are unknown.

IDAHO SUPREME COURT CASE RE: URA PLAN APPROVAL PROCESS:

Mr. Armbruster stated the Supreme Court heard oral arguments on January 15th regarding an appeal that had been filed challenging the City of Boise on plans approved two years ago. The complainant is asserting that the plan content created a commitment or obligation on the part of the City of Boise that would violate Article 8 Section 3 of the Idaho Constitution requiring any URA plan to go before the voters for approval prior to council approval. The RAI and Capital City Development Corporation (CCDC) were granted Friend of The Court status and filed a brief trying to affirm the current approval process. There is nothing in a URA plan that commits a city to do anything other than cooperate and assist wherever possible; long-term obligations are not created on the part of the city within a URA plan. Mr. Armbruster assisted the Boise City attorney with an oral argument before the Idaho Supreme Court, and it was clear that the court members had read the Friend of the Court brief and had questions based on the brief. The attorney for the appellants made his case and the issue is if the court will conclude that the URA plan by virtue of the city council approving an ordinance creates a liability and violation of the constitution. He stated there was an argument that the city does not get the revenue; however, without a URA plan there would be no revenue if no development has occurred. Mr. Armbruster stated he expects a decision in approximately three months and will keep the board advised of any new developments. He believes the oral argument was an effort well served by both RAI and CCDC participating as Friends of the Court.

STAFF REPORTS:

Mr. Williams spoke regarding the gas line being constructed in Area 2. He stated the path for the pipeline begins at S. Tiger and runs through the industrial park. The obligation of having the pipeline ready for Scoular will be met as they have yet to submit plans for their facility. Mr. Williams provided photos of the area and noted that Scoular is preparing the pad site for their facility, and Star Corporation is the contractor for that project. It is hopeful that they will be operational by mid-summer.

Nelson Jameson has begun hiring consultants for surveying and engineering for their new facility, and Mr. Williams stated the delay in their project was expected although they are now moving forward. He also noted that Western Construction purchased property in Area 4 last year but little information has been received as of now.

In Area 5, Mr. Williams spoke of the Rennison Group and approved housing credit for the housing project east of D.L. Evans Bank. They will be seeking a Special Use Permit (SUP) from the Planning and Zoning (P&Z) Commission on Tuesday, February 9th. Preliminary documents

on design review have been submitted and are what was presented to city council and the URA last summer. He noted that there were also agreements in place with the bank before the property was purchased. Mr. William stated they understand that the URA has not made final commitments on participation with infrastructure or development costs. Once the SUP is secured, staff will meet with the Rennison Group for further discussions on URA's participation to assist with improvements (curb/gutter/sidewalk, lighting and street scape improvements, etc.). He is unaware of any objection statements to the planned project and expects that a participation and reimbursement agreement may be presented at one of the two March URA meetings.

Summit Creek Capital submitted a list of items which they believe will be eligible for reimbursement on the Blocks 55/56 development, and Mr. Williams stated he will meet with Mr. Armbruster to review the list. A draft development agreement may be presented at the first meeting in March for the board's consideration. Once the board approves the agreement the public processes (rezone, etc.) will begin. He stated that the estimate of reimbursable expenses is less than expected. He expects the project to be a quality development.

Regarding the tennis courts, Mr. Williams stated that staff is close to sending out a Request for Qualifications for a contractor to pre-qualify those contractors for the post tension concrete work, a specialized and unique project. Staff was informed that one contractor in mind will not be available until late summer, but the curb/gutter/sidewalk and landscaping portions of the project can begin. Upon inquiry by Commissioner Craig, Mr. Williams confirmed that the entire portion of the sidewalk surrounding the tennis courts will be removed. Additionally, it appears the school district's intention is to add more courts in the future, however they are not prepared for that at this time. Mr. Williams reiterated that the project should be completed by late summer/early fall unless another qualified bidder comes forward.

Tommy's Car Wash will be coming in near the Honker's site; an issue with the easement owned by the State of Idaho may cause some delay in construction. Commissioner Craig commented on Veteran's Park and moving monuments and inquired if URA participation was possible. Mr. Williams explained that a group of community members and veterans have proposed moving the monuments at the park closer together and add more landscaping and flags to give it a plaza-type feel and draw more attention to the park. He stated the community has been very generous with donations towards the monuments, and with the park being within URA Area 3 the agency could potentially assist with the project. Commissioner Craig noted the concept includes other wars currently without representation to be added to the park. Memorials are for those who have passed away in the wars and the group would like to include a list of those who served in the wars on a wall where names can be added (i.e. a memorial wall). Mr. Williams stated more information will be provided at future URA meetings.

ADJOURN:

There being nothing further to discuss, Chairman Warr adjourned this February 4, 2021 regular meeting at 3:46 p.m.

Chairman Gary Warr

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Secretary Jason Peterson