

This special 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 Kathy Cone, Commissioner Bryan Craig, and Commissioner Shonna Fraser. Commissioner Jason Peterson joined via Zoom at 3:02 p.m., and Commissioner B.J. Hess. was excused.

Also present were City Clerk Bernadette Coderniz, City Administrator Mike Williams, Finance Director Ross Hyatt, Accounting and Budget Manager Lori McCrae, City Engineer Tyson Carpenter, IS Director Carlos Hernandez, and IT Technician Andy Newbry. Legal Counsel Ryan Armbruster joined the meeting via Zoom.

PLEDGE OF ALLEGIANCE:

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

PUBLIC MEETING FOR CALENDAR YEAR REPORT OF ACTIVITIES:

Chairman Cone opened the public meeting at 3:02 p.m. Chairman Cone stated that the board reviewed the tentative annual report at the March 2nd URA meeting and requested that staff publish the report. Mr. Williams stated no written nor verbal comments were received from the public regarding the report and that the report was published on the City's website and Facebook page. Additionally, the report was available for review in the City Clerk's office. Chairman Cone further stated the public was invited to comment at today's meeting or provide written comment prior to the meeting. There were no comments from the public either in person, in writing, nor through Zoom. Chairman Cone closed the public comment period at 3:03 p.m.

RESOLUTION NO. 02-23:

Chairman Cone introduced Resolution No. 02-23 adopting the Calendar Year Report of Activities and directed that it be filed with the local governing body and others entitled to the report no later than March 31st. Mr. Armbruster read the resolution by title only, resolution in full is as follows:

RESOLUTION NO. 02-23

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

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF JEROME, IDAHO, TO BE TERMED THE "ANNUAL REPORT RESOLUTION," APPROVING THE ANNUAL REPORT OF THE URBAN RENEWAL AGENCY, FOR CALENDAR YEAR 2022; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT WITH THE CITY, IDAHO STATE CONTROLLER, AND ANY OTHER ENTITY ENTITLED TO RECEIVE

THE ANNUAL REPORT; CHAIR, VICE-CHAIR, OR AGENCY ADMINISTRATOR TO FILE SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Jerome Urban Renewal Agency of the City 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 (the “Law”), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”), a duly created and functioning urban renewal agency for Jerome, Idaho, hereinafter referred to as the “Agency.”

WHEREAS, the City Council of the city of Jerome, Idaho (the “City”), on December 6, 2005, after notice duly published, conducted a public hearing on the Southeast Industrial Urban Renewal Plan (“Southeast Industrial Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 986 on December 6, 2005, approving the Southeast Industrial Plan;

WHEREAS, the City Council, on December 2, 2014, after notice duly published, conducted a public hearing on the First Amendment to the Southeast Industrial Urban Renewal Plan (“First Amended Southeast Industrial Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 1133 on December 2, 2014, approving the First Amended Southeast Industrial Plan;

WHEREAS, the City Council, on December 2, 2014, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Area 4 Urban Renewal Project (“Area 4 Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 1134 on December 2, 2014, approving the Area 4 Plan;

WHEREAS, the City Council, on December 2, 2014, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Area 3 Urban Renewal Project (“Area 3 Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 1135 on December 2, 2014, approving the Area 3 Plan;

WHEREAS, the City Council, on November 20, 2018, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Area 5 Urban Renewal Project (“Area 5 Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 1172 on December 4, 2018, approving the Area 5 Plan;

WHEREAS, pursuant to Idaho Code Section 20-2006(5)(c), the Agency is required to prepare an annual report and file the annual report with the City and the Idaho State Controller, on or before March 31 of each year;

WHEREAS, pursuant to Idaho Code Section 50-2006(5)(c), the Agency Administrator prepared the annual report of the Agency’s activities for calendar year 2022, a copy of which report is attached hereto as Exhibit A and incorporated herein by reference;

WHEREAS, THE Agency Board reviewed and tentatively approved the draft annual report at the March 2, 2023, Board meeting and directed that the report be made available and notice of availability be posted and noticed;

WHEREAS, the Agency has previously solicited comments concerning the annual report by posting a copy on the city of Jerome Facebook page and City website, and copies were available at the City Clerk's office;

WHEREAS, on March 16, 2023, pursuant to Section 50-2006(5)(c), Idaho Code, the Agency held an open public meeting, properly noticed, to report these findings and take comments from the public at the Jerome City Council Chambers, 100 East Avenue A, Jerome, Idaho, on the proposed annual report;

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

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

Section 2. That the annual report attached hereto as **EXHIBIT A** and the notice of filing the annual report attached hereto as **EXHIBIT B** are hereby approved and adopted by the Agency Board.

Section 3: That the Board Chair, Vice-Chair, or Agency Administrator shall submit said annual report to the city of Jerome, Idaho, the Idaho State Controller, and any other entity entitled to receive the annual report as directed by the Idaho State Controller's staff, on or before March 31, 2023.

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

PASSED AND ADOPTED by the Urban Renewal Agency of the City of Jerome, Idaho, on March 16, 2023. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on this 16th day of March 2023.

APPROVED:

By:

/s/ Kathy Cone

Chairman

ATTEST:

/s/ Jason Peterson

Secretary

Mr. Williams stated the Agency has complied with all public noticing requirements (formal posting in the local newspaper is not required) on Facebook and the City's website; no comments were received. A detailed explanation on the contents of the Calendar Year Report of Activities were given during the March 2nd meeting, and Board of Commissioners were given the opportunity to provide input for the report.

Commissioner Craig made a motion to approve Resolution No. 02-23 adopting the 2022 Calendar Year report. Second to the motion was made by Commissioner Fraser. After

consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Craig, Commissioner Fraser, and Commissioner Peterson. **NAYES:** None.

RESOLUTION NO. 03-23:

Mr. Williams spoke of the Area 5 plan amendment and the discussion held during the March 2nd URA meeting. Mr. Armbruster and Phil Kushlan with Kushlan & Associates have joined the meeting via Zoom to cover highlights of the plan amendment and be available for questions from the board prior to adoption of the resolution.

Mr. Armbruster read the resolution by title only, resolution in full is as follows:

RESOLUTION NO. 03-23

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

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF JEROME, IDAHO, RECOMMENDING AND ADOPTING THE FIRST AMENDMENT TO THE URBAN RENEWAL PLAN FOR THE AREA 5 URBAN RENEWAL PROJECT, WHICH PLAN SEEKS TO ANNEX A CERTAIN AREA TO THE EXISTING AREA 5 PROJECT AREA, WHICH PLAN AMENDMENT INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING AND DIRECTING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND THE SECRETARY OF THE AGENCY TO MAKE CERTAIN TECHNICAL CHANGES TO THE PLAN AMENDMENT; AUTHORIZING AND DIRECTING THE CHAIR, VICE-CHAIR, AND EXECUTIVE DIRECTOR TO TAKE APPROPRIATE ACTION; PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of the City 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 (the "Law"), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"), a duly created and functioning urban renewal agency for Jerome, Idaho, hereinafter referred to as the "Agency."

WHEREAS, on the 20th day of October 1994, the Council and Mayor of Jerome, Idaho, respectively, adopted Resolution No. 13-94 thereby creating the Agency, authorizing it to transact business and exercise the powers granted by the Law and the Act, upon making the findings of necessity required for creating said Agency;

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

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 1134 on December 2, 2014, approving the Area 4 Plan, making certain findings and establishing the Area 4 revenue allocation area (the "Area 4 Project Area");

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Area 3 Urban Renewal Project (the “Area 3 Plan”);

WHEREAS, following said public hearing, the City adopted its Ordinance No. 1135 on December 2, 2014, approving the Area 3 Plan, making certain findings and establishing the Area 3 revenue allocation area (the “Area 3 Project Area”);

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Area 5 Urban Renewal Project (the “Area 5 Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 1172 on December 4, 2018, approving the Area 5 Plan, making certain findings and establishing the Area 5 revenue allocation area (the “Area 5 Project Area”);

WHEREAS, the Area 3 Plan, the Area 4 Plan, and the Area 5 Plan are collectively referred to as the “Existing Plans,” and the corresponding revenue allocation areas are collectively referred to as the “Existing Project Areas”;

WHEREAS, pursuant to Idaho Code § 50-2008, an urban renewal project may not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or deteriorating area, or combination thereof, and designated such area as appropriate for an urban renewal project;

WHEREAS, Idaho Code § 50-2906, also requires that in order to adopt an urban renewal plan or plan amendment containing a revenue allocation financing provision, the local governing body must make a finding or determination that the area included in such plan or plan amendment is a deteriorated area or deteriorating area;

WHEREAS, based on information presented by certain interested parties, including the Agency and the City, it became apparent that additional property within the City, and adjacent and contiguous to the Area 5 Project Area, may be deteriorating or deteriorated and should be examined as to whether such an area is eligible for an urban renewal project;

WHEREAS, in late 2022/early 2023, Kushlan | Associates commenced an eligibility study and preparation of an eligibility report for an area consisting of 7.55 acres in size which is located in the southeast section of the City and is located generally east of South Lincoln Avenue and north of East Nez Perce Avenue (the “Study Area”). The Study Area is adjacent and contiguous to the Area 5 Project Area;

WHEREAS, the Agency obtained the Jerome Area 5 Urban Renewal District Annexation Eligibility Report, dated January 2023 (the Report”), which examined the Study Area for the purpose of determining whether such area is a deteriorating area and/or a deteriorated area as defined by Idaho Code §§ 50-2018(8), (9), and 50-2903(8);

WHEREAS, the Report incorporated the findings set forth in the Jerome Area 5 Urban Renewal District Eligibility Report, dated May 2018, accepted by the Agency Board on June 7, 2018, by Resolution No. 04-18, and by the City Council on June 19, 2018, by Resolution No. 09-18, which is appended to the Report;

WHEREAS, pursuant to Idaho Code §§ 50-2018(8), (9), and 50-2903(8), which define the qualifying conditions of a deteriorating area and deteriorated area, several of the conditions necessary to be present in such an area are found in the Study Area, including:

- a. predominance of defective or inadequate street layout; and
- b. insanitary or unsafe conditions;

WHEREAS, the Study Area includes open land;

WHEREAS, under the Act, a deteriorated area includes any area which is predominantly open and which, because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. See, Idaho Code § 50-2903(8)(c);

WHEREAS, Idaho Code §§ 50-2018(9), 50-2903(8) and 50-2008(d) list the additional conditions applicable to open land areas, including open land areas to be acquired by the Agency, which are the same or similar to the conditions set forth in the definitions of “deteriorating area” and “deteriorated area;”

WHEREAS, the Report addresses the necessary findings concerning including open land within any urban renewal area as defined in Idaho Code §§ 50-2018(9), 50-2903(8)(c), and 50-2008(d);

WHEREAS, the effects of the listed conditions cited in the Report result in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, and constitutes an economic or social liability;

WHEREAS, the Agency Board, on February 2, 2023, adopted Resolution No. 01-23 accepting the Report and authorizing the Chair, Vice-Chair, or Executive Director of the Agency to transmit the Report to the City Council requesting its consideration for designation of an urban renewal area and requesting the City Council to direct the Agency to prepare an urban renewal plan amendment for the Study Area, which plan amendment may include a revenue allocation provision as allowed by the Act;

WHEREAS, the City Council on February 7, 2023, adopted Resolution No. 03-23, declaring the Study Area described in the Report to be a deteriorated area or a deteriorating area, or a combination thereof, as defined by Chapters 20 and 29 of Title 50, Idaho Code, as amended, that such Study Area is appropriate for an urban renewal project, and directed the Agency to commence preparation of an urban renewal plan amendment for the area designated;

WHEREAS, the Agency seeks to amend the Area 5 Plan pursuant to Idaho Code §§ 50-2033 and 50-2903A(1)(a)(ii), which amendment contains provisions of revenue allocation financing, to redevelop a portion of the City pursuant to the Law and the Act, as amended;

WHEREAS, pursuant to the Law and Act, as amended, the First Amendment to the Urban Renewal Plan for the Area 5 Urban Renewal Project (the “First Amendment to the Area 5 Plan”) seeks to add the Study Area to the Area 5 Project Area and further to provide updates to certain provisions and financial information from the Area 5 Plan to provide a projection concerning the existing and additional improvements, projected expenses, and anticipated revenues through the Area 5 Plan termination;

WHEREAS, a modification is not deemed to have occurred under Idaho Code § 50-2903A when there is a plan amendment to accommodate an increase in the revenue allocation area boundary as permitted in Idaho Code § 50-2033. The First Amendment to the Area 5 Plan is not a modification pursuant to Idaho Code §§ 50-2033 and 50-2903A(1)(a)(ii), and therefore, the base value will not be adjusted upwards;

WHEREAS, the area to be added to the Area 5 Project Area is shown on the “Map of the Amendment Area” and described in the “Legal Description of the Boundary of the Amendment Area,” which are attached to the First Amendment to the Area 5 Plan as Attachments 1A and 2A respectively;

WHEREAS, in order to implement the provisions of the Act and the Law either Agency may prepare a plan or any person, public or private, may submit such plan to the Agency;

WHEREAS, Agency and its consultants have prepared the proposed First Amendment to the Area 5 Plan for the additional area previously designated as eligible for urban renewal planning;

WHEREAS, the Act authorizes the Agency to adopt revenue allocation financing provisions as part of an urban renewal plan or plan amendment;

WHEREAS, the First Amendment to the Area 5 Plan contains revenue allocation financing provisions as allowed by the Act;

WHEREAS, in order to implement the provisions of the Law and the Act, the Agency shall prepare and adopt the First Amendment to the Area 5 Plan and submit the First Amendment to the Area 5 Plan and recommendation for approval thereof to the City;

WHEREAS, the Agency reviewed and considered the proposed public improvements within the First Amendment to the Area 5 Plan during its regular meeting on March 2, 2023;

WHEREAS, as required by the Law and the Act, the Agency has reviewed the information within the First Amendment to the Area 5 Plan concerning the use of revenue allocation funds and approved such information and considered the First Amendment to the Area 5 Plan at its meeting on March 16, 2023;

WHEREAS, the First Amendment to the Area 5 Plan will be tendered to the Planning and Zoning Commission and to the City Council for their consideration and review as required by the Law and the Act;

WHEREAS, under the Act, the First Amendment to the Area 5 Plan shall include with specificity the following: (1) a statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality; (2) a statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area; (3) an economic feasibility study; (4) a detailed list of estimated project costs; (5) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property in the revenue allocation area; and (6) a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred; (7) a termination date for the plan and the revenue allocation area as provided for in Idaho Code § 50-2903(20); and (8) a description of the disposition or retention of any assets of the agency upon the termination date;

WHEREAS, it is necessary and in the best interests of the citizens of the City to recommend approval of the First Amendment to the Area 5 Plan and to adopt, as part of the First Amendment to the Area 5 Plan, revenue allocation financing provisions that will help finance urban renewal projects to be completed in accordance with the First Amendment to the Area 5 Plan in order to (1) encourage private development in the urban renewal area; (2) to prevent and

arrest decay of the additional area added by the First Amendment to the Area 5 Plan due to the inability of existing financing methods to provide needed public improvements; (3) to encourage taxing districts to cooperate in the allocation of future tax revenues arising in the additional area added by the First Amendment to the Area 5 Plan in order to facilitate the long-term growth of their common tax base; (4) to encourage the long-term growth of their common tax base; (5) to encourage private investment within the City and (6) to further the public purposes of the Agency;

WHEREAS, the Agency Board further finds that the equalized assessed valuation of the taxable property in the existing Area 5 Project Area will continue to increase as a result of initiation and continuation of urban renewal projects in accordance with the Area 5 Plan, as amended by the First Amendment to the Area 5 Plan;

WHEREAS, under the Law and Act, any such plan should provide for (1) a feasible method for the location of families who will be displaced from the urban renewal area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families; (2) the urban renewal plan should conform to the general plan of the municipality as a whole; (3) the urban renewal plan should give due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of the children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan should afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise;

WHEREAS, under the Law and Act, Idaho Code §§ 50-2903(8)(f) and 50-2018 (8) and (9), the definition of a deteriorating area shall not apply to any agricultural operation as defined in § 22-4502(2), Idaho Code, absent the consent of the owner of the agricultural operation, except for an agricultural operation that has not been used for three (3) consecutive years;

WHEREAS, the area to be added by the First Amendment to the Area 5 Plan includes a parcel subject to such consent, which necessary consent has been obtained;

WHEREAS, the base assessment roll of the area added by the First Amendment to the Area 5 Plan, together with the base assessment roll values of the Existing Project Areas cannot exceed ten percent (10%) of the current assessed values of all the taxable property in the City;

WHEREAS, the area to be added by the First Amendment cannot exceed ten percent (10%) of the area within the Area 5 Project Area, and the additional area is contiguous to the Area 5 Project Area;

WHEREAS, the boundaries of the area added to the Area 5 Project Area pursuant to the First Amendment to the Area 5 Plan overlap the boundaries of the Jerome Highway District #7; however, the City has responsibility for the maintenance of roads or highways within the City limits; and therefore, the allocation of taxes shall be governed by Idaho Code §§ 50-2908(2)(a)(ii) and (b) for the additional area;

WHEREAS, the Agency staff and consultants recommend the Agency Board accept the First Amendment to the Area 5 Plan and forward it to the City Council;

WHEREAS, the Agency Board finds it in the best interests of the Agency and the public to formally adopt the First Amendment to the Area 5 Plan, as set forth in **Exhibit 1** attached hereto, and to forward it to the Mayor and City Council and recommend its adoption, subject to certain conditions.

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

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

Section 2. It is hereby found and determined that the additional area as defined in the First Amendment to the Area 5 Plan is a deteriorated area, a deteriorating area, or a combination thereof, as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Law.

Section 3. That the Agency specifically adopts the First Amendment to the Area 5 Plan along with any changes discussed at the March 16, 2023, Agency Board meeting, including but not limited to finalization of the Attachments to the First Amendment to the Area 5 Plan, confirmation of levy rates, confirmation of the affected taxing districts, updated list of projects, updated map or legal description, and any modifications to the supplement to the economic feasibility study prepared by Agency consultant Kushlan | Associates.

Section 4. That the Agency recommends that the First Amendment to the Area 5 Plan, a copy of which is attached hereto as **Exhibit 1**, and incorporated herein by reference, be adopted by the City Council, including those sections, modifications, text, and/or replacement of Attachments as discussed at the March 16, 2023, Agency Board meeting.

Section 5. That this Resolution constitutes the necessary action of the Agency under the Act, Idaho Code § 50-2905, recommending approval by the City and that the First Amendment to the Area 5 Plan includes with specificity the following: (1) a statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality; (2) a statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area; (3) an economic feasibility study; (4) a detailed list of estimated project costs; (5) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property in the revenue allocation area; and (6) a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred; (7) a termination date for the plan and the revenue allocation area as provided for in Idaho Code § 50-2903(20); and (8) a description of the disposition or retention of any assets of the agency upon the termination date.

Section 6. It is hereby found and determined that:

- (a) The First Amendment to the Area 5 Plan gives due consideration to the provision of adequate park and recreation areas and facilities that may be desirable for neighborhood improvement and shows consideration for the health, safety, and welfare of any residents or businesses in the general vicinity of the urban renewal area covered by the First Amendment to the Area 5 Plan.
- (b) The First Amendment to the Area 5 Plan affords maximum opportunity consistent with the sound needs of the City as a whole for the rehabilitation, development, and redevelopment of the Area 5 Project Area as amended by the First Amendment to the Area 5 Plan by private enterprises.

- (c) The First Amendment to the Area 5 Plan provides a feasible method for relocation of any displaced families residing within the Area 5 Project Area, if any.
- (d) The area added by the First Amendment to the Area 5 Plan contains “open land” areas, or areas of agricultural operation, that the Agency may acquire any open land, that the area added by the First Amendment to the Area 5 Plan is planned to be redeveloped in a manner than may include primarily non-residential uses and that the “open land” criteria set forth in the Law and Act have been met.
- (e) The portion of the area added by the First Amendment to the Area 5 Plan which may be identified for non-residential uses, the City Council may find is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns and the need for the correlation of this area with other areas of the City.
- (f) The base assessment roll of the area added by the First Amendment to the Area 5 Project Area together with the base assessment roll values of the Existing Project Areas do not exceed ten percent (10%) of the current assessed values of all the taxable property in the City.
- (g) The area to be added by the First Amendment to the Area 5 Plan does not exceed ten percent (10%) of the geographical area contained within the existing Area 5 Project Area and the area to be added is contiguous to the existing Area 5 Project Area.
- (h) The First Amendment to the Area 5 Plan includes a revenue allocation provision, and the Agency has determined that the equalized assessed valuation of the revenue allocation area in the existing Area 5 Project Area will continue to increase as a result of the initiation and/or continuation of an urban renewal project pursuant to the Area 5 Plan, as amended by the First Amendment to the Area 5 Plan.

Section 7. That this Resolution constitutes the necessary action of the Agency under the Law, § 50-2008, Idaho Code, and the Act.

Section 8. The Chair, Vice-Chair, or Executive Director and the Secretary of the Agency are hereby authorized and directed to take all steps necessary and convenient to submit the proposed First Amendment to the Area 5 Plan for approval by the City Council, including but not limited to the preparation of the notice of public hearing on adoption of the revenue allocation financing provisions by the City and submittal of the First Amendment to the Area 5 Plan to the various taxing entities as required by Idaho Code § 50-2906.

Section 9. A modification is not deemed to have occurred under Idaho Code § 50-2903A when there is a plan amendment to accommodate an increase in the revenue allocation area boundary as permitted in Idaho Code § 50-2033. The First Amendment to the Area 5 Plan is not a modification pursuant to Idaho Code §§ 50-2033 and 50-2903A(1)(a)(ii); and therefore, the base value will not be adjusted upwards.

Section 10. That the required agricultural operation consent has been obtained by the Agency and is attached as Attachment 6A to the First Amendment to the Area 5 Plan.

Section 11. That the boundaries of the area added by the First Amendment to the Area 5 Plan overlap the boundaries of the Jerome Highway District #7; however, the City has responsibility for the maintenance of roads or highways within the City limits; and therefore, the allocation of taxes shall be governed by Idaho Code §§ 50-2908(2)(a)(ii) and (b) for the area added to the Area 5 Project Area. A separate agreement for a different allocation is unnecessary.

Section 12. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Jerome, Idaho, on March 16, 2023. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on March 16, 2023.

APPROVED:

By:

/s/ Kathy Cone

Chairman

ATTEST:

/s/ Jason Peterson

Secretary

Mr. Armbruster briefly reviewed the narrative of the plan and stated the plan will add 7.55 acres, part of the property purchased by the Agency last year, into Area 5. Because the amount of added area is less than 10% of the geographical limit of Area 5 when first adopted, the addition is allowed by state law and not subject to the limitations of annexing property into the plan; the addition can move forward without resetting the base that was set when the project was approved in 2018. The eligibility reports from 2018 and 2023, both prepared by Mr. Kushlan, are included as part of the plan amendment. Mr. Armbruster stated the plan adds 7.55 acres and provides modified descriptions or attachments to outline the 7.55 acres; it also includes the ag consent signed by the Chair and updates statutory provisions that have changed since 2018. The addition will provide for the infrastructure needed to support the new park open space development including streets, water, sewer, etc. This new area will have a separate and distinct base value; because it is owned by a public entity the base value is zero. Area 5 plan termination date will not be extended and will remain as 2038 with the exception of revenues that will be received in 2039. Mr. Armbruster spoke of the park layout including soccer fields, parking spaces, etc. which are included in the narrative. The collective base values of Areas 3, 4, and 5 is less than 10% of the overall value of the City of Jerome. The levy rates of various taxing entities with overlapping geographical boundaries for this area were updated and included in the plan; upon annexation of the 7.55 acres all roads and streets are under the jurisdiction of the City of Jerome. Mr. Armbruster also noted the bond issued for Area 5 to develop the park and other infrastructure improvements.

Mr. Kushlan briefly reviewed the results of the eligibility report and financial analysis and stated his goal was to assess the economic viability of the district post-annexation. This was done by looking at the updated investment figures, the project currently underway, and associated costs needed to complete the vision of the Agency for Area 5. He spoke of the generation of Tax Increment Financing revenue through the end of the term and Agency operations; Agency

operations and project expenses; a cash flow analysis; recognizing priority obligation of the bonds followed by operating expenses and allocating funds to make the necessary improvements in the area; Agency investment into projects; and, recognizing advanced funding the City provided to the projects this year and repayment to the City in 2030, 2031, and 2032. Mr. Kushlan stated all projects envisioned by the Agency will be fully funded and economically feasible and that the resources are there to meet the obligations of the Agency.

Mr. Armbruster spoke of the potential of an enhanced soccer field and that it was footnoted in the financial analysis although not included in the plan because the Agency will not be spending these funds for this enhancement. It is not uncommon for an urban renewal plan to add reference to other sources of revenues outside the purview of the Agency. The next step will be to review the plan amendment and clean up any needed technical changes, remove the “draft” reference in the documents, and then a formal transmittal of the plan, attachments, the approved resolution and whatever else is necessary to the City of Jerome. This will start the process for the plan to go before the Planning and Zoning Commission for consideration and to confirm the plan conforms with the City’s Comprehensive Plan; it will then go before the City Council through a public hearing for final approval. Prior to the public hearing, formal notices will be sent to the overlapping taxing entities to seek their comment. Mr. Armbruster hopes to move through the process within 90 days and have the plan formally filed, recorded, and sent to the State Tax Commission and the County.

Commissioner Craig inquired about the location of the 7.55 acres, and a diagram was shown to the board. Mr. Williams thanked Mr. Armbruster and Mr. Kushlan for their presentations. Based on Mr. Kushlan’s revenue allocation estimate and future cash flow analysis, Mr. Williams believes the area will be financially healthy. The estimated impact from Milk Specialties Global were added and helped with the projections, and Mr. Williams looks forward to another successful district. Chairman Cone also thanked Mr. Armbruster and Mr. Kushlan for their work.

Commissioner Craig made a motion to adopt Resolution No. 03-23, the First Amendment to the Area 5 Plan including all of the exhibits. Second to the motion was made by Commissioner Fraser. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Craig, Commissioner Fraser, and Commissioner Peterson. **NAYES:** None.

LEGISLATIVE UPDATE:

Mr. Armbruster stated the current updates can change at any given moment as the session is nearing the end. He decided to report on two bills going through the process and it is the hope that the session will be sine die by next week.

House Bill (HB) 159 was briefly reviewed and referenced as the “data center bill” and “the Kuna project.” It has been on the House 3rd reading calendar, and Mr. Armbruster stated there are problems with the bill and it is opposed by the Redevelopment Association of Idaho. A new version of the bill was introduced today which attempts to narrow the application of the bill by referencing the investment amount, the number of employees created, and the fact that if those thresholds are met the value goes to the base as opposed to the increment. He believes the bill is poorly worded and the intention is unclear. He spoke of the entity that agreed to locate in Kuna, and that said location is surrounded by a project area. They located there because the State of Idaho had granted significant sales tax incentives for the expensive personal property and equipment that goes into data centers (while this speaks of special legislation there is no easy way

to challenge such a claim). The way the bill was redrafted will impact any other URA's looking at industrial projects, for example, an industrial property exemption. Any other development than a data center should be fine but Mr. Armbruster is concerned that if this type of legislature passes more could follow.

HB292 was introduced last week in the House Revenue and Taxation Committee; a hearing was held with a do-pass recommendation and then the bill was sent to the House floor. Rules were suspended and the bill was approved by 3rd reading and passed. It is now before the Senate and Formal Government Committee where it is anticipated the bill will pass. The bill attempts to combine several aspects of bills in the State House. It would increase income levels and assessed values of homes to open up greater eligibility for the Circuit Breaker program. It also takes one-time monies from the state plus dedicated sales monies from other funds to provide those eligible to the homeowner's exemption relief from its tax bill. The sponsors, Representative Monks (House Revenue and Taxation Committee Chair), Speaker Moyle, Senator Ricks (Senate Local Government Committee Chair), and Senator Grow, have explained how the fund would pay approximately 20% of one's tax bill by sending said portion to the County for distribution to taxing entities. Therefore, no taxing entity is harmed by a homeowner paying less on their property tax bill. This bill appears to protect URA's. The previous version of the bill did not include URA's while this version does. While the Jerome URA districts do not have a substantial amount of residential homes within them, there should be no concern of revenues with the passing of a bill. The other portion of funds the state is earmarking would go to school districts based on the average daily attendance numbers for the purpose of those school districts to pay down any bonds and levies as well as any supplemental levy for future facilities. Homeowner's would receive the biggest share of the tax relief while school districts would be able to reduce debt. Questions have arisen pertaining to where those funds are coming from and whether there will be enough money to pay for it all; surplus funds and wayfair funds will have been depleted by then, and unless tax revenue remains robust there could be issues in the future.

Mr. Armbruster stated over the past several weeks he has been hearing of a harsh, anti-URA bill that would be introduced either in the House Revenue and Taxation Committee or in the House Ways and Means Committee. It has not yet been seen and hopefully will not surface; there has been little discussion over what the bill would do and some rhetoric that it would make industrial projects more difficult to achieve. The target date for the legislative session to adjourn is March 24th, but Mr. Armbruster expressed doubts about adjournment before March 31st.

Upon inquiry by Commissioner Craig regarding the wording for the property tax relief bill, Mr. Armbruster explained the 20% tax relief would come off of a taxpayer's bill without additional relief on the levies (residents voted for the levies and are therefore obligated to pay them). Additionally, every school district will be different in terms of funds received from the state; the bill states the first use of those funds are to pay down the school bond or levy. If successful in paying them down completely the school districts could then keep those funds in a cash reserve for future facilities. He further stated this is supposed to be enforced so that school districts use the monies properly. There was good debate on the House floor, and Mr. Armbruster stated that this bill would assist but not solve all school funding issues. Commissioner Craig also commented on the bond/levy election dates in May, August and November but no longer in March, and Mr. Armbruster spoke of another bill that would have removed two of the election dates but was replaced with this bill.

STAFF REPORTS:

Mr. Williams spoke of Area 4 and a potential project from Idaho Milk Products (IMP) coming into the area. The project has not been officially approved but it appears it could be moving forward; site plans and foundation plans have been submitted to the City. A conference call will be held tomorrow that will also include Mr. Armbruster, bond counsel, financial advisors, and representatives from IMP to discuss potential tax increment financing for some public improvements that would be required to support the magnitude of this potential project (a new plant with a \$700 million investment).

At the April 6th meeting the agenda will include the disposition and development agreement amendment and assignment pertaining to Blocks 55/56; the Term Sheet was approved and signed by New Earth Development. This would allow the Agency to move forward with the project. The Milk Specialties Global reimbursement agreement will also be up for consideration at the April 6th URA meeting. He also met with College of Southern Idaho (CSI) President Fisher and learned that CSI will be considering a single-story building of 20,000 square feet as they move forward with development (no need for an elevator with one floor). Renderings are expected soon.

Mr. Williams also expects additional updates for the April 6th meeting, and Ms. McCrae noted the audit report will also be presented at that time.

ADJOURN:

There being nothing further to discuss, Chairman Cone adjourned this March 16, 2023 special meeting at 3:39 p.m.

Chairman Kathy Cone

Secretary Jason Peterson