

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 Kathy Cone, Commissioner Jason Peterson, Commissioner Shonna Fraser, and Commissioner B.J. Hess. Commissioner Bryan Craig joined the meeting at 3:20 p.m.

Also present were City Clerk Bernadette Coderniz, Legal Counsel Ryan Armbruster, City Administrator Mike Williams, Accounting and Budget Manager Lori McCrae, City Engineer Tyson Carpenter, and IT Technician Andy Newbry.

PLEDGE OF ALLEGIANCE:

Chairman Cone 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 April 4, 2023 regular
- B. Review and approve claims for May 2023
- C. Review and approve staff financial reports for April 2023

Elam & Burke, Inc. \$7,800.30; EHM Engineers, \$5,875.00; Rexroat, Harberd & Assoc, P.A., \$4,800.00; Times News, \$48.40

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

RESOLUTION NO. 04-23 AND RESOLUTION NO. 05-23:

Mr. Williams stated he met with New Earth Development (NED) representatives to review the timeline and development agreement. Several issues came up during their meeting which will require further review prior to approval of the timeline and agreement. Issues include submission of financing, evidence of financing and commencement of the project after closing. The intent of the development is to provide market rate housing at the site (Blocks 55/56) as per the Request for Proposals released a few years ago. Mr. Williams spoke of the units as individually platted town homes, the City of Jerome does not have a provision in the code for townhouse plats (an ordinance is currently being developed and will be presented to the Planning and Zoning Commission in the near future). NED representatives noted that their financier will require that the town homes be on individually platted lots. Until the City code includes town house provisions, all parties believed it would be best to delay the project. Therefore, the resolutions and agreements will not be reviewed/approved at this time.

The intent of the developer is to begin construction in spring 2024 although the timeline allowed for construction to begin in 2025. In discussions with NED, Mr. Williams presented another issue to the board: if market conditions continue to change where rentals are no longer a feasible option, NED would consider the option of selling the units individually. With individual ownership, the design and maintenance of the development would be governed by a Homeowner's Association (HOA) and the Covenants, Conditions and Restrictions (CC&R) set forth by the HOA. Additionally, the value of the investment could be reduced by up to 50% if the units qualify for homeowner's exemptions; this would have a negative impact on the tax increment of the Agency and any reimbursable costs to the developer for public infrastructure improvements. Upon inquiring by Commissioner Peterson, Mr. Armbruster stated restrictions could be placed on the conveyance deed for a specific period of time (i.e. keep the restrictions in place for the duration of the URA plan). Restrictions within the deed versus restrictions listed in the CC&R's will need to be reviewed although having them in the deed would be most beneficial to the Agency. Phasing of the project was also discussed previously, and Mr. Armbruster confirmed the infrastructure for the entire project will be constructed at once although the units themselves will be built in phases. Staff must ensure the property is deeded in phases to protect the interests of the Agency.

Commissioner Peterson spoke of concerns with CC&R's and the inability to enforce them without legal action, and the concern of homeowners who do not maintain their property. Mr. Armbruster spoke of the concept of "build to rent" growing in other parts of the country with an interesting price point and interest rate phenomenon regarding families owning a home through rent within a community. In order to accommodate the developer's requests, additional conversations will need to take place. CC&R's work when they are enforced, and Mr. Armbruster stated a restriction on maintaining the units as for-rent projects would need to be included in the deed. There was brief discussion regarding the development including: the fair use appraisal; costs of the infrastructure improvements; the board's desire to keep one owner for the development rather than selling individual lots; the potential for property value to decrease if the town homes are individually owned; the positive impact of having the College of Southern Idaho's project; the URA's intent to redevelop property where blighted conditions exist; investing in property only to see the value decrease due to the development; and, reimbursements based on value. Mr. Williams noted that while NED is protecting their interests, their proposal may not be conducive to the Agency's desires for the property. He spoke of the Oaks town home complex and their current condition considering their age as they are owned by one entity and individual units are rented out. Mr. Williams will follow up with NED representatives and then report back to the board at a future meeting. Mr. Armbruster stated the Area 3 Plan was approved in 2014, and the board could potentially negotiate that the project remain as rentals until the termination of the plan in 11 years.

ACCEPTANCE OF BID FOR SOUTHSIDE PARK PROJECT:

Mr. Williams spoke on behalf of Mr. Carpenter and stated he notified the board of the three bids received for the Jerome Southside Park construction project. The bids were all within approximately 3-4% of one another, and staff was confident in their accuracy in terms of pricing. Phase I of the project will include the new roadway; curb, gutter and sidewalk; water and sewer lines; a portion of the pressurized irrigation system; and site grading. The engineer's estimate was approximately \$2.2 million, and the lowest bid received came in at approximately \$2.5 million. City Council recently approved to award the project to Burks Excavation, and Mr.

Williams has recommended that the board also approve the award. Upon approval, staff expects the construction to commence within the next few weeks.

Commissioner Peterson made a motion to approve the bid of Burks Excavation for the Southside Park project in the amount of \$2,511,194 in tandem with the City Council's acceptance of the bid. Second to the motion was made by Commissioner Craig. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Peterson, Commissioner Craig, Commissioner Fraser, and Commissioner Hess. **NAYES:** None.

Mr. Williams also reported on park activities and stated staff will be preparing bid documents for Phase II of the project. This phase will include landscaping, restroom facilities, shelters and playgrounds, etc. A proposed schematic layout will be presented to the board for review before this phase is bid out. The budget for this project is approximately \$3.87 million, and the Agency has bonded approximately \$1.5 million. There may be potential savings in the sewer project budget which would allow for additional funds to support the park project; Phase I will move forward. Upon inquiry by Commissioner Peterson, Mr. Williams explained funds will come from URA bond funds and the American Rescue Plan Act (ARPA) funds allocated to the City.

CITY-AGENCY AREA 3 CONSTRUCTION AGREEMENT:

Mr. Armbruster explained the agreement model has been used for other agency projects throughout the State for those agencies who do not have professional staff employed by them. The agreement states the Agency will be the funding source for the described project whereas the actual work for the project (design, contractor's bids, construction management and oversight, etc.) will be delegated to the City of Jerome with the City Engineer and City Administrator as professionals on staff. The City currently provides administrative support for Agency projects, and this will continue; if the City were to incur extraordinary expenses in the future, the Agency could either pay for those expenses, or the City could include those expenses as a contribution to the project. In Area 3, the design and engineering team selected, J-U-B Engineers, will begin designing and engineering the sidewalk and other streetscape improvements for this project. Mr. Armbruster noted this type of agreement has worked well in other communities, especially with all improvements requiring City acceptance and meeting City standards.

Mr. Williams stated the two agreements differ slightly based upon the funding sources for each area, and engineering services have been procured for Area 5. The Area 3 project includes streetscape and infrastructure improvement projects from 2nd Avenue to Avenue E, A Street and Alder, and a small section between Lincoln and Adams. Approximately \$3.7 million in bond funds are available for this project, and the City was also awarded a Community Block Development Grant in the amount of \$500,000 to assist. The project scope on Main Street will be different than the other project areas as the Idaho Transportation Department (ITD) will be involved in its reconstruction; the intersection of Main and Lincoln will undergo a full reconstruction (concrete removal and reconstruction from Buchanan to Birch) including the signal lights. Upon inquiry by Commissioner Craig, Mr. Williams stated the areas along Buchanan that have heaved upwards will also be reconstructed. The City will match funds with in-kind work as part of the grant. City obligations include the design, planning, engineering, bidding, and construction administration along with periodic updates to the board to take place at all regular URA meetings. This will ensure that the board is well advised of progress, finances and any issues that may arise throughout construction. Upon inquiry by Commissioner Fraser regarding a

timeline, Mr. Williams stated an engineer will be hired soon; a Request for Qualifications (RFQ) was released and, of the submissions received, J-U-B Engineers ranked highest in response to the RFQ. The goal is to have the project designed and ready to bid by winter 2023 with construction beginning in spring 2024; construction will most likely be completed in phases.

Commissioner Peterson made a motion to accept the Area 3 URA project agreement between the City and the Agency. Second to the motion was made by Commissioner Hess. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Peterson, Commissioner Craig, Commissioner Fraser, and Commissioner Hess. **NAYES:** None.

CITY-AGENCY AREA 5 CONSTRUCTION AGREEMENT:

Mr. Armbruster stated this agreement is similar to that for Area 3, however the Agency had already contracted with EHM Engineering for engineering services. The remaining points of the agreement copy those from the Area 3 agreement (i.e. preparation of construction bids, providing the board of periodic updates for design and construction, etc.). The improvements will be dedicated to the City. Mr. Williams noted the funding for the Area 5 project will come from \$1.5 million bond funds and ARPA funds allocated to the City.

Commissioner Craig made a motion to accept the Area 5 URA project agreement between the City and the Agency. Second to the motion was made by Commissioner Peterson. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Peterson, Commissioner Craig, Commissioner Fraser, and Commissioner Hess. **NAYES:** None.

LEGISLATIVE UPDATE:

Mr. Armbruster stated the legislature has officially adjourned. He spoke of an effort before the state tax commission to update the property tax rules, and Mr. Armbruster stated staff will be monitoring these efforts.

STAFF REPORTS:

Mr. Williams spoke of a few updates and ongoing projects. In Area 3, Mr. Williams showed renderings of a new building that will ultimately replace the existing NAPA parts building with a new business, the Pantera Market. The new market will be similar to La Campesina in that it will carry Hispanic goods and groceries, and the design will provide a better look and appeal to the S. Lincoln location. Unfortunately, there is no curb, gutter, nor sidewalk on Avenue G, and the curb, gutter, and sidewalk are deteriorated along S. Lincoln at this location and the location falls short of the project area where the improvements are scheduled. Mr. Williams stated the URA could entertain a reimbursement agreement as the taxable value of the property is expected to increase with the destruction of the existing building and construction of new building in its place; the new building will need to meet City standards. Mr. Williams expects a quality building based on the other businesses maintained by the owner.

A preliminary design of the single-level, 20,000 square foot facility proposed by the College of Southern Idaho (CSI) was shown to the board. It has yet to be presented to the Planning Review team for formal review to ensure it meets Jerome Municipal Code requirements. The design shows 66 parking spaces along with the layout of classrooms, training labs, etc., and

Mr. Williams stated much of the facility will be for labs and training areas. The project is moving forward, and staff anticipates detailed schematics to be submitted for review soon. Upon inquiry by Commissioner Peterson, Mr. Williams stated a Memorandum of Understanding was approved in August 2022 agreeing to convey the property to CSI. It is anticipated that the parcel on the corner of Main and Lincoln (where CSI is currently located) will be conveyed to the City or the Agency in the future. With redevelopment of the parcels purchased by the URA on Main Street, this additional property will help with development prospects. He spoke of study that would be appropriate, as the budget for next year is reviewed, to look into the highest and best use of that property for future development.

In Area 3, staff is hopeful for an Open House at the new Tiger Zone (formerly Jerome Bowl) soon. A great amount of work has been put into the interior of the building (eight lanes gutted, an arcade, new kitchen and equipment, party rooms, etc.), and it will be beneficial to families in the community. Grant funds will assist with those investing in downtown, and staff is pleased this type of project is coming to downtown Jerome.

Milk Specialties Global is hoping to be functional by May in Area 5. Mr. Williams stated there have been some wastewater issues being addressed. A reimbursement agreement will not be formally signed until after an occupancy permit has been issued.

Plans have been received from Urgent Care, and the building is similar to the building formerly used by Tomato's in Twin Falls. Once the building is ready, the A Street facility will close and move entirely to the new location on S. Lincoln. Upon inquiry by Commissioner Craig, Mr. Williams confirmed the A Street improvements will include sidewalk on both sides of the street.

In Area 4, Mr. Williams stated construction on the Nelson-Jameson facility continues. Idaho Milk Products (IMP) is no longer planning on the expansion project proposed earlier in the year. Once assessed values come back from the County (increases are expected with the Nelson-Jameson and Western Dairy Transport additions), staff will look into advanced funding opportunities for Area 4 as 11 years remain on the life of the district. Improvements would include the water line extension along Yakima and the reconstruction of Yakima. Mr. Williams is uncertain if the Agency will be in the position to budget for these improvements in 2024.

Area 2 has officially closed and there is no report.

ADJOURN:

There being nothing further to discuss, Chairman Cone adjourned this May 4, 2023 regular meeting at 3:58 p.m.

Chairman Kathy Cone

Secretary Jason Peterson