

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 and Commissioner Jason Peterson. Commissioner Bryan Craig joined the meeting at 3:10 p.m.

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, Planning and Zoning Manager Ida Clark and IS 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 April 1, 2021 regular meeting
- B. Review and approve claims for May 2021
- C. Review and approve staff financial reports for May 2021

City of Jerome, \$644.60; Elam & Burke, Inc., \$2,902.55; Times News, \$3,567.01

Commissioner Fraser 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 Fraser, and Commissioner Peterson. **NAYES:** None.

**URA RESOLUTION NO. 02-21:**

Mr. Williams spoke of the development agreement between Lincoln Commons LLC and the Jerome Urban Renewal Agency (URA). Mr. Tyler Davis-Jeffers with Summit Creek Capital was in attendance to answer any questions the board may have. Several conversations have taken place between the URA and Summit Creek along with counsel to slightly revise the development agreement (DDA) and the Capital Improvement Reimbursement Agreement to get the project ready to move forward.

Mr. Armbruster spoke of the executive summary reviewed at the last meeting and noted that some revisions have been made with the assistance of Mr. Williams, Mr. Davis-Jeffers and counsel. The distinction between the Phase I project and the Phase II project concerning disposition and the options to purchase Phase II were clarified in the DDA and definitions were made clear. Some changes were made concerning the review process for the next round of design development drawings which will be submitted to the board for approval, and the Schedule of

Performance was revised for efficiency purposes once the DDA is signed by the developer. Mr. Armbruster stated that the proposed resolution includes a provision for technical changes, and some areas of the DDA (i.e. section references, attachments, etc.) will be cleaned up. Additionally, the Capital Improvement Reimbursement Agreement has been excised from the DDA and will stand on its own as an attachment. It will address the amount and type of public infrastructure improvements, including site mitigation and site remediation, that would be reimbursable to the developer upon completion and tax increment flow from the project. The costs of construction and reimbursable improvement costs have increased significantly, and the developer is looking into what those costs might be (the original estimated cost of \$480,000 has increased to approximately \$580,000). Mr. Armbruster noted that, in the past, the agency has strived to approve amounts not exceeding 10% of the assessed valuation of the project itself. With this project, the Capital Improvement Reimbursement Agreement acknowledges that the estimate is at \$580,000 but the actual reimbursement will not exceed 10% of the assessed valuation of the project at the point of completion and a Certificate of Occupancy is issued for the Phase I project. Additionally, a “not less than” amount will also be included in the Capital Improvement Reimbursement Agreement, and it is uncertain how the new assessor will assess the unique property. The assessment will most likely increase over time after the initial assessment. In acknowledging that the overall improvements in Phase I could exceed \$580,000, the DDA includes the notation that a similar Capital Improvement Reimbursement Agreement will be prepared for Phase II and that the Agency could, at its discretion, include a list of improvements that were eligible for reimbursement but insufficient value or funds available from the Phase I project. He believes Phase II will move forward as planned. There was one technical issue regarding early close-out, and Mr. Armbruster confirmed that an early close-out of the project would not release either party of the obligations of record; all obligations will be satisfied. Mr. Williams stated that the attractive side of the development is the commercial portion, and the project was put into phases due to tenancy concerns.

Mr. Davis-Jeffers appeared before the board and spoke of the varying steps in the project, and they are hoping to deliver a product within an affordable rent range. In reviewing reimbursement costs they discovered a great deal of site work to prepare for the project, and he provided a diagram which showed overlapping expenses. He stated that he has been in contact with CSI and they are excited about having a facility in Jerome for different programs. He further stated that signing the DDA with the URA will allow CSI to begin discussions of putting a facility in the Phase II location. He is hopeful that much of the site work can be done with both phases. Mr. Williams also commented that conversations regarding Phase II have picked up recently and there is third-party interest in the arrangement; he also expects that the existing timelines will move up.

Commissioner Peterson made a motion to approve Resolution 02-21 approving the Disposition and Development Agreement and the form of the Capital Improvement Reimbursement Agreement between the City of Jerome and Lincoln Commons, LLC. 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.

### **LEGISLATIVE UPDATE:**

Mr. Armbruster spoke of the legislative session as being the longest session on record in the State’s history. House Bill 389 (aka property tax relief bill) was adopted but how much

property tax relief it will give is uncertain. The 26-page bill was in the House Revenue and Taxation Committee on Monday and adopted by Wednesday in the Senate. Highlights of the bill include an increase in the homeowners exemption from \$100,000 to \$125,000 along with an increase in the ability to qualify for the Circuit Breaker program. Taxing entities will be allowed the 3% budget increase but only 90% of new construction value, and the taxing entities can only collect 80% of full increment value when an area closes to increase their budget. Mr. Armbruster also spoke of a “hard cap” limiting budget increase to 8% in any one given year, and the bill also addresses forgone calculations and what entities can take (1% unless a capital project is earmarked, then 3%). The bill is effective retroactively to January 1<sup>st</sup>, and it is unknown if the Governor will veto it; the session will resume next week. There was talk of concurrent resolutions that would allow the legislature to recess to a specific date (i.e. September 1<sup>st</sup>) to deal with federal funding relief but they are hopeful they will be done by next week. The Interim Committee to continue the study of property tax issues has been approved. There is some concern over dealing with the same legislators next year and what will be proposed for new legislation. Mr. Williams commented that every project is important, and that they should get done before there is little ability to do so; it is hard to plan for the future (i.e. forecast revenues and create budgets) when rules keeping changing.

### **STAFF REPORTS:**

Mr. Williams announced that an agreement with Renner Sports will be presented to City Council on May 18<sup>th</sup> for the tennis courts/pickle ball courts construction. Additional work to be done at Shepherd’s Park includes curb/gutter/sidewalks, added landscaping and pathway lighting. The URA committed to \$25,000 for the project. Some costs have increased by approximately 4.5% but Mr. Williams is confident the project will happen.

American Rescue Funds will be given to the City although how they can be spent remains to be seen. Mr. Williams stated that staff would like to finish up the second phase of park improvements should they qualify for funding, and guidelines regarding fund uses will be available on May 11<sup>th</sup>.

Mr. Williams briefly spoke of the Special Use Permit request by Rennison Company for the proposed 31-unit housing and retail development on S. Lincoln to be presented to the Planning and Zoning Commission. Plans submitted include total curb and gutter reconstruction on Avenues E and F.

Intermountain Gas is nearing completion on the gas line; rock removal costs are unknown at this time and staff is eager to see the numbers. The Engineering Department caught the misplacement of the gas line over the sewer line and the cost to remove the gas line will fall upon Intermountain Gas. Plans are expected from Western Dairy Transport; they purchased land close to Idaho Milk Products. Nelson Jameson did an additional study on their parcel and are expanding their facility with plans to break ground in September. Mr. Williams noted that Scoular has steel up and their goal is to be functional by September or October.

Mr. Williams engaged a financial advisor from Clearwater to look at revenues from Areas 3 and 5 along with projected revenues and options for advanced funding. He expects to receive those figures by next week.

Upon inquiry by Commissioner Craig, Mr. Williams stated there is a group looking into combining memorials in Veteran’s Memorial Park and creating a more elaborate display. He expects that the committee will be making presentations and asking governmental groups for

contributions. Commissioner Craig commented that the committee meetings have gone well and they have figures to submit.

**ADJOURN:**

There being nothing further to discuss, Chairman Warr adjourned this May 6, 2021 regular meeting at 3:36 p.m.

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Chairman Gary Warr

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Secretary Jason Peterson