

This regular meeting of the Jerome Urban Renewal Agency was called to order at 3:00 p.m.

Present were Chairman Gary Warr, Commissioner Kathy Cone and Commissioner Jason Peterson. Commissioner Bryan Craig joined the meeting at 3:06 and Commissioner Shonna Fraser 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 Clark and Planning and Zoning Manager Ida Clark. 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 May 6, 2021 regular meeting
- B. Review and approve claims for June 2021
- C. Review and approve staff financial reports for June 2021  
City of Jerome, \$791.60; Elam & Burke, Inc., \$1,927.65

Commissioner Cone 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 and Commissioner Peterson. **NAYES:** None.

**SUMMIT CREEK CAPITAL DDA UPDATE:**

Mr. Williams spoke of the Disposition and Development Agreement (DDA) with Summit Creek Capital and stated there are a few items needing updated including the legal description of the property. Staff expects to get that information and once in place other areas of the DDA can be completed. Mr. William spoke of the Planned Unit Development (PUD) and rezone aspects of the project. Staff met with Summit's representative Tyler Davis-Jeffers to discuss the public hearings that will need to take place and what information will be required for the rezone request and site plan. The first public hearing may occur on July 13th for the rezone if all documents are in place. A map was shown to the board with the existing zones (public and Residential 2) and Mr. Williams explained how the property would be zoned for both the residential and commercial developments. The pre-application for the PUD will also be discussed at the Planning and Zoning (P&Z) meeting. Mr. Williams stated he has a meeting with Mr. Davis-Jeffers and College of Southern Idaho (CSI) leadership on June 15<sup>th</sup>, and that President Fisher is committed to moving forward with the project. Topics of discussion will include CSI's intentions with use of the building (lease, lease to own, purchase, etc.) In conferring with Ms. Clark, Mr. Williams stated that there will be at least three P&Z public hearings and at least two with City Council. The estimated assessed value from the County Assessor will also be needed; a preliminary number

was previously given to Mr. Davis-Jeffers but with some misunderstandings regarding the type of assessment to be applied. Revised numbers will be provided to the board.

Mr. Armbruster reiterated Mr. Williams's comments about the survey for the legal description and final assessed value calculations which will drive the not-to-exceed figure for reimbursement. As stated during the last meeting, Mr. Armbruster noted that there is a provision within the agreement which limits the reimbursement in Phase I with the possibility of reimbursing in Phase II anything that might have not been reimbursed in Phase I depending on the development. A Memorandum of Agreement will be recorded against the Phase I project parcel. Mr. Williams also noted that the updated schematic designs should be received soon and available for the board's review at the next meeting.

### **LEGISLATIVE UPDATE:**

Mr. Armbruster stated the legislative session has ended. The Senate adjourned sine die (adjourned with no appointed date for resumption) but the House "recessed" with a resolution that authorizes the Speaker to bring them in late summer or fall. There are constitutional issues with this process given that only the Governor can call a special session and the House reconvening may or may not be considered a "special session."

House Bill 389 passed in a rush attempted to resolve property tax concerns. The Homeowner's Exemption was increased to \$125,000 and Circuit Breaker limits were changed to provide more relief. Regarding Urban Renewal Agencies (URA's) and the bill's impact on budgets, there is uncertainty regarding the available increment values to taxing entities when a project area closes and if said values are within the budget at 8%. Mr. Armbruster stated that the intent was that the value of a closing out revenue allocation area would be outside of the 8% cap; however, the formal directive issued by the tax commission is that the value is inside the 8% cap. When taxing entities take into account the value that has been established since the inception of a project area, the budget capacity will be within the 8% cap upon closing of the area. At this time there are no formal challenges to the tax commission's interpretation. The session authorized another interim committee to study property taxes; all but one member are the same who gathered previously and will gather in July or August to consider additional property tax relief and focus on URAs. One bill, which died on the House calendar, could be resurrected later and would require for any new plan an agreement with the taxing districts if taking their levy for revenue. Mr. Armbruster stated that he will advise if any other information comes forward regarding the close out process as this bill deters the Agency from benefiting from an early close out.

Mr. Williams stated he received an email from Senator Anthon regarding the issue with URAs which stated that the bill's sponsor, Senator Rice, had committed to work out a solution for URAs over the summer. It was initially understood that taxing entities could capture 80% of the increment value and that it would not count towards the 8% cap. Mr. Armbruster commented on the uncertainty of "fixing" the issue for this year with any URA's closing out a project area unless there is a way to convince the tax commission and even counties to not interpret the bill as an 8% cap. Every taxing entity certifies its budget, sends it to the tax commission and county, and the county approves it. There is only one URA agency planning to close out a project area this year with no time to extend it. He stated it would be good that Senator Anthon and Senator Rice understand what happens with hopes that a new bill rectifying this one will be introduced next year. Upon inquiry by Commissioner Peterson, Mr. Williams stated that the issue with URAs is resolved before choosing to close out Area 2. Additionally, Mr. Armbruster stated that the preferred timeline for advising of the closing of a project area is that the tax commission and

taxing entities be notified in the spring, the URA adopts a resolution indicating its intention to close out in the summer, and then City Council approves an ordinance in the fall. The problem with this bill is that it is effective retroactively, so every entity going through its budget process now must consider the new bill, and efforts to close out an area early would be pointless. Staff is hopeful that the issue will be resolved so that staff can determine the best time to close out Area 2. Commissioner Peterson commented on the idea of closing out Area 2 in 2022, and Mr. Williams stated that it sunsets in 2029. The board could choose to close out next year after the last bond payment is made next year; however, if the issue is not resolved in the legislature it may be wise to wait.

### **STAFF REPORTS:**

Mr. Williams announced that Rich Thompson Trucking (RTTI) will be moving their facility to the old movie theater location on W. Main; he noted that Agropur purchased the property on which RTTI currently sits. RTTI will be converting the existing theater building to their truck repair station and construct a new truck wash facility; he provided a map for the board to view. While no conversations have taken place as of yet, Mr. Williams stated that there may be an opportunity for the URA to participate with this project. Curb/gutter/sidewalk will be needed on West Blvd and Main Street frontage and the intersection may need to be widened. He expects tax increment from the private development should the board approve assisting with funding of public improvements. RTTI has a Special Use Permit hearing with the Planning and Zoning Commission (P&Z) on June 22<sup>nd</sup>.

Also in Area 3 Mr. Williams stated that the Rennison Company had their Special Use Permit hearing with P&Z on the S. Lincoln property (aka property south of Dairy Queen) for apartment buildings. Their proposed plan includes a community plaza area on the southeast corner of Avenue F and Lincoln which would have a community reader board and landscaping. He stated that not only will this dress up the development but the reader board could replace the banner holder along S. Lincoln. Once complete that section of the development would be dedicated to the City, and the City would have to commit to the upkeep and maintenance of the reader board. Concept drawings were shown to the board. Upon inquiry by Commissioner Craig, Mr. Williams stated the measurements of the reader board are unknown at this time but would be large enough to replace a banner. He also stated that Rennison plans to have their construction drawings approved by the City before presenting to the URA to discuss eligible projects and a reimbursement agreement. Extensive discussion ensued regarding the project. Topics of the discussion included the retail portion of the project; the reader board in Twin Falls and a similar design for Jerome; the idea of using the reader board for community notices; banner issues during inclement weather; concept drawings of the plaza area; concerns regarding the upkeep of the plaza and landscaping; surveying of the land; anticipated plans from Rennison in July or August; potential delays due to excessive prices; and, the timeframe on the tax credits.

Mr. Williams stated that the contract with Renner Sports is in place for the new tennis courts but they will not be available until August. Depending on their timeline the entire project may not be completed until Spring 2022 but staff is hopeful that the post tension concrete can be completed by late summer. He will update the community as there have been many inquiries regarding the status of the courts and if the courts will be striped for pickle ball.

Regarding Area 4, Mr. Williams stated that a plan review with Western Transportation was held last week for their distribution and truck wash facility of approximately 18,000 square feet. They were pleased with the infrastructure available and staff expects the ground breaking

over the summer. Nelson Jameson has not provided any new information as of yet; they are planning a 100,000 square foot building. The two new and large commercial industrial projects will substantially increase the amount of increment in Area 4. The revenue will allow for improvements along Yakima. Mr. Williams noted that an analysis for advanced funding might be prudent for Area 4; there is little left to develop with the exception of the Idaho Milk Products site.

Analysis documents were received from Cameron Arial with Clearwater Financial; he will be invited to the July board meeting to discuss advanced funding scenarios for Areas 3 and 5. With the information provided, the board will be able to determine if revenues will safely secure long term debt and what type of projects the funding would be used for.

Mr. Williams stated that the Scoular project is moving along while suppliers are rationing concrete for developers. Staff expects plans for Smiles for Kids in June; a GEM grant was awarded to them for the curb/gutter/sidewalk along Rose Street. Due to COVID-related closures the Department of Commerce is extending their deadline to spend the grant funds.

**ADJOURN:**

There being nothing further to discuss, Chairman Warr adjourned this June 3, 2021 regular meeting at 3:39 p.m.

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Chairman Gary Warr

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Secretary Jason Peterson