

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 Jason Peterson, and Commissioner Shonna Fraser. Commissioner Bryan Craig and Commissioner B.J. Hess were excused.

Also present were City Clerk Bernadette Coderniz, City Administrator Mike Williams, Finance Director Ross Hyatt, Accounting and Budget Manager Lori McCrae, and IS Director Carlos Hernandez. Legal Counsel Ryan Armbruster joined via Zoom.

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 June 1, 2023 regular
- B. Review and approve claims for July 2023
 - City of Jerome, \$1,500.63; Elam & Burke, Inc., \$6,515.70
- C. Review and approve staff financial reports for June 2023

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

LETTER OF ENGAGEMENT WITH REXROAT, HARBERD AND ASSOCIATES:

Ms. McCrae presented the audit engagement letter which covers the scope of the audit, responsibilities of the auditor, and procedures which include internal controls and financial statements free of material misstatements. She also noted management's responsibility for designing, implementing and maintaining those internal controls, preparing drafts of the statements, and making available all information requested of the auditor. Ms. McCrae further stated the engagement letter notes that management must establish procedures to detect fraud. The fee for the audit is proposed at \$5,000 which is an increase of \$200 from the previous fiscal year audit. The auditor will be providing engagement letters annually rather than every three years.

Commissioner Peterson made a motion to approve the engagement letter for auditing services. Second to the motion was made by Commissioner Fraser. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Peterson, and Commissioner Fraser. **NAYES:** None.

BUDGET DISCUSSION:

Mr. Williams stated preliminary figures from Jerome County have been received in terms of URA area increment values. Figures for Area 4 came in as expected, and he stated next year's figures should increase substantially with the new developments of Nelson-Jameson and Western Dairy Transport. Area 5 increment value increased by approximately \$3 million, and Area 3 increased by approximately \$9 million; the increase in Area 3 was significant considering there were no significant projects added to the area. Mr. Williams recommended that the budget discussion meeting and presentation be held on August 3rd with a public hearing scheduled for August 24th. He does not anticipate any unusual expenses but the regular operational items (repaying bonds, appropriating funds to specific projects, etc.). Mr. Armbruster stated the statutory requirement is to file the budget in its completed form with the City no later than September 1st. Once the tentative budget is approved on August 3rd notices will be published.

Commissioner Peterson made a motion to tentatively approve the FY2024 budget and schedule the hearing date for the budget for August 24th. Second to the motion was made by Commissioner Fraser. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Peterson, and Commissioner Fraser. **NAYES:** None.

DISCUSSION REGARDING SUMMIT CREEK AGREEMENT:

Mr. Williams provided an update on the disposition and development agreement (DDA) with Summit Creek. New Earth Development chose not to pursue taking over the assignment of the DDA, and Mr. Williams spoke with Summit Creek representative Tyler Davis-Jeffers regarding this latest development. If another assignment of the agreement is not completed within thirty days, the agreement may expire. Staff prefers to move forward with the DDA and potential assignment, but Summit Creek may not be able to continue with the process. Mr. Williams inquired what direction the board would like to take in terms of issuing a letter to Summit Creek giving time to deliver or assign the DDA, or negotiating a termination agreement and beginning the process again. Mr. Armbruster stated it appears the best course of action, with cooperation from Mr. Davis-Jeffers, would be to negotiate a termination agreement with acceptable terms for both parties if Summit Creek did not have any other developers in mind for the assignment. Once the DDA is terminated, staff will consider the fate of the remaining parcels. Extensive discussion ensued regarding the parcels, and topics included: the state of the housing market (i.e. still in a housing deficit); goals of the URA for the property; a market rate housing solution in Jerome as one primary goal of the URA; housing that would promote walkability and support downtown; housing that could ultimately support nearby retail and restaurants; conducting a best use analysis to evaluate options; the option of allowing the property to sit idle for a period of time; limitations on what the URA could achieve if the property is sold on the open market; the inability to have restrictions on the property's use if sold on the open market; the housing market for multi-family softened and/or delayed due to the function of interest rates and costs of construction; getting a reputable developer to succeed given the current environment; the property as owned by the City and asking what the City would want to do with the property; the possibility of a different development (i.e. grocery store, convenience store, etc.) for the property; interest in commercial versus residential developments; excitement for the townhome project until New Earth requested that units be sold individually; the inability to assist with a project that will not bring in increment value; interest in the property once development of the College of Southern Idaho (CSI) building, and CSI's impact on the property; the target of the original discussions leading to a housing development; local employers needing housing for employees; short-term rentals before purchasing a home; three different housing complexes currently in the development stages; fewer

calls coming in regarding multi-family unit developers; strategically-placed housing in downtown; Summit Creek's vested interest in finding another developer to take over the agreement assignment; the potential for other entities to advertise the need for housing in Jerome; a different environment today than four years ago when the development was first discussed; Summit Creek plans to develop a business park on 40 acres west of the movie theater and within URA Area 3, and their original intent to lease the CSI facility to CSI; and, offering an extension to Summit Creek for the existing DDA to allow time for them to introduce another developer to take the assignment.

Mr. Williams stated he could reach out to Mr. Davis-Jeffers regarding the DDA in place, and Mr. Armbruster concurred that this would be a reasonable step forward. An agreed-upon period of time for them to consider an alternative could be offered with mutual termination of the agreement to follow if no alternatives are recommended. Commissioner Peterson commented on another developer willing to build at their own cost without free land and incentives. Mr. Williams also spoke of incentives to build and the inability to assist the new market-rate housing development at the Northside Canal Company property because of its location outside of an urban renewal area.

LEGISLATIVE UPDATE:

Mr. Armbruster stated there were no legislative updates, and he did note the State Tax Commission is wrapping up its major overhaul of their property tax rules. The last version released will be reviewed and addressed if needed. Commissioner Fraser commented on legislation pertaining to election dates being omitted, and Mr. Armbruster clarified that the legislature changed primary dates for general candidates and negated a presidential primary election. The legislature could return early and change that portion of the legislation. He also spoke of some initiatives getting attention.

STAFF REPORTS:

Mr. Williams spoke of downtown CSI project and stated they have schematics and will hire a Construction Manager/General Contractor (CMGC) upon their board's approval this next month. A groundbreaking is anticipated in late 2023 or early 2024. The downtown streetscape improvement project is moving forward; the Idaho Transportation Department (ITD) will be putting together a scope of work to have Main Street reconstructed between Birch and Buchanan. The scope of work for the intersection of Main Street and Lincoln changed from resurfacing to reconstruction with redesign of the signal lights. The new police department building is nearly complete with paving set for the end of July. The new anticipated move-in date is August 14th and Mr. Williams stated a public open house will be scheduled prior to the move-in date with a guided tour and refreshments. The streetscaping in front of the new police station will be an example of the streetscaping to be completed as part of the downtown revitalization project. Additionally, the bowling alley upgrades have been going well, and the new owner anticipates opening to the public in August.

In Area 4, Mr. Williams reported that Nelson-Jameson has walls erected, and metal beams will be installed with an anticipated completion timeframe of late 2023-early 2024. Western Dairy Transport is operating. In Area 5, Milk Specialties Global is producing and Mr. Williams would like to set up a tour of the facility for the URA board in the near future. The new park project is progressing, and budget adjustments are anticipated with the amount of rock removal taking place. There were temporary road closures for sewer line connections, and Mr. Williams

stated most of the grading is complete. The fields will be watered with a temporary source until the pump station is installed.

ADJOURN:

There being nothing further to discuss, Chairman Cone adjourned this July 13, 2023 special meeting at 3:44 p.m.

Chairman Kathy Cone

Secretary Jason Peterson