

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 Bryan Craig, Commissioner Shonna Fraser, and Commissioner B.J. Hess.

Also present were City Clerk Bernadette Coderniz, City Administrator Mike Williams, Legal Counsel Ryan Armbruster, 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 July 7, 2022 regular meeting
- B. Review and approve claims for August 2022
- C. Review and approve staff financial reports for July 2022

City of Jerome \$1,191.68; EHM Engineers, \$2,942.00; Elam & Burke, Inc. \$19,720.84; Rexroat, Harberd & Associates, \$4,700.00; Times News, \$637.47; Commercial Creamery, \$30,152.52

Commissioner Craig 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, Commissioner Craig, Commissioner Fraser, and Commissioner Hess. **NAYES:** None.

**FY2022-23 TENTATIVE BUDGET AND PUBLIC HEARING NOTICE:**

Ms. McCrae reviewed the budget figures with the board and spoke of increment values for each area. Area 3 increased in value by \$2.4 million; Area 4 increased by \$132,000; and, Area 5 increased by \$1.1 million in increment value. Additional projects will increase those values in Area 3 and Area 5 in 2023.

The allocation of shared revenues and expenditures were reviewed, and Ms. McCrae stated that when revenues and/or expenditures cannot be directly tied to an area, they are allocated based upon the expected level of activity for a specific area. This year, 49% will be allocated to Area 3, 5% to Area 4 and 46% to Area 5. Upon inquiry by Chairman Cone, Ms. McCrae stated the percentages in Area 2 were shifted to Area 5; Area 4 has remained at 5%. Revenues include property tax replacement while expenses include administrative services, professional fees not tied to any specific area, and audit fees. She briefly reviewed the expenditures in detail including professional service fees and insurance. Upon inquiry by Commissioner Peterson, Mr. Williams

stated the annual \$25,000 contribution to the City for economic development goes to economic development throughout the City including URA areas with most going to the Jerome 20/20 organization. He noted that dues for Jerome 20/20 have not increased since the group's inception eight years ago. Regarding Area 3, Ms. McCrae stated the total expenditures are \$800,413 and she explained the availability of unrestricted funds. Total revenues are budgeted at \$294,000 with \$288,000 as tax increment. Expenditures include the debt service payment of \$212,000, Commercial Creamery reimbursement payments (approximately \$64,000) and \$315,000 for engineering fees for road project design (to be paid with bond revenue). Unrestricted funds will be approximately \$473,000. In Area 4, Ms. McCrae stated there was little activity to report. The revenues are budgeted at \$26,000 and total expenditures at \$103,000 including economic development support. Mr. Williams noted two projects currently happening in Area 4 which will be reflected in the next year's budget; Nelson Jameson may have a ground breaking ceremony later this month or in early September. In Area 5, Ms. McCrae stated total revenues are \$2.5 million, including \$2.2 million in American Rescue Plan Act (ARPA) grant funds for the new park project and \$273,000 of tax increment. She noted expenditures include debt service payments, the new park construction, and engineering fees for the road project in Area 5.

Ms. McCrae provided restricted fund balances at the end of FY2022 (bond revenues only in Area 3 and Area 5) and noted that ARPA funds in FY2023 will be solely for the park project. She stated she will be providing this report of restricted funds as activities increase in each area. Projected fund balances were also presented to the board, and Ms. McCrae asked that the tentative budget be adopted with noted amendments and that staff be authorized to publish the notice of hearing for August 25<sup>th</sup>. She further stated that, on August 25<sup>th</sup>, the board will be reviewing a resolution to adopt the FY2023 budget with all reports to other agencies to be distributed on August 26<sup>th</sup>. Mr. Williams noted the majority of revenues in Area 3 and Area 5 will go towards debt service to pay off bonds for major projects in those areas.

Commissioner Craig made a motion to approve the tentative budget as revised and authorize the publication of notice of the public hearing on August 25, 2022 at 3:00 p.m. 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.

### **LETTER OF SUPPORT FOR LINCOLN COURTYARDS SOUTH:**

Mr. Williams spoke of the last meeting with Zach Turner of Jerome Pacific Associates and stated they will be applying for additional low-income housing credits to support a new development on the lot adjacent to D.L. Evans Bank ("Lincoln Courtyards South"). The original planned development for the housing project was moved to the property on S. Lincoln near Dairy Queen, and that project is moving forward. The developer is still seeking a project at the new site, and they expect the assessed value of the housing project to exceed \$8 million. Their application for tax credits must include a community match component of approximately 10% of the construction value, and Mr. Williams stated costs to be reimbursed would have to be verified and eligible (public uses and/or site mitigation, etc.) for reimbursement. Up to 75% of the incremental value would be eligible for reimbursement, and the board would have discretion concerning the approval of an owner participation agreement as the project moves forward. The developer should know by the end of the year if its application for tax credits was approved.

Commissioner Hess made a motion to approve the support letter for Lincoln Courtyards South. Second to the motion was made by Commissioner Fraser. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Peterson, Commissioner Craig, Commissioner Fraser, and Commissioner Hess. **NAYES:** None.

### **ENGINEERING QUALIFICATIONS ROSTER:**

A Request for Qualifications was sent to engineers for the new park development for services including surveying, street development, water and sewer infrastructure and park development, and Mr. Williams stated three responses were received. EHM Engineers, RH2 Engineering, and Brekken Engineering each submitted Statements of Qualifications. Staff reviewed the three proposals and ranked them by score: EHM 341 points; RH2 316 points, Brekken 304 points. Mr. Williams stated all three firms met the qualifications and can do the work. Upon approval by the board, staff will begin contract negotiations with the highest ranking firm, EHM Engineers. A scope of work will be developed and staff will confirm that the firm can meet time restrictions; American Rescue Plan Act (ARPA) Funds will be utilized for the project and must be either spent or committed by 2024. If negotiations with EHM Engineers are not successful staff will reach out to the next firm in ranking order. He noted that RH2 Engineering and Brekken Engineering are both qualified; RH2 has done little work in the Magic Valley and Brekken is tailored towards landscape architecture. The Statements are available for the board's review, and staff recommends that contract negotiations move forward with EHM Engineers. Upon inquiry by Commissioner Fraser, Mr. Williams stated the timeline for development of the new park is unknown at this time; staff would like to start with committee and design meetings as soon as possible. A very aggressive schedule would have bids solicited by winter if road infrastructure and park designs are complete. He expects 4-6 months to get the project designed and ready for bids in early 2023. Upon inquiry by Commissioner Craig, Mr. Williams stated the farmer on the property had a one-year lease, and he spoke of the nine (9) acres that are not part of the initial phase of development that could potentially be farmed. He expects the engineering firm will be flexible while attentive in getting the project started within a reasonable timeframe.

Commissioner Craig made a motion to approve the engineering qualifications roster and authorize Mr. Williams to begin contract negotiations. 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.

### **UPDATE ON STATUS OF SERIES 2022A AND SERIES 2022B BONDS:**

Mr. Armbruster announced that the bonds closed this morning thanks to the efforts of all parties involved. The Series A Bonds principal amount was \$3,755,000 with a bond premium, underwriter fee of under \$32,000 and cost of issuance of \$67,000. In Area 3 the debt reserve fund of \$187,750 was paid with Agency funds and disbursed to the bond trustee prior to closing. The Series B Bonds principal amount was \$4,410,000 with a bond premium of \$97,677, underwriter fees of \$37,405; debt service funded from bond proceeds was \$220,500, and the cost of issuance was \$79,700. Mr. Armbruster stated the bond trustee, U.S. Bank, was paid \$3,550; bond counsel for both bonds received \$30,500; Cameron Arial with Clearwater Financial received \$93,350; and, Skinner Fawcett received \$20,000. Elam and Burke fees were incurred over time and not taken from bond proceeds. Mr. Armbruster stated that, considering the process began in January

with the engagement of Clearwater Financial, the public bond sale process ran very smoothly in under six months. Interest rates are 4%-5% depending upon the bonds; some bonds are early bonds and others are term bonds paid off towards the end of the 10-year term. He stated that, with the constant flow of documents and revisions, the Agency should be proud of this accomplishment in a time where the financial markets are not favorable. The funds now are dedicated and restricted to fund projects in Area 3 and Area 5, and the board can now move forward with constructing those projects.

Chairman Cone expressed appreciation to everyone for the hard work put into the entire process. Mr. Williams also expressed appreciation to everyone and to the process, and stated there were concerns regarding interest fee increases and the ability to meet goals for downtown. He stated staff will be working with Region IV Development Association (RIVDA) to supplement the park project, and he also met with the regional director of the Idaho Transportation Department (ITD) regarding improvements on Main Street. Mr. Williams spoke of the deteriorated conditions on Main, specifically from Birch to Buchanan, and needed improvements to the median. ITD may be able to work on improvements to the highway at the same time as downtown improvements. The next step will be to find a partner to help with the design for Area 3 projects, and a Request for Qualifications will soon be released. Mr. Williams stated the new owner of Jerome Bowl was pleased to hear that improvements will be made along W. Avenue A, Alder and Lincoln.

#### **URA RESOLUTION NO. 09-22 – POST ISSUANCE COMPLIANCE:**

Mr. Armbruster stated the bonds were issued as tax-exempt bonds (interest on the bonds is not taxable). The Agency must certify and affirm that it will comply with all applicable post-issuance requirements to preserve the tax-exempt status of the bonds. This resolution adopts a policy statement to track requirements from the Internal Revenue Service; the board may need to engage a rebate auditor to review the activities of the board (what the board has done, how money has been spent, what interest was earned on various funds, etc.). Mr. Armbruster also noted that the Certification for the resolution will need to be signed by all board members.

Mr. Armbruster read Resolution No. 09-22 by title only, and the resolution in full is as follows:

RESOLUTION NO. 09-22

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

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF JEROME, IDAHO, APPROVING THE POST-ISSUANCE TAX COMPLIANCE PROCEDURES DATED AS OF AUGUST 4, 2022; AUTHORIZING THE CHAIRMAN OR EXECUTIVE DIRECTOR AND THE SECRETARY OF AGENCY TO TAKE APPROPRIATE ACTION; AND PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

WHEREAS, the Urban Renewal Agency of the City of Jerome, Idaho (hereinafter the "Agency"), an independent public body corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965,

being Title 50, Chapter 20, Idaho Code, and the Local Economic Development Act, being Title 50, Chapter 29, Idaho Code (collectively, the “Act”); and

WHEREAS, the City of Jerome, Jerome County, Idaho (the "City"), by adoption of Ordinance No. 1135 on December 2, 2014, duly adopted the Urban Renewal Plan for the Area 3 Urban Renewal Project (the "Area 3 Plan"), to be administered by the Agency, which Area 3 Plan contains a revenue allocation financing provision pursuant to the Act, establishing the Area 3 revenue allocation area; and

WHEREAS, the City, by adoption of Ordinance No. 1172 on December 4, 2018, duly adopted the Urban Renewal Plan for the Area 5 Urban Renewal Project (the "Area 5 Plan"), to be administered by the Agency, which Area 5 Plan contains a Revenue Allocation Area financing provision pursuant to the Act; and

WHEREAS, the Board of Commissioners (the “Board”) of the Agency has determined it necessary to issue its Revenue Allocation (Area 3 Tax Increment) Bonds, Series 2022A, in the Principal Amount of \$3,755,000, and Revenue Allocation (Area 5 Tax Increment) Bonds, Series 2022B, in the Principal Amount of \$4,410,000 (collectively the “Bonds”) for the purpose of refunding and refinancing certain outstanding prior bonds and applying any financial benefit therefrom to urban renewal projects authorized under its Urban Renewal Plan; and

WHEREAS, the Agency issued the Bonds on August 4, 2022, pursuant to and in accordance with Resolution No. 06-22 of the Agency adopted by the Board on June 22, 2022 (the “Bond Resolution”); and

WHEREAS, the Bond Resolution authorized the Agency to deliver a Tax Certificate, stating, in part, that the Bonds are not “arbitrage bonds” within the meaning of said Sections 103 or 148 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Agency has been advised of the Post-Issuance Tax Compliance Procedures establishing procedures in connection with the Bonds to ensure that the Agency complies with all applicable post-issuance requirements of the Code needed to preserve the tax-exempt status of the Bond; and

WHEREAS, the Agency now desires that the Post Issuance Tax Compliance Procedures attached hereto as Exhibit A be ratified and approved by the Board.

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

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

Section 2: The Post-Issuance Tax Compliance Procedures dated as of August 4, 2022, and attached hereto as Exhibit A are hereby ratified and approved and the Executive Director is authorized to implement and carryout the policies and procedures set forth therein.

Section 3: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of the city of Jerome, Idaho and signed by the Chairman of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on August 4, 2022.

URBAN RENEWAL AGENCY OF  
THE CITY OF JEROME

By:

/s/ Kathy Cone

Chairman

ATTEST:

/s/ Jason Peterson

Secretary

Commissioner Hess made a motion to approve Resolution No. 09-22. 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.

**LEGISLATIVE UPDATE:**

Mr. Armbruster stated the only activity at this time in the legislature is rule-making authority within the various state executive departments. State agencies are beginning to prepare their budgets for the next legislative session. He expects things to remain quiet until after the general election and where leadership could potentially change.

**STAFF REPORTS:**

Mr. Williams reported on the close out of Area 2 and stated the county reported a taxable value of \$124 million; the base value was approximately \$1 million. With the closure, the City will add \$821,000 to the Street budget for future roadwork, repairs, and new construction. He spoke of the success of this area and the URA in general, and has received inquiries as to the reason behind closing out the area early. Mr. Williams explained that by closing out early the tax value goes back to taxing entities rather than stay in an account for seven more years. Some funds will be held back for incidentals, and what is not spent will be sent to the county for disbursement to the taxing entities.

In Area 3, Mr. Williams stated the Shepherd's Park tennis courts look very nice, and complimented the design and lighting system. He also expressed appreciation to engineering staff for their efforts in getting the tennis courts done. Touch up work including pavers and tree wells are still needed, and gravel on 1<sup>st</sup> Avenue E will remain while crews work on the new police station. Eventually the road will be redone completely once construction is completed.

Regarding the new College of Southern Idaho (CSI) facility, Mr. Williams stated they are in the process of selecting an architect and he will be part of their review board. The board can move forward with property disposition once the dimensions and specs of the facility are known. There has been some movement with the remainder of the project, and Mr. Williams stated that Summit Creek Capital (Summit) has been actively working with another group; Summit is considering signing their interest in the project to another developer as their interest in the project diminished once they lost the ability to lease a building to CSI. A new developer would have to appear before the board with site renderings and a proposal prior to the board accepting the assignment. He expects the new developer will bring a presentation to the board next month. Chairman Cone inquired about potential design changes with the new CSI development, and Mr. Williams stated that, in negotiations with CSI, the plan is still to construct the facility on the

corner of N. Lincoln and 3<sup>rd</sup> with parking in the back. There may need to be a shared use agreement for parking spaces between CSI and the Boys and Girls Club (if they come in). Irrigation and storm water issues are among issues that will need to be resolved. Mr. Williams expects the residential portion will be owned by a separate entity and not tied to the commercial buildings. Upon inquiry by Commissioner Craig, Mr. Williams confirmed that no final decision has been made on whether or not the Boys and Girls Club will be going to the site.

In Area 4, Mr. Williams expects an invitation for Nelson Jameson's ground-breaking ceremony. In Area 5, a permit is near issuance for Milk Specialties Global, a partner with Magic Valley Quality Milk Producers on a new product to Jerome. The \$50 million investment will bring 20 new jobs and help tax increment in Area 5. In Area 3, the site preparation for the Lincoln Courtyards North housing project near Dairy Queen is underway.

Upon inquiry by Commissioner Craig, Mr. Williams stated nothing has been received in terms of a request for reimbursement of eligible costs from Rich Thompson Trucking (the old cinema site). He does not anticipate a request at this time although it appeared that curb, gutter and sidewalk costs were discussed. Improvements to the site are continuing, and Mr. Williams met with some of their staff; they are excited about the move to their new location. Commissioner Craig commented about the Marshall Warehouse area and the possibility of assisting with their clean-up efforts.

**ADJOURN:**

There being nothing further to discuss, Chairman Cone adjourned this August 4, 2022 regular meeting at 3:53. p.m.

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Chairman Kathy Cone

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Secretary Jason Peterson