

**IDAHO FALLS REDEVELOPMENT AGENCY
P.O. BOX 50220
IDAHO FALLS, IDAHO 83405-0220**

**Thursday
May 15, 2014
Idaho Falls City Council Chambers
680 Park Avenue**

Meeting Time: Noon

A G E N D A

1. Modifications, Additions, Changes to the Agenda
2. Approval of Minutes, April 17, 2014
3. Approval of Bills
4. Request for Urban Renewal District, Steven Kiem
5. Update on River Gardens, Phase II, and Greenbelt Improvements North of Broadway, Greg Weitzel
6. Research on Renaissance Partners Development
6. Next Meeting: July 17, 2014 (Note no meeting is scheduled for June due to the annual conference of the Association of Idaho Cities)

If you need communication aids or services or other accommodations to participate, please call 612-8276 at least three to five days prior to the meeting so we can adequately meet your needs.

IDAHO FALLS REDEVELOPMENT AGENCY
P.O. BOX 50220
IDAHO FALLS, IDAHO 83405-0220

April 17, 2014

Regular Meeting
Minutes

Council Chambers

Call to Order: Chair Radford called the meeting to order at 12:01 p.m.

Members Present: Lee Radford, Linda Martin, Brent Thompson, and Terry Gazdik.

Members Absent: Lee Staker, Thomas Hally.

Also Present: Ryan Armbruster, Legal Counsel, via telephone; Renee Magee, Executive Director; Thane Sparks, Agency Treasurer; Brad Cramer, Planning and Building Director; Kirk Hansen, Renaissance Partners.

Modifications to the Agenda: There were no changes to the agenda.

Approval of Minutes: Thompson moved to approve the minutes of April 17, 2014. Gazdik seconded the motion, and it passed unanimously.

Approval of Bills: Radford presented the finance report dated April 17, 2014. The following bills were presented to be paid from the Snake River Allocation Fund: Elam and Burke, \$1,323.50; Post Register, \$64.00; and Unitarian Universalist Church, \$2,760. One bill was presented to be ratified from the Snake River Allocation Fund: Bowman Appraisal and Valuation, \$4,500. **Martin moved to approve the bills as read. Gazdik seconded the motion, and it passed unanimously.**

Approval of Agreement with City of Idaho Falls for Greenbelt Improvements: Magee reported this agreement covers administration by the City of Idaho Falls of the Greenbelt improvements titled River Gardens Phase II. Armbruster stated the agreement was modeled after the Memorial Drive agreement and sets out a maximum contribution of \$390,000. Exhibit B sets out the scope of work. Since the City has not reviewed the agreement, the agreement allows for technical changes after Board approval. Armbruster read the Resolution by title. **Martin moved to approve the Resolution and Agreement. Gadzok seconded the motion, and it passed unanimously.**

Approval of Agreement with Taylor Crossing on the River for Greenbelt Improvements: Armbruster explained the agreement amends the Owner Participation Agreement (OPA) with Taylor Crossing. Taylor Crossing agrees the amount of funds accumulated under the Owner Participation Agreement to date, i.e., \$390,000, will be spent on River Gardens Phase II.

Attachment 8-1 in the OPA will be replaced with an agreement which allocates \$1,300,000 for Riverwalk Drive. Again this agreement allows for technical changes without returning to the Board for approval. Gazdik excused herself since her firm owns land in Taylor Crossing. Armbruster read the Resolution by title. **Martin moved to approve the Resolution approving the amendment to the Owner Participation Agreement. Thompson seconded the motion. The roll call vote was as follows: Martin, aye; Thompson, aye; Radford, aye; and Gazdik, abstain.**

Updates: Renaissance Partners. Kirk Hansen introduced himself to the Board and explained Renaissance Partners purchased the parcels of ground between I-15 and Utah Avenue, cleared the properties, and redeveloped the sites. Renaissance Partners brought in Wal-Mart, Fairfield Inn, Wendy's, Olive Garden, Starbuck's including the retail strip, and Barbecue Dave's. The only parcels remaining undeveloped are those lots adjacent to Pioneer Road west of the Arctic Circle and Panda Express. He is requesting the tax increment from Fairfield Inn, Wendy's, and KJ's be returned to Renaissance Partners to increase the repayment on the Agency's note to Renaissance Partners. At the present rate of repayment, the principal on the note will not be repaid.

Radford stated the Agency is fulfilling the terms of the Owner Participation Agreement with Renaissance Partners. The amount which Renaissance Partners will receive will equal the principal of the note; however, the interest received will be far lower than the amount originally agreed upon. It will be close to the interest being paid on public investments today after the recession. Radford asked if there were any possibilities of additional development in the area under the OPA. Hansen said he investigated repurchasing the parcels on Pioneer Road and developing them for another business but it is not economically feasible at this point.

Magee reported Thane Sparks calculated approximately \$248,000 in additional monies will be repaid to Renaissance Partners if Fairfield Inn is included in the note repayments from 2014 to 2018. Hansen said Fairfield Inn was undergoing construction during the period of negotiation of the OPA and, therefore, he is asking for it to be included in the repayments.

Thompson asked if there is a means to distinguish the inclusion of Fairfield Inn from other OPAs. Martin mentioned the concern about the effect on the other OPAs if this change was made in this agreement. Magee mentioned four properties may have been included in the Taylor Crossing OPA for a few years although construction had been completed on one or all of these parcels prior to execution of the OPA. She will investigate the timing of the inclusion of the parcels in the Taylor Crossing agreement. Armbruster stated including Fairfield Inn is a policy decision. Martin asked this discussion be tabled until research could be completed on the inclusion of parcels in this OPA and other OPAs. According to Radford, the issue will be adding parcels for four years. Gazdik confirmed such revenues will be lost to the Agency to use for other projects. **Martin moved to table the discussion until further research can be completed. Thompson seconded the motion and the roll call vote was as follows: Martin, aye; Thompson, aye; Radford, aye; and Gazdik, abstain.** Radford thanked Hansen for all Renaissance Partners has done to redevelop the urban renewal district.

Request for New District. The developers of Guns and Gear on Crane Drive approached Magee about creating a new district on Crane Avenue. After discussing the costs and time involved in forming a new district and the eligible costs for Guns and Gear, a new district is not realistic for this project alone. An eligibility study was completed in this area in 1997. At that time, the area bounded by I-15, Porter Canal, the existing district, and Crane Avenue on the east was found to be eligible. The owners of the property may return to request consideration of a district.

Redevelopment Association of Idaho. Armbruster stated the legislative session will end very soon. The only legislation affecting the Agency is increased reporting requirements.

Motion to Enter Executive Session Pursuant to Idaho Code Section 67-2345(1)(c) to Conduct Deliberations Concerning Acquiring an Interest in Real Property Which Is Not Owned by a Public Agency. Gazdik moved to enter into executive session pursuant to Idaho Code Section 67-2345(1)(c) to conduct deliberations concerning acquiring an interest in real property not owned by a public agency at 1:52 p.m. Martin seconded the motion, and the roll call vote was: Martin, aye; Thompson, aye; Radford, aye; and Gazdik, aye.

The Board came out of executive session atr 1:32 p.m. At this time, the Agency will not pursue the purchase of Bonneville Hotel.

Respectfully submitted,

Renee R. Magee
Recording Secretary

AUG 16 1999

PANCHERI-MILLIGAN
URBAN RENEWAL ELIGIBILITY REPORT

PREPARED FOR THE
IDAHO FALLS CITY COUNCIL
and
THE IDAHO FALLS REDEVELOPMENT AGENCY

BY
HARLAN W. MANN
CONSULTANT

July 30, 1999

*Cj-1 3948/9006/21/ass. Pancheri
Milligan*



**PANCHERI-MILLIGAN
URBAN RENEWAL ELIGIBILITY REPORT**

BACKGROUND

An agreement of June 30, 1999, with the City of Idaho Falls, Idaho, authorized preparation of the subject report. The report will provide the technical support for the first step in planning an urban renewal project in the Pancheri-Milligan area of Idaho Falls.

Idaho Code Section 50-2008(a) states:

An urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.

Hence, Step One in planning a renewal project is a resolution by the City Council making certain findings about a specific geographic area in the city. This resolution would also authorize the Redevelopment Agency to prepare an urban renewal plan for the area. The attached definitions of deteriorating area and urban renewal project are very pertinent to this step and are the focus of this report.

Step Two in the renewal planning process is the Redevelopment Agency's preparation of an urban renewal plan and recommendation of its approval to the City Council. The City Council initiates Step Three by referring the plan to the Planning and Zoning Commission and setting a public hearing on the plan. Step Three is completed by a Planning and Zoning Commission finding that the urban renewal plan conforms to the City's Comprehensive Plan. Step Four is the third reading and adoption of a City Council ordinance approving the plan, after a public hearing.

DISCUSSION

This report focuses on whether the Pancheri-Milligan area as outlined on the attached map qualifies as a deteriorating area pursuant to Idaho Code Section 50-2018(i) and as a deteriorated area pursuant to Section 50-2903(7)(b) under virtually identical definitions. A copy of this joint definition is attached. The first statutory reference is from the basic urban renewal statute, while the second comes from the revenue allocation law.

A substantial portion of the area is predominately open land, so the area must qualify under a specific portion of Idaho Code Section 50-2018(i) and a different statutory provision, Idaho Code Section 50-2903(7)(c), a copy of which is attached. These provisions cross-reference Section 50-2008(d), Idaho Code, a copy of which is also attached.

Finally, the report will discuss whether the area is appropriate for an urban renewal project.

A. Present Conditions

The attached definition of deteriorating and deteriorated area [Idaho Code §§ 50-2018(i) and 50-2903(7)(b)] lists nine different conditions that may be present in such an areas, with the tenth being the catch-all "any combination of such factors." The presence of these conditions was documented by a field trip on July 22 and 23, 1999, with various City officials, and assessor file information. Then each area and its public infrastructure were evaluated, and the numbers corresponding to the applicable characteristics were placed at the appropriate locations on the attached map.

B. Open Land Area

The definition of Section 50-2903(7)(c) lists several of the same characteristics as Sections 50-2018(i) and 50-2903(7)(b) under the same or similar descriptions. "Diversity of ownership" is the same, while "obsolete platting" appears to be equivalent to "faulty lot layout in relation to size, adequacy, accessibility, or usefulness." "Deterioration of structures or improvements" is apparently a combination of "a substantial number of deteriorated or deteriorating structures" and "deterioration of site or other improvements." The final term, "or otherwise," at least implies that a predominately open area shares some of the same characteristics as the previous definition of deteriorated area, Idaho Code Section 50-2903(7)(b). There is also an additional qualification that, "The provisions of Section 50-2008(d), Idaho Code, shall apply to open areas."

Section 50-2008(d) lists the findings that the City Council must make in the ordinance approving an urban renewal plan. In addition, this section lists the special findings that the council must make "if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency." There is one set of findings if the area of open land is to be developed for residential uses and a separate set of findings if the land is to be developed for nonresidential uses.

Basically, such open land areas may be acquired by the Agency and developed for nonresidential uses if such acquisition is needed to solve various problems, associated with the land or the public infrastructure, that have retarded its development. These problems include defective or usual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout, all of which are

included in one form or another in the Section 50-2903(7)(b) definition of deteriorated area. The problems that are listed only in Section 50-2008(d)(4)(2) (the open land section) include economic disuse, unsuitable topography, and "the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area."

The conclusion of this discussion about open land areas is that such areas qualify if any of the standard 50-2018(i) and 50-2903(7)(b) characteristics apply. But such areas also qualify if any of the problems listed only in 50-2008(d)(4)(2) apply. Clearly, lack of water and sewer facilities, inadequate street system, lack of fire protection facilities, lack of parks and recreation facilities, are all conditions which retard development of the area. In addition, the current topography of the gravel pit operation makes the land unsuitable for commercial, residential, or public uses without extensive, costly grading. Areas where gravel has been mined out are destined for economic disuse, unless the land can be reclaimed through grading of material from unmined areas.

The report text that follows below discusses each of the applicable characteristics of a deteriorated area, as defined by Section 50-2903(7)(b). Several of these characteristics, including diversity of ownership and predominance of defective or inadequate street layout, have exact or approximate counterparts listed under Section 50-2008(d)(4)(2), so their associated numbers, 6 and 2, may be used interchangeably. Other numbers, such as 4 (insanitary or unsafe conditions) and 9 (the existence of conditions which endanger life or property by fire or other causes), fit the broader characteristic of "any combination of such factors or other conditions which retard development of the area." As discussed above, the lack of public infrastructure in

the predominately open areas has been a significant factor in retarding development in these areas. Open land areas are designated with the letters "OL." In addition, lack of public infrastructure in open land areas is designated by the letters "L(P.I)."

C. Deteriorating/Deteriorated Area Characteristics

The following is a listing of conditions found in the area by their corresponding numbers in the definition and a brief explanation of that condition and how it was evaluated and identified:

1. (1) A substantial number of deteriorated or deteriorating structures. Given the age of the structures in the area, most would be evaluated in the deteriorating category. New buildings and those that were substantially rehabilitated within the last five to ten years were not considered deteriorating. Deteriorated buildings would be those that are so run down that they should be demolished, allowing the land to be recycled for other uses. Only a few of the buildings would fit this category, but no attempt was made to differentiate between deteriorating and deteriorated structures. The structures are found on selected sites along Milligan, in the concrete plant at the north end of Milligan, and the small residential subdivision off Pioneer Road.

2. (2) Predominance of defective or inadequate street layout. The current street system, Milligan Road and Pioneer Road, are inadequate in their present condition and alignment to serve this large area when it is developed for mixed use outlined by the City's Comprehensive Plan. Milligan Road is fully improved for 600 feet or so south of Pancheri but continues southward along the river as a narrow gravel road that dead-ends at the lower end of the proposed

project area. Pioneer Road is paved but has no connecting road to Milligan and to the interior of the large proposed project area.

3. (3) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.

With a very few exceptions, the area has never been subdivided, so it has a single very large lot (the Monroc ownership) with a few smaller lots scattered around the edges off Milligan Road and Pioneer Road.

4. (4) Insanitary or unsafe conditions. There are several conditions existing within the proposed renewal area that apply to this characteristic. Typical insanitary conditions include excessive amounts of junk, trash, and weeds in violation of City sanitation codes. Another insanitary condition occurs in areas that lack sanitary sewers or where the sanitary sewer system has insufficient capacity. Basically, this area has no sanitary sewer system. Therefore, when the number 4S appears on the map, it indicates problems with the sanitary sewer system, in this case, lack of sewer mains.

There is also a number of unsafe conditions throughout the area. Most are found with the street system and include lack of sidewalks, curbs, and gutters; narrow, inadequate streets; and lack of street lights. The number "4ST" on the map indicates unsafe conditions with the street system. Lack of a curb system on most of Milligan exposes drivers to danger because of Milligan's close proximity to the Snake River. The number "4SL" indicates a lack of street lights, a condition existing on the lower portion of Milligan Road.

5. (5) Deterioration of site and other improvements. Site improvements include parking lots, fences, and landscaping areas, basically things other than structures that make up a developed property. The term "other improvements" is the place where public improvements

such as streets, sidewalks, curbs, gutters, bridges, storm drains, parks, water mains, sanitary sewers, and public facilities such as swimming pools and public buildings are included. When the number 5 appears on the map in a street right-of-way or on a park, that denotes a deteriorated street, bridge, or park. Milligan Road and Pioneer Road are the only public improvements in the area, and they received this designation. Contacts with the City staff confirmed the status of streets, water mains, sanitary and storm sewers, and drainage facilities throughout the area.

6. (9) The existence of conditions which endanger life or property by fire and other causes. The primary focus of this characteristic is inadequate fire protection facilities, particularly fire hydrants, for the few existing developments and projected new development. Correction requires building a fire protection system for the area. Therefore, a number 9 appearing on the map in the location indicates a lack of adequate fire protection facilities.

7. (10) Any combination of such factors. This number is placed on the areas where two or more of the other characteristics are present.

D. Effects of Present Conditions

1. (a) Results in economic underdevelopment of the area. Field review and aerial photographs show the current underdeveloped status of the area. The large gravel pit and concrete plant facility property is the best example of underdevelopment.

2. (b) Substantially impairs or arrests the sound growth of a municipality. The City's Comprehensive Plan calls for mixed use in this area; however, the current industrial use discourages such use and will make it more difficult as reclamation costs increase. Such areas may be bypassed. The resulting uneven growth adversely affects the sound growth of the city

because it places additional burdens on the City's capital improvement programming in attempting to keep up with unmet infrastructure needs.

3. (c) Retards the provision of housing accommodations or (d) constitutes an economic or social liability. Continuing a major industrial use in an area along the Snake River frustrates the goal of mixed use, including housing, for the area as outlined by the Comprehensive Plan. In addition, the type of industrial use has limited the amount of public infrastructure in an area at the edge of the City. Inadequate public infrastructure tends to increase public service costs without much increased generation of property and other taxes. Hence such an area tends to become an economic liability for the City.

4. (e) And is a menace to the public health, safety, morals, or welfare in its present condition or welfare in its present condition or use. The previous discussion has established that this area has had slower growth and, as a result, has become a modest economic liability. In addition, the unsafe condition of the existing streets and inadequate fire protection facilities create safety problems for the residents and businesses. Accordingly, these conditions represent a menace or threat to the public welfare or prosperity and safety of the community.

E. Appropriateness of the Area for an Urban Renewal Project

The second part of the City Council's determination is the policy decision of whether or not the area is appropriate for an urban renewal project.

Note that part of the definition of an urban renewal project includes, "undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated and deteriorating areas." This report has provided evidence that the Pancheri-Milligan area is a deteriorating area because of the presence of various conditions, most of which are related to the

public infrastructure. The public infrastructure is very inadequate and only marginally serves the needs of existing development. Any planned new development is thwarted because of the lack of necessary public infrastructure, particularly for the interior of the large Monroc property. Developers often tend to bypass such areas because of the high cost. This leaves the City with the problems of serving the new development that will eventually occur beyond the area.

Fortunately the preparation and approval of an urban renewal plan, including a revenue allocation financing provision, gives the City additional resources to solve the public infrastructure problems in this area and to achieve mixed use development as outlined by the Comprehensive Plan. In effect, property taxes generated by new developments within the area can be used by the Redevelopment Agency to finance a wide variety of needed public improvements and facilities. Finally, the new developments would also generate additional jobs that would, in turn, benefit residents of the community.

CONCLUSION

This report concludes that the Pancheri-Milligan area described in this report is a deteriorating and deteriorated area and, as such, is appropriate for an urban renewal project.

Attachments

DEFINITION OF DETERIORATING AREA, IDAHO CODE § 50-2018(i)
AND DETERIORATED AREA, IDAHO CODE § 50-2903(6)(b)

A deteriorating or deteriorated area is any area [which by reason of the presence of (1) a substantial number of deteriorated or deteriorating structures; (2) predominance of defective or inadequate street layout; (3) faulty lot layout in relation to size, adequacy, accessibility, or usefulness; (4) insanitary or unsafe conditions; (5) deterioration of site or other improvements; (6) diversity of ownership; (7) tax or special assessment delinquency exceeding the fair value of the land; (8) defective or unusual conditions of title; (9) the existence of conditions which endanger life or property by fire and other causes; or (10) any combination of such factors], (a) (results in economic underdevelopment of the area);¹ (b) substantially impairs or arrests the sound growth of a municipality; (c) retards the provision of housing accommodations; or (d) constitutes an economic or social liability; and (e) is a menace to the public health, safety, morals, or welfare in its present condition or use; provided, that if such deteriorating area consists of open land the conditions contained in the proviso in Idaho Code Section 50-2008(d) shall apply.²

¹This appears only in the revenue allocation statute.

²This appears only in the urban renewal statute.

Idaho Code § 50-2903(7)(c)

(c) Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section 50-2008(d), Idaho Code, shall apply to open areas.

DEFINITION OF URBAN RENEWAL PROJECT, IDAHO CODE § 50-2018(j)

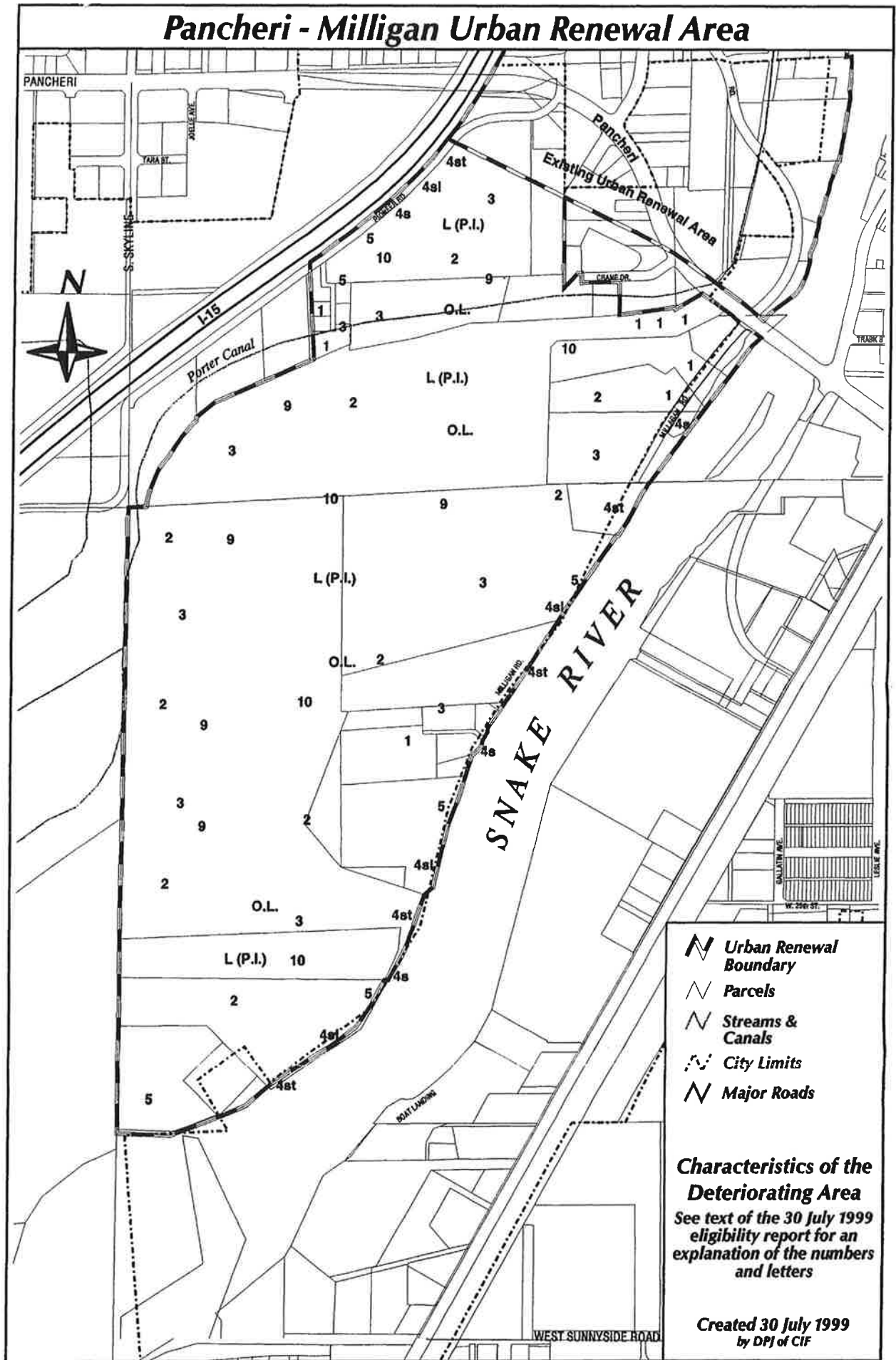
"Urban renewal project" may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertakings and activities may include:

- (1) acquisition of a deteriorated area or a deteriorating area or portion thereof;
- (2) demolition and removal of buildings and improvements;
- (3) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, off-street parking facilities, public facilities or buildings and other improvements necessary for carrying out in the urban renewal area the urban renewal objectives of this act in accordance with the urban renewal plan;
- (4) disposition of any property acquired in the urban renewal area (including sale, initial leasing or retention by the agency itself) at its fair value for uses in accordance with the urban renewal plan except for disposition of property to another public body;
- (5) carrying out plans for a program of voluntary or compulsory repair and rehabilitation of building or other improvements in accordance with the urban renewal plan;
- (6) acquisition of real property in the urban renewal area which, under the urban renewal plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property;
- (7) acquisition of any other real property in the urban renewal area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities;
- (8) lending or investing federal funds; and
- (9) construction of foundations, platforms and other like structural forms.

Idaho Code § 50-2008(d)

(d) Following such hearing, the local governing body may approve an urban renewal project and the plan therefor if it finds that (1) a feasible method exists for the location of families who will be displaced from the urban renewal area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families; (2) the urban renewal plan conforms to the general plan of the municipality as a whole; (3) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise: Provided, that if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency, such area shall not be so acquired unless (1) it is to be developed for residential uses, the local governing body shall determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality, or (2) if it is to be developed for nonresidential uses, the local governing body shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in this act, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.

Pancheri - Milligan Urban Renewal Area



-  Urban Renewal Boundary
-  Parcels
-  Streams & Canals
-  City Limits
-  Major Roads

Characteristics of the Deteriorating Area
 See text of the 30 July 1999 eligibility report for an explanation of the numbers and letters

Created 30 July 1999
 by DPJ of CIF