THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Minutes

Monday, August 12, 2019, 12:00 PM

City Council Chambers
203 Main Avenue East- Twin Falls, Idaho

Members: Dexter Ball, Perri Gardner, Suzzane Cawthra, Rudy Ashenbrener, Cindy Bond, Andy Hohwieler, Doug Vollmer

1) Confirmation of Quorum/Call Meeting to Order

Present: Rudy Ashenbrener, Cindy Bond, Andy Hohwieler, Dexter Ball, Doug Vollmer, Perri Gardner (arrived at 12:02)
Absent: Suzzane Cawthra
Staff Present: Nathan Murray, Executive Director; Jesse Schuerman, Engineer

Chair Bond called the meeting to order at 12:00 PM. A quorum was present.

2) Consideration of Amendment(s) to the Agenda - None.

3) Consent Calendar

a) Request to approve 1) Minutes for July 8, 2019 meeting; 2) July 2019 Financial Report; 3) August 2019 Accounts Payable.
MOTION: Andy Hohwieler moved to approve the consent calendar. Rudy Ashenbrener seconded the motion. Roll call vote showed all members present voted. Approved 4 to 0.

4) Reports/Updates

a) Executive Director's Report
Nathan Murray shared the Salvation Army building is now for sale, $500,000, and he's been asked if the Agency has any interest in being a partner for possible development. He answers that the Agency does not have the capacity for that right now, however, if the Board felt differently a conversation could be scheduled.

5) Items of Consideration

a) Public Hearing for the FY2019-20 Budget and Consideration of a request to adopt the budget amount of $9,358,412.
The public hearing was opened. Hearing no questions or comments, the public hearing was closed.
MOTION: Rudy Ashenbrener moved to adopt the budget in the amount of $9,358,412. Perri Gardner seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

b) Consideration of a request to approve Resolution 2019-04 to adopt the Washington Street South Urban Renewal District Plan.

Showing a map for reference, Nathan Murray summarized the plan for a new revenue allocation area consisting of roughly 100 acres in the South Washington area, south of Glanbia Foods. Per Idaho Code, the area qualifies as an area in need of redevelopment. The plan will enhance the site with road improvements and water and sewer capacity. Glanbia may make some improvements to their site as well. In general, we anticipate a $130M investment from Gem State Dairy in terms of real property and equipment and the revenues we expect to receive exceed the costs of these improvements. The developer, Gem State Dairy, would pay for the improvements up front and the Agency would repay the developer with the tax increments the Agency receives over the duration of the plan, similar to other models we've done in the past.

Megan Conrad, special counsel for the Agency, provided additional detail on the scope of the plan. The 20-year revenue allocation area plan would begin on January 1, 2019, and terminate no later than December 31, 2039. Revenues would flow to the agency, from the assessments made in 2039, in 2040. The plan is the basic framework to address how improvements and developments will occur within the project area, but not specifically a contract or obligation to reimburse the types of projects that are identified in the plan. Following the establishment of the project area, the agency would engage in owner participation agreements with developers, and the City, contemplating reimbursement for eligible public improvements. She explained adjustments that need to be made before presenting the final plan to the City Council for approval in September as well as the timeline to adopt the plan.

Ms. Conrad made it clear that by signing the Resolution today, it's authorizing the adoption of the plan, after pending changes have been made, including the legal description, as well as authorizing submittal of the plan to the City for its consideration.

MOTION: Rudy Ashenbrener moved to approve Resolution 2019-04 to adopt the Washington Street South Urban Renewal District Plan. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted. Doug Vollmer abstained. Approved 5 to 0.

c) Consideration of a request to sign Resolution No. 2019-05 approving the Assignment and Assumption Agreement which transfers all rights and obligations under the Reimbursement Agreement and Construction Agreement from Chobani Idaho, LLC to Chobani, LLC.

Nathan Murray clarified agenda items c), d), and e) are connected and summarized the history. Due to Chobani's decreased assessment, revenues have changed. The agreements have been restructured to make sure that Chobani knew the Agency would only be able to reimburse them for additional projects if there were revenue allocation funds available after other debt obligations were met. Changes to the documents include who we actually had the agreement with, the types of improvements expected, and where the money would come from to reimburse them.

Meghan Conrad explained the reimbursement obligation and reviewed the addendums for each agreement.

- Assignment and Assumption Agreement: Chobani Idaho, LLC will be dissolving.

- Reimbursement Agreement: Addendum clarifies language in the original agreement for Phase 1 such as revenues, reimbursement amount, and defines the ending date for funding and reimbursements to be September 30, 2032, regardless if there is an outstanding balance.
- Construction Agreement: Addendum clarifies language in the original agreement such as the scope of work, reimbursable improvements going forward, and termination date. Following the completion of Phase 2, another addendum to the Reimbursement Agreement will need to be negotiated.

MOTION: Andy Hohwieler moved to approve Resolution #2019-05 approving the Assignment and Assumption Agreement which transfers all rights and obligations under the Reimbursement Agreement and Construction Agreement from Chobani Idaho, LLC to Chobani, LLC. Rudy Ashenbrener seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

d) Consideration of a request to sign Resolution No. 2019-06 approving the First Addendum to Project Improvements Reimbursement Agreement for improvements related to a Pretreatment Facility Expansion at 3450 Kimberly Road connected with the Chobani Facility. This item was explained with Item c) above.

MOTION: Rudy Ashenbrener moved to approve Resolution #2019-06. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

e) Consideration of a request to sign Resolution No. 2019-07 approving the First Addendum to Project Improvements Construction Agreement for improvements related to a Pretreatment Facility Expansion at 3450 Kimberly Road connected with the Chobani Facility. This item was explained with Item c) above.

MOTION: Doug Vollmer moved to approve Resolution #2019-07. Rudy Ashenbrener seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

f) Consideration of a request to sign Resolution No. 2019-08 approving a Development and Disposition Agreement between Summit Creek Capital and the Urban Renewal Agency of the City of Twin Falls to facilitate development of 160 Main Avenue South.

Showing the latest rendering of the development to be presented to the City Council the following Monday, Nathan Murray shared the agreement allows the developer early entry to begin preparing for demolition and the process of transferring the building to the developer. The Agency's commitment is a cap of $300,000 to reimburse them for demolition, site prep costs, and shoring up the building next door. This Development and Disposition Agreement (DDA) does not address the parking.

Megan Conrad explained the agreement contemplates the Agency’s transfer of its property owned at 160 Main Avenue South, which is located within a designated opportunity zone, to Summit Creek Capital for the development of a mixed-use office, retail, and residential building, with approximately 11,000 SF of office, 6,000 SF of retail, and approximately 24,000 SF of rental residential units. She shared an indication is included in the DDA, but is not a part of this project or reimbursement option, that the Agency has committed up to $2M for improvements to public parking facilities within the plan area including the potential for construction of a parking facility.

Duncan Morten, with Summit Creek Capital, introduced their financial partner Bill Truax with the Galena Opportunity Fund. Mr. Truax shared past and current projects and his interest in the OneSixty project using an opportunity zone funding mechanism that allows outside capital into Twin Falls. The project would begin demolition this year.

Ms. Conrad added an attachment to the DDA was a Right of Entry and Reimbursement Agreement which would allow the development team on-site for purposes of doing certain demolition and site clearance work and be reimbursed of that amount up to $300,000 upon acceptance by the Agency.

She explained the DDA contains 1) the actual conveyance of the real property, and 2) what is reimbursable in terms of the demo work. A change that would be contemplated is the section addressing the transfer relationship between OneSixty and Summit Capital and the assignment issue as currently drafted in the DDA. The resolution approves the DDA and the changes. Discussion ensued.

MOTION: Perri Gardner moved to approve Resolution 2019-08 with the changes discussed. Rudy Ashenbrener seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

6) General Input/Announcements - Public/Staff None.

7) Upcoming Meeting(s)

   a) Monday, September 9, 2019 @ 12:00 p.m.

8) Adjournment

The meeting adjourned at 01:23 PM.

Lorrie Bauer

Lorrie Bauer, Recording Secretary