Urban Renewal Agency
Minutes

Monday, January 13, 2020, 12:00 PM

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:	Cindy Bond, Rudy Ashenbrener, Andy Hohwieler, Perri Gardner
Absent:	Suzzane Cawthra, Dexter Ball, Doug Vollmer
Staff Present:	Nathan Murray, Executive Director; Jesse Schuerman, Engineer; Lorrie Bauer, Recording Secretary; Brent Hyatt, Assistant Finance Director; Nikki Boyd, City Council Liaison; Don Hall, County Commissioner; Mark Holtzen, City Engineer; Lorie Race, Finance Director; Mat Farnes, Budget Coordinator.

Chair Bond called the meeting to order at 12:13 PM. A quorum was present. (Late start due to no quorum.)

2) Consideration of Amendment(s) to the Agenda

None.

3) Consent Calendar

a) Request to approve 1) Minutes for December 9, 2019 meeting; 2) December 2019 Financial Report; 3) January 2020 Accounts Payable.
MOTION: Rudy Ashenbrener moved to approve the consent calendar. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted. Motion passed.

4) Reports/Updates

a) Executive Director's Report by Nathan Murray
Nathan Murray shared he recently discussed an assessment accounting discrepancy with Allocation Area 4-1 with Brad Wills, Twin Falls County Assessor. Mr. Wills distributed a letter to the Agency board, prior to the meeting, explaining the valuation methodology mistake and the results (see attached). Mr. Wills shared they discovered a methodology error in the way they have measured base value in the past. He explained the error was due to a misunderstanding of the state code and methodology and have worked with the Idaho State Tax Commission to correct the mistake for future years. He shared it's estimated the Agency will receive approximately $10,000 less in funding for 2019. He explained that they believe the best solution is to not make any adjustments for Tax year 2019, as the same increment value was used for all taxing districts. Mr. Wills briefly explained the legal process to correct the overall value of the affected taxing districts which would create an increase in the affected property owner tax liability. Discussion ensued. The URA Board was satisfied with leaving the funding as planned for Tax year 2019 and past years. No further action is necessary.

160 Main Avenue South Update: Nathan shared he met with the development team to review a possible parking structure that may be associated with the project. Bill Truax, representing the Galena Fund, reported they are on track to receive building permits for a target start date of April 1st for the new 160 project. Demolition will be completed prior to that date. He explained that the addition of a parking deck in the back of the new building is critical to the downtown development overall and they have been working with their general contractor to put together a rough price for a three-level structure (including the surface level) that would contain about 200 stalls, with a possibility of adding residential units above the structure in the future. Nathan added many conversations still need to take place, but the ballpark Agency cost is estimated to be between $3.9 - $4.2M. Discussion ensued. Further conversations will take place during future meetings.

b) Traffic Study Results for 2nd Avenue East & West - Lewis Venard, with H.W. Lochner Engineering, will present the findings of the study.
Nathan Murray explained the Agency previously approved funding for a concept study of the 2nd Avenues to find efficient calming measures. He introduced Lewis Venard, of H.W. Lockner Engineering, who performed the study. Mr. Venard shared stakeholder meetings were held, which included an Idaho Transportation Dept. representative due to the 2nd Avenues being state highways, to discuss what people wanted to see and what the state did not want to see. Maintenance and security were questioned. The goals of the study were to create a way to calm traffic and improve pedestrian safety. A slide presentation was displayed during the presentation.

The study area included 2nd Avenue West/South from Eden Street to Idaho Street and 2nd Avenue North/East from Buhl Street to Idaho Street. He explained the existing layout and possible alternatives, including the advantages and disadvantages of each. All alternatives include sidewalk bulbouts to reduce pedestrian crossing lengths and help calm traffic. Alternatives included 1) two traffic lanes with separated angle parking; 2) two traffic lanes with wider sidewalks & landscaping; 3) three traffic lanes with a bike lane; 4) three traffic lanes with added landscaping next to existing sidewalks; 5) two traffic lanes with a bike lane and wider sidewalks & landscaping.

Nathan added that the study was performed for information purposes at this time. As future projects are presented, this data will help design the area and provide necessary information to accompany a development request to the state. Currently, the highways are functioning efficiently, but a more attractive street section could improve business investment in the future. Discussion ensued.

Jesse Schuerman added the study could help the Agency, the City, as well as current property owners who want to improve their property to be more pedestrian-friendly or need traffic calming in front of their business.

The commissioners appreciated the study and alternative suggestions. The information will be used with future development.

5) Items of Consideration

a) Presentation and possible Consideration of a request to accept a response to the Request for Proposal to develop Agency owned property at 215 Shoshone St. South.
Nathan Murray reminded the commissioners that last month, two valid responses to the RFP were reviewed: 1) Todd Blass would like to acquire Lots 4 and 5 to build a surface-level parking lot that would serve tenants of

a building he owns downtown, and 2) Peter Candy & Paul Kenny, developers, are interested in Lot 17 to be included in a housing development currently being planned. The Board deferred a decision in December 2019 so staff could get more information.

The property contains three lots, Lots 4 and 5 are separated by an alley from Lot 17. All three lots are 25' wide by 110' deep and front on Shoshone St. If Lots 4 and 5 were developed into parking, it would hold approximately 27 stalls. Lot 17 is not viable for parking.

Peter Candy shared their interest in the Agency retaining Lot 17 for an apartment development currently being planned for 3rd Ave. S. & Shoshone St. He explained Lot 17 would create a rectangular residential development, which is important to them. Their proposal asks the Agency to enter into an agreement with Treasurer's LLC, aka Emily Golay, who owns other property to be included in this development. The planned development includes 94 affordable, fully furnished, apartment units in a 3-story configuration. They are ready to proceed once they know they have the site and the URA's help and cooperation with regard to buying and holding Treasurer's LLC property until they are finished with their entitlement process, approximately 6 months. He stated they'd like the Agency to contribute to the development, however, if it was not possible they were prepared to raise funds from investors. Mr. Candy added without Lot 17, they probably would not do the project.

Nathan Murray explained the Agency cannot agree to purchase property for this development at this time. We can vote to negotiate with this developer to possibly help with utilities, alleyway work, or other potential site work that impacts the public if they purchased the property. Discussion ensued.

MOTION: Perri Gardner moved to retain ownership of Lot 17, negotiate with Todd Blass to purchase Lots 4 & 5, and authorize staff to continue conversations about a potential building project that would include Lot 17. Andy Hohwieler seconded the motion. Rudy Ashenbrener disclosed he is partners with Todd Blass through TitleFact and would like to abstain, but due to only 4 members of the Board voting (quorum), he needed to vote. Roll call vote showed all members present voted. Approved 4 to 0. Jonathan Spendlove, City Planning and Zoning Director, clarified you don't need a quorum to vote, only to start a meeting, therefore he could abstain if he chose to. Chair Bond called for a new vote. Roll call vote showed motion passed. Rudy Ashenbrener abstained.

b) Discussion and possible Consideration of a request to adopt a Property Management Policy.
Nathan Murray shared he would like more feedback prior to voting, so the policy would not be considered today. He recapped the Agency owned properties. No formal disposition or management policy exists for this Agency other than what is outlined in State code. In 2017, Interim Director Phil Kushlan presented a draft policy of proposed guidelines with no action ever taken. He reviewed the draft policy and asked the Board to review it again and share their thoughts and suggestions of any changes they'd like to see. He recommended continuing discussions at this time. **MOTION:** Perri Gardner moved to table consideration of a request to adopt a Property Management Policy to a later date to be determined. Rudy Ashenbrener seconded the motion. Roll call vote showed all members present voted. Approved 4 to 0.

6) General Input/Announcements - Public/Staff

Nikki Boyd, City Council Liaison, expressed her appreciation as her assignment from City Council may change.

7) Upcoming Meeting(s)

a) Monday, February 10, 2020 at 12:00 p.m.

8) Adjournment

The meeting adjourned at 01:48 PM.

Lorrie Bauer

Lorrie Bauer, Recording Secretary

Attachment: Twin Falls County Assessors Letter dated 20200113

Twin Falls County
Idaho

County Assessor - Bradford Wills
630 Addison Ave. W./ PO Box 0265
Twin Falls, Idaho 83303-0265 208-736-4010

January 13, 2020

Twin Falls Urban Renewal Agency

The purpose of this letter is to explain a valuation methodology mistake that my office made in calculating the increment value for the URA Allocation Area 4-1 (URAAA).

We believe the mistake did not greatly affect the amount of property taxes the owners of parcels located in the URAAA or those in the city of Twin Falls will pay for in Tax Year 2019. In most cases, the taxpayers paid less in property taxes.

Increment value in a URAAA is calculated using the base value at the time the area is established with some future adjustments and the current market value of the area for that tax year. The difference between the two values is the increment value used to calculate the amount of funding both the Twin Falls School District and the URAAA receive.

Regardless of this mistake, the Twin Falls School District will receive the appropriate funding and no further action is required on their behalf.

As mentioned before, the base value is subject to adjustment over the life of the URAAA mainly relating to the decrease in value, the loss of an exemption or a change in land classification. By a misunderstanding of the state code and methodology, we mistakenly over valued the URAAA base value resulting in a lower increment value to calculate the URAAA funding for Tax Year 2019.

The over valuation of the base value reduces the allocation of funds to the URAAA but the other taxing districts in that area received close to the same funding. It is our estimate that the Twin Falls 4-1 Allocation Area will receive $10,000 in less funding for 2019 and the other districts will receive the appropriate funding as will the School District. Those districts include the City of Twin Falls, Twin Falls County, College of Southern Idaho, Twin Falls Highway District, Ambulance District and Mosquito Abatement. We believe that this overvaluation of the base value goes back many years.

We have reviewed our procedure with the Idaho State Tax Commission and believe we have corrected the mistake for the next tax year.

We believe the best solution at this time is to not make any adjustments for Tax Year 2019 to the URAAA or any taxing districts because we used the same increment value to determine the overall value of the affected taxing districts to determine their levy rates. Any adjustment at this time could create an increase in the affected property owner tax liability.

Urban Renewal Districts are a successful tool local URA agencies use to improve their communities. We apologize for this mistake and have made the necessary adjustment for future years.

We will need your URA commission to decide if the agency is satisfied with leaving the funding as planned for Tax Year 2019 and past years.

Sincerely Yours,
Bradford J. Wills
Twin Falls County Assessor

Twin Falls Original URA Alocation Area													
2019	County	CSI	City Twin Falls	TF SchoolDist	TF Highway	No Cemetery		Ambulance	Mosquito				
0.0208489	0.004193	0.00088934	0.011359355	0.002435877	0.00109337	0		0.000179316	0.000103273				
District		Value	Increment	AdjustedValue		Levy Rate	Revised Levy	Original Tax	Adjusted Tax	Different	% Difference	Per 100K	Yearly
City of Twin Falls		$ 3,217,708,052	$ 743,500	$ 3,216,964,552		0.007134065	0.007135714	$ 22,955,338.39	$ 22,950,034.22	$ 5,304.18	0.00%	$ 100,000	$ 0.16
No Cemetery			$ 743,500										
TF Highway		$ 643,784,811	$ 743,500	$ 643,041,311		0.00109137	0.001092832	$ 702,607.43	$ 701,796.00	$ 811.43	0.00%	$ 100,000	$ 0.13
County		$ 6,156,637,279	$ 743,500	$ 6,155,893,779		0.004192917	0.004193423	$ 25,814,269.11	$ 25,811,151.68	$ 3,117.43	0.00%	$ 100,000	$ 0.05
CSI		$ 7,656,637,279	$ 743,500	$ 7,655,893,779		0.00088934	0.000889426	$ 6,809,353.80	$ 6,808,692.57	$ 661.22	0.00%	$ 100,000	$ 0.01
Ambulance		$ 6,156,637,279	$ 743,500	$ 6,155,893,779		0.000179316	0.000179338	$ 1,103,983.57	$ 1,103,850.25	$ 133.32	0.00%	$ 100,000	$ 0.00
Mosquito		$ 6,156,637,279	$ 743,500	$ 6,155,893,779		0.000103273	0.000103285	$ 635,814.40	$ 635,737.62	$ 76.78	0.00%	$ 100,000	$ 0.00
										$ 10,104.37			$ 0.35
No School district because they receive Increment Value													

Urban Renewal In Twin Falls County 2020

There are two active Urban Renewal Agencies in Twin Falls County that have revenue allocation areas. The Twin Falls Urban Renewal Agency (TFURA) and the Buhl Urban Renewal Agency (BURA) are both governed by a separate commission and follow state code.

The TFURA and BURA have a combined $582,182,852 ($582.2 Million) of increment value which is the most of any county in Idaho. Former Governor Butch Otter coined the term "Magic Valley Miracle" in his State of the State address in 2014 when he described the success and growth of Twin Falls County. We, in Twin Falls County, believe Urban Renewal made the difference.

The Twin Falls Urban Renewal Agency was created on July 19, 1965 by the City of Twin Falls, Idaho located in Twin Falls County. On June 30, 1997, the City Council of the City of Twin Falls, Idaho created the Urban Renewal Area #4 which is active in the City of Twin Falls today.

The Buhl Urban Renewal Agency created the McCollum Addition and Adjacent Areas Urban Renewal Plan in 2000 and created the East Buhl Industrial Urban Renewal Project Area in 2011.

An Urban Renewal Area is described by a legal description stating the boundary of the URA district. Within that district, further action is required to create an urban renewal revenue allocation area (URAAA) that specifies the project, timing, the costs, management and any monetary obligation involved in the revenue allocation area.

Increment value in a URAAA is calculated using the base value at the time the area is established with some future adjustments and the current market value of the area for that tax year. The difference between the two values is the increment value used to calculate the amount of funding the URAAA receive through property taxes. Only the School District includes increment value in their annual levies.

Twin Falls Urban Renewal Agency (TFURA) currently oversees three separate revenue allocation areas. The original TFURA Allocation Area #4 and #4-1 was established in 1998 and includes $188.3 Million of increment value and is planned to dissolve in 2022. The #4-3 which is Chobani was established in 2011 and includes $267.1 Million of increment value. The final is #4-4 which is Clif Bar was established in 2015 and includes $108.4 Million of increment value. The three allocation areas together include $563.9 Million of increment value.

The Buhl Urban Renewal Agency (BURA) currently oversees two separate revenue allocation areas. The McCollum allocation area established in 2000 and includes $11.3 Million of increment value and the East Buhl Industrial allocation area established in 2011 and includes $6.9 Million of increment value. The two allocation areas together include $18.2 Million of increment value.

Twin Falls County has a market value of $6.16 Billion so the Urban Renewal increment value of $582.2 represents 9 % of the total value in the county. The City of Twin Falls has a market value of $3.2 Billion so the three URAAA combined value of $563.9 Million represents 18 % of the total value in the City of Twin Falls.

The City of Buhl has a market value of $152.4 Million so the two URAAA combined value of $18.2 Million represents 12 % of the total value in the City of Buhl.

It would be almost impossible to measure the effect an Urban Renewal Agency Allocation Area started over 20 years ago had on a community. The Chobani URAAA was established in 2011 and we can measure the positive effect it has had on the Magic Valley. See the following pages:

Before Chobani 2011

Agricultural Land

182 Farm Acres

$ 705,000 Market Value

$ 2,700 Annual School District Funding

2 Employees

$ 36,000 Average Annual Profit from Farming

0 Million Gallons of Milk used Daily

Existing Infrastructure

NO Sewer Collection Capacity Available

NO Water Capacity or Distribution Available

NO Power Capacity Available

After Chobani 2019

World's Largest Yogurt Plant

920,000 SqFt

$ 800 Million Investment

182 Industrial Acres

$ 47 Million Investment Urban Renewal Paid Back By Chobani Property Taxes

$ 275 Million Market Value

$ 1.15 Million School Funding

1,000 Employees

$ 350 Million Annual Chobani Payroll

2.5 Million Gallons of Milk used Daily

New Infrastructure

6 1/2 Mile Sewer—Sewer Collection System

Opened up 2,000 new homes and Chobani

New 5 Million Gallon Water Storage Tank

Improved Water Zones-opened up housing & Commercial

New 2 Million Idaho Power Substation

Improvements on Roadways & New Traffic Light

7,500 Indirect Regional Jobs

Indirect Regional Investment **$ 6** Billion