

This regular meeting of the Jerome Urban Renewal Agency was called to order at 3:00p.m.

Present were Chairman Kathy Cone, Commissioner Bryan Craig, and Commissioner Jason Peterson. Commissioner Shonna Fraser and Commissioner B.J. Hess were excused.

Also present were City Clerk Bernadette Coderniz, City Administrator Mike Williams, IT Director Carlos Hernandez, IT Technician Andy Newbry, Finance Director Ross Hyatt, Accounting and Budget Manager Lori McCrae, and City Engineer Tyson Carpenter. Legal Counsel Ryan Armbruster and Abby Germaine joined by teleconference.

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 December 2, 2021 special meeting
- B. Review and approve claims for January 2022
- C. Review and approve staff financial reports for December 2021

City of Jerome \$2,243.57; Elam & Burke, Inc. \$3,036.77

Commissioner Craig made a motion to approve the consent calendar as presented including corrections to the minutes. Second to the motion was made by Commissioner Peterson. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Craig, and Commissioner Peterson. **NAYES:** None.

CLEARWATER FINANCIAL ENGAGEMENT LETTER:

Mr. Williams spoke of the presentation made by Cameron Arial with Clearwater Financial at the last URA meeting. Potential opportunities for advanced funding were reviewed to accomplish objectives in the Area 3 and Area 5 plans. The engagement agreement was reviewed at length with the board, and Mr. Williams stated that the financial services within the agreement include: coordination of the finance team including bond counsel, trustees, paying agents, etc.; reviewing methods of sale advice and management; bidding of various services and financial packages; bond rating preparation and coordination and other services related to financing; bond structuring related to rates, terms, credit analysis, debt incurring capacity, tax impact analyses and other related calculations; projections on population, assessed values, largest rate payers and other information; and, creating project proformas with corresponding tax increment financing (TIF) analysis, budgets, etc. Mr. Williams also reviewed the terms of the agreement including the fee structure for Clearwater Financial. A \$6,000 mobilization fee will be paid upon execution of the agreement and will be deducted from the fees once the Agency closes on the financing. The remainder of the agreement includes notations regarding the employment of others (the consultant will not employ others for services without prior written consent), other services, independent contractors and confidential information (anything subject to public record will be provided by the Agency), various projections and results not guaranteed.

Upon inquiry by Commissioner Craig, Mr. Williams explained that the \$6,000 mobilization fee will be lost if the Agency chooses not to move forward with financing once the agreement is signed; the upfront costs will be compensated with this fee. Mr. Williams noted that Mr. Arial worked with Zion's Bank before starting his own company. Mr. Armbruster commented that this is a hybrid between a financial advisor and an underwriter. The Agency will compensate Clearwater Financial \$6,000 to do the analysis and gather all materials and then seek loan financing from prospective banks. He is not concerned about the legality of the mobilization fee, and it was confirmed that this amount would be deducted from the fee schedule within the agreement. Mr. Armbruster also noted that items in question were fixed within the agreement. Mr. Williams stated that he along with Mr. Armbruster and Mr. Carpenter are putting together preliminary cost estimates for some of the projects that could be completed with the advanced financing. He also stated that, in consultation with Mr. Armbruster and his staff, a tight definition of what is planned will need to be prepared for transparency purposes. Rates are slowly increasing and it is best that the process on the advanced funding begin while rates are still favorable.

Commissioner Craig made a motion to approve the engagement agreement for professional financial services with Clearwater Financial, and authorize the appropriate parties to execute the agreement. Second to the motion was made by Commissioner Peterson. After consideration the motion passed unanimously by the following vote: **AYES:** Chairman Cone, Commissioner Craig, and Commissioner Peterson **NAYES:** None.

LEGISLATIVE UPDATE:

Mr. Armbruster stated the legislative session will commence on Monday and he expects a difficult session although it is an election year. There is some continued effort on property tax relief; the Idaho Association of Counties, the Association of County Assessors, and the Associated Taxpayers are sponsoring a symposium tomorrow, and both he and Mr. Williams will be in attendance. He expects that some of the technical details of House Bill 389 will be fixed; it was passed but did not accomplish what was intended and required that any closing out value of a revenue allocation area had to be within the 8% cap. It will be fixed and will provide the incentive to close out Area 2. He noted that there are rumors about anti-URA legislation coming up but few details are known. Topics include reducing the term of revenue allocation (currently at twenty years), and a process where reports are filed with the County related to the Agency's activities. Mr. Armbruster further stated that these topics may not be high priority in the legislature this year. He will provide updates to the board as needed.

STAFF REPORTS:

Mr. Williams spoke of the property tax symposium and stated that he will be attending along with Mayor Davis, Mr. Hyatt and Commissioner Craig. Staff is hoping for a fix that removes the revenue allocation value from the 8% cap on property taxes so that the process of closing out Area 2 can move forward once the issue is resolved sine die. Commissioner Craig inquired if there might be a project left to accomplish in Area 2, and Mr. Williams stated that infrastructure to all parcels is in place. There could be small projects (i.e. rock mitigation, for example), and he spoke of one small area to the north end of Avenue W where a cul de sac was planned but not constructed. Mr. Williams stated that unless the board chooses to be creative with the surrounding areas that have been impacted by Area 2 the work in that area is basically

complete. The base value has gone from \$1 million to an anticipated \$135 million. Upon inquiry by Commissioner Peterson, Mr. Williams stated the last bond payment will be made on April 1st. Brief discussion was held regarding the finance statements, and Mr. Williams stated the process of closing out Area 2 can begin before the last bond payment is made. Mr. Armbruster further stated that if HB389 is fixed the process can begin in the spring. He stated the Agency would advise the County and other taxing entities of the intent to close out Area 2 in 2022. Payments will be received in January and July 2022, projects will be completed, and the other taxing entities can take advantage of the assessed value in Area 2 as they set their budgets for FY23. Ultimately, the goal will be to complete any construction project before September 30, 2022 and any monies left over at that time, minus a small amount of funds set aside, will be disbursed to taxing entities on or before September 30th. Mr. Williams stated that the URA's of Twin Falls and Burley are following suit (waiting on adjustments to HB389 before making close-out plans), and Mr. Armbruster stated the Couer d'Alene URA will be closing out an area this year as well. Corrections to HB389 will also help the few agencies which had to close out last year. He stated there are a number of URA's coming up on their last year or are wishing to close out early due to the success of their project area; without corrections to HB389 there are no incentives to close out early.

Regarding Area 3, Mr. Williams stated the project with Summit Creek Capital is moving forward. One public hearing was held before the Planning and Zoning Commission (P&Z) for the rezone request and a second hearing will be held next week. Two public hearings will be held before City Council for the rezone request on each Parcel. Additionally, the Planned Unit Development (PUD) application will go before the P&Z in February and City Council in March. This project is much anticipated; previous negotiations with a developer for a potential Bi-Mart project fell through, and then the COVID-19 pandemic halted everything. Mr. Williams also spoke of the old cinema site where Rich Thompson Trucking will be housed. They inquired about financial assistance, and information was requested but not yet received. Mr. Williams noted there are curb, gutter, sidewalk and landscaping requirements that would be eligible for assistance.

Mr. Williams spoke of a newly proposed project in Area 5. Milk Specialties Global based out of Minnesota have been having conversations with Magic Valley Quality Milk Producers (MVQMP) regarding a new product with their milk. Wastewater flow requirements will increase slightly with the increased production although Mr. Williams does not expect much in terms of infrastructure that would need to be done immediately. He briefly spoke of the gravity sewer project that will replace of the lift station on H Street, and he feels the new project will be a good fit for the community and should provide tax increment based on their projected capital investment. Mr. Williams also spoke of the potential park project in Area 5. Staff spoke with property owners last year; they were unable to commit at that time due to the land set up in a trust until 2022. He expects a Memorandum of Understanding for either a lease or purchase and sale agreement to be prepared within the next sixty days, and additional discussions will be held at a future URA meeting. The City of Jerome has expressed interest in participating in the project as well. Approximately \$2.6 million in ARPA (American Rescue Plan Act) funds were received and a committee formed specifically for the allocation of those funds liked the opportunities that the new park would offer. This significant source of revenue would be valuable to the new project in Area 5. Commissioner Craig noted that County representatives have also shown interest in participating in the project.

Western Dairy Transport had been making progress on their facility, but the delivery of steel is delayed by several months. Conversations have been had with Nelson Jameson and their project is also moving forward; there should be an increase in movement in the spring and a sign will be placed on the parcel facing Yakima.

Mr. Carpenter stated that Renner Sports will be returning to the tennis courts project when the temperatures increase to approximately 65 degrees. Curb, gutter and sidewalk work will be done in spring 2022, and the road will eventually be repaved between Buchanan and Adams with the two new projects in place (tennis courts and new police station). Mr. Williams believes the courts will be used enough to warrant the addition of two more courts in the future.

ADJOURN:

There being nothing further to discuss, Chairman Cone adjourned this January 6, 2022 regular meeting at 3:40 p.m.

Chairman Kathy Cone

-
Secretary Jason Peterson