



## NOTICE OF PUBLIC MEETING

Monday, November 6, 2017

CITY COUNCIL CHAMBERS

680 Park Avenue

Idaho Falls, ID 83402

3:00 p.m.

---

*The public is invited to attend. This meeting may be cancelled or recessed to a later time in accordance with law. If you need communication aids or services or other physical accommodations to participate or access this meeting or program of the City of Idaho Falls, you may contact City Clerk Kathy Hampton at 612-8414 or the ADA Coordinator Lisa Farris at 612-8323 as soon as possible and they will accommodate your needs.*

### **SPECIAL MEETING (Council Work Session)**

#### Call to Order and Roll Call

#### Mayor and Council:

- Acceptance and/or Receipt of Minutes
- Calendar, Announcements and Reports (10)

#### Legal:

- Timeline for 4-H Property Purchase Review (10)

#### Community Development Services:

- Idaho Falls Redevelopment Agency District Approval Process and Review of Urban Renewal Plan for Jackson Hole Junction Project (45)

#### Police:

- Chief's Report (30)

#### Parks and Recreation:

- Cemetery Fees Update (20)

#### Public Works:

- 2016-17 Minor Change Orders (30)
- Street Maintenance Report (30)

DATED this 3<sup>rd</sup> day of November, 2017

A handwritten signature in blue ink that reads "Kathy Hampton". The signature is written over a horizontal line.

Kathy Hampton  
City Clerk

**Idaho Falls Sister Cities Youth Meeting  
October 16, 2017**

**Attendees:**

Cameron Archer	Elliot Boring	Kylie Eaton	Brenda Padron	Rebecca Smith
David Archer	Melinda Cebull	Katie Eaton	Jorge Padron	Whitney St. Michel
Jenna Bauer	Peter Cebull	Mario Estrada	Kendra Peck	Ian St. Michel
Karen Bauer	Tate Corbridge	Victoria Estrada	Nathan Peck	Anna St. Michel
Max Benjamin	Garrett Corbridge	Delsina Matranga	Dallin Peck	Jackie Sugai
Maggie Boring	Brennan Corbridge	David Matranga	Laurie Retallic	Stephanie Van Ausdeln
Wendy Boring	David Eaton	Gabe Padron	Jacobi Retallic	Ness Villasenor

**Business Section of the Meeting**

**Minutes:**

The October 4<sup>th</sup> meeting minutes were provided to the group by email. Mario motioned to approve the meeting minutes and Kendra seconded his motion.

**Fundraisers:**

- JACL Bento Fundraiser – David Eaton contacted the JACL to see if there would be a bento fundraiser this year. David found out the JACL decided to hold the fundraiser every other year. He let them know we are available if they need help in the future.
- Ice Skating Night – David Archer talked with people at the ice skating rink, and they seem interested in having the fundraiser. He has the contact information for the person at the city but has been unable to contact them.
- Paramount Discount Cards – Whitney has emailed the Paramount manager to set up a date for ticket sales. She has not heard back and will continue to try to contact him.
- Snake River Rapid Wash – Whitney suggested a car wash in the spring. She said this was a successful fundraiser for the swim team.

**International Sister Cities:**

David Eaton asked members of the group if they had a chance to read the emails from the International Sister Cities. He said the emails are about fundraisers, study abroad opportunities, and a national Sister Cities meeting in Denver. He encourage members to read the emails and let him know if there is group interest in attending the meeting in Denver.

**Japanese Lessons:**

Junko Flynn is willing to provide Japanese lessons to groups of 5-6 students for \$15 an hour plus \$10 per student cost. The group discussed whether or not the group should pay the \$15 fee or if it should be split between the students who take the lesson. The group decided to split the fee so members would pay \$12 - \$13 instead of \$10. The lessons would be weekly at the library. The group talked about having students prepay for the month. The times for the lessons have not been decided. A list was sent around to help decide what time would work best for most people. The table below shows students availability.

Name	Mon	Tues	Wed	Thur	Fri	Sat
Cameron Archer	Y		Y			
Maggie Boring	Y		Y			Y
Elliot Boring			Y	Y		

Tate Corbridge	Y		Y			
Jacobi Retallic	Y		Y	Y		
Gabe Padron	Y	Y	Y	Y		
Ian St Michel	Y		Y			
Jenna Bauer		Y	Y		Y	Y
David Matranga	Y				Y	Y
Nathan Peck	Y					Y
Dallin Peck	Y					Y
Anna St Michel	Y		Y			
Kylie Eaton	Y		Y		?	
Stephanie Van Ausdeln					Y	

### Student Section of the Meeting

Ness talked about some applications to help students learn Japanese. She provided the list below.

Name of App	Description	Free/Free trial	Monthly Cost	Annual Cost
Duolingo	Always Free, No payment Required	Free	N/A	N/A
Memrise	Lots of free content, Paying is not necessary Daily review options	Free	\$8.99	\$59.99
Mondly	Free beginner course & core vocab Free Daily lessons	free	\$9.99	\$47.99
FluentU	Free beginner lessons Free video/audio Flash cards	Free	\$29.99	\$239.99
Busuu	Free lessons and courses Social aspect	Free	\$9.99	\$69.99
Babbel	1 lesson available in every course	Free	\$9.99	\$59.99
Hello Talk	Free social, Payment not required Lifetime payment <80.00	Free	\$2.99	\$21.99
Italki	Not free, Social app, Comparable to Hello Talk			
Learn Japanese (Howell Peebles)	\$7.99 unlocks all lessons not sure its credibility.			
Japanese (Nenzo)	A better Google Translate for Japanese			
Drops				

We also played a game about cognates. Cognates are words that sound the same in different languages. Here is a list of some cognates that we used. [Large list of cognates in Japanese - Great list](#) - not all of these are English Cognates but the list is extensive.

Motion to adjourn was made by Kendra and seconded by Victoria.



## MEMORANDUM

---

**TO:** Mayor Casper and City Council

**FROM:** Randy Fife

**DATE:** November 3, 2017

**RE:** Timeline for 4-H Property Purchase

---

The Bonneville County Commissioners have determined, pursuant to the Idaho Code that applies to counties, to offer the 4-H Fairgrounds property (Tract 2) for sale to the City.

The County's decision was based upon a Purchase and Sale Agreement that the Council previously reviewed and (preliminarily and informally) approved.

Next steps:

The City and the County each need to twice publish in their official newspaper, a public hearing date, time, and place (along with general features of the Agreement) to consider, then vote on the Agreement.

If both entities vote by **at least a 2/3rds majority** to complete the purchase, the City will execute the Agreement and the sale will occur pursuant to the Agreement.

The City will hold its hearing on November 21<sup>st</sup>.

The County will hold its hearing on November 22<sup>nd</sup>.

Two other activities are occurring simultaneously to facilitate the design and construction of the Maeck Education Center on Tract 2.

1. Appraisal. The County has ordered an appraisal of the property. If the property appraises between the floor price of \$600,000 and the ceiling price of \$750,000, the City will pay the actual appraised value.
2. Platting. The City is drafting a plat for the County to sign. The plat will be scheduled for consideration by the City Planning & Zoning Commission on November 14<sup>th</sup>.

**PURCHASE AND SALE AGREEMENT BETWEEN  
CITY OF IDAHO FALLS, IDAHO, AND BONNEVILLE COUNTY, IDAHO  
(4-H FAIRGROUNDS PROPERTY)**

THIS PURCHASE AND SALE AGREEMENT BETWEEN CITY OF IDAHO FALLS, IDAHO AND BONNEVILLE COUNTY, IDAHO, (hereinafter "Agreement"), is made this    day of October 31 2017, by and between City of Idaho Falls, Idaho, a municipal corporation of the State of Idaho, whose address is P.O. Box 50220, Idaho Falls, Idaho 83405 (hereinafter "BUYER"), and Bonneville County, Idaho, whose address is 605 N. Capital Ave., Idaho Falls, Idaho 83402 (hereinafter "SELLER").

WHEREAS, COUNTY owns certain property (hereinafter "4-H Fairgrounds Property") lying within Bonneville County Property that was vested by Warranty Deed filed with the Office of the Recorder for Bonneville County in Book 73 of Deeds, page 113, and located at the corner of Rollandet Avenue and Rogers Street in City limits, a portion of which property which containing approximately 3.382 acres is more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof; and

WHEREAS, because of the success of COUNTY 4-H programs and the burgeoning population and interest, COUNTY's needs and programs for residents and visitors cannot be adequately accommodated or addressed on 4-H Fairgrounds Property; and

WHEREAS, COUNTY has recently acquired a reasonably sized property that will address the current and future 4-H program needs and other needs of COUNTY; and

WHEREAS, CITY is desirous of obtaining 4-H Fairgrounds Property for CITY purposes including, but not limited to, a probable expansion of the Idaho Falls Zoo, construction of the William J. Maeck Education Center, and use of existing buildings currently located and constructed on 4-H Fairgrounds Property; and

WHEREAS, for such reasons the Parties desire to effectuate the sale of the 4-H Fairgrounds Property to CITY in accordance with the terms and conditions of this Purchase and Sale Agreement and the requirements of the Idaho Code; and

WHEREAS, COUNTY has property sales authority through Idaho Code §§ 31-808(9); 31-808(1); and 67-2322 through 67-2325; and

WHEREAS, CITY has property purchasing authority through Idaho Code Title 50, Chapter 14; and

WHEREAS, COUNTY and CITY understand and agree that certain Idaho Code requirements must be followed as a prerequisite to the property sale contemplated by this Purchase and Sale Agreement and that each Party to this Purchase and Sale Agreement intends to follow its respective and the collective Idaho statutory requirements; and

WHEREAS, such sale of property may be made for COUNTY's declared value payment

if COUNTY determines that it is in the best interest of the public, in the opinion of COUNTY to do so; and

WHEREAS, COUNTY, by this Agreement declares and determines that the "total purchase price" defined in this Agreement, at 1. Purchase Price, is the value of the Property that is in the best interest of the public in the judgment of COUNTY; and

WHEREAS, CITY desires to design and construct the "William J. Maeck Education Center" at a location on the 4-H Fairgrounds Property consistent with the concepts and provisions contained in the "Memorandum of Understanding Zoo Education Center Donation" between CITY and William J. Maeck, dated February 23, 2017; and

WHEREAS, COUNTY wishes to cooperate with CITY in that community-enhancing construction effort; and

WHEREAS, COUNTY intends, by this Purchase and Sales Agreement, to grant to CITY permission and access on the 4-H Fairgrounds Property in order to facilitate the construction of the Maeck Education Center; and

WHEREAS, SELLER hereby agrees to sell to BUYER, the real 4-H Fairground Property set forth below and all improvements thereon, except as specifically set out in this Agreement (hereinafter the "PROPERTY"), and BUYER agrees to purchase said PROPERTY from SELLER on the terms and conditions set forth in this Agreement, as follows:

PROPERTY: The PROPERTY is a portion of the 4-H Fairgrounds Property, which is a parcel of approximately 3.382 acres, and is more particularly described in Exhibit "A" attached to this Agreement which Exhibit is further made a part hereof the same as if fully transcribed and copied herein.

1. PURCHASE PRICE. Total purchase price shall be the value of the PROPERTY established by Kelley Real Estate Appraisers, Inc., following an independent appraisal performed by an appraiser licensed and in good standing with the Idaho Real Estate Appraiser Board and pursuant to generally accepted government real estate appraisal practices ("Appraised Value"); however, the total purchase price shall not be lower than a minimum base price of six hundred thousand dollars (\$600,000) and shall not be higher than a maximum price of seven hundred and fifty thousand dollars (\$750,000). The total purchase price shall be payable as follows:

1.1. Upon Execution. A non-refundable execution fee of fifty thousand and no/hundredths (\$50,000) cash shall be paid by BUYER to SELLER upon execution of this Agreement.

1.2. At Closing. The total purchase price minus fifty thousand dollars (\$50,000) cash shall be paid by BUYER to SELLER at Closing, which will occur within thirty (30) days immediately following a two-thirds (2/3) vote of each of the Parties, pursuant to Idaho Code Section 67-2324 and establishment of the Appraised Value and total purchase price.

2. SPECIAL CONDITIONS. The following Special Conditions shall apply to the sale of the PROPERTY:

a. No permissions, cooperation, or authorizations necessary from COUNTY to facilitate design or construction of the William J. Maeck Education Center shall be unreasonably withheld or delayed.

b. Any and all water rights, irrigation rights, mineral rights and all other rights of ownership shall transfer with the transfer of title from COUNTY to CITY at closing.

c. COUNTY shall have sole use of the buildings on the PROPERTY through September 30, 2018, for 4-H and related COUNTY purposes.

d. The Parties agree that the failure of either Party to execute to this Agreement pursuant to the requirements of the Idaho Code (particularly I.C. Section 67-2324), shall nullify this Agreement. Neither Party shall seek or be entitled to damages from the other Party for such nullification.

3. TITLE OF SELLER. All rights, titles and interests of SELLER shall be conveyed by Warranty Deed, be good and marketable and free and clear of all liens and encumbrances but subject to rights reserved in federal patents, state deeds; City building or zoning regulations and ordinances; and rights of way and easements (including easements for buried telephone, cable and gas lines established or of record).

4. TITLE INSURANCE. No Title insurance shall be provided by SELLER. In the event BUYER desires Title Insurance, BUYER may purchase such Title Insurance at its sole cost and expense.

5. CLOSING. Amerititle Title Company shall be the "Closing Agent" and the "Closing" shall occur within thirty (30) days immediately following the approval of the purchase by a two-thirds (2/3) majority vote of each of the Parties, pursuant to Idaho Code Section 67-2324 and establishment of the Appraisal Value and total purchase price.

BUYER and SELLER shall deposit with the Closing Agent all instructions, information, funds and instruments necessary to complete the sale.

6. COSTS PAID BY. Any costs or fees necessary to the Closing of this transaction shall be paid by SELLER and BUYER equally.

7. POSSESSION/PRORATION. In addition to possession of the portion of the PROPERTY that allows CITY to begin construction of the Maeck Education Center pursuant to 2.1 of this Agreement, SELLER shall deliver possession of all portions of PROPERTY to BUYER at Closing. Taxes and water assessments, if any, shall be prorated as of closing.

8. SELLER WARRANTIES. No warranties, agreements, or representations, express or implied, have been made or shall be binding upon either party unless set forth in this Agreement. Except as otherwise set forth in this Agreement, BUYER accepts the PROPERTY in an "AS IS" condition, and is purchasing the PROPERTY upon its own examination and judgment, and not by reason of any representation made by SELLER, or SELLER's agents, including but not limited to its condition, size, location, zoning status, covenants, conditions and restrictions, present value, future value, income, or production therefrom.

9. INSPECTION. BUYER shall have the right to conduct inspections, investigations, tests, surveys and other studies at BUYER's expense, within twenty (20) days of execution of this Agreement. SELLER agrees to make the PROPERTY available therefor at reasonable times. Should any of these inspections reveal the presence of possible presence of hazardous wastes or toxic substances (as defined by Federal or State health, safety, and water regulations or laws) which constitute a material hindrance to the construction or use of facilities on the PROPERTY, or the intended operation or use of the PROPERTY, then BUYER will promptly notify SELLER of the presence or possible presence of such hazardous wastes or toxic substances and provide SELLER with copies of the inspection results. SELLER shall have ten (10) days in which to respond to BUYER in writing. If SELLER determines not to cure or remediate such hazardous or toxic conditions or materials prior to closing, BUYER may terminate this Agreement.

10. TIME IS OF THE ESSENCE-EXTENSION OF CLOSING. Time is of the essence in this Agreement. However, in the event the transaction contemplated under the terms of this Agreement cannot be closed by the date provided herein for any reason set forth below, then, and in such event, BUYER and SELLER authorize the Closing Agent to extend the date for Closing one time only for a period of not to exceed ten (10) days. The Closing Agent may, in its sole discretion, extend the closing for the following or similar reasons: (1) Delay in preparation, delivery, inadvertent loss, or destruction by the parties, or their representatives Closing Agent, lawyers, title companies, insurers, of contracts or other documents required for Closing; (2) Unavailability, illness or scheduling conflict of BUYER, SELLER, or their representative(s), or Closing Agent on date set for Closing; (3) Extreme inclement weather or hazardous transport conditions. The Closing Agent shall, in the event of any such extension, promptly give notice to the parties at their addresses set forth herein.

11. RISK OF LOSS. Prior to execution of this Agreement, all risk of loss shall remain with SELLER. Thereafter, all risk of loss shall be to BUYER.

12. AMENDMENT. No amendment, alteration or modification of this Agreement shall be effective unless made in writing, duly executed by the parties hereto and in accordance with requirements of Idaho Code.

13. ASSIGNMENT. Neither party may assign this Agreement or any interest



hereunder.

14. EXECUTION OF OTHER DOCUMENTS. The parties agree to execute any further and additional documents necessary to carry out the terms of this Agreement as long as such are consistent with Idaho Code.

15. SEVERABILITY. In the event any provision or section of this Agreement conflicts with applicable law, or is otherwise held to be unenforceable, the remaining provisions shall nevertheless be enforceable and carried into effect.

16. DEFAULT. If SELLER executes this Agreement, and title to said PROPERTY is marketable and insurable and BUYER fails, neglects or refuses to comply with the terms or any conditions of sale set forth herein within five (5) days from the date on which said term or condition is to be complied with, then BUYER's interest in the PROPERTY shall be terminated and any money paid by BUYER to SELLER at execution of this Agreement, pursuant to Section 1.1, shall be forfeit to SELLER.

In the event of default under the terms and conditions of this Agreement (other than a legal challenge to this Agreement based upon a failure to followed requirements of Idaho Code), the defaulting party agrees to pay all fees and costs, including reasonable attorney's fees and costs incurred by the non-defaulting party.

17. GOVERNING LAW. This Agreement shall be governed by and interpreted under the laws of the State of Idaho.

18. BINDING EFFECT. This Agreement shall inure to and be binding upon the parties hereto and their heirs, personal representatives, successors and assignees.

19. ENTIRE AGREEMENT. This Agreement constitutes and contains the entire Agreement of the parties and supersedes and merges all other prior understandings or agreements between the parties with respect to the purchase and sale of the PROPERTY described above, if any, whether verbal or written.

20. EXECUTION IN COUNTERPARTS. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

21. SURVIVAL OF TERMS, CONDITIONS, AND COVENANTS. The terms, conditions, and covenants contained in paragraphs 3 and 8 shall survive the recordation of the Warranty Deed referred to hereinbefore.

ATTEST:

CITY OF IDAHO FALLS

\_\_\_\_\_  
Kathy Hampton, City Clerk

By: \_\_\_\_\_  
Rebecca L. Noah Casper, Mayor

BONNEVILLE COUNTY, IDAHO

By: Roger S Christensen  
Roger Christensen, Chair

By: Dave Radford  
Dave Radford, Commissioner

By: Byron Reed  
Byron Reed, Commissioner

STATE OF IDAHO                    )  
  ) ss.  
County of Bonneville            )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2017, before me, the undersigned, a notary public for Idaho, personally appeared Rebecca L. Noah Casper, known to me to be the Mayor of the City of Idaho Falls, Idaho, the municipal corporation that executed the foregoing document, and acknowledged to me that he is authorized to execute the same for and on behalf of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

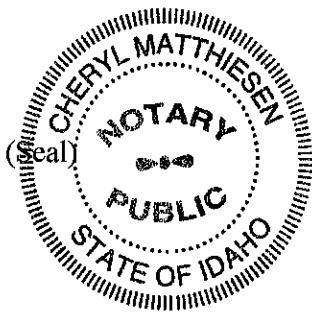
(Seal)

\_\_\_\_\_  
Notary Public for State of Idaho  
Residing at Idaho Falls, Idaho  
My Commission Expires: \_\_\_\_\_

STATE OF IDAHO                    )  
  ) ss.  
County of Bonneville            )

On the 31<sup>st</sup> day of October, 2017, before me, the undersigned, a notary public in and for said State, personally appeared Roger Christensen, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.





Notary Public for State of Idaho  
Residing at Idaho Falls, Idaho

My Commission Expires: 11-5-22

STATE OF IDAHO                    )  
  ) ss.  
County of Bonneville            )

On the 31<sup>st</sup> day of October, 2017, before me, the undersigned, a notary public in and for said State, personally appeared Dave Radford, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.





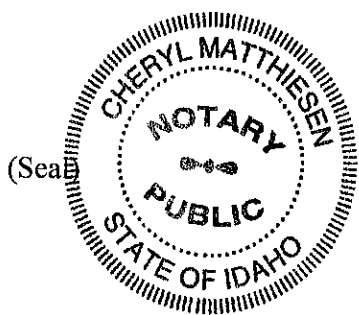
Notary Public for State of Idaho  
Residing at Idaho Falls, Idaho

My Commission Expires: 11-5-22

STATE OF IDAHO                    )  
  ) ss.  
County of Bonneville            )

On the 31<sup>st</sup> day of October, 2017, before me, the undersigned, a notary public in and for said State, personally appeared Byron Reed, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



*Cheryl Matthesen*  
Notary Public for State of Idaho  
Residing at Idaho Falls, Idaho  
My Commission Expires: 11-5-22

Exhibit "A"

Legal Description



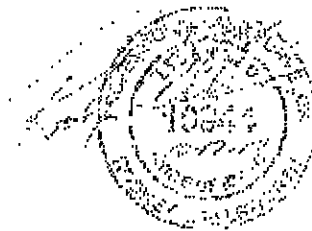
October 11, 2017

TRACT 2

Commencing at the Southwest Corner of Section 30, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho; running thence N.00°16'30"E. along the Section line 511.94 feet; thence N.61°23'30"E. 34.26 feet to the Northwest corner of Lot 39, Block 3, Gustafson Park Addition, Division No. 3, Second Amended Plat, An Addition to the City of Idaho Falls, Bonneville County, Idaho; thence N.61°23'30"E. along the North boundary line of said Lot 39 a distance of 200.00 feet to the Northeast corner of said Lot 39; thence along the boundary line of the First Amended Plat of Gustafson Park Addition, Division No. 1 & 2, An Addition to the City of Idaho Falls, Bonneville County, Idaho, the following two (2) calls; (1) thence N.61°23'40"E. 175.92 feet; (2) thence N.24°55'40"E. 47.68 feet to the TRUE POINT OF BEGINNING; running thence N.24°55'40"E. along said boundary line of said First Amended Plat 400.22 feet to the Northwest corner of said First Amended Plat; thence N.89°25'50"W. 515.99 feet to the East Rights-of-Way line of Rollandet Ave.; thence S.00°16'30"W. along said East Rights-of-Way line 325.99 feet; thence S. 89°52'26"E. 175.82 feet; thence S.76°27'10"E. 177.98 feet to the TRUE POINT OF BEGINNING.

SUBJECT TO: existing easements of record

Containing 147,325 Sq Ft or 3.382 acres.



C:\PIle\Legal\A1494\TRACT 2

Ellsworth & Associates, PLLC

350 1<sup>st</sup> Street P.O. Box 1822  
Idaho Falls, Idaho 83403  
(208) 522-5414 Fax (208) 523-2614  
ellsworth@ida.net





# Idaho Statutes

## TITLE 67

### STATE GOVERNMENT AND STATE AFFAIRS

#### CHAPTER 23

##### MISCELLANEOUS PROVISIONS

67-2323. WRITTEN AGREEMENT BEFORE TRANSFER -- PUBLICATION OF NOTICE. Prior to any such conveyance or transfer, a written agreement shall be made between units of government or districts for a conveyance or transfer of real or personal property from one to the other with or without consideration.

For conveyances or transfers of real or personal property with a value of ten thousand dollars (\$10,000) or less, the property may be conveyed or transferred without notice and a hearing as otherwise provided herein. For conveyances or transfers of real or personal property with a value in excess of ten thousand dollars (\$10,000), notice of the general terms of the agreement shall be given by publication in at least two (2) issues in a newspaper printed or of general circulation in the county or counties in which such respective units are located and having general circulation within such county or counties. Said notice shall give time and place of the next regular or special meeting of each respective unit at which time the governing board of such units propose to ratify such an agreement. The first publication shall be made not less than twelve (12) days prior to each meeting, and the last publication of notice shall be made not less than five (5) days prior to each meeting.

#### History:

[67-2323, added 1967, ch. 142, sec. 2, p. 325; am. 2009, ch. 278, sec. 1, p. 840; am. 2014, ch. 344, sec. 1, p. 865.]

How current is this law?

**Search the Idaho Statutes and Constitution**

## NOTICE OF PUBLIC HEARING

A public hearing pursuant to Idaho Code section 67-2323, will be held to consider City of Idaho Falls purchase from Bonneville County of 3.382 acres of 4-H property at the southeast corner of Rollandet and Rogers Streets. Contract terms include payment by the City at execution of a non-refundable \$50,000; independent appraisal to set total purchase price of not less than \$600,000 and not more than \$750,000; closing within 30 days of appraised value; and, vote by each party. The hearing will be held at the City of Idaho Falls Council Chambers, in the City Annex Building, located at 680 Park Avenue, Idaho Falls, Idaho at 7:30 p.m. on Tuesday, November 21, 2017. All interested persons are invited to appear and provide comments regarding the proposed purchase.

Dated this 2<sup>nd</sup> day of November, 2017

s/ Kathy Hampton  
Kathy Hampton, City Clerk

Publish: November 7 and November 14, 2017





## MEMORANDUM

**TO:** Honorable Mayor and Council

**FROM:** Kerry Beutler, Assistant Planning Director

**DATE:** November 1, 2017

**RE:** Urban Renewal Plan for the Jackson Hole Junction Urban Renewal Project

Attached is the Urban Renewal Plan for the Jackson Hole Junction Urban Renewal Project. The Council adopted a resolution on July 13, 2017 determining that the area is eligible for an urban renewal project. The Idaho Falls Redevelopment Renewal Agency reviewed the Urban Renewal Plan at its September meeting. Two options were submitted to the Agency for review one with a narrower scope of improvements and one with a broader scope. The narrower scope only included rock removal only and a project cost of \$1.75 million. The broader scope of projects was closer to \$5 million and included the construction of utilities and roadways. The Agency approved a broader scope, but limited the cap and time limit associated with that scope. Attachment 5.1 of the Urban Renewal Plan (attached) details a summary of projects.

At their September 21, 2017 meeting the Board of Commissioners of the Idaho Falls Redevelopment Renewal Agency approved the plan with a \$4 million cap and a 13-year time limit by a vote of 5-2. The Planning and Zoning Commission considered the plan at its October 3, 2017 meeting and found it to be in conformance with the City's Comprehensive Plan. This item is now being submitted to the Mayor and City Council for consideration. Staff will review the project at the work session on November 6<sup>th</sup> in preparation for the public hearing in front of the Mayor and Council on November 9<sup>th</sup>.

Attachments:

- Aerial Photo
- Givens Pursley Letter
- Urban Renewal Agency Resolution and Minutes, September 21, 2017
- P&Z Resolution, Memo and Minutes, October 3, 2017
- Urban Renewal Plan
- Public Hearing Notices





# Jackson Hole Junction





# GIVENS PURSLEY LLP

Attorneys and Counselors at Law

601 W. Bannock Street  
PO Box 2720  
Boise, ID 83701  
Telephone: 208-388-1200  
Facsimile: 208-388-1300  
[www.givenspursley.com](http://www.givenspursley.com)

Deborah E. Nelson  
208-388-1215  
[den@givenspursley.com](mailto:den@givenspursley.com)

Gary G. Allen  
Christopher J. Beeson  
Jason J. Blakley  
Clint R. Bolinder  
Jeff W. Bower  
Preston N. Carter  
Jeremy C. Chou  
William C. Cole  
Michael C. Creamer  
Amber N. Dina  
Bradley J. Dixon  
Thomas E. Dvorak  
Jeffrey C. Fereday  
Martin C. Hendrickson  
Brian J. Holleran  
Kersti H. Kennedy

Neal A. Koskella  
Debra K. Kristensen  
Michael P. Lawrence  
Franklin G. Lee  
David R. Lombardi  
Kimberly D. Maloney  
Kenneth R. McClure  
Kelly Greene McConnell  
Alex P. McLaughlin  
Melodie A. McQuade  
Christopher H. Meyer  
L. Edward Miller  
Patrick J. Miller  
Judson B. Montgomery  
Emily G. Mueller  
Deborah E. Nelson

W. Hugh O'Riordan, LL.M.  
Randall A. Peterman  
Jack W. Relf  
Michael O. Roe  
Jamie Caplan Smith  
P. Mark Thompson  
Jeffrey A. Warr  
Robert B. White

Kenneth L. Pursley (1940-2015)  
James A. McClure (1924-2011)  
Raymond D. Givens (1917-2008)

November 2, 2017

*Via email to [kbeutler@idahofallsidaho.gov](mailto:kbeutler@idahofallsidaho.gov)*  
City of Idaho Falls Mayor and City Council  
308 Constitution Way  
Idaho Falls, ID 83402

RE: Jackson Hole Junction Urban Renewal Plan

Dear Mayor and City Council Members:

On behalf of our client, Jackson Hole Junction, LLC (JHJ), we provide these comments in support of the Jackson Hole Junction Urban Renewal Plan (JHJ Plan) approved by the Idaho Falls Redevelopment Agency (IFRA) and recommended by the Idaho Falls Planning and Zoning Commission (Planning Commission).

### ***JHJ Project Overview***

JHJ is proposing a new commercial center on a 45-acre site at I-15 and Sunnyside. The development will include hotels, dining, professional offices and retail. JHJ has interest from national tenants that are not currently in the area, bringing new employment as well as new shopping and entertainment opportunities to the community.

This location is an important gateway area for the City of Idaho Falls. Sunnyside Road is the new state designated route to Jackson Hole, which attracts over three million people a year through this corridor. The expanded roads and utilities JHJ would construct if the JHJ Plan is approved will connect this gateway to and through the southern part of the city, including to the proposed auditorium and events center.

The City of Idaho Falls Comprehensive Plan calls for enhanced landscaping along entryways to the City and specifically designates this entryway—on the east side of I-15 at Sunnyside Road—for a new regional shopping and employment center. (See Comprehensive Plan pages 10, 68.) The Jackson Hole Junction development will provide significant perimeter landscaping and a thriving commercial center at this location, which will entice people to visit, live and invest in Idaho Falls.

### ***Site Eligibility***

Despite the importance of this southern gateway area, it has remained underdeveloped with stagnant growth due to fragmented land ownership and inadequate roads and utilities. At considerable effort and cost, JHJ has assembled the land ownership, but the properties are underserved by public infrastructure.

To consider whether a new urban renewal district could help address these deficiencies, IFRA hired Kushlan Associates to analyze the site's eligibility under urban renewal law. State law prescribes fourteen conditions for determining eligibility for a new urban renewal district; the presence of just one of these conditions makes a site eligible under the law. Kushlan Associates' May 2017 Eligibility Report found that 12 of the 14 conditions exist at the Jackson Hole Junction site. These conditions include deteriorated and obsolete structures; outmoded and unconnected street patterns; faulty lot layout and defective conditions of title; unsafe and unsanitary conditions due to lack of sidewalks, lighting, storm drainage, sewer, water and fire protection; and volcanic rock that inhibits installation of streets and utilities.

IFRA approved the Eligibility Report on June 15, 2017. The City Council approved the Eligibility Report on June 20, 2017.

### ***JHJ Urban Renewal Plan***

Following the determination of eligibility, IFRA directed that an urban renewal plan be prepared. IFRA considered two different plan scopes – basalt remediation only and a broader scope with street and utility improvements that would serve a larger area.

JHJ identified over \$10 million in improvements that would be eligible under state law. After discussions with the IFRA subcommittee, JHJ ultimately agreed to cover over \$5 million of these eligible costs, including land acquisition, site grading and foundations, but requested the plan scope include \$4.9 million of improvements including a new traffic signal at Commercial Drive and Sunnyside, widening Commercial Drive to 5 lanes; improving Pioneer Road; installing main sewer and water trunk lines and new backbone power lines in Commercial Drive and Pioneer Road, all with capacity to serve the larger area. JHJ explained to IFRA that the basalt-only scope was not feasible for the commercial development to proceed at this time given the high costs of land assembly, expanded infrastructure to serve a larger area, rising costs of construction, and the demands of national tenants for pricing consistent with shovel-ready sites.

After consideration of both options, on September 21, 2017, IFRA approved the broader plan scope but capped the eligible expenditures at \$4M and imposed a reduced 13-year term. (All prior urban renewal plans in Idaho Falls have had the full 20-years allowed by state law.) The approved JHJ Plan was presented to the Planning Commission, and on October 3, 2017 the Planning Commission found the JHJ Plan is consistent with the general plan for development of the City as a whole and recommended approval to the City Council.

The cap on expenditures and term in the JHJ Plan shifts more expense and risk onto JHJ for development of the project and the required public infrastructure. JHJ remains willing to proceed and

requests the City Council to approve the JHJ Plan approved by IFRA and recommended by the Planning Commission.

***Community Benefits***

Improvements to the transportation network and utilities will enable private investment in this stagnating area and open up future development to the north and surrounding properties. Private investment and new employment opportunities inside the district, along with improved access to roads and backbone utilities, will increase demand for new construction of homes and businesses outside the district, creating additional job growth and an increased tax base.

The new urban renewal district will have no negative impact on schools because supplemental school levies are excluded by state law. Formation of the new district will immediately increase the tax base due to removal of the agricultural exemption on many of the parcels. During build out of the Jackson Hole Junction project, tax revenues will be bolstered by new growth opportunities outside the district and by the expiration of two other urban renewal districts in the City. Upon full build out of the Jackson Hole Junction project, significantly increased tax revenues resulting from the private investment of an estimated \$110 million in this site will benefit all taxing districts.

The broader scope of improvements in the JHJ Plan approved by IFRA is critical, not just because it makes the project feasible, but also because of the limitations in state law. Given legislative changes to urban renewal law in 2016 that require the tax base to reset with any amendments, all desired public improvements must be included in the plan from the outset.

Urban renewal provides a necessary tool to address deficiencies in this underdeveloped but important location. Coupled with the interest of a private developer willing to invest substantial money into this site, urban renewal's tax increment financing provides a unique opportunity to comprehensively design and build the backbone for needed utilities and streets that will serve and connect this entire area.

JHJ is excited to develop a regional shopping and employment center at this location, along with the supporting public infrastructure, and asks the City Council to approve the JHJ Plan approved by IFRA and recommended by the Planning Commission.

Sincerely,



Deborah Nelson  
Givens Pursley LLP

cc: City Attorney  
IFRA Attorney



RESOLUTION NO. 2017-28

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF  
IDAHO FALLS, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE IDAHO FALLS REDEVELOPMENT AGENCY OF  
IDAHO FALLS, IDAHO, RECOMMENDING AND ADOPTING  
THE URBAN RENEWAL PLAN FOR THE JACKSON HOLE  
JUNCTION URBAN RENEWAL PROJECT, WHICH PLAN  
INCLUDES REVENUE ALLOCATION FINANCING  
PROVISIONS SUBJECT TO CERTAIN CONDITIONS;  
AUTHORIZING THE CHAIRMAN OR ADMINISTRATOR  
AND THE SECRETARY OF THE AGENCY TO TAKE  
APPROPRIATE ACTION; AND PROVIDING FOR THIS  
RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND  
APPROVAL.

THIS RESOLUTION, made on the date hereinafter set forth by the Idaho Falls  
Redevelopment Agency of Idaho Falls, Idaho, hereinafter referred to as the "Agency."

WHEREAS, 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 Idaho Code, Title 50, Chapter 20, as amended and supplemented  
(the "Law") and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29,  
as amended and supplemented (the "Act");

WHEREAS, the City Council (the "City Council") of the city of Idaho Falls, Idaho (the  
"City"), on December 22, 1988, after notice duly published, conducted a public hearing on the  
Lindsay Boulevard Urban Renewal Plan (the "Urban Renewal Plan");

WHEREAS, following said public hearing the City Council adopted its Ordinance No.  
1926 on December 23, 1988, approving the Urban Renewal Plan and making certain findings;

WHEREAS, the City Council, on December 10, 1992, after notice duly published,  
conducted a public hearing on the Amended and Restated Urban Renewal Plan (the "Amended  
and Restated Urban Renewal Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No.  
2084 on December 10, 1992, approving the Amended and Restated Urban Renewal Plan and  
making certain findings;

WHEREAS, the City Council, on November 14, 2002, after notice duly published,  
conducted a public hearing on the Second Amended and Restated Urban Renewal Plan (the  
"Second Amended and Restated Urban Renewal Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2467 on November 14, 2002, approving the Second Amended and Restated Urban Renewal Plan and making certain findings;

WHEREAS, the City Council, on October 14, 2004, after notice duly published, conducted a public hearing on the River Commons Urban Renewal Plan (the "River Commons Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2256 on October 14, 2004, approving the River Commons Plan and making certain findings;

WHEREAS, the City Council, on October 14, 2006, after notice duly published, conducted a public hearing on the First Amendment to the Second Amended and Restated Lindsay Boulevard Urban Renewal Plan, concerning the Downtown Addition (the "Downtown Addition");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2685 on December 14, 2006, approving the Downtown Addition and making certain findings;

WHEREAS, the City Council, on December 13, 2007, after notice duly published conducted a public hearing on the Pancheri-Yellowstone Urban Renewal Plan (the "Pancheri-Yellowstone Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2731 on December 13, 2007, approving the Pancheri-Yellowstone Plan and making certain findings;

WHEREAS, the City Council, on December 11, 2014, after notice duly published conducted a public hearing on the Eagle Ridge Urban Renewal Plan (the "Eagle Ridge Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2978 on December 11, 2014, approving the Eagle Ridge Plan and making certain findings;

WHEREAS, the above referenced urban renewal plans and their project areas are collectively referred to as the Project Areas;

WHEREAS, pursuant to Idaho Code § 50-2008, an urban renewal project may not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or deteriorating area, or combination thereof, and designated such area as appropriate for an urban renewal project;

WHEREAS, Idaho Code § 50-2906, also requires that in order to adopt an urban renewal plan containing a revenue allocation financing provision, the local governing body must make a finding or determination that the area included in such plan is a deteriorated area or deteriorating area;

WHEREAS, based on inquiries and information presented, the Agency commenced certain discussions concerning examination of an area as appropriate for an urban renewal project;

WHEREAS, in 2017, the Agency authorized Kushlan Associates, to commence an eligibility study and preparation of an eligibility report for an area generally bounded by I-15, Sunnyside Road and Pioneer Drive;

WHEREAS, the Agency obtained an eligibility report (the "Report"), which examined an area in the City in an area known as the Jackson Hole Junction Area for the purpose of determining whether such area was a deteriorating area or deteriorated area as defined by Idaho Code §§ 50-2018(9) and 50-2903(8);

WHEREAS, pursuant to Idaho Code §§ 50-2018(9) and 50-2903(8), which define a deteriorating and a deteriorated area, many of the conditions necessary to be present in such an area are found in the Jackson Hole Junction Urban Renewal Project Area, *i.e.*,

- a. substantial number of deteriorated or deteriorating structures;
- b. age or obsolescence;
- c. predominance of defective or inadequate street layout;
- d. outmoded street patterns;
- e. need for correlation of area with other areas of a municipality by streets and modern traffic patterns;
- f. faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- g. unsanitary or unsafe conditions;
- h. deterioration of site and other improvements;
- i. defective and unusual conditions of title;
- j. any combination of such factors; and

WHEREAS, the Jackson Hole Junction Area is predominantly open land;

WHEREAS, under the Act a deteriorated area includes any area which is predominantly 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;

WHEREAS, Idaho Code §§ 50-2018(9), 50-2903(8) and 50-2008(d) list the additional conditions applicable to open land areas, which are the same or similar to the conditions set forth above;

WHEREAS, such additional conditions regarding open land areas are present and are found in the Jackson Hole Junction Urban Renewal Project Area;

WHEREAS, the effects of the listed conditions cited in the Report result in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare in its present condition or use;



WHEREAS, under the Law and Act, Idaho Code §§ 50-2018(9) and 50-2903(8)(f), the definition of a deteriorated or a deteriorating area shall not apply to any agricultural operation as defined in Idaho Code § 22-4502(1) absent the consent of the owner of the agricultural operation except for an agricultural operation that has not been used for three (3) consecutive years;

WHEREAS, the Jackson Hole Junction site includes parcels subject to such consent;

WHEREAS, the Agency has obtained the necessary consents;

WHEREAS, the Agency Board, on June 15, 2017, adopted Resolution No. 2017-21 accepting the Report and authorized the Agency Chair to transmit the Report to the City Council requesting its consideration for designation of an urban renewal area and requesting the City Council to direct the Agency to prepare an urban renewal plan for the Jackson Hole Junction Urban Renewal Project Area, which plan may include a revenue allocation area as allowed by the Act;

WHEREAS, the City Council, by Resolution No. 2017-19, dated July 13, 2017, declared the Jackson Hole Junction Urban Renewal Project Area described in the Report to be a deteriorated or deteriorating area as defined by Chapters 20 and 29, Title 50, Idaho Code, as amended, that such area is appropriate for an urban renewal project and directed the Agency to commence preparation of an urban renewal plan for the area designated;

WHEREAS, the Agency has embarked on an urban renewal project referred to as the Urban Renewal Plan for the Jackson Hole Junction Urban Renewal Project ("Jackson Hole Junction Plan") to redevelop a portion of the City, pursuant to the Law and the Act, as amended;

WHEREAS, the Jackson Hole Junction Plan proposes to create an urban renewal area commonly known as the Jackson Hole Junction Project Area, which area is shown on the Project Area and Revenue Allocation Boundary Map and described in the Description of the Project Area and Revenue Allocation Area, which are attached to the Jackson Hole Junction Plan as Attachments 1 and 2 respectively;

WHEREAS, in order to implement the provisions of the Act and the Law either the Agency may prepare a plan, or any person, public or private, may submit such plan to the Agency;

WHEREAS, the Agency has prepared the proposed Jackson Hole Junction Plan for the area previously designated as eligible for urban renewal planning;

WHEREAS, the Act authorizes the Agency to adopt revenue allocation financing provisions as part of an urban renewal plan;

WHEREAS, the Jackson Hole Junction Plan also contains provisions of revenue allocation financing as allowed by the Act;

WHEREAS, in order to implement the provisions of the Act, the Agency shall prepare and adopt the Jackson Hole Junction Plan and submit the Jackson Hole Junction Plan and recommendation for approval thereof to the City;

RESOLUTION NO. 2017-28- 4

WHEREAS, as required by the Act, the Agency has reviewed the information within the Jackson Hole Junction Plan concerning the use of revenue allocation funds and approved such information and considered the Jackson Hole Junction Plan at its meeting on September 21, 2017;

WHEREAS, such Jackson Hole Junction Plan will be tendered to the Planning and Zoning Commission and to the City for their consideration and review as required by the Law and the Act;

WHEREAS, under the Act, the Jackson Hole Junction Plan shall include with specificity the following: (1) a statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality; (2) a statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area; (3) an economic feasibility study; (4) a detailed list of estimated project costs; (5) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property in the revenue allocation area; and (6) a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred; (7) a termination date for the plan and the revenue allocation area as provided for in Idaho Code § 50-2903(20); and (8) a description of the disposition or retention of any assets of the agency upon the termination date;

WHEREAS, it is necessary and in the best interests of the citizens of the City to recommend approval of the Jackson Hole Junction Plan and to adopt, as part of the Jackson Hole Junction Plan, revenue allocation financing provisions that will help finance urban renewal projects to be completed in accordance with the Jackson Hole Junction Plan in order to (1) encourage private development in the urban renewal area; (2) to prevent and arrest decay of the Jackson Hole Junction Area due to the inability of existing financing methods to provide needed public improvements; (3) to encourage taxing districts to cooperate in the allocation of future tax revenues arising in the Jackson Hole Junction Plan area in order to facilitate the long-term growth of their common tax base; (4) to encourage the long-term growth of their common tax base; (5) to encourage private investment within the city and (6) to further the public purposes of the Agency;

WHEREAS, the Board of Commissioners of the Agency finds that the equalized assessed valuation of the taxable property in the revenue allocation area described in Attachments 1 and 2 of the Jackson Hole Junction Plan is likely to increase as a result of initiation of urban renewal projects in accordance with the Jackson Hole Junction Plan;

WHEREAS, under the Law and Act, any such plan should provide for (1) a feasible method 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 should conform to the general plan of the municipality as a whole; (3) the urban renewal plan should give 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 the children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan should 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;

WHEREAS, the base assessment roll of the Jackson Hole Junction Plan, together with the base assessment roll values of the existing Project Areas, cannot exceed ten percent (10%) of the current assessed values of all the taxable property in the City;

WHEREAS, Agency staff and consultants recommend the Board accept the Jackson Hole Junction Plan and forward it to the City Council;

WHEREAS, the Agency Board finds it in the best interests of the Agency and the public to formally adopt the Jackson Hole Junction Plan, as set forth in Exhibit 1 attached hereto, and to forward it to the Mayor and City, and recommend its adoption, subject to certain conditions.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE IDAHO FALLS REDEVELOPMENT AGENCY OF IDAHO FALLS, IDAHO, AS FOLLOWS:

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

Section 2. It is hereby found and determined that the Project Area as defined in the Jackson Hole Junction Plan is a deteriorated or a deteriorating area as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Law.

Section 3. That the Agency specifically adopts the Jackson Hole Junction Plan along with any changes discussed at the September 21, 2017, Board meeting, including but not limited to confirmation of levy rates, impacted taxing districts, updated list of projects, and updated financial analysis to be prepared by Agency Consultant, Kushlan Associates.

Section 4. That the Agency recommends that the Jackson Hole Junction Plan, a copy of which is attached hereto as Exhibit 1, and incorporated herein by reference, be adopted by the City, including those sections, modifications, or text discussed at the September 21, 2017, Board meeting.

Section 5. That the Agency is in receipt of the required agricultural consents.

Section 6. That this Resolution constitutes the necessary action of the Agency under the Act, Idaho Code § 50-2905, recommending approval by the City and that the Jackson Hole Junction Plan includes with specificity the following: (1) a statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality; (2) a statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area; (3) an economic feasibility study; (4) a detailed list of estimated project costs; (5) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property in the revenue allocation area; and (6) a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred; (7) a termination date for

the plan and the revenue allocation area as provided for in Idaho Code § 50-2903(20); and (8) a description of the disposition or retention of any assets of the agency upon the termination date.

Section 7. It is hereby found and determined that:

- (a) The Jackson Hole Junction Plan gives due consideration to the provision of adequate park and recreation areas and facilities that may be desirable for neighborhood improvement (recognizing the commercial, office and retail components of the Jackson Hole Junction Plan and the need for public improvements), and shows consideration for the health, safety, and welfare of any residents or businesses in the general vicinity of the urban renewal area covered by the Jackson Hole Junction Plan.
- (b) The Jackson Hole Junction Plan affords maximum opportunity consistent with the sound needs of the City as a whole for the rehabilitation and redevelopment of the Project Area by private enterprises.
- (c) The Jackson Hole Junction Plan provides a feasible method for relocation of any displaced families residing within the Project Area.
- (d) The Project Area and revenue allocation area contain open land areas, that the Agency does not intend to acquire any open land, that the Project Area is planned to be redeveloped in a manner that will include non-residential uses and that the "open land" criteria set forth in the Law and Act have been met.
- (e) The portion of the Project Area which is identified for non-residential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns and the need for the correlation of this area with other areas of the City.
- (f) The base assessment roll of the Jackson Hole Junction Plan, together with the base assessment roll values of the existing Project Areas, do not exceed ten percent (10%) of the current assessed values of all the taxable property in the City.
- (g) The Jackson Hole Junction Plan includes a revenue allocation provision and the Agency has determined that the equalized assessed valuation of the revenue allocation area will likely increase as the result of the initiation of an urban renewal project.

Section 8. The Chair and the Secretary of the Agency are hereby authorized and directed to take all steps necessary and convenient to submit the proposed Jackson Hole Junction Plan for approval by the City, including but not limited to the preparation of the notice of public hearing on adoption of the revenue allocation financing provisions by the City and submittal of

the Jackson Hole Junction Plan to the various taxing entities as required by Idaho Code § 50-2906.

Section 9. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Idaho Falls Redevelopment Agency of the city of Idaho Falls, Idaho, on September 21, 2017. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on September 21, 2017.

APPROVED:

By: 

Lee Radford, Chair

ATTEST:

By: 

Terri Gazdik, Secretary

4829-7874-5422, v. 1

## **The Basis for My Vote Against the Urban Renewal Plan for Jackson Hole Junction**

By Lee Radford  
Chair, Idaho Falls Redevelopment Agency

For many years, the Idaho Falls Redevelopment Agency (“Agency”) has been successful in working with developers and the City of Idaho Falls to use tax increment financing to attract new projects to used and distressed sites in the urban core of the City. Because the urban renewal tool has been narrowly focused on renewing “urban” areas, the Agency has been able to lead the way to revitalizing the central, but previously built-out, core of the City. The results of this effort speak for themselves, as the appearance and function of the urban core of the City has improved dramatically during the Agency’s life.

However, on September 21, 2017, the Agency voted to authorize up to \$4 million in tax increment financing for Jackson Hole Junction, a development located on the new Sunnyside exit of interstate highway I-15. While the majority of the Agency members approved this proposed plan, I voted against that authorization.

While I share the excitement of the other Agency members for a new real estate project in our community, I nevertheless believe that it is not an appropriate project for Agency assistance. Because I will not be available for the City Council’s work session on this project, it may be helpful for me to provide more detail in writing regarding why I believe this authorization for public funds for the project was not appropriate, and why I believe this step sets the Agency on a path that will harm its mission.

### **This is Development, Not Re-Development**

For a market-based approach to city planning, it is important that City government follow the axiom that “development must pay for development.” That means that new development must pay for the new infrastructure needed to support that development. The new streets, sewer lines, water lines, electrical lines, and other infrastructure needed must be paid for by the developer who seeks to develop a new area.

This approach utilizes the free market to push developers to utilize locations close to existing infrastructure, which minimizes development costs. Under the market system, real estate developers



can then select the best sites with the lowest development costs. Generally, this market approach results in development in the optimal locations for the community.

But this approach sometimes fails when an area that has previously been developed is passed over by developers because the costs of clearing a previously developed area are higher than locating on empty agricultural land. When that happens, previously developed urban areas are left behind to deteriorate further, as new development locates further from the city center, on valuable agricultural land. The result is a need for more infrastructure, longer roads, longer sewer and water lines, and deteriorated neighborhoods. This extension of services can become a burden on the City and other governmental agencies, and result in higher tax rates.

The Idaho legislature has provided the tax increment financing tool to urban renewal agencies in Idaho to help to address this imbalance. Tax increment financing provides an incentive for developers to re-develop brownfield areas that have been blighted and left behind. The central purpose of these tools is to “renew” areas that have previously been developed, but are now distressed and deteriorated.

Essentially, the purpose of these tools is to “redevelop,” not “develop.” Use of the tool beyond this central purpose provides support for those who oppose tax increment financing for urban renewal. Because this tool has been so helpful to the City of Idaho Falls, it is prudent to keep its use within strict bounds. Keeping the tool within these strict bounds avoids further endangering the future viability of Idaho’s heavily challenged urban renewal tool, which already regularly confronts a vigorous and organized opposition.

#### **The Proposed Location Is Not Urban or Blighted or Developed**

The proposed development at Jackson Hole Junction is certainly a positive and worthy commercial real estate development. It is commendable that entrepreneurial developers would invest in the community in this way. It appears to meet a need for services at this key intersection of Sunnyside Road and I-15. It would appear to be a good addition to the Idaho Falls community, and would likely be successful in attracting businesses to locate there. It is easy to see why this location has attracted efforts at commercial development.

But the Jackson Hole Junction “urban renewal” plan asks that the Agency provide public money to the developer in order to build the road, sewer, water, and electrical infrastructure needed for this project. The location of the project at the new intersection of Sunnyside Road and I-15 contradicts that request. The land has previously been used for pasture and agriculture in a typical county pattern of small rural farms and houses associated with those farms. In no way is this area “urban,” nor can it be considered as previously “developed” beyond its historic use for rural farming.

There is no need to provide any further incentive to develop this prime freeway intersection location. The City and other governmental entities have previously provided extensive support to this location. Sunnyside Road has been expanded. A new bridge has been built nearby on Sunnyside Road over the Snake River. The freeway intersection was upgraded and improved. Through the work of government and investment of many tax dollars, this land has come to be located on a significant commercial crossroad.

Further evidence that this is not a distressed or “deteriorated” area is shown by a number of significant new developments on the parcels immediately surrounding this location. A number of real estate developers have previously built new developments surrounding this prime land. This includes five new state-of-the-art automotive dealerships: Smith Chevrolet, Smith Honda, Ron Sayer BMW, Teton Toyota, and Teton Volkswagen. The land immediately surrounding this area also includes a new convenience store, retail center, hotel, and bank.

This new commercial development around this area is shown in the aerial view provided in the proposed plan.



(Proposed Urban Renewal Plan, Attachment 1).

Each of these other developments were built in the areas immediately surrounding the proposed Jackson Hole Junction, but none asked for or received any tax increment financing to build the roads, sewer lines, water lines, and electrical lines needed to support their developments. Authorizing this plan leaves the question of why this parcel merits tax increment financing, when none of the surrounding parcels received such public assistance.

If authorized, this surrounding development raises two other questions. First, how will the developers of these previous new projects feel once they understand that this neighboring project received tax increment financing assistance, while their projects did not? Second, will those prior developers take any action to obtain public tax increment financing assistance for the costs they spent on roads, sewer lines, water lines, and electrical infrastructure, once they understand that these same costs were provided for the Jackson Hole Junction project? While such an after-the-fact request is likely not viable, these prior developers could not be faulted if they felt treated unfairly.



In light of these prior developments, it is not possible to characterize the land of Jackson Hole Junction as “deteriorated” or “urban” in comparison to other properties in our City.<sup>1</sup>

### **This Development Provides No More Economic Development than Any Other Development**

The developer of Jackson Hole Junction argues that the proposed project should be allowed because it would contribute to economic development. The developer correctly argues that economic development is a permissible purpose of tax increment financing under the urban renewal laws. The developer also correctly argues that the tax money provided for this subsidy is tax money that will be paid by the buildings on this development.

The flaw in this argument is that it fails to distinguish this location from any other real estate project. Every new real estate development provides economic development in the same way as this project. Every new house and every new business will add their new value to the property tax rolls, and pay taxes based on their value, in the same way as this development. Similarly, every new development contributes to the economy through the creation of jobs for construction, operations, and maintenance.

Every new home constructed in a new subdivision adds value to the property tax rolls, and adds jobs to the economy. But in spite of this, each homeowner is expected to pay their full property taxes, all of which go to the governmental entities providing services for that home. Through the price of each developed lot, each homeowner also pays its share of the costs of the new street and sewer and water and electricity infrastructure provided for that home.

There is no evidence that this particular development would provide any more economic development than any other development currently underway in Idaho Falls. And the urban renewal laws are not currently structured in a way that would allow any distinction between the economic development from this development as opposed to any other subdivision or real estate development in the community.

In other words, there is nothing to indicate that a dollar spent building this development would improve the economy any more than a dollar spent building any other home or business. And neither the

---

<sup>1</sup> Note that the Agency and the City have approved an eligibility report for the Jackson Hole Junction Area, which found that the area meets the criteria for “deteriorating” or “deteriorated” area under the definitions of those terms provided in Idaho Code §§ 50-2018(9) and 50-2903(8). These criteria provide a minimum threshold for the use of tax increment financing as part of an urban renewal plan.

But, as evidenced by this location, this minimum threshold can be easily satisfied, so much so that these criteria can be found to have been satisfied even at one of the most prime undeveloped land sites in the area. If nothing more than these criteria were needed, nearly every parcel of real property would qualify for urban renewal funds from taxpayer money. A standard at that low bar would undermine the free market principle that “development pays for development.”

The Agency has never considered the satisfaction of this minimum threshold to be sufficient to justify the application of tax increment financing. Instead, as a matter of policy, the Agency has limited its assistance to areas that were clearly previously developed in the urban core of the City. This more conservative approach ensures that the urban renewal tool is not over-used to pay for normal greenfield development.

This more cautious approach is similar to the approach to eminent domain. The Agency also meets the criteria to use eminent domain procedures to take land for urban renewal purposes. Nevertheless, in following prudent policy of avoiding government overreach, the Agency has never considered using those eminent domain powers. The granting of the power to take an action does not mean that the Agency should refrain from using the power in a more conservative manner in the interests of good government.

Agency nor the City has any criteria for determining why it should assist this economic development rather than any other new development project.

With no way to distinguish the economic impact of this development from the economic impact of any other commercial development, arguments regarding economic development fail to provide any basis for the approval of the Jackson Hole Junction urban renewal plan.

### **Subsidizing this Development Provides the Wrong Incentives**

When used in distressed areas of a community, tax increment financing provides an incentive for developers to re-use and re-develop areas that have been left behind. Tax increment financing provides a boost to these distressed areas, so that they can compete with greenfield and undeveloped areas further from the core of the community. By re-using and maintaining older areas, the size and distance required for government services is lessened, saving taxpayer money.

However, if tax increment financing is used to subsidize a greenfield development on undeveloped land, it undermines the purpose of the urban renewal tool. If tax increment financing is used to subsidize greenfield development, it encourages the developers to continue to build on undeveloped greenfields, which are usually at a distance from the core of the public services. Such an approach acts as a disincentive to develop in the urban core of the community, because it subsidizes development away from that urban core.

This is a fundamental problem with Jackson Hole Junction plan. While it is a worthy private effort at development, using public funds to assist that development distracts from the incentives to encourage development on the used and distressed central areas of the City of Idaho Falls.

The prior urban renewal areas of the Redevelopment Agency have been in highly distressed areas of the City. Anyone who lived in the community before the initiation of the Agency in 1989 knows that the areas currently under urban renewal plans were heavily blighted. Since 1989, the Agency and the City have effectively used the tax increment finance tool to encourage development near the Snake River and at the core of the City. There can be little doubt that the tool has encouraged a redevelopment and renaissance of the center of Idaho Falls.

Subsidizing this greenfield development on a freeway intersection far from the city center undermines the distressed areas of the community that still need much attention. There are other areas at the core of the City that need to attract redevelopment and urban renewal. This includes the Northgate Mile, the commercial area of First Street, and the former creamery area north of Panchari Drive. Beyond that, there are yet other potential areas that need urban renewal, including the area north of E Street downtown, the west side area near Happyville, or other areas alongside the rail tracks through the City.

If this developer had desired to locate in these areas, the tax increment finance tool could be used to its full extent to incentivize the revitalization those areas. But this developer did not select this location because it was at the urban core, or because it was blighted. This location was selected because it is prime bare commercial land located on a newly redeveloped freeway intersection.

Providing any subsidy to this development actually undermines urban renewal, because it entices hotels, restaurants, and other businesses to locate far from the urban core, rather than in the heart of the City.

Hotels and restaurants that may have considered locating in the urban core are instead subsidized to locate outside of the city center.

This plan also undermines urban renewal more broadly by signaling developers that they do not need to incur the expense of redeveloping brownfield parcels in order to get urban renewal money. Instead, this subsidy would give a precedent to developers that they can obtain tax increment money for any greenfield development at any prime commercial location.

That is a course that is directly contrary to the purpose of urban renewal, and would set the Agency on a path that would engender opposition from the groups who already feel that the urban renewal tool has been improperly used in that way at other locations.

### **This Area Has Already Developed Without Any Subsidy**

A fundamental question for deciding whether to assist any development project is whether the area would develop without any subsidy from the Agency. If taxpayer money is not needed for a development, taxpayer money should certainly not be provided for the project.

In this case, the developer will represent that this subsidy is necessary for the development of this area. But the evidence undermines that contention, in two significant ways.

First, this developer announced this development long before ever approaching the Agency for assistance. That announcement did not contemplate any assistance for this development from the Agency. At that point in time, the developer apparently considered that the development was possible without any assistance from taxpayer funds.

Second, as shown in the aerial photo above, this area has already developed without any assistance from the Redevelopment Agency. As shown above, this development includes five new state-of-the-art automotive dealerships: Smith Chevrolet, Smith Honda, Ron Sayer BMW, Teton Toyota, and Teton Volkswagen. The area also includes a new convenience store, retail center, hotel, and bank. Not only is this area prime for future greenfield development, that type of development has already happened in a significant way.

In light of the extensive development at this prime location, there can be no dispute that this area will develop without any governmental assistance. All of these other developers were able to complete their developments in the same area without any subsidy from tax increment financing. And those developers were required to invest significant amounts for infrastructure. In light of these facts, there is no reason why this property cannot develop as the other surrounding properties already have done.

### **The Position of Bonneville County**

The two taxing entities that are impacted the most by the loss of funds through tax increment financing by the Agency are the City of Idaho Falls and Bonneville County. Tax increment financing means that both of these entities forego property tax revenue needed to provide public services to the entire area, in an attempt to improve some areas in a way that will decrease property taxes in the long run.

Because of this impact on Bonneville County, for many years the Redevelopment Agency has tried to make decisions in close cooperation with the wishes of the elected Bonneville County Commissioners. Other communities in the State of Idaho have put the concept of tax increment financing in jeopardy by ignoring the wishes of elected County officials. The Redevelopment Agency has tried to avoid that by receiving the input of the County Commission.

For that reason, a meeting was scheduled and held regarding this Plan with all three members of the Bonneville County Commission. At that meeting, the Commission asked again that the Agency to follow two guiding principles. First, the Commission does not want the Agency to pay for what other developers normally pay for. Second, the Commission does not want the Agency to pay for what the City would normally pay for. The Commissioners communicated that the Agency should remove impediments to development, but should not pay for normal development costs.

The Jackson Hole Junction plan fails these County criteria. Most of the costs requested are simply costs for the construction of a road, sewer lines, water lines, and electricity infrastructure that any developer would be required to provide for this type of development. To the extent the City requires over-sizing of any of infrastructure for City needs or for the purposes of future developments, the City normally pays those costs.

County Commissioner Dave Radford voted in favor of the Jackson Hole Junction proposed plan, as passed by the Agency. However, my impression from the meeting with the County Commission was that his vote did not reflect the will of the majority of the County Commission, nor did it follow the guidelines the Commission requested.

For these reasons, I would strongly advise the City Council to hear from the entire County Commission before endorsing this plan. For many years, the Bonneville County Commission has been a key supporter of Agency projects that carefully utilize the urban renewal tool within proper limits. In light of the County's past support and cooperation with the Agency, there is no reason to create any unnecessary division between the City and the County on this issue.

## **Conclusion**

The bottom line is that the Agency is supposed to be the Idaho Falls "Redevelopment" Agency, not the Idaho Falls "Development" Agency. The name the City gave to the Agency clearly spells out that the Agency's mission, which is to use its powers to "redevelop" areas that were previously developed but which are now distressed or outdated. This Agency is not sanctioned to assist with initial "development" of green field projects. And the Agency has no governing criteria to follow for the development of green fields.

Jackson Hole Junction is located on prime real property, on the new intersection of Sunnyside Road and I-15. This is new development on what is essentially bare farm ground. Based on my experience, the use of tax increment financing on this new development is contrary to the Redevelopment Agency's mission. Providing this subsidy for this project is not fiscally conservative. It would also significantly derail the historic efforts of the Agency to focus these tools on the blighted areas in the urban core of the City of Idaho Falls.

## **The Basis for My Vote Against the Urban Renewal Plan for Jackson Hole Junction**

By Lee Radford  
Chair, Idaho Falls Redevelopment Agency

For many years, the Idaho Falls Redevelopment Agency (“Agency”) has been successful in working with developers and the City of Idaho Falls to use tax increment financing to attract new projects to used and distressed sites in the urban core of the City. Because the urban renewal tool has been narrowly focused on renewing “urban” areas, the Agency has been able to lead the way to revitalizing the central, but previously built-out, core of the City. The results of this effort speak for themselves, as the appearance and function of the urban core of the City has improved dramatically during the Agency’s life.

However, on September 21, 2017, the Agency voted to authorize up to \$4 million in tax increment financing for Jackson Hole Junction, a development located on the new Sunnyside exit of interstate highway I-15. While the majority of the Agency members approved this proposed plan, I voted against that authorization.

While I share the excitement of the other Agency members for a new real estate project in our community, I nevertheless believe that it is not an appropriate project for Agency assistance. Because I will not be available for the City Council’s work session on this project, it may be helpful for me to provide more detail in writing regarding why I believe this authorization for public funds for the project was not appropriate, and why I believe this step sets the Agency on a path that will harm its mission.

### **This is Development, Not Re-Development**

For a market-based approach to city planning, it is important that City government follow the axiom that “development must pay for development.” That means that new development must pay for the new infrastructure needed to support that development. The new streets, sewer lines, water lines, electrical lines, and other infrastructure needed must be paid for by the developer who seeks to develop a new area.

This approach utilizes the free market to push developers to utilize locations close to existing infrastructure, which minimizes development costs. Under the market system, real estate developers

can then select the best sites with the lowest development costs. Generally, this market approach results in development in the optimal locations for the community.

But this approach sometimes fails when an area that has previously been developed is passed over by developers because the costs of clearing a previously developed area are higher than locating on empty agricultural land. When that happens, previously developed urban areas are left behind to deteriorate further, as new development locates further from the city center, on valuable agricultural land. The result is a need for more infrastructure, longer roads, longer sewer and water lines, and deteriorated neighborhoods. This extension of services can become a burden on the City and other governmental agencies, and result in higher tax rates.

The Idaho legislature has provided the tax increment financing tool to urban renewal agencies in Idaho to help to address this imbalance. Tax increment financing provides an incentive for developers to re-develop brownfield areas that have been blighted and left behind. The central purpose of these tools is to “renew” areas that have previously been developed, but are now distressed and deteriorated.

Essentially, the purpose of these tools is to “redevelop,” not “develop.” Use of the tool beyond this central purpose provides support for those who oppose tax increment financing for urban renewal. Because this tool has been so helpful to the City of Idaho Falls, it is prudent to keep its use within strict bounds. Keeping the tool within these strict bounds avoids further endangering the future viability of Idaho’s heavily challenged urban renewal tool, which already regularly confronts a vigorous and organized opposition.

#### **The Proposed Location Is Not Urban or Blighted or Developed**

The proposed development at Jackson Hole Junction is certainly a positive and worthy commercial real estate development. It is commendable that entrepreneurial developers would invest in the community in this way. It appears to meet a need for services at this key intersection of Sunnyside Road and I-15. It would appear to be a good addition to the Idaho Falls community, and would likely be successful in attracting businesses to locate there. It is easy to see why this location has attracted efforts at commercial development.

But the Jackson Hole Junction “urban renewal” plan asks that the Agency provide public money to the developer in order to build the road, sewer, water, and electrical infrastructure needed for this project. The location of the project at the new intersection of Sunnyside Road and I-15 contradicts that request. The land has previously been used for pasture and agriculture in a typical county pattern of small rural farms and houses associated with those farms. In no way is this area “urban,” nor can it be considered as previously “developed” beyond its historic use for rural farming.

There is no need to provide any further incentive to develop this prime freeway intersection location. The City and other governmental entities have previously provided extensive support to this location. Sunnyside Road has been expanded. A new bridge has been built nearby on Sunnyside Road over the Snake River. The freeway intersection was upgraded and improved. Through the work of government and investment of many tax dollars, this land has come to be located on a significant commercial crossroad.

Further evidence that this is not a distressed or “deteriorated” area is shown by a number of significant new developments on the parcels immediately surrounding this location. A number of real estate developers have previously built new developments surrounding this prime land. This includes five new state-of-the-art automotive dealerships: Smith Chevrolet, Smith Honda, Ron Sayer BMW, Teton Toyota, and Teton Volkswagen. The land immediately surrounding this area also includes a new convenience store, retail center, hotel, and bank.

This new commercial development around this area is shown in the aerial view provided in the proposed plan.



(Proposed Urban Renewal Plan, Attachment 1).

Each of these other developments were built in the areas immediately surrounding the proposed Jackson Hole Junction, but none asked for or received any tax increment financing to build the roads, sewer lines, water lines, and electrical lines needed to support their developments. Authorizing this plan leaves the question of why this parcel merits tax increment financing, when none of the surrounding parcels received such public assistance.

If authorized, this surrounding development raises two other questions. First, how will the developers of these previous new projects feel once they understand that this neighboring project received tax increment financing assistance, while their projects did not? Second, will those prior developers take any action to obtain public tax increment financing assistance for the costs they spent on roads, sewer lines, water lines, and electrical infrastructure, once they understand that these same costs were provided for the Jackson Hole Junction project? While such an after-the-fact request is likely not viable, these prior developers could not be faulted if they felt treated unfairly.

In light of these prior developments, it is not possible to characterize the land of Jackson Hole Junction as “deteriorated” or “urban” in comparison to other properties in our City.<sup>1</sup>

### **This Development Provides No More Economic Development than Any Other Development**

The developer of Jackson Hole Junction argues that the proposed project should be allowed because it would contribute to economic development. The developer correctly argues that economic development is a permissible purpose of tax increment financing under the urban renewal laws. The developer also correctly argues that the tax money provided for this subsidy is tax money that will be paid by the buildings on this development.

The flaw in this argument is that it fails to distinguish this location from any other real estate project. Every new real estate development provides economic development in the same way as this project. Every new house and every new business will add their new value to the property tax rolls, and pay taxes based on their value, in the same way as this development. Similarly, every new development contributes to the economy through the creation of jobs for construction, operations, and maintenance.

Every new home constructed in a new subdivision adds value to the property tax rolls, and adds jobs to the economy. But in spite of this, each homeowner is expected to pay their full property taxes, all of which go to the governmental entities providing services for that home. Through the price of each developed lot, each homeowner also pays its share of the costs of the new street and sewer and water and electricity infrastructure provided for that home.

There is no evidence that this particular development would provide any more economic development than any other development currently underway in Idaho Falls. And the urban renewal laws are not currently structured in a way that would allow any distinction between the economic development from this development as opposed to any other subdivision or real estate development in the community.

In other words, there is nothing to indicate that a dollar spent building this development would improve the economy any more than a dollar spent building any other home or business. And neither the

---

<sup>1</sup> Note that the Agency and the City have approved an eligibility report for the Jackson Hole Junction Area, which found that the area meets the criteria for “deteriorating” or “deteriorated” area under the definitions of those terms provided in Idaho Code §§ 50-2018(9) and 50-2903(8). These criteria provide a minimum threshold for the use of tax increment financing as part of an urban renewal plan.

But, as evidenced by this location, this minimum threshold can be easily satisfied, so much so that these criteria can be found to have been satisfied even at one of the most prime undeveloped land sites in the area. If nothing more than these criteria were needed, nearly every parcel of real property would qualify for urban renewal funds from taxpayer money. A standard at that low bar would undermine the free market principle that “development pays for development.”

The Agency has never considered the satisfaction of this minimum threshold to be sufficient to justify the application of tax increment financing. Instead, as a matter of policy, the Agency has limited its assistance to areas that were clearly previously developed in the urban core of the City. This more conservative approach ensures that the urban renewal tool is not over-used to pay for normal greenfield development.

This more cautious approach is similar to the approach to eminent domain. The Agency also meets the criteria to use eminent domain procedures to take land for urban renewal purposes. Nevertheless, in following prudent policy of avoiding government overreach, the Agency has never considered using those eminent domain powers. The granting of the power to take an action does not mean that the Agency should refrain from using the power in a more conservative manner in the interests of good government.



Agency nor the City has any criteria for determining why it should assist this economic development rather than any other new development project.

With no way to distinguish the economic impact of this development from the economic impact of any other commercial development, arguments regarding economic development fail to provide any basis for the approval of the Jackson Hole Junction urban renewal plan.

### **Subsidizing this Development Provides the Wrong Incentives**

When used in distressed areas of a community, tax increment financing provides an incentive for developers to re-use and re-develop areas that have been left behind. Tax increment financing provides a boost to these distressed areas, so that they can compete with greenfield and undeveloped areas further from the core of the community. By re-using and maintaining older areas, the size and distance required for government services is lessened, saving taxpayer money.

However, if tax increment financing is used to subsidize a greenfield development on undeveloped land, it undermines the purpose of the urban renewal tool. If tax increment financing is used to subsidize greenfield development, it encourages the developers to continue to build on undeveloped greenfields, which are usually at a distance from the core of the public services. Such an approach acts as a disincentive to develop in the urban core of the community, because it subsidizes development away from that urban core.

This is a fundamental problem with Jackson Hole Junction plan. While it is a worthy private effort at development, using public funds to assist that development distracts from the incentives to encourage development on the used and distressed central areas of the City of Idaho Falls.

The prior urban renewal areas of the Redevelopment Agency have been in highly distressed areas of the City. Anyone who lived in the community before the initiation of the Agency in 1989 knows that the areas currently under urban renewal plans were heavily blighted. Since 1989, the Agency and the City have effectively used the tax increment finance tool to encourage development near the Snake River and at the core of the City. There can be little doubt that the tool has encouraged a redevelopment and renaissance of the center of Idaho Falls.

Subsidizing this greenfield development on a freeway intersection far from the city center undermines the distressed areas of the community that still need much attention. There are other areas at the core of the City that need to attract redevelopment and urban renewal. This includes the Northgate Mile, the commercial area of First Street, and the former creamery area north of Pancheri Drive. Beyond that, there are yet other potential areas that need urban renewal, including the area north of E Street downtown, the west side area near Happyville, or other areas alongside the rail tracks through the City.

If this developer had desired to locate in these areas, the tax increment finance tool could be used to its full extent to incentivize the revitalization those areas. But this developer did not select this location because it was at the urban core, or because it was blighted. This location was selected because it is prime bare commercial land located on a newly redeveloped freeway intersection.

Providing any subsidy to this development actually undermines urban renewal, because it entices hotels, restaurants, and other businesses to locate far from the urban core, rather than in the heart of the City.

Hotels and restaurants that may have considered locating in the urban core are instead subsidized to locate outside of the city center.

This plan also undermines urban renewal more broadly by signaling developers that they do not need to incur the expense of redeveloping brownfield parcels in order to get urban renewal money. Instead, this subsidy would give a precedent to developers that they can obtain tax increment money for any greenfield development at any prime commercial location.

That is a course that is directly contrary to the purpose of urban renewal, and would set the Agency on a path that would engender opposition from the groups who already feel that the urban renewal tool has been improperly used in that way at other locations.

### **This Area Has Already Developed Without Any Subsidy**

A fundamental question for deciding whether to assist any development project is whether the area would develop without any subsidy from the Agency. If taxpayer money is not needed for a development, taxpayer money should certainly not be provided for the project.

In this case, the developer will represent that this subsidy is necessary for the development of this area. But the evidence undermines that contention, in two significant ways.

First, this developer announced this development long before ever approaching the Agency for assistance. That announcement did not contemplate any assistance for this development from the Agency. At that point in time, the developer apparently considered that the development was possible without any assistance from taxpayer funds.

Second, as shown in the aerial photo above, this area has already developed without any assistance from the Redevelopment Agency. As shown above, this development includes five new state-of-the-art automotive dealerships: Smith Chevrolet, Smith Honda, Ron Sayer BMW, Teton Toyota, and Teton Volkswagen. The area also includes a new convenience store, retail center, hotel, and bank. Not only is this area prime for future greenfield development, that type of development has already happened in a significant way.

In light of the extensive development at this prime location, there can be no dispute that this area will develop without any governmental assistance. All of these other developers were able to complete their developments in the same area without any subsidy from tax increment financing. And those developers were required to invest significant amounts for infrastructure. In light of these facts, there is no reason why this property cannot develop as the other surrounding properties already have done.

### **The Position of Bonneville County**

The two taxing entities that are impacted the most by the loss of funds through tax increment financing by the Agency are the City of Idaho Falls and Bonneville County. Tax increment financing means that both of these entities forego property tax revenue needed to provide public services to the entire area, in an attempt to improve some areas in a way that will decrease property taxes in the long run.

Because of this impact on Bonneville County, for many years the Redevelopment Agency has tried to make decisions in close cooperation with the wishes of the elected Bonneville County Commissioners. Other communities in the State of Idaho have put the concept of tax increment financing in jeopardy by ignoring the wishes of elected County officials. The Redevelopment Agency has tried to avoid that by receiving the input of the County Commission.

For that reason, a meeting was scheduled and held regarding this Plan with all three members of the Bonneville County Commission. At that meeting, the Commission asked again that the Agency to follow two guiding principles. First, the Commission does not want the Agency to pay for what other developers normally pay for. Second, the Commission does not want the Agency to pay for what the City would normally pay for. The Commissioners communicated that the Agency should remove impediments to development, but should not pay for normal development costs.

The Jackson Hole Junction plan fails these County criteria. Most of the costs requested are simply costs for the construction of a road, sewer lines, water lines, and electricity infrastructure that any developer would be required to provide for this type of development. To the extent the City requires over-sizing of any of infrastructure for City needs or for the purposes of future developments, the City normally pays those costs.

County Commissioner Dave Radford voted in favor of the Jackson Hole Junction proposed plan, as passed by the Agency. However, my impression from the meeting with the County Commission was that his vote did not reflect the will of the majority of the County Commission, nor did it follow the guidelines the Commission requested.

For these reasons, I would strongly advise the City Council to hear from the entire County Commission before endorsing this plan. For many years, the Bonneville County Commission has been a key supporter of Agency projects that carefully utilize the urban renewal tool within proper limits. In light of the County's past support and cooperation with the Agency, there is no reason to create any unnecessary division between the City and the County on this issue.

### **Conclusion**

The bottom line is that the Agency is supposed to be the Idaho Falls "Redevelopment" Agency, not the Idaho Falls "Development" Agency. The name the City gave to the Agency clearly spells out that the Agency's mission, which is to use its powers to "redevelop" areas that were previously developed but which are now distressed or outdated. This Agency is not sanctioned to assist with initial "development" of green field projects. And the Agency has no governing criteria to follow for the development of green fields.

Jackson Hole Junction is located on prime real property, on the new intersection of Sunnyside Road and I-15. This is new development on what is essentially bare farm ground. Based on my experience, the use of tax increment financing on this new development is contrary to the Redevelopment Agency's mission. Providing this subsidy for this project is not fiscally conservative. It would also significantly derail the historic efforts of the Agency to focus these tools on the blighted areas in the urban core of the City of Idaho Falls.