

# **2016 ANNUAL REPORT GARDEN CITY URBAN RENEWAL AGENCY**

## ***AGENCY ANNUAL REPORT***

Under the Idaho Urban Renewal Law, an urban renewal agency is required to file with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include a complete financial statement setting forth its assets, liabilities, income and operating expense at the end of the calendar year. By virtue of certain amendments to the Idaho Urban Renewal Law adopted in 2002, the fiscal year of an urban renewal agency has been established as October 1<sup>st</sup> through September 30<sup>th</sup>. Consequently, any formal financial statement would be limited to a report through the end of the Agency's fiscal year. Under Idaho Code section 67-450B, local government entities must complete an audit of its statements at the conclusion of its fiscal year. A copy of the Agency's 2016 audited financial statements is attached. Also attached is a FY2016 Income Statement and Balance Sheet for the Agency. Additionally, as of FY2014, the Agency must also submit certain information to the Legislative Services Office under Idaho Code § 67-450(E). The required information has been submitted.

## ***AGENCY BACKGROUND/PROJECT AREAS***

### **River Front Project Area**

The Garden City Council formally approved the River Front Urban Renewal Plan in December of 1996 through Ordinance No. 681, with a follow up approval of Ordinance No. 683 on January 15, 1997 to correct a 'technical error' in Ordinance No. 681. After that approval, the Urban Renewal Agency commenced with the implementation of the River Front District Plan.

On April 1, 2013, the Agency provided written notification to the appropriate taxing entities of its intention to terminate the River Front Plan at the end of FY2013. On May 20, 2013 the Agency adopted Resolution 2013-02, formally approving the Termination Plan for the River Front District. The City Council approved the Termination Plan on August 12, 2013; all projects were completed and the project area formally terminated on September 30, 2015.

### **River Front East Project Area**

In December 2011, the Agency began discussing the creation of a new urban renewal district that would generally encompass the area from 42<sup>nd</sup> Street on the west to Garden Street on the east and from Osage right-of-way to the Boise River. The Agency utilized the services of an outside

consultant to determine the eligibility of the area for urban renewal. After completion of the Eligibility Study in January 2012 and upon the recommendation of the Agency, the City Council approved Resolution 957-12 on February 13, 2012, declaring the area to be deteriorating or deteriorated and directing the Agency to prepare an Urban Renewal Plan.

On July 17, 2012, the Agency approved Resolution 6-2012, adopting the River Front East Urban Renewal Project Plan. The City Council formally approved the River Front East Urban Renewal Project Plan through Ordinance 954-12 on October 22, 2012 after a public hearing on the plan.

The Agency's project intent in this new District is the same as it had been in the original River Front District since 1996. The intent is to replace and improve basic infrastructure (water and sewer lines, city wells, street improvements, etc.); and to enhance amenities such as parks and greenbelts, providing the catalyst for future economic development in the area.

### ***FY2016 REVENUES***

#### *Tax Increment Revenue*

The only source of FY2016 Agency income, other than interest on interest bearing accounts, which equated to \$2 in FY2016, was Tax Increment Revenue generated within the River Front East urban renewal project area. In FY2016, the total Tax Increment Revenue received by the Agency was \$270,645. This was the third year that the Agency received tax revenue from the River Front East District.

### ***FY2065 EXPENDITURES***

During FY2016, \$246,119 in funding was provided for various activities. Spending at this time is narrowly concentrated as the District is still in the early phases of project planning and implementation.

- ◆ Riverfront Park Improvements. A total of \$11,083 was utilized for improvements at the Riverfront Park. This included landscaping and security improvements as well as playground equipment repair. Maintaining security at this park, located next to the Boys & Girls Club of Ada County and the new Trailwinds Apartment complex and host to hundreds of children a day, is a top priority for the city and the agency.
- ◆ Heron Park. The Agency funded \$2592 for initial concepts for the revitalization of Heron Park, located on the greenbelt near the Senior Center. This revitalization will be a major project of the Agency in FY2017 – FY2018 with a twin goal of providing a much-needed amenity for residents as well as an incentive for economic redevelopment.
- ◆ Public Facilities. A total of \$212,153 was used for funding various public facility projects. This included funding of \$166,888 for the development of a city parking facility on 36<sup>th</sup> Street and Carr. This parking lot provides needed parking and greenbelt access through the Waterfront District. An additional \$45,285 was for a joint

Agency/City Public Works project to test and scope the sewer line on Osage from 32<sup>nd</sup> to Veterans Parkway.

### ***OPERATING EXPENSES***

The Agency has minimal operating expenses as it has no paid staff members, utilizing outside legal, secretarial and bookkeeping services. Total operating expenses, including secretarial, bookkeeping, audit, legal, consulting, liability insurance and other office expenses, amounted to \$15,724 in FY2016.

### ***LOAN REPAYMENT***

During FY2014, the Agency began discussions with the developer of an affordable housing project, known as the Trailwinds Project Apartments, located at 42nd Street and Adams Street, consisting of 64 housing units. Certain public infrastructure adjacent to the project was in need of improvement in order for the development to proceed. After continued discussion and negotiation, the Agency and the developer entered into an Owner Participation Agreement in August 2014, which provided for the Agency to fund an amount not to exceed \$350,000 for, among other things, extension and improvement of sewer and domestic water lines on North Adams Street and East 42nd Street. Upon completion of the housing project in the fall of 2015 the Agency issued a Note for the \$350,000 participation to be repaid from the tax increment generated from the Trailwinds Project.

During FY2016, payments on this loan amounted to \$9725 in principal and interest. The loan balance at the end of December 2016 was \$349,845.68.

### ***ASSETS***

The Agency's Assets are comprised solely of cash accounts and property taxes receivable. The major portions of property taxes are received twice per year (end of January and end of July) with smaller amounts of delinquent taxes received during the course of the year.

### ***LIABILITIES AND DEBT***

The Agency's liabilities consist only of current accounts payable and deferred revenue. The Agency has no long-term debt other than the \$349,846 in support of public improvements related to the Trailwinds Project as noted above.

### ***SIGNIFICANT CHANGES IN AGENCY'S FINANCIAL POSITION***

There were no significant changes in the Agency's financial position in FY2016. The Agency continues to operate in a "pay-as-you-go" environment, committing only those funds to projects that do not require long-term debt but, rather, can be funded out of current funds or projected tax increment revenues in a given fiscal year.

In the appropriate circumstances, the Agency may follow the model used in the Trailwinds Project for the funding of needed infrastructure, by participating with the developer for the

developer to fund the infrastructure with repayment by the Agency over time as tax increment from the project is received.

The Agency is, to a degree, dependent upon other public agencies, such as the City and ACHD, as to what projects can be funded and implemented within a specific timeframe. The Agency does not have the ability to initiate and construct, for instance, street improvement projects, on its own. For this reason, the Agency works closely with agencies or the city government, such as ACHD or the City of Garden City, to develop and fund projects that are of benefit to the residents and businesses within the urban renewal area.

Pamela J. Beaumont  
Chair

March 1, 2017