



Garden City Urban Renewal Agency

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DRAFT FY2022 ANNUAL REPORT

GARDEN CITY URBAN RENEWAL AGENCY

AGENCY 2022 ANNUAL REPORT

Under the Idaho Urban Renewal Law, specifically Idaho Code § 50-2006(c), an urban renewal agency is required to file with the local governing body, and the Idaho State Controller, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include certain financial information. Pursuant to Idaho Code § 50-2006(d), an urban renewal agency's fiscal year is October 1st through September 30th. Consequently, any formal financial statement would be limited to a report through the end of the Garden City Urban Renewal Agency's (the "Agency") 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 2021 audited financial statements and FY2022 Budget are attached. Additionally, through 2022, the Agency must also submit certain information to the State Controller's Office. As a result of legislative changes in 2016, the Agency is also required to submit certain information to the Idaho State Tax Commission. All the required information has been submitted.

AGENCY BACKGROUND/PROJECT AREAS

River Front Project Area

The Garden City City Council (the "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 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. Pursuant to the statutory termination requirements, the City Council adopted a termination ordinance on August 12, 2013; all projects were completed, and the project area formally terminated on September 30, 2013.

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 42nd 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 Plan (the "Plan"). The City Council formally approved the Plan through Ordinance 954-12 on October 22, 2012, after notice and a public hearing on the Plan, establishing the River Front East Area, (the "District").

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

FY2022 REVENUES

Tax Increment Revenue

The primary source of FY2022 Agency income was revenue allocation area proceeds, (also referred to as "Tax Increment Revenue") generated within the District. In FY2022, the total Tax Increment Revenue received by the Agency was \$1,367,433.00. The Agency also received \$6,665.00 in interest on interest bearing accounts. This was the tenth year that the Agency received tax revenue from the District.

FY2022 PROJECT EXPENDITURES

During FY2022, \$944,081.40 in funding was provided for various activities. Spending focused on public infrastructure projects, replacement of safety and security equipment for public parks, and improvements to the Boise Greenbelt. The District is halfway through its twenty-year lifespan, which will influence projects going forward.

Notable expenditures included:

Clay Street Watermain

This project expanded on the work completed in 2021 which added 12" capacity from Adams then south on 37th St. to Osage. The existing 12" watermain ended at the corner of 36th and Clay allowing the FY22 Clay St. project to pick this line up and extend it from 36th St. to 32nd St. then turn south and terminate at Osage where the city continued the work and extended the line to Chinden where it tied into an existing watermain.





34th Street Watermain

This project tied in an existing 12" watermain at the corner of Carr and 34th St. and extended it to Osage where the city continued the work and extended the line across Chinden where it terminated at Brown St. This project was a major advancement for the city water system within the URA area.



37th Street Sidewalk

Work is underway on the engineering/installation of approximately 200 lineal feet of sidewalk on the east side of 37th Street. Engineered plans have been introduced to the ACHD and will go out to bid for construction in 2023.

Greenbelt

The Boise Greenbelt system, in addition to being a pedestrian pathway, has become a traffic corridor for bicycles, including commuters. Proper maintenance is important for safety and public access purposes. Because of the large trees and roots adjacent to the Greenbelt, asphalt surfaces require substantial maintenance and are gradually being replaced by concrete in both Boise and Garden City. The Agency funded \$13,000 for Greenbelt engineering in the heavily used area adjacent to the Boise River Water Park.

Greenbelt work will continue during fiscal year 2023.



Parks, Landscaping and Streetscape

The Agency spent \$13,000 for park maintenance and repairs, lighting, street signage, security, and landscaping in FY22. The impact of normal use, weather and some vandalism required a few repairs. The installation of a new security camera allowed Garden City Police to provide better safety and security.

OPERATING EXPENSES

The Agency contracted for administrative services in FY22, and continued utilizing outside legal, secretarial and bookkeeping services. Total operating expenses, including secretarial, bookkeeping, audit, legal, consulting, liability insurance and other office expenses, amounted to \$31,745.00 in FY2022, a decrease of 37% from the previous year.

DEVELOPMENT AGREEMENT 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 (4.25% interest) participation to be repaid with 75% of the tax increment generated from the Trailwinds Project. The Agency is not responsible for any payments beyond what is generated by the project.

During FY2022, the Agency paid this note in full including \$9,980.45 in interest and \$139,340.55 in principal.

ASSETS

The Agency's Assets are comprised solely of cash accounts and property tax receivables. 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 year.

LIABILITIES AND DEBT

The Agency's liabilities consist only of current accounts payable and deferred revenue.

SIGNIFICANT CHANGES IN AGENCY'S FINANCIAL POSITION

Agency FY2022 Tax Increment Revenues increased fourteen percent (14%) over FY21, which is expected due to the length of time the Plan has been in place and due to the Agency's investments to support public infrastructure improvements within the District leading to economic development potential and opportunities. The Covid-19 Pandemic did not have a significant impact the Agency's Tax Increment Revenues in FY22. 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 public infrastructure, by participating with the developer for the developer to fund the eligible public infrastructure improvements with reimbursement by the Agency over time as tax increment from the private development 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 as ACHD and the City, to develop and fund public improvement projects that are of benefit to the residents and businesses within the District.

In FY22 the Agency saw increased interest from private developers to partner with the Agency in the funding of certain eligible public infrastructure. The Agency has developed a Funding Request Process for private development projects, should the Agency Budget have funding available. Private development projects must have completed the process to receive approval from City Planning before applying to the Agency for funding support.

Jeffrey Souza

Chair

March 21, 2023