



Garden City Urban Renewal Agency

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FY2019 ANNUAL REPORT

GARDEN CITY URBAN RENEWAL AGENCY

AGENCY 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, 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. 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 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 2019 audited financial statements is attached. Also attached is a FY2019 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 § 67-450E. As a result of legislative changes in 2016, the Agency is also required to submit certain information to the Idaho State Tax Commission. All of 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, 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 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.); to enhance amenities such as parks and greenbelts; and to support future economic development in the area.

FY2019 REVENUES

Tax Increment Revenue

The major source of FY2019 Agency income was Tax Increment Revenue generated within the River Front East urban renewal project area. In FY2019, the total Tax Increment Revenue received by the Agency was \$623,002. The Agency also received \$8,790 in interest on interest bearing accounts and \$2,000 in Miscellaneous Income related to the Artisan wayfinding project. This was the sixth year that the Agency received tax revenue from the River Front East District.

FY2019 PROJECT EXPENDITURES

During FY2019, \$673,200 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. Notable expenditures included:

1. Heron Park. This public-public partnership project with the City of Garden City kicked off in 2016. In FY2016, the Agency approved the initial concept plans and funding (subject to final design and bids) for the renovation of Heron Park. This revitalization was to be the Agency's major project in FY2017 – FY2018 with a twin goal of providing a much-needed amenity for residents as well as an incentive for economic redevelopment. Unfortunately, the record snowstorm and subsequent high water (approaching 9500 cfs) in the Boise River did not allow for this project to be started in FY2017. In addition, the Army Corps of Engineers was heavily involved in the river flows and did not have adequate time to review the permit application.

The Corps approved the permit application in the summer of 2018. The project went to bid in August 2018 with Sunroc Construction submitting the lowest bid for Phase I in the amount of \$730,000. Project construction began in September 2018, with a projected completion date of summer 2019.

Phase I was completed in FY19 and Phase II has begun. Phase II is projected to be completed in Spring of 2020.

In FY19 the Agency spent \$34,302.32 on engineering for Heron Park and \$590,440.68 on construction costs.

2. Greenbelt Improvements. 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 \$40,950.00 in Greenbelt improvements in FY2019.
3. Landscaping. The Agency spent \$7,507 for landscaping in FY19.

OPERATING EXPENSES

The Agency contracted for administrative services in FY19, 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 \$44,753.00 in FY2019.

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 FY2019, payments on this loan amounted to \$26,075.76 in principal and interest. The loan balance at the end of December 2019 was \$311,368.95.

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 \$311,368.95 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 FY2019. 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 17, 2020

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