Garden City Urban Renewal Agency

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FY2018 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 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 2018 audited financial statements is attached. Also attached is a FY2018 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). 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 and tourism in the area.

FY2018 REVENUES

Tax Increment Revenue

The major source of FY2018 Agency income was Tax Increment Revenue generated within the River Front East urban renewal project area. In FY2018, the total Tax Increment Revenue received by the Agency was $516,735. The Agency also received $4955 in interest on interest bearing accounts and $7000 in Miscellaneous Income related to the Artisan wayfinding project. This was the fifth year that the Agency received tax increment revenue from the River Front East District.

FY2018 PROJECT EXPENDITURES

During FY2018, $350,041 in funding was provided for various projects. Spending at this time is narrowly concentrated as the District is still in the early phases of project planning and implementation. Importantly, the record snowfall in 2017 pushed a major planned activity into FY2018 and FY2019. Notable expenditures included:

- Riverfront Park Improvements. A total of $3,445 was utilized for landscaping improvements at the Riverfront Park.

- Heron Park. 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 Agency's permit application.

  The Corps approved the Agency's application in the summer of 2018. The project wento bid in August 2018 with Sunroc Construction submitted 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.

A total of $275,296 was expended in FY2019 for professional design services and initial construction costs. The balance of Phase I and all of Phase II (approximately $270,000) will be paid in FY2019.

- 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 $53,828.in concrete replacement in FY2018.

- Public Facilities. A total of $18,309 was used for funding various public facility projects relating to waterline improvements.

- Public Wayfinding Project. In the past 11 years numerous members of the Artisan community, consisting of wineries, breweries, cideries, artists and artisanal bakeries, have made Garden City their home. Their presence has been a significant factor in the City's changing image and reputation in the Treasure Valley. These small businesses are bringing new visitors to the city, many for the first time and many that have not been here for years.

  In FY2017 the Agency led a public/private effort to support this growing community with a public wayfinding project, including newly designed generic (TASTE, CREATE, PLAY) signs on the greenbelt as well as fold-out maps to make finding the artisan easier. The TASTE signs were directed toward wineries, breweries and bakeries, the CREATE signs toward artists and the PLAY signs toward Garden City parks. (See Exhibit I.)

  This $30,000 project was jointly funded by COMPASS, the City of Garden City, the Riverside Hotel, CTA Architects and Engineers, the Idaho Wine Commission and the Agency. The Agency participation was $6733. In FY2018, the Agency continued its commitment to this project with $8305 in funding. The Agency and the City won an Idaho Smart Growth award for this highly successful project in 2018.

  This program will be expanded in FY2019 with the addition of support for a tourism element to attract more visitors to Garden City as a destination location.

OPERATING EXPENSES

The Agency has minimal operating expenses as it has no paid staff members, utilizing outside legal, secretarial, administrative, and bookkeeping services. Total operating expenses, including secretarial, bookkeeping, audit, legal, consulting, liability insurance and other office expenses, amounted to $22,689 in FY2018.

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 (4.25% interest) participation to be repaid with 75% of the tax increment generated from the Trailwinds Project.

During FY2018, payments on this loan amounted to $31,741 in principal and interest. The loan balance at the end of December 2018 was $323,808.91.

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 $323,808.91 in support of public improvements related to the Trailwinds Project as noted above. The Agency does not have any liability if the loan is not repaid by the end of the River Front East district termination date in 2032.

SIGNIFICANT CHANGES IN AGENCY'S FINANCIAL POSITION

There were no significant changes in the Agency's financial position in FY2018. 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, 2019

EXHIBIT I

ARTISAN PATHWAY WAYFINDING SIGNS