

January 1, 2018– December 31, 2018

**Annual
Report**

2018

Rexburg

ID



Urban Renewal Agency

2018 ANNUAL REPORT

REXBURG URBAN RENEWAL AGENCY

Under the Idaho Urban Renewal Law, an urban renewal agency is required to file with the local governing body, on or before March 31st 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. The fiscal year for municipalities and most other political subdivisions of the State of Idaho runs from October 1st through September 30th. Consequently, any formal financial statement would be limited to a report through the end of the entity's fiscal year. By statute, an urban renewal agency shall have the same fiscal year as a municipality and is subject to the same audit requirements as a municipality. Under Idaho Code Section 67-450B an urban renewal agency whose annual expenditures are between \$100,000 and \$250,000, may elect to have its financial status audited on a biennial basis. The annual expenditures for the Rexburg Urban Renewal Agency exceed \$250,000 so a full and complete audit of its financial statements is made each fiscal year.

REXBURG URBAN RENEWAL AGENCY PROFILE

The City of Rexburg began to explore the use of tax increment financing as an economic development tool in 1990. The Rexburg Urban Renewal Agency was formed on November 6, 1991 and is a seven-member commission that oversees and coordinates redevelopment efforts in Rexburg. They have engaged in strategic planning and have implemented urban renewal projects as they saw the need. At the time of this report the board members are: Richard Horner (Chairman), Joseph West (Vice Chairman), Douglas Hancey (Secretary), Randall Porter, Robert Chambers, Traci Peterson and Brad Wolfe.

The Rexburg Urban Renewal Area's include 5 separate districts. They are described as:

- District 1: Formed in 1991, known as the North Highway (2nd East) District and included improving infrastructure in the North Highway Area to encourage commercial development in the area. This area was expanded in 1995 and again in 2001.
- District 2: Formed in 1997, known as the Washington School District and included 1st North and Main Street. It is comprised of the area around the deteriorated Washington School Building.
- District 3: Formed in 2003, known as the Downtown District and included 7 city blocks bordered by 2nd West, 2nd East, 1st North, and 1st South. In 2014, this district was extended one block further from 1st South to 2nd South. The area has a history of a slow growing tax base primarily attributed to inadequate and deteriorating public improvements and other deteriorating factors.
- District 4: Formed in 2007, known as the University Boulevard – South 12th West District. It includes an area generally bounded by South 12 West.
- District 5: Formed in 2015, known as the North Interchange District. This district was organized primarily to assist with the improvement of roads, sidewalks and business development associated with the construction of a Super Wal-Mart on North 2nd East.

PURPOSE AND GOALS

The purpose and goals of the Urban Renewal effort have included:

- The elimination of environmental deficiencies in the project areas.

- The assembly of land into parcels suitable for modern, integrated development with pedestrian and vehicular traffic.
- The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and benefiting the various taxing districts in which the Urban Renewal Area is located.

URBAN RENEWAL EFFORTS AND IMPROVEMENTS OF 2018

The Rexburg Urban Renewal Agency held 7 meetings throughout 2018. The Agency discussed and approved several projects and improvements to the Urban Renewal areas. Each district and its 2018 project involvement will be discussed in detail below. The audit in its entirety is included as an additional document as part of this report.

REXBURG URA FY 2017 ANNUAL REPORT

At the March 22, 2018 meeting, Richard Horner read the public hearing script for the Annual Report. Katie Cook reviewed the 2017 Annual Report which was sent to the board members prior to the meeting. Katie Cook asked for any questions or comments on the report. Richard Horner requested comments from anyone else outside of the board. No other comments were made, and Richard Horner closed the Public Hearing.

REXBURG FY 2017 AUDIT

At the March 22, 2018 meeting, Brad Reed from Rudd & Company presented the 2017 audit. The audit came back with a clean, unmodified report meaning no deficiencies were found.

BOARD MEMBER CHANGES

There were no board member changes during the 2018 calendar year.

BUDGET FOR FY 2019

At the July 26, 2018 meeting, a public hearing was held to approve the FY 2019 budget. No objections were given from the community or agency members on the budget, and the budget seen below was approved.

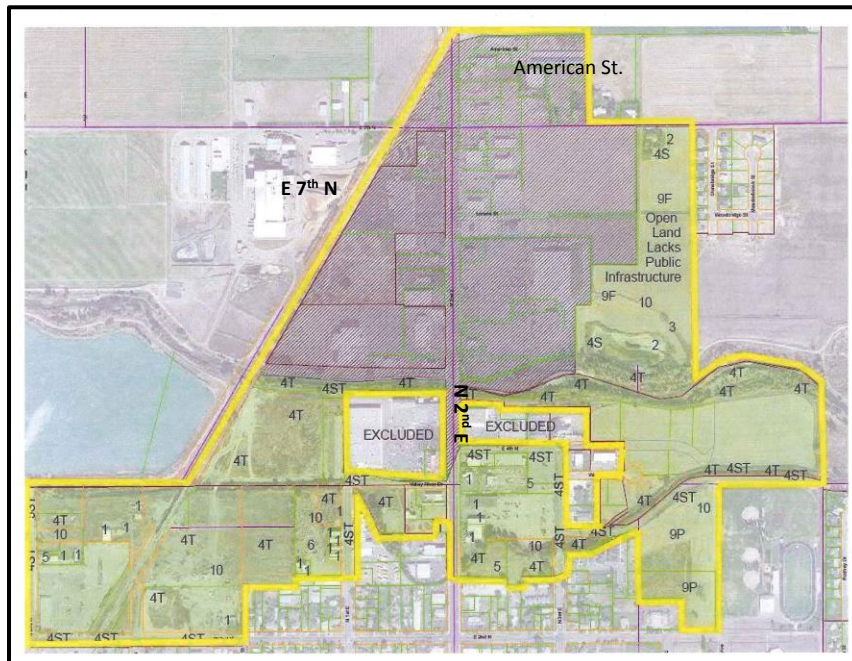
	2017 Actual	2018 Budget	2019 Budget
Revenue			
North Highway Taxes	\$754,062.00	\$750,000.00	\$750,000.00
North Highway Other	\$2,359.00	\$6,300.00	\$43,000.00
Washington School Taxes	\$178,077.00	\$179,000.00	-
Washington School Other	\$157.00	\$600,100.00	\$16,000.00
Downtown Taxes	\$584,446.00	\$600,000.00	\$590,000.00
Downtown Other	\$14,250.00	\$940,100.00	\$500,000.00
University Blvd. Taxes	\$329,729.00	\$400,000.00	\$400,000.00
University Blvd. Other	\$19,162.00	\$1,612,500.00	\$1,520,000.00

North Interchange Taxes	\$233,411.00	\$234,000.00	\$300,000.00
North Interchange Other	\$28,840.00	\$2,867,100.00	\$2,202,000.00
Administrative Revenues	\$34,009.00	\$73,100.00	\$100,000.00
<i>Total Income</i>	<i>\$2,178,502.00</i>	<i>\$8,262,200.00</i>	<i>\$6,781,000.00</i>
Expense			
North Highway	\$272,061.00	\$756,300.00	\$1,153,000.00
Washington School	\$132,686.00	\$779,100.00	\$16,000.00
Downtown	\$1,130,083.00	\$1,540,100.00	\$1,090,000.00
University Blvd.	\$3,556.00	\$2,012,500.00	\$1,920,000.00
North Interchange	\$425,655.00	\$3,101,100.00	\$2,502,000.00
Administration	\$13,607.00	\$73,100.00	\$100.00
<i>Total Expense</i>	<i>\$1,977,648.00</i>	<i>\$8,262,200.00</i>	<i>\$6,781,000.00</i>

NORTH HIGHWAY (2ND EAST) URBAN RENEWAL DISTRICT **IMPLEMENTED IN 1991, PROJECTED TERMINATION DATE DECEMBER 31, 2021**

The Rexburg Urban Renewal Agency undertook its first project in 1991 shortly following its formation. The Agency formed an urban renewal area of sixty-six acres surrounding a portion of the North Highway and funded public improvements including street and utility improvements on North Highway (2nd East) to support development including Albertsons store and an adjoining strip mall.

The 2005 amendment to the plan was made to combat problems of physical deterioration and economic underdevelopment in the expanded area, to make public improvements, and create public facilities.



MAP OF NORTH HIGHWAY URBAN RENEWAL DISTRICT

IMPLEMENTED IN 1997, PROJECTED TERMINATION DATE DECEMBER 31, 2017

Following its success in spurring development using tax increment financing on the North Highway, the Rexburg Redevelopment Agency formed a second Urban Renewal Area on 1st West and Main Streets and developed a public improvement project in support of commercial development on two blocks facing Main Street. This project was to improve the street and alleys, clear and remove deteriorated buildings, acquire land, improve utilities including water and sanitary sewer lines, to provide an improved environment for new and rehabilitated commercial facilities, to eliminate unsafe conditions, and to otherwise prevent the extension of deterioration and reverse the deteriorating condition of the area.



MAP OF WASHINGTON SCHOOL URBAN RENEWAL AREA (GRAY)

TERMINATION OF DISTRICT

This district was set to end in 2017. At the June 7, 2018 meeting, Resolution #2018-02 was passed by the Rexburg Redevelopment Agency which officially terminates the district. If a project for the property at the corner of 2nd W is not significantly underway by year-end 2019, the Agency intends to deed the property to the City of Rexburg.

PROPERTY ON THE CORNER OF 2ND WEST AND 1ST NORTH

At the June 7, 2018 meeting the board was approached by Mike Jensen to construct a medical center. The facility would contain many aspects of health and wellness. The biggest concern for the developer and the board is making sure there is enough parking for the building. The goal was to have the facility up and

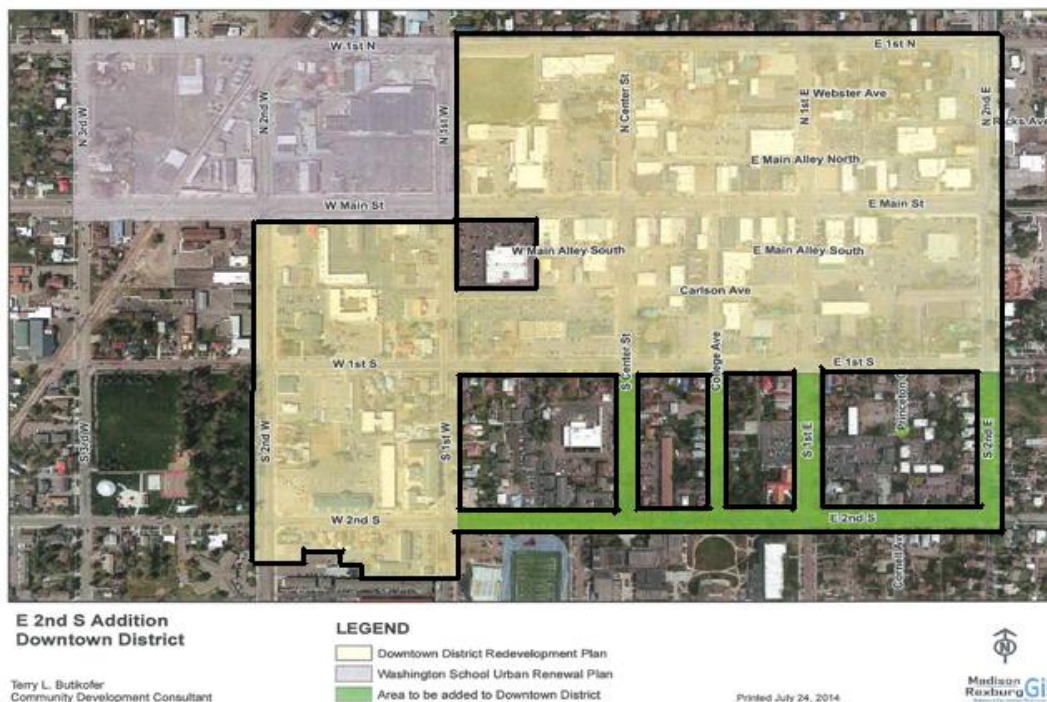
running in 18 months. The board signed an Agreement to Negotiate Exclusively with Mike Jensen. However, as the months passed in the year the developer could not complete all the requirements for the city planning and zoning for the facility and the agreement was terminated in December 2018.

At the December 13, 2018 meeting the Rexburg Redevelopment Agency authorized a new Exclusive Right of Negotiation with Bron Leatham. The plan is for an apartment complex with 40-50 individual units to be three or four stories tall.

DOWNTOWN DISTRICT

IMPLEMENTATION DATE 2003, PROJECTED TERMINATION DATE DECEMBER 31, 2027

The 2003 Downtown District was put in place to combat problems of physical deterioration and economic underdevelopment in the seven-block area, to make public improvements, and create public facilities. Key elements of the plan include initiating simultaneous projects designed to revitalize the project area, secure certain public open space in critical areas, develop new mixed-use development projects, pursue development across all land-use sectors, and develop parking facilities. In 2014 the Agency extended the Downtown district one block further from 1st South to 2nd South. (Indicated in green on the map below.)



MAP OF DOWNTOWN URBAN RENEWAL DISTRICT (YELLOW AND GREEN)

PARKING GARAGE AND LAND ACQUISITION

At the January 4, 2018 meeting the board received an opportunity to buy a few adjacent properties in the Downtown District. The plan of the Urban Renewal District is to level the buildings on the properties and create a parking structure that would be used for additional parking for all the businesses along Main Street and the surrounding area. In addition, the top area will be office space to encourage business expansion and development. The parking structure will have enough space for 500 vehicles. The future

goal of the project will be to have it sold to a private owner and have it taxable. It was determined that it would be better for the Rexburg Redevelopment Agency to purchase the land than the City because the Agency would be better able to manage the project and then ultimately sell it. The two properties are called the Allen Ridge house and Campbell Commercial Property. The Allen Ridge House Property was purchased for \$480,000.00 and the Campbell Commercial Property was purchased for \$475,000.00.



Figure 1: 57 S. Center St (Allen Ridge House Property) - Location purchased for Parking Structure



Figure 2: 26 Carlson Ave (Campbell Commercial Property) - Location purchased for Parking Structure



Figure 3: 56 College Ave (Campbell Commercial Property)- Location purchased for Parking Structure

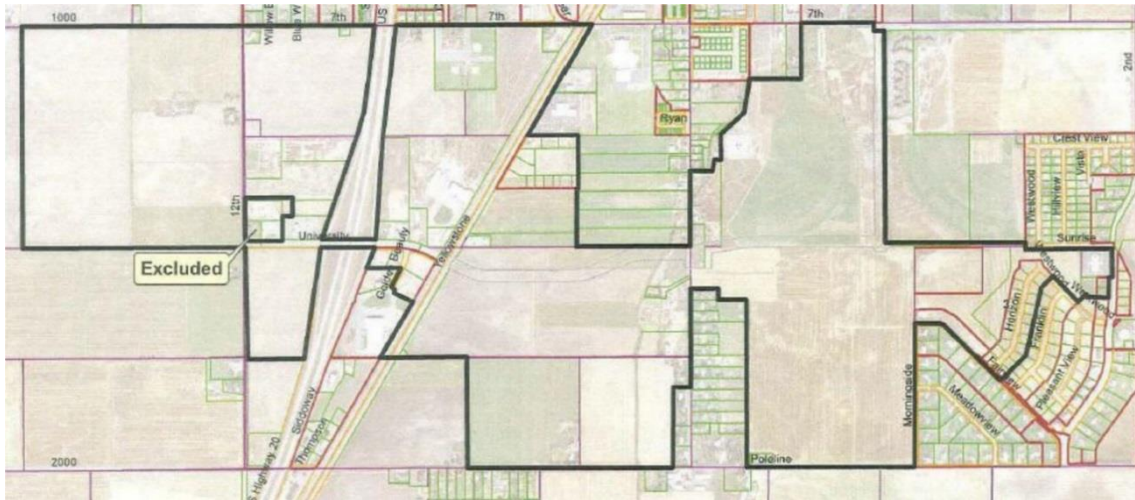


Figure 4: 56 College Ave and parking lot- Location purchased for Parking Structure

UNIVERSITY BOULEVARD DISTRICT

IMPLEMENTATION DATE 2007, PROJECTED TERMINATION DATE DECEMBER 31, 2031

The University Boulevard-South 12th West project area was developed in 2007 to address the need for economic and cultural growth of the area. The University Boulevard District plan allows for major street improvements to provide an improved environment for new and rehabilitated residential, retail, lodging, commercial, and industrial facilities and to eliminate unsafe conditions and prevent the extension of deterioration and reverse the deteriorating action of the area.



MAP OF THE UNIVERSITY BOULEVARD DISTRICT

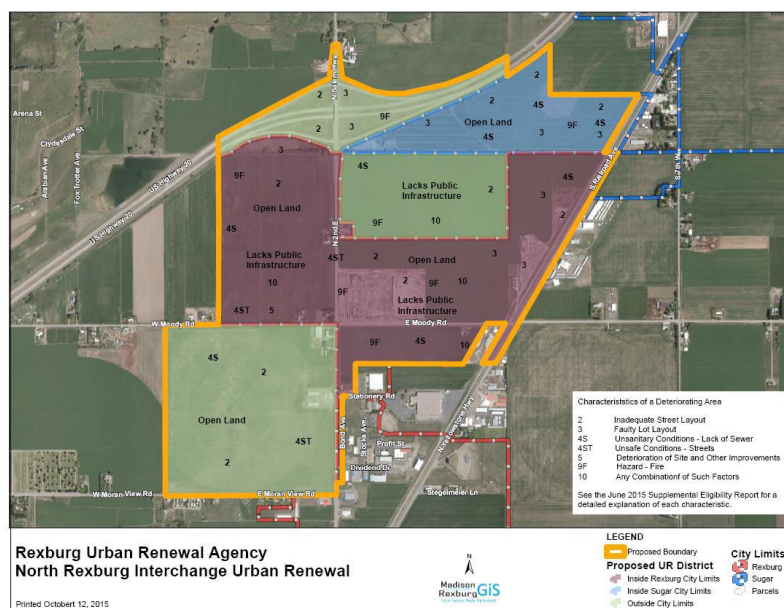
SIDEWALK PROJECT

At the January 25, 2018 discussion was held to analyze part of the safety risks to pedestrians walking to the high school and surrounding businesses and determine cost to create a sidewalk from Yellowstone Highway to Rexburg Motor Sports and the High School. At the June 7, 2018 meeting it was determined to be a feasible project and bid requests were advertised in the local papers. The project, managed by the City of Rexburg, began in August 2018 and completed at the end of October 2018.

NORTH INTERCHANGE DISTRICT

IMPLEMENTATION DATE 2015, PROJECTED TERMINATION DATE DECEMBER 31, 2035

The project area of the North Interchange District consists of 679 acres, including parcels currently located within City limits, and outside the City limits within the boundaries of Madison County and Sugar City. The parcels located in Madison County and Sugar City will be governed by an intergovernmental agreement. The primary purpose of the District is for street and utility improvements to provide an improved environment for new retail, residential and commercial facilities, public improvements or facilities, the elimination of unsafe conditions, and to otherwise prevent the extension of deterioration and reverse the deteriorating action of the area. Project improvements will also facilitate adequate vehicular and pedestrian circulation.



NORTH INTERCHANGE URBAN RENEWAL DISTRICT MAP

NORTH INTERCHANGE IMPROVEMENTS AND SIDEWALK CONSTRUCTION

At the January 25, 2018 meeting Joel Gray, the Rexburg City Engineer, updated the Rexburg Redevelopment Agency Board regarding the construction of a sidewalk from Moody Road to Walmart and widening of the adjacent road. The sidewalk would be large enough to accommodate both bicyclists as well as pedestrians.

The district will pay for the construction on 2nd East to Stationary Road and then anything with waste water will be paid by the City. In addition to the sidewalk, the road would be widened to accommodate 5 lanes of traffic. The total cost for the construction will be about \$2.4 million. Work on the sidewalk will be completed in 2019 and the road widening was completed in 2018.

FINANCIAL STATEMENTS

The Rexburg Urban Renewal Agency is required to provide a complete financial statement setting forth its assets, liabilities, income, and operating expense. The financial statements can be found in the 2018 professional audit which is included as part of this report. Please note that the audit only covers through the end of the fiscal year, so the assets, liabilities, income and expense are through September 30, 2018 and not the end of the year.