

January 1<sup>st</sup>, 2019– December 31<sup>st</sup>, 2019

**Annual  
Report**

2019

*Rexburg*

ID



**Urban Renewal Agency**

# 2019 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 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 6th, 1991 as 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 includes five 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 seven 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 Walmart 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 2019**

The Rexburg Urban Renewal Agency held five meetings throughout 2019. The Agency discussed and approved several projects and improvements to the Urban Renewal areas; each district and its 2019 project involvement will be discussed in detail below. The audit in its entirety is included as an additional document as part of this report. Resolution #2019-04 was passed to update the bylaws of the Urban Renewal Agency and the name “Rexburg Urban Renewal Agency” will be the official name going forward from 2019.

### **REXBURG URA FY 2018 ANNUAL REPORT**

At the March 12th, 2019 meeting, Richard Horner read the public hearing script for the Annual Report. Pauline Johnson reviewed the 2018 Annual Report which was sent to the board members before the meeting. Pauline Johnson 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. The 2018 Annual Report was approved with Resolution #2019-02.

### **REXBURG FY 2018 AUDIT**

At the February 12<sup>th</sup>, 2019 meeting, Brad Reed from Rudd & Company presented the 2018 audit. The audit came back with a clean, unmodified report meaning no deficiencies were found. The board voted to accept the audit.

### **BOARD MEMBER CHANGES**

There were no board member changes during the 2019 calendar year.

### **BUDGET FOR FY 2020**

At the July 25<sup>th</sup>, 2019 meeting, a public hearing was held to approve the FY 2020 budget. No objections were given from the community or agency members on the budget, and the budget seen below was approved.

	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>
<b>Revenue</b>			
North Highway Taxes	\$839,204	\$750,000	\$865,000
North Highway Other	\$7,826	\$403,000	\$922,000
Washington School Taxes	\$182,587	-	-
Washington School Other	\$711	\$16,000	\$36,100
Downtown Taxes	\$642,664	\$590,000	\$645,000
Downtown Other	\$(1,441)	\$500,000	\$794,300

University Blvd. Taxes	\$344,897	\$400,000	\$515,000
University Blvd. Other	\$2,112	\$1,520,000	2,135,600
North Interchange Taxes	\$296,519	\$300,000	\$300,000
North Interchange Other	\$48,905	\$2,202,000	\$2,011,900
Administrative Revenues	\$32,095	\$100,000	\$181,700
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<i>Total Income</i>	\$2,396,079	\$6,781,000	\$8,406,600
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<b>Expense</b>			
North Highway	\$102,645	\$1,153,000	\$1,787,000
Washington School	\$156,601	\$16,000	\$36,100
Downtown	\$29,233	\$1,090,000	\$1,439,300
University Blvd.	-	\$1,920,000	\$2,650,600
North Interchange	\$253,7177	\$2,502,000	\$2,311,900
Administration	\$12,932	\$100,000	\$181,700
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<i>Total Expense</i>	\$537,128	\$6,781,000	\$8,406,600

**NORTH HIGHWAY (2<sup>ND</sup> 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 (2<sup>nd</sup> 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.







*Figure 1: 386 E 7<sup>th</sup> N (Grover House Property) – Parcel purchased for University & Yellowstone Intersection Project*

**WASHINGTON SCHOOL DISTRICT  
(WASHINGTON SCHOOL AREA) MAIN STREET, 1<sup>ST</sup> WEST  
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 Urban Renewal Agency formed a second Urban Renewal Area on 1<sup>st</sup> 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, eliminate unsafe conditions, and to otherwise prevent the extension of deterioration and reverse the deteriorating condition of the area.

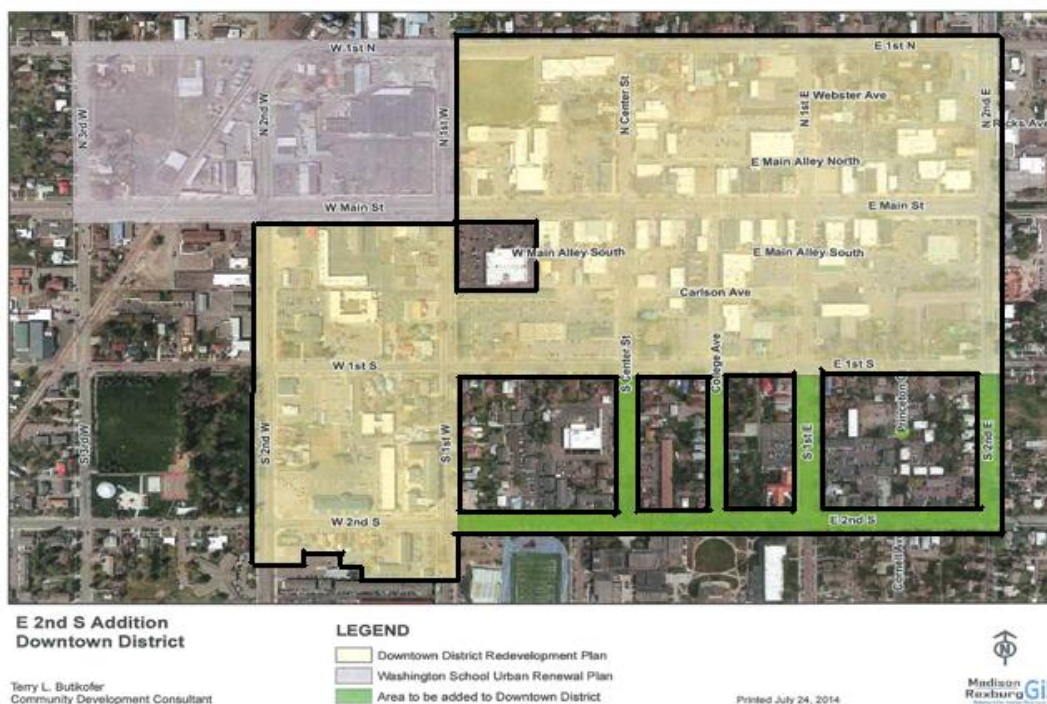




## DOWNTOWN DISTRICT

**IMPLEMENTATION DATE 2003, PROJECTED TERMINATION DATE DECEMBER 31<sup>ST</sup>, 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 1<sup>st</sup> South to 2<sup>nd</sup> South. (Indicated in green on the map below.)



MAP OF DOWNTOWN URBAN RENEWAL DISTRICT (YELLOW AND GREEN)

### START-UP COMMERCIAL KITCHEN IN ASSOCIATION WITH BLUE CROSS/BLUE SHIELD

Scott Johnson, City of Rexburg Director of Economic Development and Community Relations, approached the Rexburg Urban Renewal Agency with a request to utilize one building that was recently purchased to create a start-up kitchen, this was in support of a Healthy Living Grant sponsored by Blue Cross/Blue Shield which was received for that purpose. The grant would pay for all the appliances and equipment necessary for a functioning kitchen. The purpose of the kitchen is to help start-up entrepreneurial companies test their products and sell to the public within the health department requirements. Such a project would act as a local business incubator. The request also included that the rent be little to nothing, with the businesses using the facilities would only pay the cost of utilities. The City anticipates the commercial kitchen being open for 18 months. There was much discussion debating the pros and cons of such a project by the Rexburg Urban Renewal Agency board.

A motion was passed at the February 12th, 2019 meeting to approve the proposal of the commercial kitchen with five in favor and two opposed. There was no further discussion of the project after this meeting date.



### **COLLEGE AVENUE PROJECT: PARKING GARAGE AND LAND ACQUISITION**

At the March 12<sup>th</sup>, 2019 meeting, discussion was held about the Rexburg Urban Renewal Agency to purchase the BYU-Idaho parking lot (see figure 2). It was determined by the board that the Rexburg Urban Renewal Agency would purchase the BYU-Idaho College Avenue parking lot and the Robins property (see figure 3) in October of 2019 in order to move forward with their plans to establish additional parking for all the businesses along main street and the surrounding area. In addition to parking, the upper area of the proposed structure will be commercial/retail space to encourage business expansion and development.



*Figure 2: BYU-Idaho Parking Lot - Location purchased for Parking Structure*

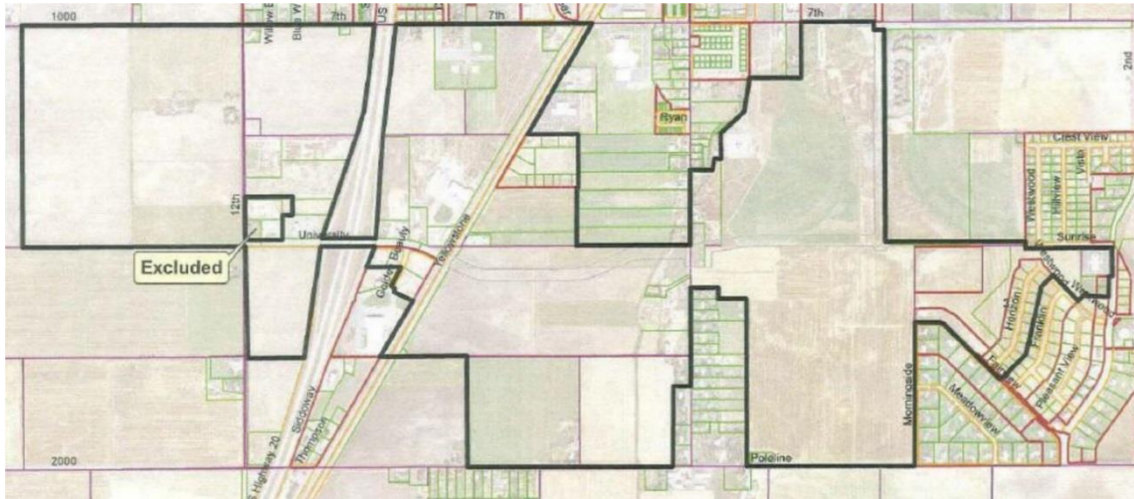


*Figure 3: 75 S Center St (Robins Property) - Property purchased for Parking Structure*

## **UNIVERSITY BOULEVARD DISTRICT**

**IMPLEMENTATION DATE 2007, PROJECTED TERMINATION DATE DECEMBER 31, 2031**

The University Boulevard-South 12<sup>th</sup> 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. Allowing the elimination of unsafe conditions and prevent the extension of deterioration and reverse the deteriorating action of the area.



**MAP OF THE UNIVERSITY BOULEVARD DISTRICT**

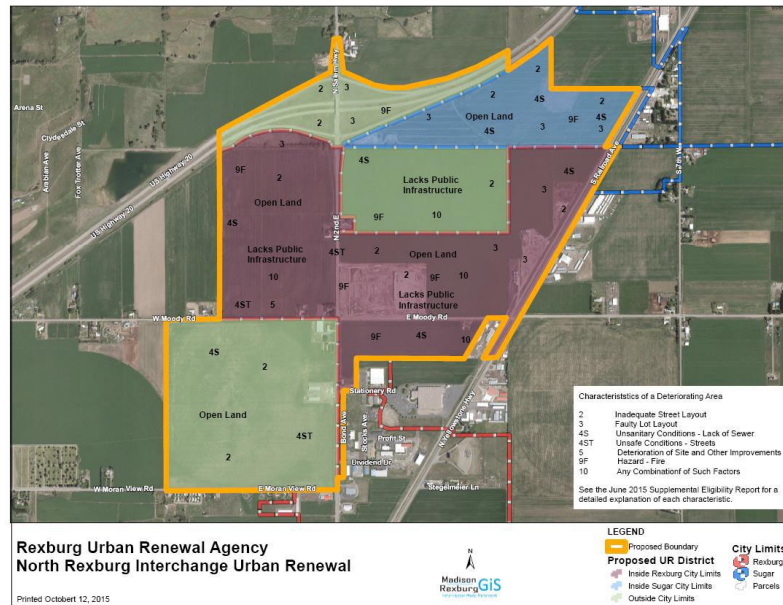
### **ROUND-ABOUT PROJECT**

At the March 12<sup>th</sup>, 2019 meeting Keith Davidson with the City of Rexburg updated the Rexburg Urban Renewal Agency on the status of the round-about and gave the board a cost estimate for the project. The anticipated start date for the project is in Spring of 2020, but the project timeline is subject to change. The start date is contingent upon the securing of the rights-of-way needed for the updated design for the round-about, which the Rexburg Urban Renewal Agency is assisting in obtaining. With the rights-of-way obtained the round-about will be in the best possible formation for traffic flow through the area.

## **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**

At the July 25th, 2019 meeting the City of Rexburg has plans to widen Moody Road to five lines, which includes the railroad crossing. The plans for the railroad crossing are already in place with the City having received grant dollars for that part of the project but the widening of Moody Road is contingent upon the tax evaluation of Walmart. Walmart's tax evaluation was for \$20 million dollars with which they contested and requested to be reduced to \$13 million dollars. If Walmart is successful in its appeal to reduce its tax assessment to \$13 million dollars there will not be enough tax revenue to cover the improvements to Moody Road. The project is contingent upon the determination and appeal of the tax evaluation. The Rexburg Urban Renewal Agency is currently obtaining the rights-of-way from landowners around the railroad tracks and at the intersection of Moody Road and Highway 33. Once all of the land and rights-of-ways needed are obtained the project can begin. The intersection being increased to five lanes will help to better the traffic flow in the area.

### **FINANCIAL STATEMENTS**

The Rexburg Urban Renewal Agency is required to provide a complete financial statement setting forth its assets, liabilities, income, and operating expenses. The financial statements can be found in the 2019 professional audit which is included as part of this report. Please note that the audit only covers through the end of the fiscal year, meaning the assets, liabilities, income, and expenses are through September 30, 2019, and not the end of the calendar year.