

January 1st, 2020– December 31st, 2020

**Annual
Report**

2020



Urban Renewal Agency

2020 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), Douglas Hancey (Vice-Chairman), Randall Porter (Secretary), Robert Chambers, Traci Peterson, Bill Riggins, and Tisha Flora.

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. The revenue allocation for this district was terminated in 2018.
- 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.
- District 6: Formed in 2020, known as the North Central District. This district was organized primarily to assist with the improvement of roads, sidewalks and property development.

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 2020

The Rexburg Urban Renewal Agency held six meetings throughout 2020. The Agency discussed and approved several projects and improvements to the Urban Renewal areas; each district and its 2020 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 2019 ANNUAL REPORT

At the March 12th, 2020 meeting, Richard Horner read the public hearing script for the Annual Report. Pauline Johnson reviewed the 2019 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 2019 Annual Report was approved with Resolution #2020-01.

REXBURG FY 2019 AUDIT

At the March 12th, 2020 meeting, Rudd & Company presented the 2019 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 board member changes during the 2020 calendar year. At the April 29th, 2020 meeting Bill Riggins and Tisha Flora joined the board. Joseph West and Brad Wolfe both left the board on January 1, 2021 at the expiration of their terms.

BUDGET FOR FY 2021

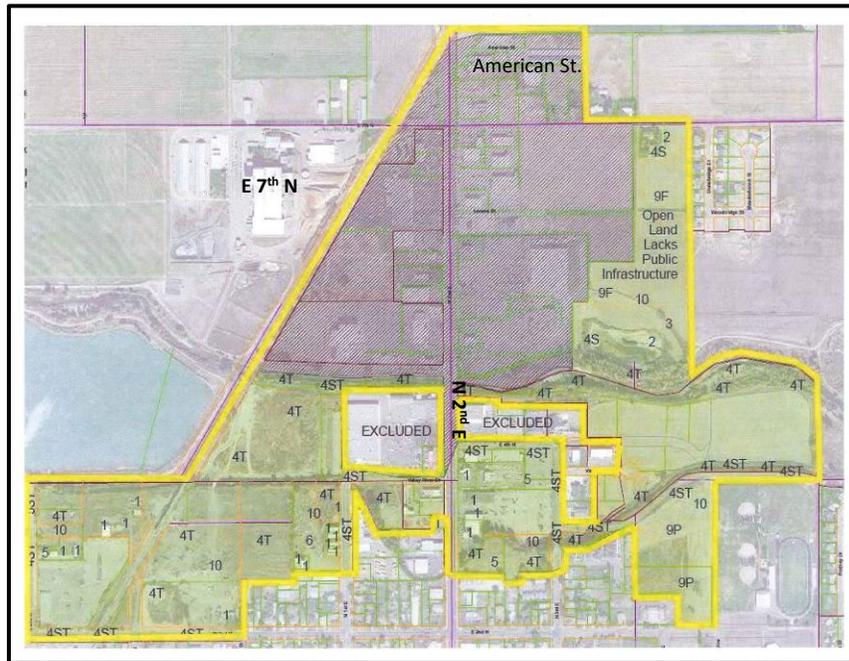
At the July 25th, 2020 meeting, a public hearing was held to approve the FY 2021 budget. No objections were given from the community or agency members on the budget, and the budget seen below was approved.

	2019 Actual	2020 Budget	2021 Budget
Revenue			
North Highway Taxes	\$808,717	\$865,000	\$795,000
North Highway Other	\$10,72	\$922,000	\$130,000
Washington School Taxes	-	-	-
Washington School Other	\$338	\$36,100	\$281,700
Downtown Taxes	\$7285,177	\$645,000	\$830,000
Downtown Other	\$13,893	\$794,300	\$1,084,300
University Blvd. Taxes	\$365,789	\$515,000	\$415,000
University Blvd. Other	\$100,184	\$2,135,600	\$1,614,800
North Interchange Taxes	\$320,791	\$300,000	\$330,000
North Interchange Other	\$70,856	\$2,011,900	\$778,600
North Central Taxes	-	-	-
North Central Other	-	-	\$50,000
Administrative Revenues	\$32,435	\$181,700	\$126,600
<i>Total Income</i>	<i>\$2,396,079</i>	<i>\$8,406,600</i>	<i>\$6,435,700</i>
Expense			
North Highway	\$1,278,097	\$1,787,000	\$925,000
Washington School	\$2,448	\$36,100	\$281,700
Downtown	\$2,550	\$1,439,300	\$1,914,000
University Blvd.	\$306,671	\$2,650,600	\$2,029,800
North Interchange	\$479,093	\$2,311,900	\$1,108,600
North Central	-	-	\$50,000
Administration	\$11,852	\$181,700	\$126,600
<i>Total Expense</i>	<i>\$2,080,711</i>	<i>\$8,406,600</i>	<i>\$6,435,700</i>

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

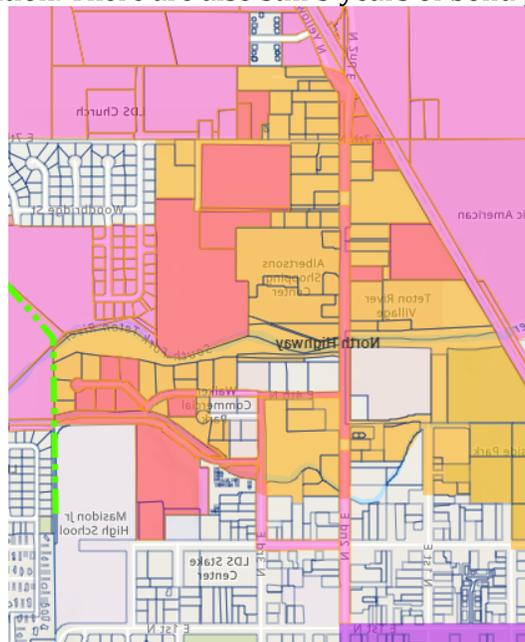
The Rexburg Urban Renewal Agency undertook its first project in 1991 shortly following its formation. The Agency formed an urban renewal area of sixty-six acres surrounding a portion of the North Highway and funded public improvements including street and utility improvements on North Highway (2nd East)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

At the April 29th, 2020 meeting de-annexation of properties was discussed. This de-annexation would allow these areas to be included in other districts. Resolution 2020-02 passed allowing for the de-annexation. The North Highway District is ending in 2022, but there are still projects that need to be completed. The parcels being annexed out of North Highway District will now be called the North Central District. The North Highway District still has bond payments to the Bank of commerce that are ok'd for the de-annexation. There are also still 3 years of bond payments left.



THE parcels and streets TO BE de-annexed are in dark pink/orange & will be picked up by the new North Central District; purple/lavender will be part of the new North Central District.

BASEBALL/SOFTBALL QUAD PROJECT

The City awarded a \$1.6 million contract to Jerome Bowen Construction for the Baseball Quad which covers all by installing the lighting. The City is obtaining more donations to help pay for the lighting. The fields should be ready for use in Spring of 2021.

GROVER PROPERTY

At the September 25, 2020 meeting, the board discussed the Grover property and explored options that would allow the City to widen the road. Options were discussed like whether to list the property with stipulations, tear down the property, build a retaining wall, or to renovate and rent the property. The board concluded to list the property with the stipulation of the house being torn down and to save as much greenery as possible. The motion was made and unanimously approved by the board.

At the December 1st, 2020 meeting the motion was made to surplus the property. The motion passed unanimously. The board discussed publishing an RFP for developers to tear down the house and build apartments. The RFP is written in two parts. Respondents may propose for both parts or just one. It was published on December 8, 2020 and proposals are due February 4, 2021. The district will deed the necessary land on the parcel to the City for a rights-of-way to widen the road. A motion was made and passed unanimously.

WASHINGTON SCHOOL DISTRICT (WASHINGTON SCHOOL AREA) MAIN STREET, 1ST WEST IMPLEMENTED IN 1997, REVENUE ALLOCATION TERMINATION DATE JUNE 7, 2018

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 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 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.



MAP OF WASHINGTON SCHOOL URBAN RENEWAL AREA (GRAY)

WASHINGTON SCHOOL DISTRICT TERMINATION OF REVENUE

This district was set to end in 2017. In the 2018 Rexburg Urban Renewal Agency Annual Report it was stated that the Washington School District was terminated; however, only the revenue was terminated. At the June 7, 2018 meeting, Resolution #2018-02 was passed by the Rexburg Urban Renewal Agency which officially terminated the revenue of the district but left the district as active.

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

At the March 12, 2020 meeting, Rexburg businessman, Bron Leatham updated the Rexburg Urban Renewal Agency that he and Jay Jenks and Skyler Jenks are considering creating a LLC to develop the apartment complex. It would be small and not include laundry in the unit, allowing for lower rent costs. The board agreed to enter into a 30-day negotiation agreement of exclusion right with the LLC.

At the April 29th, 2020 meeting a six-month extension was signed for the exclusive agreement. It is good through the end of September.

At the July 22nd, 2020 meeting Skylar Jenks and Bron Leatham updated the board on the layout for the four-floor apartment complex rental space adjacent to Broulim's grocery store. The development agreement between Rexburg URA and the Developers to be negotiated soon.

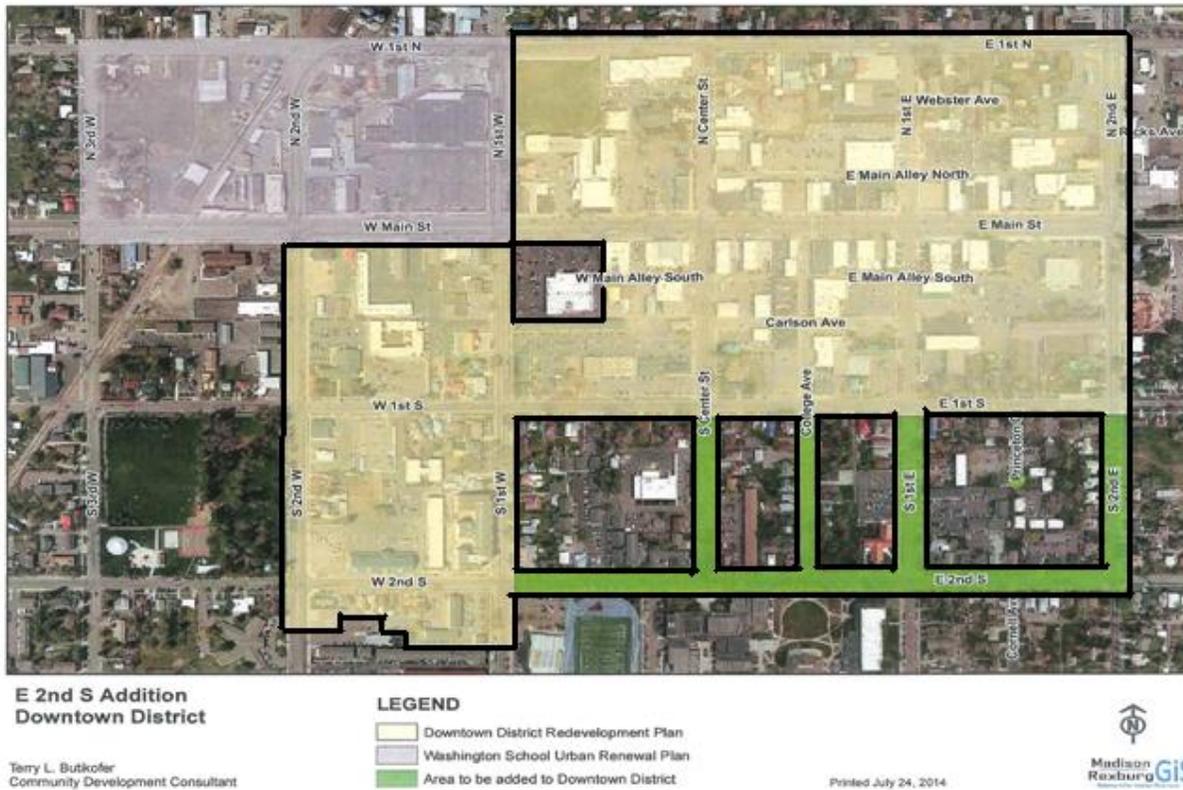
At the September 25th, 2020 meeting Bron Leathan and Skylar Jenks presented the plans for the apartment complex project. There will be 96 total apartments with 8 studio apartments, 72 one bedroom apartments, and 16 two bedrooms. The apartments will be four floors with a basement level. There are 137 stalls in the apartment lot for parking. The first level will be ADA compliant. There is also a retail section near the apartments of 5,000 square feet. They hope to get the project under way in the spring of 2021. The board voted to extend the exclusive right to negotiate agreements for two more months. A motion was made and passed unanimously.

At the December 1st, 2020 meeting Richard Horner reported the developers would like to wait until spring to re-bid the construction. Costs came in high due to building materials costs. It was agreed that there is no other option, the board will allow the developers until spring to re-bid the construction.

DOWNTOWN DISTRICT

IMPLEMENTATION DATE 2003, PROJECTED TERMINATION DATE DECEMBER 31ST, 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.)



DOWNTOWN URBAN RENEWAL DISTRICT (YELLOW AND GREEN)

COLLEGE AVENUE PROJECT: PARKING GARAGE AND LAND ACQUISITION

It was discussed in the July 9th, 2020 meeting that property acquisition and conceptual project ideas are still ongoing.

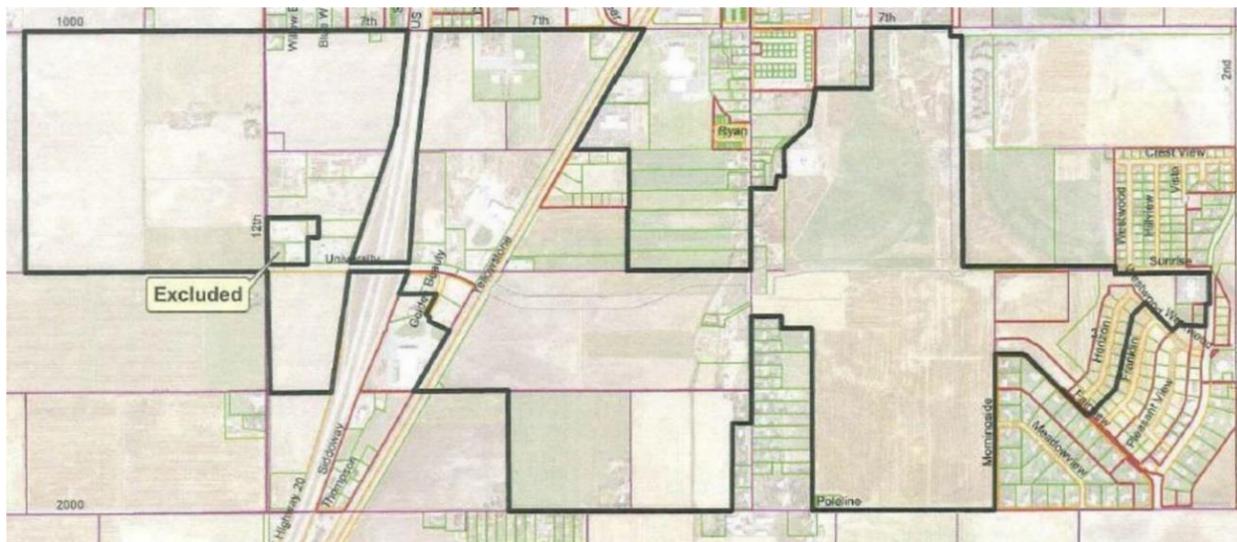
At the September 25th, 2020 meeting the board discussed the need for more parking in the downtown district. The idea of a parking structure was discussed again and how it would be paid for by taxes. Another option that was discussed was a hotel downtown as well. There is a hotel that is interested in this option. The board is still waiting to continue with Bernie Jenson, this project has been delayed due to COVID setbacks.

At the December 1st, 2020 meeting the board discussed the Allen Ridge building. There is no value left in it and it is becoming a hazard. The motion was made to surplus the property. The motion was made by Douglas Hancey and second by Tracy Peterson. All members voted "Aye." The board has received bids to demolish the building. The low bid was \$34,235. The motion was made to accept the low bid and have the building torn down. The motion was made and approved unanimously.

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. 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

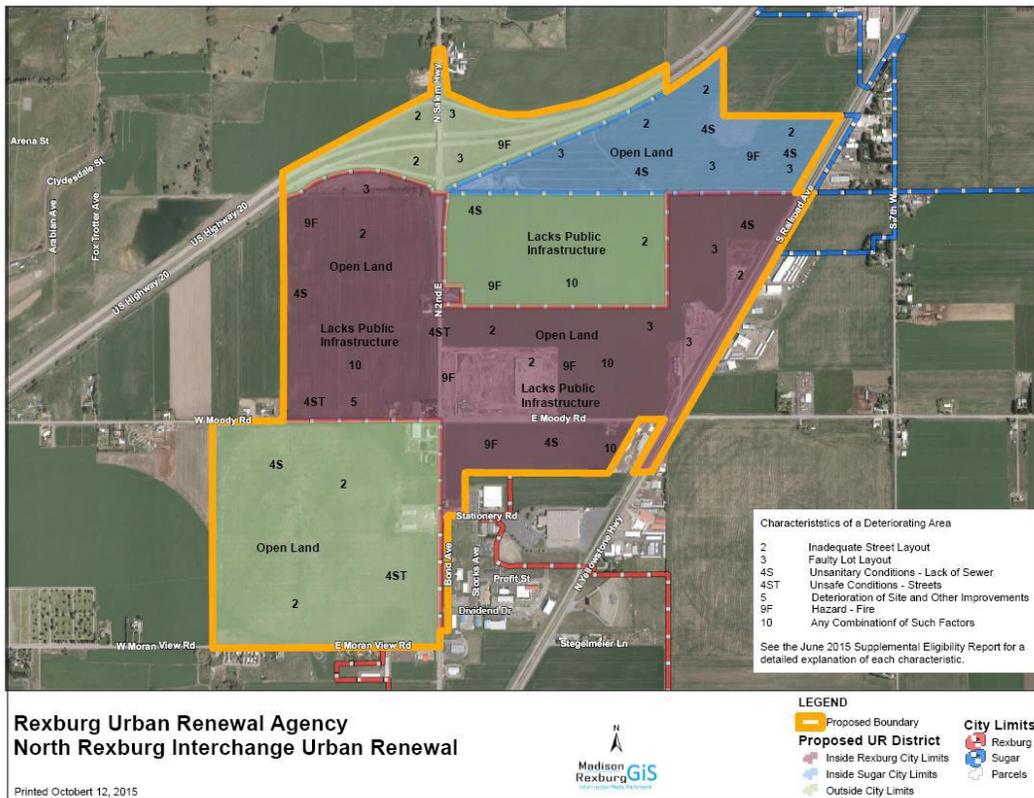
ROUND-ABOUT PROJECT

At the March 12th, 2020 meeting Keith Davidson, City of Rexburg Public Works Director, updated the Rexburg Urban Renewal Agency on the status of the round-about project. The right of ways still need to be lined up.

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

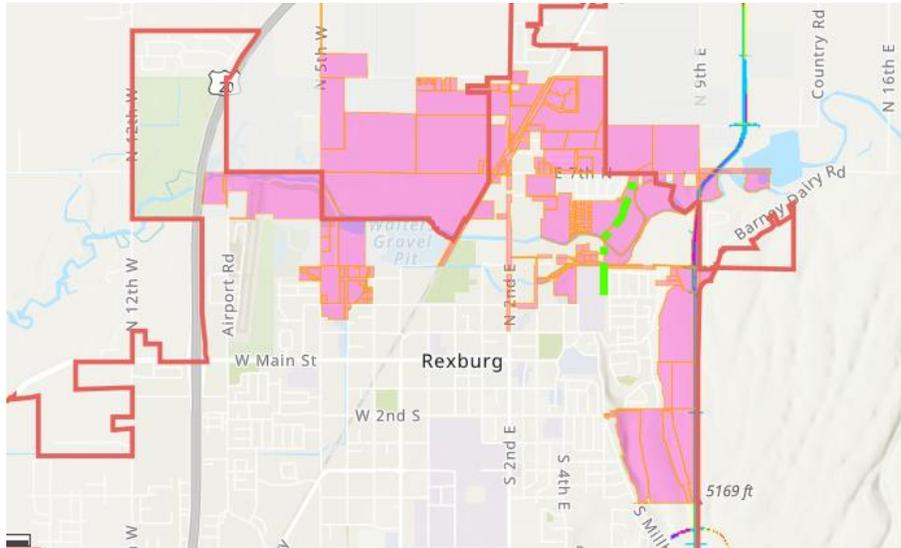
NORTH INTERCHANGE IMPROVEMENTS

At the July 9th, 2020 meeting a project update was provided. HK Contractors was the low bidder on the Moody Road widening project. The City received a grant to signalize the railroad crossing at Moody Road which is moving forward. TMC chip sealed the road on 2nd East. There was also discussion about future development by the traffic signal area by Walmart.

NORTH CENTRAL DISTRICT

IMPLEMENTATION DATE 2020, PROJECTED TERMINATION DATE DECEMBER 31, 2040

The North Central District was developed in 2020 to address the need for economic and cultural growth of the area. The plan allows for major street improvements to provide an improved environment for new and rehabilitated residential, retail, recreation, commercial, and industrial facilities. Allowing the elimination of unsafe conditions and prevent the extension of deterioration and reverse the deteriorating action of the area. The parcels located in Madison County will be governed by an intergovernmental agreement.



NORTH CENTRAL RENEWAL DISTRICT MAP (pink parcels)

At the July 9th, 2020 meeting Chairman Richard Horner presented to the board the eligibility report for the North Central District. The eligibility report was motioned and approved by the board along with Resolution 2020-03. The eligibility report was sent to the City of Rexburg for approval and creation of the new district and a financial plan would be made for the new district.

At the September 25th, 2020 meeting the board looked through the map of the district and the district plan. This district would include projects such as the 7th N 5th W sewer line, purchase of the fair grounds to allow the fair grounds to be moved, and other projects as seen in the public improvements list with estimated costs seen in the exhibits in Resolution 2020-05. A motion to accept the plan was made and unanimously approved.

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 2020 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, 2020, and not the end of the calendar year.