

Urban Renewal Authority Work Session Meeting

March 24, 2022

Called to order at 10:00 a.m.

Present: Katie Ames (President), Rob Graham (Vice President), Ken Dugas, Ryan Whitehead, Chet Halverson

Not Present: None

Non-Committee members present: Charles Bloom, Mark Christensen, Wes Bay, Robert Chamberlin, Chris Lovas, Casey Palma, Tom Segrave

Minutes from last meeting approved: None.

Public Comment: Ms. Ames opened the discussion on Public Comment explaining that the Board is new and is holding the work session to identify how projects are assessed moving forward. This included wanting to discuss how overages are reviewed when they come back to the Board. Mr. Chamberlin spoke first and described why the overages happened with the Hitching Post project, including time constraints with wind and weather delays. He stated that he really appreciates the ability to utilize the TIF and thinks it will be able to improve a lot of areas in the community.

Agenda Items:

- a) **Requirements for Public Improvements and Development Agreements:** Wes Bay overviewed the requirements the City Engineer has for site plan and engineering plan reviews. He noted the requirements for curb, gutter, sidewalk, ADA specifications, road construction contribution, and transportation impacts. Mr. Bloom added what triggers an engineering plan review and how the process moves through the City. Mr. Bloom also elaborated on the amount of overages that projects are typically seeing at the City. Mr. Lovas concurred that it is happening frequently, but it is dependent on the project. Mr. Bloom noted that contingencies are usually built in for the City at 10-20%. Mr. Whitehead noted that banks are typically adding a 10% contingency on top of what contractors are estimating. Mr. Palma agreed with previous statements and confirmed that this project was always likely to have a large contingency due to many uncertainties with the Hitching Post.

- b) **Establishing Criteria for Projects:** Ms. Ames opened the discussion on criteria for Projects by discussing that she believes the Board should take in applications and set a number for an acceptable deviation for overages, such as 15% or 20%. Mr. Halverson concurred, noting how the Hitching Post project is dealt with by the Board and will set the framework for future projects. He noted that setting thresholds for overages will help the development community budget their projects. Mr. Chamberlin added a public comment that he agrees and wanted to be conservative with estimates as it was the City's first TIF project. Mr. Lovas requested the board develop parameters detailing infrastructure that qualifies for TIF funding. Mr. Christensen clarified that staff had a brief presentation on some examples of criteria, but first wanted to allow for the discussion on requirements for public improvements as the speaker for the section, Wes Bay, had some time constraints.

The Board transitioned back into the discussion on criteria for projects. Mr. Dugas added that he wanted to ensure the URA Board were good stewards of the taxpayer dollars. He noted he would like to see change orders with specific reasons for the change orders. Mr. Graham agreed. He stated he would like to see a contingency plan on future applications. He noted that this should not be the case for the current applications that have been submitted. Mr. Whitehead agreed and added that there should be approved change orders by the Board. Mr. Halverson agreed and wanted to note that taxpayer dollar stewardship is extremely important, but it is also important to make sure the URA Board helps projects through to the finish line. He noted that these kinds of projects often have surprise come up. The Board discussed a percentage of contingency they may fund, ranging from 10-20%. Mr. Halverson asked Mr. Christensen if additional items can be applied for through the construction process. Mr. Christensen confirmed this is possible. Mr. Halverson stated that he believes different items should have different applications and not be considered in the contingency. Mr. Bloom added that these items can be added in the application process. Mr. Dugas stated that it is important for the Board to note that they are looking at projects that a typical financial institution would not fund, and they are truly bridging a gap in financing. Mr. Lovas suggested the Board get an individual consultant to check cost estimates for projects and not solely rely on the developer's estimates. Mr. Whitehead added that the Board may want to see appraisals. Mr. Chamberlin again thanked the Board for their consideration and added more information on the lack information in the demolition of the Hitching Post. Mr. Bloom replied to Mr. Lovas' suggestion on an outside estimate but noted that this is checked by the Engineering department.

Mr. Christensen provided an overview on review criteria for future projects. He noted that the Unified Development Code contains review criteria for different kinds of projects, such as zone changes, subdivision applications, and variances, but the URA does not have any similar review criteria. Mr. Christensen then overviewed different communities that had review criteria for Urban Renewal projects. He highlighted common considerations in review criteria include conformance with adopted plans, economic impacts, feasibility gaps, and the relation between public and private investments. He noted staff would take in comments from the Board and bring them forward at a future meeting for adoption. Mr. Dugas noted he would like these criteria incorporated in the application process. Mr. Chamberlin added a public comment that he acknowledged that this would be a great idea moving forward. Mr. Christensen explained how this would work with an application and how staff will review answers to the criteria. The Board discussed possible review criteria and application requirements, but did not solidify requirements and criteria through any action. Mr. Christensen and Mr. Bloom noted staff would take in suggestions and bring forward these requirements and criteria at a future meeting. Mr. Halverson noted that he wants applicants to note that TIF financing is not guaranteed for every project. The Board noted that they would like overages to come back to the Board. Mr. Chamberlin added a public comment that he thinks it would be beneficial to have a public method for determining how much tax increment financing a project would be able to produce. The Board continued to discuss a percentage that would be acceptable for projects to be funded, but felt it may be better to determine on a case by case basis. The Board did not have any action items and noted the criteria would be adopted at future meeting.

Other Business: None

Mr. Dugas made a motion to adjourn. Mr. Whitehead seconded. All in favor. Meeting adjourned at 11:28 a.m.

Minutes respectfully submitted:

Mark Christensen, Planner II, Planning & Development Department