

2015 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 2015 audited financial statements is attached. Also attached is a FY2015 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). 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 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.

During FY2014 the Agency completed projects that were approved and funded prior to the close of the project area. These projects included a remodel of the City's Animal Shelter as well as water and sewer line improvements on 46th Street from the new reservoir to Adams Street and sewer line improvements on 44th and 45th Streets from Adams to the Boise River.

At the close of the 2014 fiscal year, the Agency continued to hold \$7000 in funding for final audit and legal expenses related to the project area completion and distributed \$1247 in undesignated remaining funds to the appropriate taxing entities. Delinquent tax payments continued to be received in FY2015 in the amount of \$19,004. Approved expenditures during

FY2015 on uncompleted projects and administrative activities amounted to \$20776. A final distribution of \$5,227.87 was made on September 30, 2015 to the appropriate taxing entities. No further revenue will be received nor further expenditures will be made in this district.

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 has 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.); and to enhance amenities such as parks and greenbelts, providing the catalyst for future economic development in the area.

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 approximately 64 housing units. Certain public infrastructure adjacent to the project were 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 participation to be repaid from the tax increment generated from the Trailwinds Project.

As noted above, the \$10,000,000 Trailwinds Apartment complex opened its doors in the fall of 2015 and is nearing 100% occupancy. This much-needed affordable housing option has received significant positive publicity and reinforces the importance of public/private partnerships in the urban renewal district. Importantly, the developers associated with this project are now moving forward with a \$20,000,000 mixed use project directly across the street from Trailwinds. There is no question but what the development of the Trailwinds complex will be the impetus for further development and redevelopment in the River Front East district.

FY2015 REVENUES

Tax Increment Revenue

The only source of FY2015 Agency income, other than interest on interest bearing accounts, which equated to \$16 in FY2015, was Tax Increment Revenue generated within the River Front and River Front East urban renewal project areas. In FY2015, the total Tax Increment Revenue received by the Agency was \$213,555, of which \$19,004 was for delinquent tax payments for the River Front District and the balance was tax increment revenue for the new River Front East District.

FY2015 EXPENDITURES

During FY2015, \$76,533 in funding was provided for various activities. Spending at this time is minimal as the River Front District was in virtually its first year of start-up planning and activities.

- ◆ Riverfront Park Improvements. A total of \$12,780 was utilized for improvements at the Riverfront Park. This included \$8,252 for new security equipment and new restroom doors. An additional \$5990 was spent on landscape improvements to the park. Maintaining security at this park, located next to the Boys & Girls Club of Ada County and the new Trailwinds Apartment complex and host to hundreds of children a day, is a top priority for the city and the agency.
- ◆ Public Safety. The Agency funded \$6935 for a new greenbelt patrol vehicle for the police department.
- ◆ Public Facilities. A total of \$29,364 was used for funding various public facility projects, including location signing for the “Live, Work, Create” district, participation in a new electrical power box, and initial work on a public parking facility at 36th & Carr. The latter will be completed in FY2016 with agency funding.

OPERATING EXPENSES

The Agency has minimal operating expenses as it has no paid staff members, utilizing outside legal, secretarial and bookkeeping services. Total operating expenses, including secretarial, bookkeeping, audit, legal, consulting, liability insurance and other office expenses, amounted to \$21,465 in FY2015.

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 \$350,000 in support of public improvements related to the Trailwinds Project as noted above.

SIGNIFICANT CHANGES IN AGENCY'S FINANCIAL POSITION

There were no significant changes in the Agency's financial position in FY2015. 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