

# **2012 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 1<sup>st</sup> through September 30<sup>th</sup>. 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 2012 audited financial statements is attached. Also attached is a FY2012 Income Statement and Balance Sheet for the Agency.

### *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. Since that approval, the Urban Renewal Agency has commenced with the implementation of the River Front Plan.

In 2007, the Agency began considering updating the River Front Plan to (1) recognize changes in the Idaho Urban Renewal Law and the Economic Development Act adopted by the state legislature since 1996, (2) update the Agency's activities, and (3) provide projections of Agency activities through 2013. In January 2008, the Agency authorized the examination of property owned by the City of Garden City to determine whether such property would be eligible for inclusion within the River Front Plan area. On March 3, 2008, the Agency recommended approval of the Amended and Restated River Front Plan and forwarded the plan to the City Council for its consideration. On April 14, 2008, the City Council adopted Ordinance No. 888-08 approving the Amended and Restated River Front Plan. Ordinance No. 888-08 became effective upon publication on April 17, 2008. On July 17, 2012, the Agency passed Resolution 5-2012, formally adopting the 1<sup>st</sup> Amendment to the 2008 Amended and Restated River Front Plan to delete certain properties that had not yet been developed. The City Council formally approved the updated Plan through Ordinance 953-12 on October 22, 2012. It is anticipated that the River Front Project area will be terminated in 2013.

#### **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 Veterans Parkway 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 and that 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. The Agency will begin implementing the Plan in 2013, or as funds become available.

### ***FY2012 REVENUES***

#### *Tax Increment Revenue*

The only source of Agency income, other than interest on interest bearing accounts, which equated to \$3500 in FY2012, is Tax Increment Revenue generated within the River Front urban renewal project area. In FY2012, the total Tax Increment Revenue received by the Agency was \$776,293, of which \$135,838 was for delinquent tax payments.

The newly created River Front East Project area will begin receiving tax increment revenue in FY2014.

### ***FY2012 EXPENDITURES***

The Agency continues to seek, review and approve funding, where appropriate, for projects that positively impact the River Front urban renewal area and its residents. During FY2012, \$676,613 in funding was provided for various activities, including for the following major projects:

- ◆ Remington Waterline Project. In the summer of 2012, one of the city's main waterlines running under the Boise River burst between the River Front project area on the south and the Plantation subdivision on the north, resulting in an emergency declaration by Mayor John Evans and the City Council for a new waterline under the river as well as from the river to Alworth on Remington Street in the urban renewal area. The Agency funded \$350,000 of these new waterlines, approximately 50% of the total project cost.

These waterlines provide critical connections as water is routinely routed under the river from both directions between the north and south sides of the city.

- ◆ New Sewer lines. The Agency provided \$99,670 in funding for new sewer lines on 46<sup>th</sup> Street from the future reservoir site south of Adams to the Boise River waste water connections.
- ◆ City Reservoir. The City has no water storage reservoir for high usage and emergency use, particularly in the urban renewal area. The Agency is funding the design and construction of the reservoir at the existing public works operations site on 46<sup>th</sup> Street. Included in this project will be the design and installation of new water and sewer lines on 46<sup>th</sup> Street from the reservoir to Adams Street. During FY2012, the Agency funded the final \$147,850 of the design services (total design services were \$200,000). The Agency will fund approximately \$1.9 million in construction costs for the reservoir and waterline projects in FY2013.
- ◆ Public Safety Data Storage. Data needs for City Public Safety services (Police Department and Code Enforcement) are substantial and network servers and storage availability was highly limited. The Agency funded \$28,660 in upgraded data storage for the departments during FY2012.
- ◆ Riverfront and Mystic Cove Park Improvements. The Agency continues to make incremental improvements to the Riverfront Park on 42<sup>nd</sup> Street adjacent to the Boys & Girls Club and the Mystic Cover Park on 48<sup>th</sup> Street. In FY2012, additional landscaping, maintenance equipment and irrigation improvements were funded in the amount of \$18,114.
- ◆ Senior & Youth Projects. The Agency funded \$10,100 in Senior and Youth Activities, including \$7000 for a grant to the Boys & Girls Club for the remodel of their Education Center.
- ◆ River Front East Project Area. During FY2012, the Agency funded \$15,522 in planning and legal services for the new River Front East Project Area. These funds are a loan to the new district from the River Front Project area and will be repaid as incremental tax revenue becomes available to the new district or through a loan to the new district from the city.

### ***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 \$20,366 in FY2012 which equates to 2.6% of total revenues and 2.9% of total expenditures.

## ***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 and, at this time, has no plans to incur such debt.

## ***SIGNIFICANT CHANGES IN AGENCY'S FINANCIAL POSITION***

There were no significant changes in the Agency's financial position in FY2012. 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.

The Agency is, to a degree, dependent upon other public agencies, such as the 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  
March 18, 2013