



Jerome County Urban Renewal Agency

ANNUAL REPORT

December 31

2020

The Annual Report provides an opportunity for the Agency to update Jerome County, the public, and its constituencies on activities undertaken by the Agency during the respective calendar year. The Agency holds an open public meeting to allow comment by the public on the contents of the Annual Report.

Activities of the Agency

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Outwest Policy Advisors**

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Jerome County Urban Renewal Agency

2020 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 through September 30. Consequently, any formal financial statement would be limited to a report through the end of the Agency's fiscal year.

Under the amendment to Idaho Code Section 67-450B adopted in 2019 and amended in 2020, an urban renewal agency is required to prepare certain audited financial statements as described in that section depending on the agency's overall expenditures. Agencies with expenditures that do not exceed \$150,000 have no audit requirements. Agencies with expenditures between \$150,000 and \$250,000 shall have an annual audit or may elect to prepare an audit on a bi-annual basis. While the Agency's expenditures are below the new threshold requiring an annual audit, the Agency commissioners feel it is appropriate to conduct an annual audit of public monies. The Agency is preparing audited financial statements for the Fiscal Year ended 2020 and has engaged the services of Rexroat, Harberd & Assoc., PA to conduct an audit of Agency finances. The audited basic financial statements for fiscal year 2020 are expected to be received prior to the statutory deadline of June 30, 2021, and will be filed, when received, with the state Legislative Services Office as required by Idaho Code, § 67-450B.

The budgetary process the Agency completed resulted in a budget approval that depicts budgeted figures for Fiscal Years 2018, 2019, and 2020. A copy of the approved budget for Fiscal Year 2020 is attached as Exhibit 1 to this report. A Year End Budget to Actual report for Fiscal Year 2020 is attached as Exhibit 2 to this report. Additionally, during the period covered by this report, the Agency prepared a proposed budget for Fiscal Year 2021 which began in October 2020 and ends September 20, 2021. A copy of this budget is available for review in the office of the County Clerk.

Under new reporting requirements set forth in Idaho Code § 67-450E, the Agency must submit certain information to the Legislative Services Office by December 1, 2020, for the fiscal year 2020 period ending on September 30, 2020. The Agency filed this report prior to the statutory deadline of December 1, 2020. As a result of legislative changes in 2016, the Agency is also required to submit certain information to the Idaho State Tax Commission, which information has been submitted.

AGENCY BOARD MEMBERS, OFFICERS, CONSULTANTS AND SUPPORT STAFF

The Agency board of commissioners is comprised of five members appointed by the County Commissioners for specific terms of service. Board members for calendar year 2020 included:

Marsha Martin 1/2020-12/2020, Chair
TJ McArthur 1/2020-3/2020
Steven Huettig 1/2020-12/2020

Roger Morley 1/2020-12/2020, Vice-Chair
Wendy Robbins 1/2020-12/2020, Secretary
Carl Montgomery 3/2020-12/2020

Officers for the year were Marsha Martin, Chairman; Roger Morley, Vice-Chairman; and Wendy Robbins as Secretary/Treasurer. Ryan Armbruster of the law firm of Elam and Burke, PA served as legal counsel. The Agency contracted with Outwest Policy Advisors for Administrative and Consulting services in March 2018.

AGENCY ACTIVITIES

The Agency's major activities during 2020 were comprised of three major project areas. This report will summarize the Agency's activities by project. The three project areas are:

Crossroads Point
Crossroads Point Phase 2
NorthBridge Junction

Crossroads Point Urban Renewal District

The Jerome County Board of Commissioners formally approved the Crossroads Urban Renewal Plan on December 17, 2008, through Ordinance No. 2008-10. The ordinance became effective upon publication on December 25, 2008. The Jerome County Board of Commissioners formally approved the Amended and Restated Jerome County Crossroads Urban Renewal Project Urban Renewal Plan on December 6, 2010, through Ordinance No. 2010-12. The ordinance became effective upon publication on December 14, 2010. Since that approval, the Urban Renewal Agency has commenced with the implementation of the Amended and Restated Plan. consideration given to potential new urban renewal districts in the county.

On August 1, 2013, the Agency and ABC Agra, LLC entered into an Owner Participation Agreement ("Agreement") for the Crossroads Point Business Center PUD. Under the Agreement, the Agency agreed to reimburse ABC Agra, LLC in an amount not to exceed \$1,900,000 for certain public improvements constructed within the Amended and Restated Plan Project Area. As set out in the Agreement, the Agency issued its Limited Recourse Promissory Note ("Note") in the principal amount of \$1,900,000. The Agency will repay the Note from tax increment proceeds generated from several lots within the Crossroads Point Business Center PUD. Interest on the Note is set at the prime rate plus 2% per annum. The Agency is obligated to disburse 75% of the tax increment it receives from those lots. As of the end of Fiscal Year 2020 the unpaid principal balance was \$1,833,736.

The developers of the Crossroads Point project area approached the Agency board in late 2019 requesting consideration to deannex certain parcels from the current Urban Renewal District. The parcels in question have seen no substantial development since the plan was adopted in 2008 and contribute very little to the tax increment revenues the Agency receives. The Agency board instructed its consultant and legal counsel to work with the developers in putting together a deannexation plan for the proposed parcels and conduct an analysis such would have on the

Agency revenues and consequently on its obligation to pay the note on public infrastructure improvements with the project area. The process of deannexation continued into 2020 before it was completed. The commissioners also instructed the consultant and legal counsel to conduct an eligibility report on the parcels that are proposed to be de-annexed concurrent to the deannexation process.

The Agency adopted the First Amendment to the Amended and Restate Jerome County Crossroads Urban Renewal Project Urban Renewal Plan (First Amendment Plan) on April 16, 2020 and forwarded the First Amendment Plan to the county Commissioners with a recommendation to adopt the plan. The County Commissioners adopted the First Amendment Plan on June 8, 2020. The First Amendment Plan deannexed certain parcels from the original plan boundaries.

Crossroads Point Phase 2

Concurrent with adopting the First Amendment Plan, the Agency adopted the Crossroads Point Phase 2 (CRP2 Plan) urban renewal plan on April 16, 2020 and forwarded the plan to the Jerome County Commissioners with a recommendation to adopt the CRP2 Plan designating certain parcels of land as the boundaries of the Crossroads Point Phase 2 urban renewal project area. The County Commissioners adopted the Crossroads Point Phase 2 plan on June 8, 2020. No Tax Increment Revenues were collected from this project area during the year.

NorthBridge Junction

The NorthBridge Land Group, LLC approached the Agency during 2020 asking that the agency consider creating a new urban renewal district for certain parcels of land located at the junction of Interstate 84 and US Highway 93. This property had previously been designated as a deteriorated or deteriorating area in 2016 by Jerome County Board of Commissioners Resolution No. 2016-25 and given the age of the finding, the Agency found it was prudent to update the previous eligibility study and authorized Outwest Policy Advisors to review the area comparing it to the 2016 report approved by Resolution No. 2016-25. The review of the 2016 report was completed by the end of calendar year 2020 and will be presented to the Agency Board for acceptance in early 2021.

REVENUES

Tax Increment Revenue

The sources of Agency income included Tax Increment Revenue generated within the revenue allocation areas and certain funds previously advanced by the county of Jerome. Because of the provisions of the Local Economic Development Act and the ad valorem tax system, the Agency received tax increment revenue in 2020 totaling \$133,612.

EXPENDITURES

Leverage of Agency Dollars

An integral component of the Agency’s program is to develop outside funding sources to leverage Agency dollars for improvements within the urban renewal area. The Agency has commenced the process to coordinate with property owners and public entities in an effort to determine redevelopment opportunities.

Review and Approve Requests for Agency Funding of Projects

The Agency intends to seek, review and approve funding, where appropriate, for other projects that positively impact the urban renewal areas and its residents.

OPERATING EXPENSES

The Agency has minimal operating expenses as it has no paid staff members, instead utilizing services from consultants during 2020. Those expenses are shown on Exhibit 1 to this report.

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 and prepaid expenses. The Agency’s only long-term debt is the obligation to repay ABC Agra, LLC for the Note, as authorized by the Agreement for the Crossroads Project for the costs of the public infrastructure as indicated in the Agency Activities section above.

SIGNIFICANT CHANGES IN AGENCY’S FINANCIAL POSITION

Except for the repayment of the ABC Agra LLC, Note, the Agency continues to operate in a “pay-as-you-go” environment, committing only those funds to projects that can be funded out of current funds or projected tax increment revenues in a given fiscal year, though the Agency continues to consider how to better leverage Agency funds.

PUBLIC OUTREACH

The Agency considered this Annual Report at a regular meeting of the Agency on March 11, 2021. The board meeting had been advertised in the Times News prior to the meeting. A copy of the Annual Report had been provided to the County Clerk’s office for public review.

_____, Chair
March 11, 2021

**Jerome County Urban Renewal Agency
Exhibit 1**

	FY 2018	FY 2019	FY 2019	FY 2020
	ACTUAL	BUDGET	ACTUAL ¹	BUDGET
REVENUE:				
CASH CARRY FORWARD	34,316	13,650	43,097	48,374
TAX INCREMENT REVENUE	128,042	131,808	109,348	213,200
OTHER REVENUE				
DEVELOPER, SECOND AREA				
DEVELOPER, THIRD AREA				
TOTAL	162,358	145,458	152,445	261,574
EXPENDITURES:				
OPERATING				
PROFESSIONAL SERVICES				
AUDIT/BOOKKEEPING SERVICES	2500	3,000	3,000	3,000
LEGAL EXPENSE	8,370	10,000	3,117	10,000
CONSULTANT FEES	0	10,000	0	10,000
ADMINISTRATIVE SERVICES	2,854	4,000	3,841	4,000
DUES		1,318	850	850
PUBLICATION	367	1,000	63	1,000
LIABILITY INSURANCE	1,201	1359	1,349	1,443
OFFICE/MISC. EXPENSE	60	250	45	250
REIMBURSEMENT - COUNTY				
REIMBURSEMENT – ABC AGRA, LLC DEVELOPER	103,577	98,856	91,806	159,900
TOTAL OPERATING CAPITAL EXPENSE	119,261	129,783	104,071	190,443

Jerome County Urban Renewal Agency EXHIBIT 2

Fiscal Year 2020 Approved Budget

Jerome County URA

2020 FY Actual versus Budget YTD

G/L Code	Account Title	Actual	Budget	Over/Under \$	Remaining %
1000	Tax Increment Revenues	\$ 133,612.16	\$ 213,200.00	\$ (79,587.84)	-37.33%
1001	Crossroads Point	\$ 133,612.16	\$ 213,200.00	\$ (79,587.84)	-37.33%
1002	Crossroads Point Deannexation	\$ -	\$ -	\$ -	0.00%
1003	Crossroads Point Ph 2	\$ -	\$ -	\$ -	0.00%
1004	Northbridge Junction	\$ -	\$ -	\$ -	0.00%
1005	Reserved	\$ -	\$ -	\$ -	0.00%
1200	County Advance	\$ -	\$ -	\$ -	0.00%
1300	Developer Fees	\$ 20,000.00	\$ -	\$ 20,000.00	0.00%
1301	Crossroads Point	\$ -	\$ -	\$ -	0.00%
1302	Crossroads Point Deannexation	\$ -	\$ -	\$ -	0.00%
1303	Crossroads Point Ph 2	\$ 20,000.00	\$ -	\$ 20,000.00	0.00%
1304	Northbridge Junction	\$ -	\$ -	\$ -	0.00%
1305	Reserved	\$ -	\$ -	\$ -	0.00%
		\$ -	\$ -	\$ -	0.00%
		\$ 153,612.16	\$ 213,200.00	\$ (59,587.84)	-27.95%

OPERATING EXPENSES

G/L Code	Account Title	Actual	Budget	Remaining \$	Remaining %
2000	Administrative	\$ 4,998.40	\$ 4,000.00	\$ 998.40	24.96%
3000	LEGAL	\$ 31,378.32	\$ 10,000.00	\$ 21,378.32	213.78%
3001	Crossroads	\$ 8,949.35	\$ 3,000.00	\$ 5,949.35	198.31%
3002	Crossroads Deannexation	\$ 9,040.20	\$ 7,000.00	\$ 2,040.20	29.15%
3003	Crossroads PH 2	\$ 11,748.62	\$ -	\$ 11,748.62	0.00%
3004	Northbridge Junction	\$ 1,640.15	\$ -	\$ 1,640.15	0.00%
3005	Reserved	\$ -	\$ -	\$ -	0.00%
4000	Legal Notices	\$ 3,838.94	\$ 1,000.00	\$ 2,838.94	283.89%
5000	Bank Fees	\$ 93.00	\$ -	\$ 93.00	0.00%
6000	Consulting	\$ 12,779.95	\$ 10,000.00	\$ 2,779.95	27.80%
6001	Crossroads	\$ -	\$ -	\$ -	0.00%
6002	Crossroads Deannexation	\$ 6,871.89	\$ 5,000.00	\$ 1,871.89	37.44%
6003	Crossroads PH 2	\$ 5,789.11	\$ 5,000.00	\$ 789.11	15.78%
6004	Northbridge Junction	\$ 118.95	\$ -	\$ 118.95	0.00%
6005	Reserved	\$ -	\$ -	\$ -	0.00%
7000	Insurance	\$ 1,443.00	\$ 1,443.00	\$ -	0.00%
8000	Audit	\$ 2,800.00	\$ 3,000.00	\$ (200.00)	-6.67%
9000	Membership Dues	\$ 950.00	\$ 850.00	\$ 100.00	11.76%
10000	Office\Misc	\$ 1,009.40	\$ 250.00	\$ 759.40	303.76%
11000	Mileage	\$ 749.92	\$ -	\$ 749.92	0.00%
TOTAL OPERATING EXPENSES		\$ 60,040.93	\$ 30,543.00	\$ 29,497.93	96.58%

CAPITAL IMPROVEMENT EXPENSES

15000	County Loan Reimbursement	\$ -	\$ -	\$ -	0.00%
16000	Developer Reimbursement	\$ 100,214.13	\$ 159,900.00	\$ (59,685.87)	-37.33%
16001	ABC Agra	\$ 100,214.13	\$ 159,900.00	\$ (59,685.87)	-37.33%
16002	Reserved	\$ -	\$ -	\$ -	0.00%
16003	Reserved	\$ -	\$ -	\$ -	0.00%
16004	Reserved	\$ -	\$ -	\$ -	0.00%
16005	Reserved	\$ -	\$ -	\$ -	0.00%
		\$ -	\$ -	\$ -	0.00%
TOTAL CAP IMPROVEMENT EXPENSES		\$ 100,214.13	\$ 159,900.00	\$ (59,685.87)	-37.33%
TOTAL EXPENSES		\$ 160,255.06	\$ 190,443.00	\$ (30,187.94)	-15.85%