

**Draft Minutes of the Regular Monthly Meeting
Board of Commissioners of the
Victor Urban Renewal Agency**

September 18, 2017

1. Call to Order – determination of a quorum (9:30 A.M.)

Commissioners Present: Tom Clark, Erin Gaffney, Zach Smith, Lance Pitman

Commissioners by Phone:

Others Present: Cynthia Rose, Don Thompson

2. Approval of the Agenda

A motion was made to approve the Agenda as presented.

Moved: Lance Pitman

Second: Zach Smith

Passed: Unanimously

3. Approval of Minutes from August 7, 2017

Changes to Minutes: None

A motion was made to approve the minutes of the August 7, 2017 meeting as presented.

Moved: Erin Gaffney

Second: Zach Smith

Passed: Unanimously

4. Monthly Financial Report

The Board reviewed the monthly financial report. Erin pointed out that the approved budget for FY18 included a transfer from FY17 funds of \$13,000, but remaining balance at the end of FY17 is \$9,500, \$3500 less than anticipated. Legal fees in FY17 had also exceeded expectations, leaving a potential cash flow problem in FY18.

Cynthia shared that during her work with the County to understand the FY18 projected TIF revenues, the County Clerk had showed her an error in the VURA Plan that resulted in a \$3M+ reduction in VURA increment funding. The VURA Plan had erroneously used a "base value" number from 2014 rather than 2015. This error and the reduced FY17 "reserves" may mean that VURA will need to borrow additional funds for agency operations or potentially delay payments on some invoices. Tom indicated that he would address this situation over the next month and report back to the Commissioners at their next meeting.

5. Approval of Monthly Invoices

A motion was made to approve the monthly invoices listed on the Check Detail.

Moved: Lance Pitman

Second: Zach Smith

Passed: Unanimously

6. Block 11 Road Update

Tom reported that the Sea Cow construction of two apartment buildings is proceeding and should generate more than \$264,000 in TIF revenues over the life of the district. He presented the final MOU between VURA and the City for a total of \$274,000 for the alleyway project and \$33,000 for the original VURA start up loan from the City. Tom strongly endorses this MOU, calling it a “good deal” and recommending approval. He believes VURA is strongly protected and that both the City and the Developer recognize the limited potential of the VURA contribution.

A motion was made to approve Second Amended and Restated Memorandum of Understanding between the City of Victor and the Victor Urban Renewal VURA.

Moved: Lance Pitman

Second: Erin Gaffney

Passed: Unanimously

7. Hotel Project Update

Tom shared that Cobblestone investors closed on the hotel property on 9.15.17. They are planning to build all winter with crews they import from out of the area, with a target opening date of May 2018. Elam & Burke has drafted a purchase and sale agreement for VURA to purchase the public parking lot (33 spaces) and overflow area next to the hotel, which VURA will immediately deed to the City. The parking lot will be paved, landscaped and lighted before purchased. A “credible appraisal” will be required to determine a fair market value.

VURA may also pay the cost of moving the power lines on the hotel property. Burying the power lines has been considered, but may require burying them all the way to Center Street creating a burden on other property owners along Beryl St. Zach shared that The Development Company in Rexburg may have low cost revolving line of credit funds available to help the other property owners with this cost.

VURA has committed a maximum of \$500,000 to this project, all of which will be paid from no more than 90% of the future TIF revenues from the hotel property only. If the hotel TIF revenues do not cover the costs committed by VURA, any remaining liability to VURA will be forgiven.

A brief discussion pursued about the possibility of putting e-car charging stations on the parking lot. Zach will research who pays for the electricity at these stations. One e-car charging station is located at the distillery north of Driggs.

A motion was made to agree to the ceiling of \$500,000 for the hotel project and to the commitment of 90% of future TIF revenue from the hotel property to repay loans for this project.

Moved: Zach Smith

Second: Erin Gaffney

Passed: Unanimously

8. Discussion of Other City Projects

An investor has proposed a 3-phased development north of Cedran Road to include a hotel, employee housing and townhomes on the western-most portion of the property. Some community concerns have been expressed over zoning changes that would be required and ensuring aesthetics of the area. This project will progress through Planning and Zoning. Commissioners were encouraged to attend these meetings.

The Corner Drug/Teton Valley Medical building proposed for Main Street will include a drug store, medical clinic and 1 rental on the second floor.

Zach shared that, while development is currently focused in the southern end of the City, water availability is better at the north end, which he believes will drive development in that direction. Looking to the future, VURA may want to look to improving infrastructure such water and sewer availability and roads.

9. Administrative Updated

David Rhinehart has let the Board know that he is unable to fulfill the role of VURA Commissioner to which he was appointed by the City in June 2017. The City and VURA will look for a replacement.

Cynthia shared that she will be leaving VURA once they secure and train a replacement. Her other work commitments prevent her continued service. Erin Gaffney is interested in the position. Since Erin is currently a commissioner, this will create another vacancy on the Board. Erin will submit her resignation and the Board will vote to hire her at a future meeting.

Due to having to reschedule the September meeting, the Board decided to cancel the October monthly meeting and meet next on Monday, November 6, 2017.

10. Adjourn (11:15 AM)

A motion was made to adjourn the meeting.

Moved: Zach Smith

Second: Lance Pitman

Passed: Unanimously

Attest:

Tom Clark or Lance Pitman, Co-Chair

Cynthia Rose, Secretary

The next VURA Board Meeting will be held November 6, 2017 at 9:30AM at City Hall.