



MEMO TO CITY COUNCIL

Request to Include Topic on the City Council Agenda

From: Cameron Arial, Community Development **Meeting Date:** November 16, 2021
Presenter: Cameron Arial **Estimated Time:** 10 minutes
Topic: First Reading of Ordinance No. 21-___: An Ordinance of the City Council of the City of Meridian, Idaho, Approving the First Amendment to the Urban Renewal Plan for the Union District Urban Renewal Project

Recommended Council Action

There is no Council action required for this first reading of the ordinance to approve the First Amendment to the Urban Renewal Plan for the Union District Urban Renewal Project.

Background

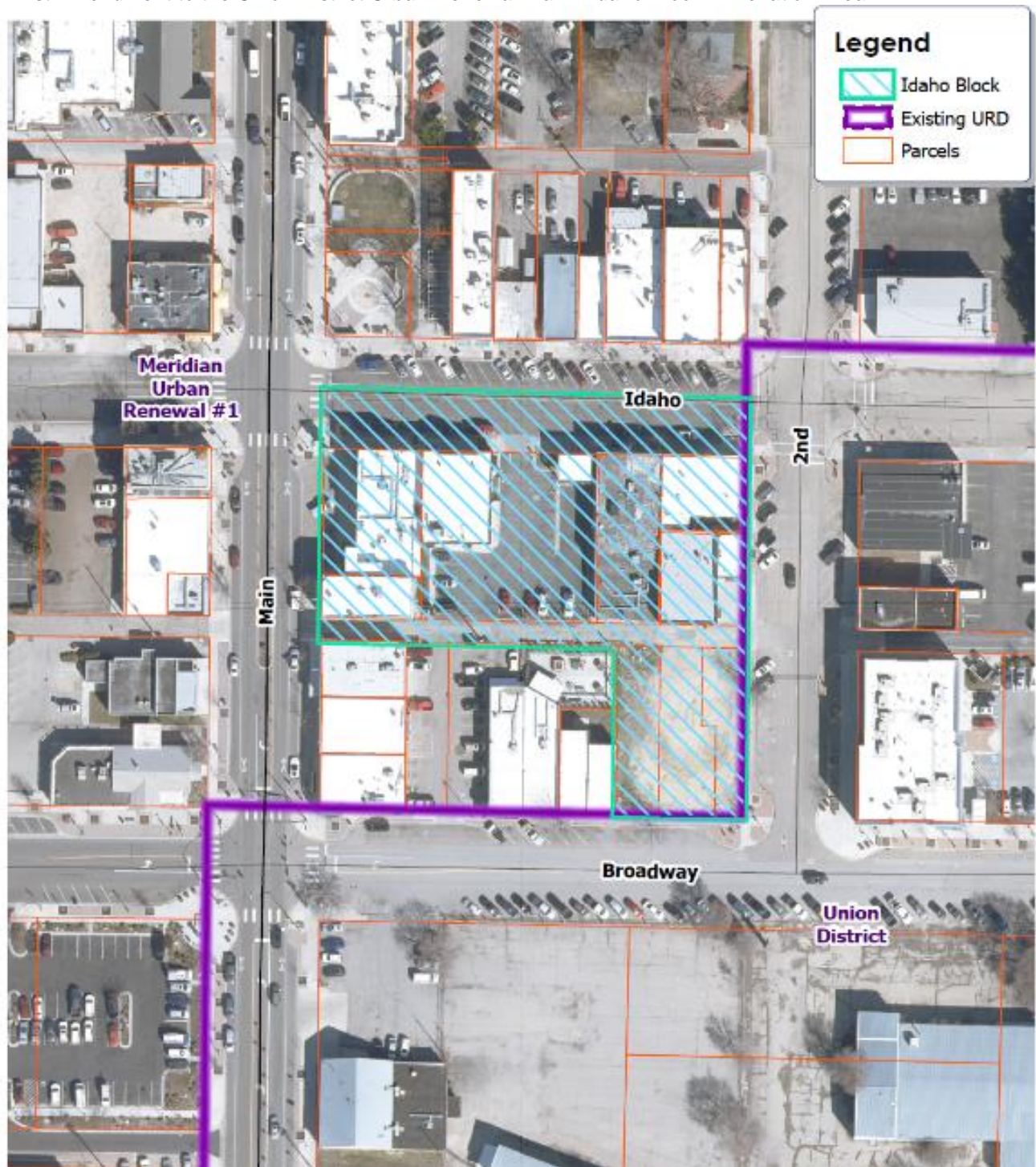
On July 13, 2021, the Second Amendment to the Meridian Revitalization Plan deannexed 11 parcels from the original downtown Meridian Revitalization District which will sunset in 2026. The existing Union District was established in June 2020. The proposed First Amendment to the Urban Renewal Plan for the Union District (the "First Amendment") provides for the annexation of those 11 parcels, often referred to as the "Idaho Block" into the Union District.

Annexation of the Idaho Block parcels will add 1.461 acres to the existing 16-acre Union District. Idaho Code allows for a one-time amendment to extend the boundary of an existing revenue allocation area if the new area is contiguous and not more than ten percent of the existing area.

The following required City and Meridian Development Corporation (MDC) actions and approvals have preceded this proposed ordinance approving the First Amendment to the Urban Renewal Plan for the Union District:

MDC Approval and Transmittal of Idaho Block Eligibility Report	June 9, 2021
City Council Approval of Eligibility Report	July 6, 2021
MDC Approval and Transmittal of First Amendment to the Union District Plan	September 22, 2021
Planning and Zoning Commission Confirmation of Conformance of First Amendment to the Union District Plan with City Comprehensive Plan	October 7, 2021

First Amendment to the Union District Urban Renewal Plan – Idaho Block Annexation Area



Based on activity, inquiries, and increased interest in the Idaho Block area, MDC retained Kushlan| Associates to assess the financial viability of the area and its annexation into the existing Union District. The financial viability of the annexation area is essential to also ensure the continued viability of the existing Union District. Major improvements anticipated to occur within the existing Union District boundaries include the Civic Block and Union 93 projects.

The First Amendment expands the identified improvements, shown in Attachment 5.1A. The new estimated cost of \$28,099,000 (\$12,315,000 was anticipated in the existing Union District Plan) includes potential environmental remediation; additional public parking, street, utility, and other public infrastructure improvements; as well as potential façade improvements.

Based on increased projected new private investment of \$225,737,000 (\$125,737,000 was anticipated in the existing Union District Plan), it is estimated that redevelopment and other activities in the Amended Project Area will generate tax increment revenue of \$25,389,904 over the 20-year life of the Plan (Attachment 5.2.A), an increase from the \$16,286,436 anticipated in the original Union District Plan.

MDC will retain its “pay-as-go” philosophy, carefully considering funding assistance for qualifying development costs and activities on a reimbursement basis, with a nexus to increased tax increment resulting from new private investment.

Future Actions

This is the first of three required ordinance readings. The second reading and official public hearing are scheduled for November 23, 2021. The third reading and adoption of the First Amendment to the Urban Renewal Plan for the Union District are scheduled for December 7, 2021.