



# MEMO TO CITY COUNCIL

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## Request to Include Topic on the City Council Agenda

**From:** Cameron Arial, Community Development      **Meeting Date:** July 6, 2021  
**Presenter:** Cameron Arial      **Estimated Time:** 15 minutes  
**Topic:** Resolution No. 21-2273: A Resolution of the Mayor and the City Council of the City of Meridian, Idaho, Accepting that Certain Report on Eligibility for the Northern Gateway Area as an Urban Renewal Area and Revenue Allocation Area and Justification for Designating the Area as Appropriate for an Urban Renewal Project; Determining the Area Identified in the Report to be a Deteriorated Area or a Deteriorating Area, or a Combination Thereof, as Defined by Idaho Code Sections 50-2018(9) and 50-2903(8); Directing the Urban Renewal Agency of the City of Meridian, Idaho, also Known as the Meridian Development Corporation, to Commence the Preparation of an Urban Renewal Plan for the Area Subject to Certain Conditions, which Plan May Include Revenue Allocation Provisions For All or Part of the Area; and Providing an Effective Date

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### Background

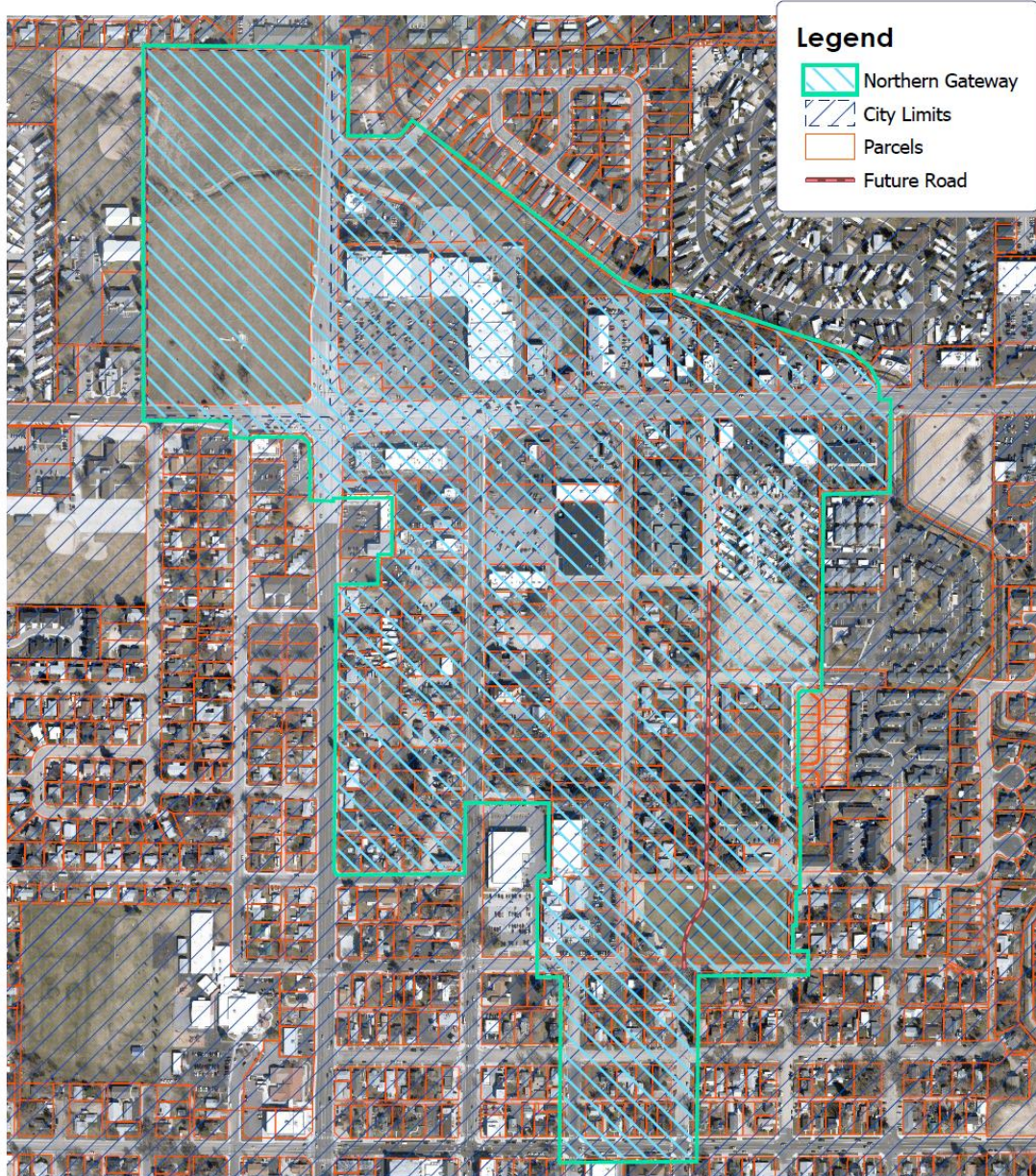
While downtown Meridian is beginning to experience renewed interest, the challenges in revitalizing aging downtown properties are still apparent. New private investment in the original downtown Meridian Revitalization District (“original District”) has been hampered by the 2008-2009 recession and, more recently, by uncertainties surrounding COVID-related changes in the commercial real estate market and rising development costs.

Meridian Development Corporation (“MDC”) has been engaged in urban renewal efforts in the original District since its adoption in late 2002. The original District will sunset in 2026. With limited time to utilize the urban renewal tools available to assist in funding public infrastructure improvements, many properties are likely to remain underutilized without intervention.

It is difficult for property owners to justify redevelopment of the small, infill sites that make up the majority of the original District *and* fund the required public infrastructure improvements that condition development.

Historically, the majority of infrastructure improvements and façade improvement projects in the original District have been in the downtown core. With increasing interest in downtown extending north to Fairview Avenue/Cherry Lane, MDC retained Kushlan | Associates to prepare an Eligibility Report to assess the viability of the Northern Gateway Study Area as an urban renewal project and evaluate its concurrence with Idaho Code requirements. The Eligibility Report (Exhibit A of the proposed resolution) cites the conditions necessary as well as the financial findings required.

## Northern Gateway Study Area



Current market rents cannot support development costs or produce the returns necessary to secure private equity investment or traditional bank financing for redevelopment of the small parcels in the Study Area. The assemblage of parcels can spread soft development costs over a larger area and when coupled with MDC’s ability to fund public infrastructure improvements required of new development, can spur development interest.

MDC accepted the Northern Gateway Study Area Eligibility Report and, through MDC Resolution 21-026 adopted on June 9, 2021 (Exhibit B of the proposed resolution), authorized its transmittal to the City Council for consideration and, if accepted as appropriate for an urban renewal project, subsequent direction for MDC to proceed with preparation of an urban renewal plan.

The Northern Gateway Study Area encompasses 150 parcels within 126.226 acres. Approximately 77 acres, 133 parcels, are currently within the boundaries of the original District, and the subject of a deannexation action.

A study area is required to meet at least one of ten conditions specified in Idaho Code Sections 50-2018(9) and 50-2903(8) to qualify for urban renewal activities. The Eligibility Report finds that the Study Area meets eight of the ten criteria (Eligibility Report, page 15).

Approval of this resolution provides for:

- Acceptance of the Northern Gateway Study Area Eligibility Report,
- Determination that the Study Area meets the findings and characteristics stipulated in Idaho Code to establish an urban renewal plan, and
- Directs MDC to prepare a Northern Gateway District Urban Renewal Plan.

### **Future Actions**

The public hearing and second reading of the ordinance to adopt the Second Amendment to the Meridian Revitalization Urban Renewal District providing for the deannexation of that portion of the Northern Gateway properties from the original District included in the Study Area also appear on this evening's agenda for Council consideration.

Following Council acceptance of the Eligibility Report and direction for MDC to begin preparation of an urban renewal plan, staff and consultants will prepare the Northern Gateway Urban Renewal Plan. City and MDC staff will inform and engage property owners. In addition, the Planning and Zoning Commission must review the proposed plan to validate its conformity with the City Comprehensive Plan.

The Northern Gateway Urban Renewal Plan will then be brought to the City Council for consideration and adoption following three ordinance readings and a public hearing. It is anticipated that these final actions will occur mid-November through early December 2021.