



MEMO TO CITY COUNCIL

Request to Include Topic on the City Council Agenda

From: Cameron Arial, Community Development **Meeting Date:** April 13, 2021
Presenter: Cameron Arial **Estimated Time:** 20 minutes
Topic: Update on Potential New Urban Renewal Districts and District Amendment

Recommended Council Action:

Informational update to seek City Council direction to begin the process for the creation of two new urban renewal districts and an amendment to the Meridian Revitalization District.

Background:

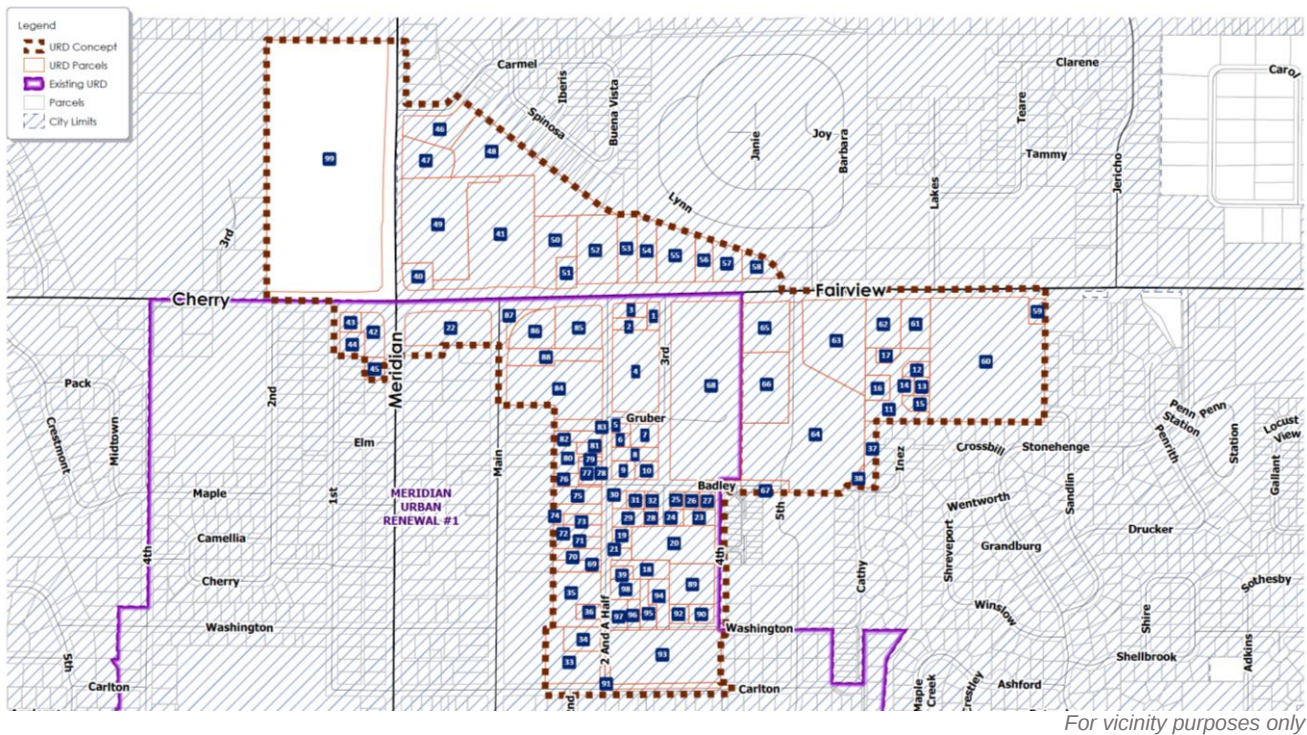
Last year, City and Meridian Development Corporation (MDC) staff began exploring two potential new urban renewal districts. The establishment of these districts could provide mechanisms to spur private investment and help fund the costs of qualifying public infrastructure improvements. The two proposed areas are highlighted below:

Northern Gateway District

The original downtown Meridian Revitalization District will expire in 2026. The original District has been hampered by the 2008 recession and, more recently, the commercial real estate impacts as a result of COVID. With development costs rising and commercial rents fairly stable, it is becoming more difficult for property owners to justify meaningful redevelopment of the small, infill sites that make up the majority of the District.

While the downtown core is experiencing renewed interest and investment, the areas north of the core to Cherry/Fairview, as well as some properties along the Cherry/Fairview corridor, have largely remained stagnant. The proposed Northern Gateway District, shown on the map below (for vicinity purposes only) will serve to encourage private investment and provide reimbursement for qualifying public infrastructure—reimbursement that can make redevelopment worthy of private investment. Without intervention, it is likely that many properties will remain underutilized in the foreseeable future since the current market cannot support the rents required to justify private investment. In addition, the assemblage of small infill parcels, either by MDC or private investors, can spread soft development costs over a larger area, increasing developer interest and the likelihood of securing equity or traditional bank financing.

Proposed Northern Gateway District



The proposed new Northern Gateway District would strategically encompass underutilized parcels as well as smaller infill parcels that could be combined with adjacent parcels for meaningful development to meet current market needs and desires. Some of the parcels fall within the existing Meridian Revitalization District, and an amendment is necessary to deannex those parcels before they can be included in a new district. The proposed Northern Gateway District plan will identify public improvement projects, anticipated to include transportation and pedestrian improvements, as primary investment objectives.

Overland/Linder to Ten Mile District

There is a need for a north-south alternative to Meridian Road and Ten Mile Road to avoid I-84 interchange congestion. The Linder Road overpass is listed as a "Future" project for ACHD, outside its five-year work plan, while the City views it as the top priority transportation improvement to serve Meridian citizens, businesses and their workers.

During nearly every visit with businesses along and near the Eagle Road corridor, executives share employees' frustration with the time it takes to travel Eagle Road to or over I-84. An alternative to alleviate local north-south congestion can improve commutes for both local commuters and those needing to access I-84.

Staff is proposing that the urban renewal district encompass the 21 parcels identified in the map below, with infrastructure improvements limited to those related to the Linder overpass. As such, it is likely that the proposed district would sunset earlier than the 20-year period permitted by Idaho statute.

Legend

- URD Concept
- URD Parcels
- Existing URD
- Parcels
- City Limits

Ten Mile Road Revenue Allocation Area

Map Labels: Navigator, Sentinel, Excursion, Lilac, Lavender, Verbena, Laurel, Spoonball, Rainbow Trout, Brown Trout, Otter, Suckeye, Brook Trout, Elder, Honker, Pelican, Grayling, Jackson, Silver Salmon, Windy Ridge, Dutch Farm, Jersey, Overland, Grand Fork, Spanish Sun, Spanish Fork, American Fork, Woodhouse, Woodchip, Farmington, Knotty Pine, Henrys Fork, Knotty, Christopher, Grayling, Woodsage, Olds River, Davenport, Flower Garden, Linder, Ten Mile, Davis, 84, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

MDC has approved contracts with legal and professional consulting entities to assist with the seven- to nine-month process. Estimated costs for the proposed new Northern Gateway District total \$33,000-\$38,000. The deannexation costs to amend the original Meridian Revitalization District are estimated at \$20,000 to \$25,000. All costs related to the Northern Gateway District and required deannexations are to be covered by MDC.

Future Action:

In addition, staff would work with the City Attorney's Office in preparation of a Memorandum of Agreement between the City and MDC to provide for the agreed upon reimbursement of the City's share of the consulting costs incurred by MDC for the potential Overland district.

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