



MEMO TO CITY COUNCIL

Request to Include Topic on the City Council Agenda

From: Victoria Cleary, Community Development **Meeting Date:** October 5, 2021
Presenter: Victoria Cleary **Estimated Time:** 15 minutes
Topic: Resolution No. 21-___: A Resolution by the Mayor and the Council of the City of Meridian, Idaho, Accepting that Certain Report on Eligibility for the Linder District 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 and Within the City or Within the City's Area of Operation, 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 Meridian, Idaho, Also Known as the Meridian Development Corporation, to Commence the Preparation of an Urban Renewal Plan Subject to Certain Conditions, Which Plan May Include Revenue Allocation Provisions For All or Part of the Area; and Providing an Effective Date

Background

Early this year, Community Development Department and the Urban Renewal Agency of Meridian, Idaho also known as Meridian Development Corporation ("MDC") staff began to explore strategies to encourage development in the area between Ten Mile and Linder Roads, south of Interstate 84 and north of Overland Road. This area includes parcels that are within City limits, as well as parcels located within unincorporated Ada County, but within the City's Area of City Impact. While there has been some interest in the area, a lack of sewer infrastructure, and the additional requirement for local east-west roadway improvements seem to be the impediments limiting private investment in the area.

Also earlier this year, the City Council prioritized support for a Linder Road overpass, a much-needed local and regional transportation improvement, allocating \$2.5 million to the future project which is a joint effort of Ada County Highway District (ACHD) and Idaho Transportation Department.

The creation of an urban renewal district in this area can spur investment to generate the revenue necessary to assist with the completion of public improvement projects to support the Linder overpass project as well as provide a funding mechanism for reimbursement of qualifying public improvements necessary for the area to develop.

Without urban renewal efforts to encourage the private investment necessary to support transportation and utility improvements, it is likely the area will remain undeveloped until such time as property values, development costs, and lease rates provide the returns needed to justify private investment.

Alignment with City Initiatives

Staff views this area as one of the three remaining undeveloped areas of significant size within the City's Area of City Impact that can accommodate substantial future employment of family-wage jobs.

In addition, the establishment of an urban renewal area ensures that public improvements needed to serve the area are funded through new tax revenues generated by development in the area.

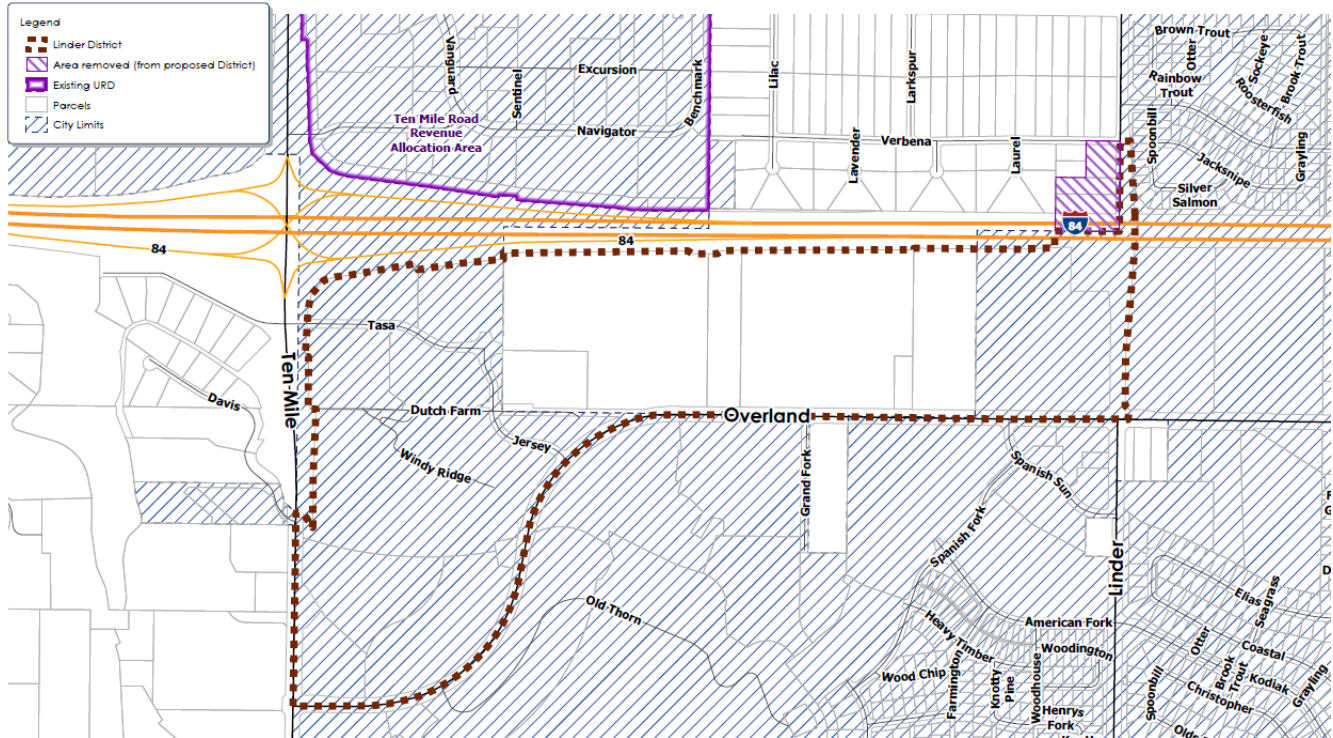
The proposed Linder District addresses several goals and strategies identified in three of the six Focus Areas in the Citywide Strategic Plan:

Focus Area	Goal	Strategy
Responsible Growth	Utilize impact fees, cooperative agreements, urban renewal districts and other tools to ensure that development pays its proportionate share of service impacts.	Utilize urban renewal districts for redevelopment and infrastructure needs in the community.
Transportation & Infrastructure	Advance construction of transportation projects on priority arterial roadways to reduce commute times and improve efficient movement within and about Meridian.	Utilize City funds and partnership to advance construction of identified priority road projects.
Business & Economic Vitality	Support business development that increases the number of family wage jobs to allow employees to live and work in Meridian.	Work with the development community to facilitate the creation of business/ industrial/research parks.
	Utilize urban renewal areas and specific area plans to promote business investment in targeted areas to meet community needs.	Create targeted urban renewal areas to spur investment and needed infrastructure improvements.

The Study Area & Anticipated Improvements

This urban renewal effort is strategic and intentional, limited in size and scope. The Linder District Study Area shown and cited in the Eligibility Study is approximately 195 acres. As set forth below and due to further planning efforts and direction provided by the Ada County Board of County Commissioners, the parcels north of Interstate 84 and west of Linder Road will not be included in any proposed future revenue reallocation area. Any proposed further revenue allocation area would encompass 18 parcels within 171.3 acres.

Revised Linder Study Area



* The above map reflects the proposed project area boundary, which is smaller than the Linder District Study Area and shows the elimination of the three parcels north of I-84 that were shown in the original Study Area map (Eligibility Study, page 10).

Also, the parcel to the far east was annexed into the City in June 2021. The map above shows this change.

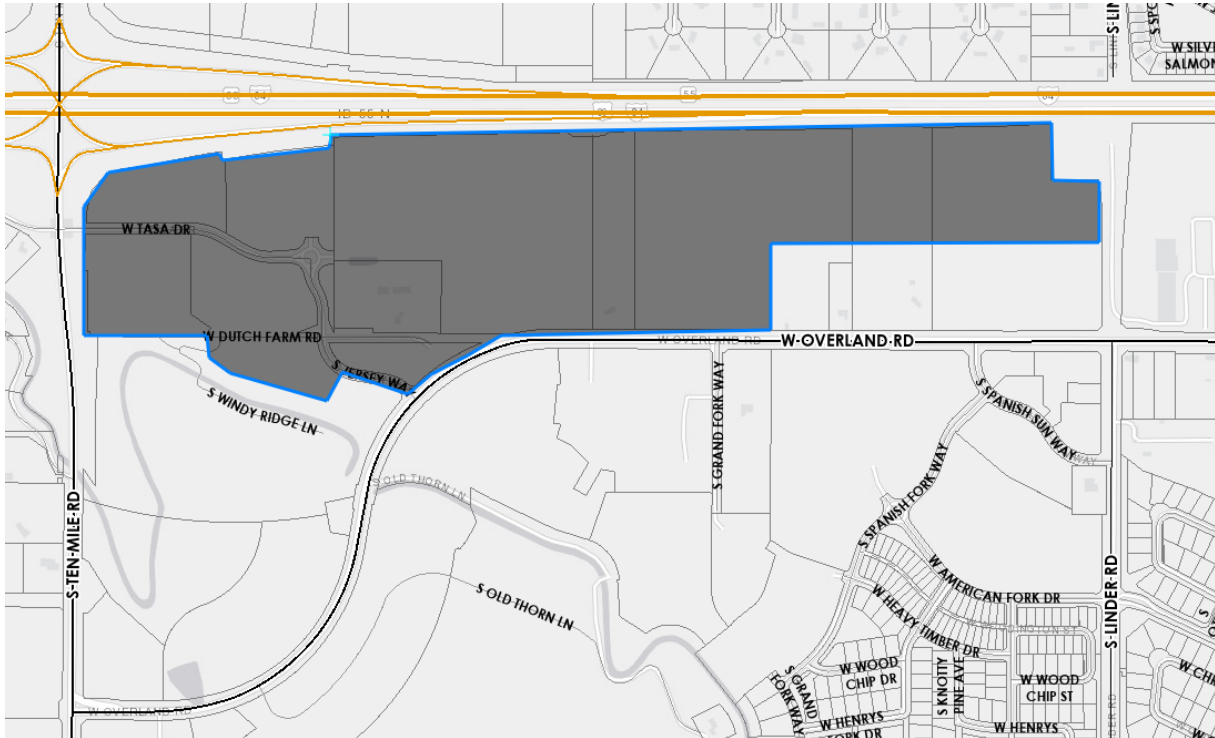
It is anticipated that if the necessary findings are made and the City Council directs MDC to prepare an urban renewal plan, the future Linder District Urban Renewal Plan will identify three infrastructure improvements projects:

Linder Overpass: While ACHD has identified the Linder overpass in its Five-Year Workplan, the City's \$2.5 million commitment in combination with tax increment generated by private investment in the Study Area can help to accelerate the project. Tax increment funds are planned to support ACHD improvements related to construction of the south approach to the overpass bridge.

The Linder overpass will improve emergency response times and alleviate congestion at Meridian and Ten Mile interchanges by providing an alternative route for local and regional commuters, businesses and others, including West Ada School District and Republic Services which both have facilities on Franklin Road, west of Linder Road.

Sewer Installation: To-date, no single property owner or developer has been willing to undertake the necessary costs for sewer installation to accommodate development. The significant sewer extension, comprised of 8-, 10- and 12-inch lines, planned south of and parallel to I-84, is needed to serve more than 60 percent of the proposed District's 171 acres. Preliminary financial projections estimate that installation of sewer improvements early in the life of the District will spur the initial private investments in the Study Area to generate the revenue necessary to fund the identified improvements.

Area Reliant on Future Sewer Service



Local Roadway: The City's 2007 Ten Mile Interchange Specific Area Plan calls our requirements for installation of a local roadway to provide east-west connectivity and minimize impacts to ACHD's Overland arterial.

Once the qualifying public infrastructure costs for the three identified projects are reimbursed, the district will sunset. Staff anticipates this will occur well before the 20-year district lifespan permitted by State statute.

It is anticipated that the judicious efforts to establish a district limited in size and scope will generate the revenue to fund the needed public infrastructure improvements that have hampered investment and growth in this area.

Required Actions and Findings

MDC retained Kushlan | Associates to study the proposed Linder District Study Area and to prepare an Eligibility Report assessing the presence of conditions that may support the establishment of an urban renewal project area pursuant to the definitions found in Chapters 20 and 29, Title 50, Idaho Code, as amended. The Eligibility Report (Exhibit A of the proposed resolution) cites the conditions necessary to support designation of the area as an urban renewal project area.

MDC accepted the Linder Study Area Eligibility Report and, through MDC Resolution 21-024 adopted on May 26, 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. MDC further authorized transmittal of MDC Resolution 21-024 and the Eligibility Report to the Ada County Board of County Commissioners ("BOCC") to adopt the findings for the parcels located outside the City limits and within unincorporated Ada County.

City and MDC representatives presented to the BOCC on June 14, 2021, and the BOCC did not take action on the resolution at that time. The BOCC staff directed the City and MDC to obtain the agricultural operation consents from the necessary property owners that had used their parcels for agricultural operations within the last three years. The agricultural consents have been obtained from the certain property owners south of Interstate 84.

Following additional consideration, it was determined the parcels located within unincorporated Ada County north of Interstate 84 and west of Linder Road would not be included within the boundaries of any future project area. The area that will not be included in any future district is specifically referenced in Exhibit C to the City Council resolution.

On September 30, 2021, the BOCC considered Ada County Resolution No. 2676, adopting the findings in the Study and specifically limiting any future project to those parcels south of Interstate 84. The BOCC resolution is referenced as Exhibit D of the proposed resolution.

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 five of the ten criteria (Eligibility Report, page 16).

Future Actions

Following Council acceptance of the Eligibility Report and direction for MDC to begin development of an urban renewal plan, staff and consultants will prepare the Linder District Urban Renewal Plan.

The Planning and Zoning Commission must review the proposed plan to validate its conformity with the City Comprehensive Plan before final consideration by the City Council. The BOCC and City will need to enter into an intergovernmental agreement concerning the administration of revenue allocation proceeds for the parcels currently located within unincorporated Ada County, and the BOCC will need to adopt a transfer of powers ordinance. Final adoption of the Plan by the Council must follow three ordinance readings and a public hearing. It is anticipated that these final actions will occur in late December 2021 through early January 2022.