



# CITY OF STAR

## STAFF MEMO

**TO:** Mayor & Council

**FROM:** Shawn L. Nickel, Planning Director and Zoning Administrator *Shawn L. Nickel*

**MEETING DATE:** **August 20, 2024**

**RE:** Moyle Ave Traffic Signal Funding Request

### OWNER/APPLICANT/REPRESENTATIVE

#### Applicant

Baron Properties

### REQUEST

**Request:** Baron Properties, owners of the Star Crest Apartments and additional commercial property on Wildbranch Street/State Street, request the City of Star's participation in the funding of the Moyle Avenue traffic signal, planned for the intersection of Moyle Avenue and W. State Street. As part of the development agreements for both the Star Crest Apartments (Baron) and the East Star River Ranch Development (Paul Larson properties), both parties are required to participate in the partial funding of the signal light (35% each). The remaining 30% needs to be funded by future residential and commercial development in the immediate area that would utilize the signal light in the future. Baron Properties has offered to take the lead on the signal project, which is fully approved by ACHD and ITD, and could start constructing in 30-90 days. Baron has also agreed to front an additional 15% (of the remaining 30%), leaving 15% unfunded. It is Baron's request to have the City fund the remaining 15% in order to get the signal construction moving forward asap. The 30% (Baron and potentially the City) would then enter into a late-comers agreement for payback of the 30% when the remaining undeveloped properties develop. The estimated amount for the 15% requested from the City would be \$467,574.25. Council should be prepared to discuss this request at the upcoming Council meeting.

**Background and Terms for Request to Star City Council  
To Authorize Funding for SH44/Moyle Intersection  
August 6, 2024 Council Meeting**

- The City of Star, along with landowners Baron Properties (and related entities) and Paul Larson (and related entities), have been working toward a signal and related improvements at the SH44/Moyle Intersection for several years (“Improvements”).
- The construction plans for the Improvements have now been approved by ITD and ACHD (Attachment A), and the anticipated cost to construct the Improvements has been established with an accepted bid of \$3,117,161.69 (Attachment B).
- Baron owns properties near the intersection that are subject to a development agreement requiring Baron to contribute 35% of the Improvements cost .
- Larson also owns properties adjacent and near the intersection that are subject to a development agreement requiring Larson to contribute 35% of the Improvements cost.
- Initially, Larson had planned to construct the Improvements and obtain reimbursement from the City for the remaining unfunded 30% through a credit agreement.
- Now, Baron, Larson, and the City have discussed the following terms to allow Baron to take over construction and management of the Improvements:
  - An escrow account will be established for Baron’s use to construct the Improvements, with an estimated commencement of late August or early September 2024, once all funds and right of way have been contributed.
  - Larson has already contributed \$821,175.92 in prior expenditures toward the Improvements cost. Larson will contribute into escrow the balance of his 35% share of the Improvements cost ( $\$1,091,006.59 - \$821,175.92 = 269,830.67$ ). Larson will also provide necessary right of way for the Improvements.
  - The City will contribute into escrow 15% of the Improvements cost (\$467,574.25); and
  - Baron will contribute into escrow its 35% share of the Improvements cost (\$1,091,006.59), plus the remaining unfunded 15% (\$467,574.25), which is eligible for reimbursement to Baron pursuant to a credit agreement as new development occurs that benefits from the Improvements.
  - Any contributions that exceed the ultimate actual expenditures for the Improvements will be reimbursed to the parties consistent with the percentages of their contributions.
- The parties request City Council authorization for: (1) The City to contribute \$467,574.25 into escrow; and (2) to authorize the City attorney to finalize the terms of the Credit Agreement with Baron (Draft Agreement, Attachment C) and the Mayor to sign.

## Shawn Nickel

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**From:** Greg Hector <ghector@baronproperties.com>  
**Sent:** Thursday, August 15, 2024 11:42 AM  
**To:** Shawn Nickel; Deborah E. Nelson  
**Cc:** Chris Yorgason; Trevor Chadwick  
**Subject:** RE: Moyle Signal Funding Council Memo

Thanks for the memo Shawn, and the update.

Looks good, and is correct, but I'm just wanting to make sure we are all clear regarding the "ask". As I read the memo, even being familiar with the proportionate shares, it seems it can be confusing. Below is clarification re the ask.

### **Initial up front escrow funding deposits**

\$467,574.25	Star 15%
\$1,558,580.84	Baron 50%
\$269,830.67	Larson 35% (Over what he has already spent)
\$2,295,985.76	Total escrow

(TOTAL PROJECT, INCLUSIVE OF PAID TO DATE, AND COMPLETION SCOPE - \$3,117,161.69 )

### **Future latecomers reimbursement to Baron, from credit agreement**

- \$467,574.25 – (which gets Baron back to 35% after future development)

I believe the memo says all of this, but still seems confusing maybe to a first time reader.

Let me know if there are any questions re this.

**Greg Hector | Senior Vice President of Construction & Development**  
Baron Property Services LLC | Mountain West Industrial Properties

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**BARON**  
PROPERTIES