

MINUTES OF SPECIAL MEETING
SUGAR CITY COUNCIL
SATURDAY, OCTOBER 24, 2015

Presiding: Mayor W. Lamont Merrill
Meeting Convened at 12:00 Noon
Prayer: Bruce King
Pledge of Allegiance

Present: Mayor Lamont Merrill; Clerk-Treasurer Wendy McLaughlin; Councilmen Bruce King, Bruce Bills, and Matt Garner; City Attorney Bill Forsberg; Caleb Despain of the *Standard Journal*, and Citizen Bert McLaughlin. Councilman Bruce Arnell was excused.

NOTICE OF SPECIAL MEETING FOR THE PURPOSE OF POSSIBLE APPROVAL OF THE URBAN RENEWAL DISTRICT (URD) NORTH INTERCHANGE INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF REXBURG:

Mayor Merrill called a special council meeting following the regular council meeting on Thursday night regarding the proposed intergovernmental agreement with Rexburg known as the “Intergovernmental Agreement for Roles and Responsibilities Under Idaho Code Section 50-2906(3)(b)” for the North Interchange Urban Renewal Plan and North Interchange Area. The council wanted more time to consider the proposed agreement before them in light of the facts presented to them. Mayor Merrill opened the meeting and asked for the council’s feeling on Thursday’s meeting and what was presented. The council was impressed with the apparent importance of the meeting to Rexburg officials, as five leaders from Rexburg came to Thursday’s meeting to discuss the agreement and answer questions. For the most part, the council felt that the Rexburg leaders were:

- Conciliatory - willing to work with Sugar City.
- Honorable – could take them at their word.
- Community minded – making a joint effort to involve local jurisdictions.

The council felt that Thursday’s meeting as a whole was positive and that the proposed intergovernmental agreement between Sugar City and Rexburg would be a good thing not only for Sugar City and Rexburg but also for property owners within the district and potential developers. The mayor then asked the council what they saw as Sugar City’s future if the agreement were voted down. Council members offered several views:

- Sugar City would need to look for other funding to develop its areas.
- Voting against the agreement would possibly engender more division and confrontation with Rexburg.
- Development would be “piece meal” rather than as a whole.
- Rexburg may not be able to meet its deadline of finalizing agreements with Sugar City and the county by year end, losing the baseline property tax rate for the land on which the new Walmart Supercenter is being constructed.
- Land value would be less than it otherwise would be if developed together.
- Rexburg officials would know Sugar City is serious about its impact area being recognized and about having representation on the Rexburg Urban Renewal Agency Board regarding matters related to the North Interchange Urban Renewal Plan and North Interchange Area.

The mayor then asked the council what they saw as Sugar City's future if the agreement were approved. Council members offered various views:

- Opportunity for growth is good for Sugar City and its impact area, and the district will help facilitate this growth.
- Madison County will help Sugar City ensure that ordinances and policies are followed.
- The URD does *not* have the authority to dictate land use or change the impact or city boundaries, but approving the proposed agreement in its current form may perpetuate the view of some officials in Rexburg that they can continue to disregard Sugar City's impact area boundaries.
- Sugar City will need to be vigilant in protecting its rights.
- The agreement gives full control of revenue allocation to Rexburg without representation from Sugar City.
- The URD can float bonds to help development, which Sugar City may take advantage of.
- There will be a 10-20 year span before Sugar City sees any tax revenue from developments within the district.
- Signing the agreement creates a workable atmosphere with Rexburg.

Attorney Bill Forsberg said signing the agreement commits Sugar City for 20 years, and the city can't opt out. Councilman King suggested that the council consider minor revisions to wording in the agreement and plan to clarify intent. He recommended that the city insist on having a representative on the Agency Board, saying "anything less would be irresponsible."

MOTION: It was moved by Councilman King to authorize Mayor Merrill to sign the "Intergovernmental Agreement for Roles and Responsibilities Under Idaho Code Section 50-2906(3)(b)" on the condition that Rexburg approve a few textual changes (in blue) to page 6 as presented to the council (see Attachment 1) and one textual change on page 44 of the North Interchange Urban Renewal Plan recognizing Sugar City's impact area. Motion died for lack of a second.

The council asked Attorney Forsberg if signing the agreement as written would give away basic rights, as suggested by Councilman King. The attorney said the URD agreement is not taking away any rights as the document now stands. Councilman King said that the basic rights to which he refers are the right to representation and to have Sugar City's impact area recognized. He noted that the current agreement and plan contain no mention of representation for Sugar City on the Agency Board or of Sugar City's impact area, supporting the tendency of some officials in Rexburg to ignore Sugar City's impact area. He reiterated to city officials that what counts is the wording of the agreement and the wording and maps of the plan, not oral assurances of officials who will eventually be out of office. Local, state and federal governments are to operate based on the rule of law, meaning government by law. In other words, government officials are to proceed according to written policy.

RESOLUTION NO. 2015-6:

Councilman Bills read Resolution No. 2015-6 by title only entitled:

"A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SUGAR CITY TO PROVIDE FOR AN INTERGOVERNMENTAL AGREEMENT FOR ROLES AND

RESPONSIBILITIES UNDER IDAHO CODE SECTION 50-2906(3)(b) BETWEEN THE CITY OF SUGAR CITY, IDAHO AND THE CITY OF REXBURG, IDAHO; PROVIDING FOR AREAS OUTSIDE THE CITY LIMITS OF THE CITY OF REXBURG AND WITHIN THE CITY LIMITS OF THE CITY OF SUGAR CITY TO BE INCLUDED WITHIN AN URBAN RENEWAL AREA AS SUGAR CITY CONSENTS AND AS ACKNOWLEDGED BY MADISON COUNTY; AND PROVIDING AN EFFECTIVE DATE.”

It was moved by Councilman Bills and seconded by Councilman Garner to accept the “Intergovernmental Agreement for Roles and Responsibilities Under Idaho Code Section 50-2906(3)(b)” as written and to authorize Mayor Merrill to sign the agreement and adopt Resolution No. 2015-6. Thereupon, the clerk called roll upon said motion.

Those voting aye: Councilmembers Bills and Garner

Those voting nay: Councilman King

Councilman Arnell was excused.

Thereupon, the mayor declared the motion, having been passed by not less than two-thirds of the council, had been duly carried. (See Attachments 2 & 3).

Meeting adjourned at 1:35 p.m.

Signed: W. Lamont Merrill
W. Lamont Merrill, Mayor

Attested: Wendy McLaughlin
Wendy McLaughlin, Clerk-Treasurer

2. GENERAL PROVISIONS

The Sugar City City Council does hereby agree that the Rexburg City Council shall have the right, power, authority, and obligation to administer the Law, Act and particularly the revenue allocation financing provisions of the North Interchange Urban Renewal Plan for that certain property which is contained within the boundaries of the revenue allocation area as defined in the Act and North Interchange Urban Renewal Plan, which property extends beyond Rexburg's municipal boundary. The property governed by this Agreement is described, defined, and depicted on Exhibit 1 of this Agreement. The Sugar City City Council, by passing Resolution No. 2014-2 on July 24, 2014, has declared the need for urban renewal activity in the area which extends beyond Rexburg's municipal boundaries and into the [impact area](#) and city limits of Sugar City.

By agreeing to the administration of this property by the Rexburg City Council for the limited purposes of implementing the North Interchange Urban Renewal Plan, the Sugar City City Council agrees all revenue allocation proceeds generated from such property shall be available to the Agency for all purposes authorized under the Act and the North Interchange Urban Renewal Plan. The Board of County Commissioners acknowledges and agrees to allocate the revenue allocation proceeds from such property to the Agency. The Rexburg City Council (through its urban renewal agency) shall administer the revenue allocation provision affecting this property as allowed under the Act and the North Interchange Urban Renewal Plan. Additionally, the Sugar City City Council acknowledges the North Interchange Plan will be reviewed by the Rexburg Planning & Zoning Commission for the North Interchange Plan's conformity with the general plan for the development of Rexburg as a whole consistent with and limited to the requirements of Idaho Code § 50-2008(b). The Sugar City City Council defers to the Rexburg Planning & Zoning Commission's review and recommendations as required by Idaho Code § 50-2008(b) solely with regard to adopting the North Interchange Plan. The Rexburg City Council expressly acknowledges the parcels located within the city limits of Sugar City [and its impact area](#) are subject to and shall be developed in conformity with the Sugar City Comprehensive Plan, Zoning and Development Codes as well as the North Interchange Plan. [The Rexburg City Council also agrees to appoint a Sugar City official or designee to the Agency Board, with the stipulation that this person has a vote only on matters pertaining to the North Interchange Urban Renewal Plan and the North Interchange Area.](#) The Sugar City City Council defers to the Agency to implement and carry out the North Interchange Plan.

The Sugar City City Council shall approve this Agreement by the adoption of a duly authorized resolution and the Rexburg City Council shall approve this Agreement by the adoption of a duly authorized resolution.

Upon approval and adoption of the resolutions referenced above, the Rexburg City Council shall take the necessary steps through the Rexburg City Clerk to transmit a copy of Sugar City City Council's resolution to the County Auditor, County Assessor, the County Recorder, the other taxing districts of the revenue allocation area, and the Idaho State Tax Commission.