City of Rexburg, Idaho

RESOLUTION: 00-01

Authorizing Resolution

"A Resolution to Submit an Application for an ICDBG Economic Development Grant to Assist in the Construction of Public Infrastructure, Including the expansion of the Rexburg Business Park and the adjacent areas."

WHEREAS, the City of Rexburg desires to support the expansion of ARTCO, Inc. located near the North Rexburg Exit of US Hwy 20; and

WHEREAS, the City Council desires to assist expansion of the areas adjacent to the Rexburg Business Park, including widening the Salem Highway north of Rexburg, sewer and water line extensions and street lighting, including a traffic signal light; and

WHEREAS, the City Council desires to submit an Economic Development Grant Application to the Idaho Department of Commerce for a grant to assist in the construction of this ARTCO, Inc. Expansion Project;

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:
The City Council of the City of Rexburg hereby commits support for the public infrastructure improvements for ARTCO, Inc., and also authorizes the submission of the Economic Development Grant Application to the Idaho Department of Commerce for funds to assist in the construction of the ARTCO, Inc. Expansion Project. The City Council also authorizes Bruce L. Sutherland, Mayor of Rexburg, to sign and execute the Application and all related documents pertaining to this Project.

RESOLVED this 15th day of March, 2000.

City Council
City of Rexburg

Bruce L. Sutherland, Mayor

CITY COPY

Application

for an

ECONOMIC DEVELOPMENT

Idaho Community Development Block Grant

by the

City of Rexburg

for the Artco, Inc. Expansion- Project

March 20, 2000

Bruce L. Sutherland, Mayor

City of Rexburg

STATE OF IDAHO

PO Box 280
12 North Center Street
Rexburg, Idaho 83440
Phone (208) 359-3020
Fax (208) 359-3022
e-mail rexburg@srv.net

March 20, 2000

Mr. Gary Mahn, Director
Idaho Department of Commerce
P.O. Box 83720
Boise, Idaho 83720-0093

Dear Mr. Mahn:

The City of Rexburg respectfully submits this application for an Idaho Community Development Block Grant. This application requests $500,000 to assist us in our efforts to extend infrastructure including water, sewer, road, traffic light, and street lighting improvements.

The goal of this application is the creation of jobs by assisting business expansion through the provision of publicly owned infrastructure to the Artco, Inc. plant expansion. Artco has committed to hiring approximately 90 full time equivalent new employees.

The $500,000 Economic Development grant will benefit our community of 12,708 persons, of whom 64% meet the LMI standards. Artco's private investment of nearly $6,000,000 will facilitate the successful completion of this project.

We appreciate your attention and support to our funding request.

Sincerely,

Bruce L. Sutherland
Mayor

TABLE OF CONTENTS

D. ICDBG APPLICATION INFORMATION FORM ..... page 1

E. THRESHOLD FACTORS ..... page 2
- Eligible Applicant
- Eligible Activity
- Administrative Capacity
- Public Participation

F. GENERAL PROJECT DESCRIPTION
1. Community Description ..... page 3
2. Community Needs Assessment ..... page 3
3. Project Description and benefits ..... pages 4 -5

G. BUDGET FORM ..... page 6

H. ASSURANCES ..... page 7

I. RANKING CRITERIA
- Minimum Criteria ..... page 8
- Ranking Criteria ..... pages 9-10

J. ATTACHMENTS
- A. Official Actions by the City
  - Authorizing Resolutions
  - Fair Housing Resolution
  - Residential Anti-Displacement
  - City Excessive Force
  - Certification Regarding Lobbying
- B. Public Participation
  - Citizen Participation Plan
  - Public Hearing Notices
  - Public Hearing Minutes – Attendance List
- C. Business Documentation
  - Business Analysis
  - Letter of Commitment
  - Grant Assistance Agreement
- D. LMI Job Documentation
  - Company Positions to be Created
  - Applicant/Employee Job Documentation Forms
- E. Engineering Site Plans and Projected Infrastructure Costs
- F. Project Area Maps
- G. Project Schedule

APPLICATION INFORMATION
IDAHO COMMUNITY DEVELOPMENT BLOCK GRANT

Applicant: City of Rexburg Address: 12 North Center, P.O. Box 280, Rexburg, ID 83440
Chief Elected Official: Bruce L. Sutherland, Mayor Phone: (208) 359-3020, ext. 328
Application Prepared By: Rick Miller, Planner Phone: (208) 356-4524, ext. 326
Address: E.C.I.P.D.A., 310 North 2nd East, Suite 115 Rexburg, Idaho 83440
Architect/Engineer/Planner: John Millar, City of Rexburg
Address: P.O. Box 280, Rexburg, Idaho 83440

NATIONAL OBJECTIVES:		PROJECT CATEGORY:		PROJECT FINANCING:	
LMI	X	Public Facility		ICDBG:	$500,000
				Local:	$100,000
Slum and Blight		Housing		RDA	$250,000
				WDTF:	$170,000
Imminent Threat		Senior Citizen		Artco:	$5,850,000
				Other:	
		Economic Development	X	TOTAL:	$6,870,000

Note: Send 2 copies of all applications to Department of Commerce and 1 copy to your regional Economic Advisory Council member. Attach Project Maps and LMI Survey Maps in Appendix.

Project Area Population: 12,708 (1990 Census) Project Area LMI Population: 8,117 (64%)

1. Have any land, buildings, easements, or right-of-ways been purchased for this project? No
2. Is anyone living on the land or in the structures at the proposed site? Yes ____ No X
3. Is any business being conducted on the land or in the structures at the proposed site? No

DETAILED PROJECT DESCRIPTION : The Artco Inc. expansion project consists of assisting in the construction of road and infrastructure improvements to areas adjacent to the Rexburg Business Park. Improvements will consist of widening the Salem Highway from a two lane to a four lane road, installing a traffic light at the main Arcto entrance, and extending water and sewer lines as well as looping the water line for increased pressure for fire protection capacity. The expansion will create approximately 90 full time equivalent new jobs, with full benefits including health care, dental care, and a pension plan, which includes a 401k. The employees will also receive sick, vacation, and personal leave privileges.

DESCRIBE PURE LOCAL MATCHING FUNDS: Both the City of Rexburg and Artco, have committed $100,000 each as pure local matching funds for the infrastructure project. Artco is investing $5,750,000 for the plant and project expansion. Other significant funding sources include the Regional Development Alliance investment of $250,000 for the plant relocation, and $170,000 from the State Workforce Development Training Fund for an approved training program. Thus, the total committed matching funds are $6,370,000.

APPLICATION CERTIFICATION:
The data in this application is true and correct. This document has been duly authorized by the governing body of the city, and the city will comply with all required certification, laws, and regulations if the application is approved and selected for funding.

Name (typed) Bruce L. Sutherland Title Mayor

Signature Bruce L. Sutherland Date March 20, 2000

E. Threshold Factors - Section 074.05

Eligible Applicant: (State your eligibility)
The City of Rexburg is a general purpose unit of government in Idaho, an incorporated city with a population of under 50,000, and therefore an eligible applicant under ICDBG Section 012.

Eligibility Activity: 1/4 page narrative. Describe how the project consists of activities in Rules 022 thru 051. Identify each rule number.

Public Facilities and Improvements--The proposed project qualifies as an eligible project under ICDBG Subsection 024. regarding the acquisition, construction, or installation of public works, facilities, and site or other improvements.

Administrative Capacity: 1/4 page narrative describing the applicant's grant management experience or how they expect to provide for the management and administration of the grant if they do not have administrative capacity.

As a member of the Regional Planning District East-Central Idaho Planning and Development Association (ECIPDA), the City of Rexburg has access to IDC-approved Grant Administrators who have the demonstrated capabilities and experience to administer this project. ECIPDA has successfully administered ICDBG projects since 1983 and HUD grants since 1977. ECIPDA staff has served as the Project developer and Application preparer for this project. The City is in the process of selecting administrative services, which should be completed by mid April. Upon selection a contract will be negotiated and executed.

Public Participation: ½ page narrative describing citizen involvement in selecting the project and reviewing the application. Describe compliance with citizen participation plan and other community plans. Attach Citizen Participation Plan, public notice, and meeting minutes in appendix.

The City of Rexburg passed an Authorizing Resolution in support of this project on March15, 2000. The public participation with this project has been very significant. The City Council authorized $100,000 to be used as match towards the completion of the project

A public hearing was held in accordance with the adopted Citizen Participation Plan and in accordance with the ICDBG Section 074.05d to consider citizen's views on this project and for public examination of this Application. The Public Notice appeared in the *Rexburg Standard Journal*. Notices were also posted at City Hall for the Block Grant Application Public Hearing. (See Attachment B for the Public Hearing Notices;

Date of Public Notice March 6, 2000 Date of Public Hearing March 15, 2000

F. General Project Description - Section 074.06 (3 pages maximum)

1. **Community Description (½ page)**:

The City of Rexburg has 12,708 residents, and is the county seat of Madison County. The county is bordered on the southeast by National Forest, with West Yellowstone National Park approximately 80 miles to the north. Agriculture is the main industry in the area; because of devaluation of farm property and lower crop prices, the area is economically volatile. This unstable condition has necessitated a local effort to diversify the economy. There are only a few businesses in our community that maintain over 50 employees. Tourism has provided some economic support for the area, although efforts to capitalize on tourism have been extremely limited. The existence of Ricks College has offered some financial stability to the community in the area of support services, but this is seasonal. The City leaders have worked diligently to encourage industry to operate locally. Major employers include Ricks College, Artco, Madison School District, Basic American Foods, and Madison Memorial Hospital.

The City serves as a commercial and employment hub for Fremont, Jefferson, and Madison counties; this is particularly significant considering the unemployment rate in Fremont and Jefferson Counties has been 13 and 6.5 percent during the winter months.

Rexburg is adjacent to US 20, a main thoroughfare to West Yellowstone, Jackson, and several National Parks and national forests, which creates the possibility of a strong tourism base for our community to take advantage of.

2. **Community Needs Assessment (½ page)**:

Some time ago Madison County received Gem Community status. We were the 7th community in the State to receive Gem Certification, and in doing so, the Madison Economic Development Corporation (MEDCO) was established. The Board of Directors were and are currently made up of government and civic leaders that have identified the economic needs of the community.

Such needs identified for our rural community were infrastructure improvements, including a new treatment plant, and economic diversity. Being so dependent on agriculture--a volatile base--and having many natural resources, tourism was identified as a strong potential. Many tourism-related activities have been built upon including the International Folk Dance Festival and Sunbird programs. Two new motels have been constructed; a new tourist information center / Chamber of Commerce building / Convention Center has been constructed, and college housing has been made available in the summer months

Other economic development activities include the Business Park that is currently being marketed and the Business Development Center created by ECIPDA, which provides incubation for business startups, as well as business retention and business training.

MEDCO determined that economic development was a priority item needed to improve life within the community. This has been strongly supported by the City of Rexburg and Madison County. This project of assisting in the establishment of the Artco plant expansion will provide for the creation of nearly 100 full time equivalent quality jobs for our community. A strong regional effort was organized to develop, establish political and community support, and create a mechanism for funding this project.

3. **Description of Project and Benefits**:

The increased staffing at ARTCO has increased the traffic on the Salem Highway which serves the ARTCO development to a point where their access road does not always provide the capacity for handling the traffic. The purpose of this project is to provide additional traffic carrying capability and safety devices for this roadway and also to provide utility extensions in the area where the roadway will be widened and reconstructed.

The current roadway from the area north of Rexburg to ARTCO is primarily a 28' wide two-lane highway with some minor widening at intersections to facilitate the passing of cars turning. With over 90 new employees at ARTCO it has led to a condition where the roadway is unsafe and widening of the roadway needs to be completed.

The proposed project includes the widening of the existing 28' roadway to a minimum width of 52' from the railroad tracks on the north side of Rexburg to north of ARTCO, which will provide two full lanes in each direction. This will allow for safer turning movements and will provide additional capacity throughout this area. The widening will decrease to three lanes of traffic and within 400' of the main ARTCO entrance will transition back to the existing 28' as it proceeds north to US Highway 20.

With the increase in traffic that has resulted form the heavy usage by ARTCO employees and other businesses in the area the road is showing significant deterioration. In order to bring the roadway back to its full capacity and to provide the needed surfacing for the increased traffic it is also proposed that the existing 28' asphalt surface be overlayed with a 2" asphalt surface to act as a leveling course and also to increase the carrying capacity of the roadway.

The ARTCO business has over 700 employees that enter and leave the business on a daily basis. Most of the people drive individual automobiles. This results in a significant number of cross traffic maneuvers as they enter onto or exit off from the Salem Highway. There have been numerous accidents at the intersection where the main ARTCO entrance enters onto the Salem Highway. It is proposed that a traffic control signal be constructed at this location to provide safer traffic maneuvers for not only the workers at ARTCO but for other users which travel the same highway to access US 20. This traffic signal would include overhead lighting to light the intersection and would be set up on a north-south priority so that during periods when shift changes or significant numbers of employees are not entering or leaving the ARTCO facility the signal would stay green in the north-south direction. This would change to allow cross maneuvers as traffic warrants.

The main entrance into ARTCO is presently a two-lane road which causes backing up of traffic during periods of shift change. It is also proposed as a part of this project that this road be widened to provide a 3-lane roadway into the first main junction interior to the ARTCO property. This would allow for a right turn maneuver when leaving the facility, a lane for left turn maneuvers and a third lane for people wishing to enter ARTCO. At present with one lane in and one lane out ,right and left turn movement s conflict with each other and result in backup and safety problems.

The City of Rexburg provides sewer and water service to ARTCO and Hortense and to the Rexburg Business Park located south of the ARTCO complex. In order to extend utilities to

provide better fire flow capability to ARTCO and to provide for continuous service north of ARTCO. It is necessary that water, sewer and storm drain lines be extended to the main entrance at ARTCO so that as development occurs in the area the road construction completed under this project will not have to be torn up to provide for the utility extensions.

It is anticipated that as growth continues in the area that the roadway north of ARTCO will also need to be widened in the future. However, the majority of the problems involved with the traffic from ARTCO results from people coming from or going towards Rexburg as they come to or leave work at the facility.

The City of Rexburg must continue to expand its number of basic core businesses that provide local employment to continue efforts to diversify our economy. This project meets the city's priority of economic development by creating jobs for our area residents, many of which meet LMI criteria.

This project will provide:

1. Up to 90 new jobs for local residents;
   The first and most obvious benefit of this project is the direct creation of 90 new jobs for the residents of Rexburg and the Madison County area. The jobs created will all have access to Artco's benefit package, which includes health and dental care insurance. The company also offers approximately 7.5% of Gross wages in a 401k and pension plan to its employees. These benefits are very valuable to a community such as Rexburg. Of these 90 jobs, the majority of will be held by members of low to moderate-income households.

2. Added revenue for local communities: based on an average 40-hour work week, the creation of 90 new jobs at the plant will add an additional 2 million in payroll dollars annually to the Rexburg area economy, not including tax and utility fees;

3. The project will provide traffic safety to the community. Artco and The Rexburg Business Park are located off the Salem highway. The Salem Highway is currently a two-lane road and is one of the main arteries to and from Rexburg as it extends from the North Rexburg exit from Highway 20. Widening of the road to four lanes will allow a safer traveling environment for the City of Rexburg. The project also consists of the installation of a 3-leg traffic light at the main entrance to Artco. This will allow safety for Artco and the business park as well as for the entire community.

4. The project will also include water and sewer extension to provide better fire protection for the business park and Artco.

5. The $6,870,000 expansion will also contribute in local tax and utility fees. Secondary benefits of this project include stabilizing the tax base of the community of Rexburg.

   This project meets the objectives of the ICDBG program by providing direct benefits to persons of low or moderate income within the community. Specifically, the project meets the national objective "to develop viable communities by expanding economic opportunities ... principally for persons of low and moderate incomes."

ATTACHMENT A
BUDGET
COMMUNITY DEVELOPMENT PROJECT

Applicant (or Grantee): City of Rexburg

Project Description: The Rexburg Infrastructure Improvement consists of assisting in the construction of public infrastructure to accommodate new jobs from Artco-Artistic expansion in Rexburg. The public infrastructure includes widening of the Salem highway from two lanes to four lanes. Installation of a 3-leg streetlight and water and wastewater extension in the business park.

LINE ITEMS	AMOUNTS					
	ICDBG Grant	Local	Artco Private	Arcto RDA Grant	Artco WDTF Grant	Total
Administrative Expenses*	$50,000					$ 50,000
Financial Planning						
Land, Structures, Rights of Way						
Architectural/Engineering Base Fees		$80,000				80,000
Training					$170,000	170,000
Relocation Expenses				$250,000		250,000
Relocation & Purchase Payments to Businesses & Individuals			$5,750,000			5,750,000
Project/Private Site Improvements						
Infrastructure Construction & Project Improvements	450,000	$20,000	100,000			570,000
Legal						
Audit						
Total Costs**	$500,000	$100,000	$5,850,000	$250,000	$170,000	$6,870,00

Remarks:

* Administrative expenses & project planning design costs, when totaled, shall not exceed 10% of the total ICDBG amount.

H. Assurances - Section 074.08

In the event we, the City of Rexburg, should receive an Idaho Community Development Block Grant, we certify we will comply with the requirements of the following:

National Environmental Policy Act of 1969

Civil Rights Act of 1964 Pub.L 88-352

Civil Rights Act of 1968 Pub.L 90-284

Age Discrimination Act of 1975

Rehabilitation Act of 1973, Section 504

Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended (49 CFR Part 24)

Housing and Community Development Act of 1974, as amended Pub.L 93-383

Davis-Bacon Act (40 USC 276a - 276a-5)

Historic Preservation Act

Section 106 of the Housing and Urban Recovery Act of 1983 certifying to:

- Minimize displacement as a result of activities assisted with CDBG funds, and adopt and follow a residential anti-displacement and relocation assistance plan;
- Conduct and administer its program in conformance with Title VI and Title VIII, and affirmatively further fair housing;
- Provide opportunities for citizen participation comparable to the State's requirements (those described in Section 104(a) of the Act, as amended);
- Not use assessments or fees to recover the capital costs of ICDBG-funded public improvements from low- and moderate-income owner occupants;
- Abide by all state and federal rules and regulations related to the implementation and management of federal grants;
- Assess and implement a Handicapped Accessibility Plan in accordance with Section 504 of the Rehabilitation Act of 1973, as amended;
- Adopt and implement an Excessive Force Policy;
- Adopt and abide by the Anti-Lobbying Certification.

Bruce L. Sutherland

Signed by Chief Elected Official

March 20, 2000
Date

Bruce L. Sutherland
Typed Name

I. Business Expansion Rating and Ranking Criteria - Section 096. page 8

01. Minimum Criteria

a. This project meets the national objective of benefiting LMI persons through job creation. Fifty-one percent of all the new jobs created will be held by members of low-and moderate-income households. Verifiable household income will be certified by the employee through the job interview form that has been attached in attachment D to this application. The Company Documentation Chart showing positions created, as well as an attachment showing company incentives.

b. The City of Rexburg, and Artco, Inc., will comply with the applicable Federal regulations. The City and Artco have executed a Grant Assistance Agreement insuring compliance with the applicable federal regulations.

c. The public hearing on this Application was held on March 15, 2000, at 7:00 p.m. at Rexburg City Hall. The Public Notice of this hearing was published in the *Rexburg Standard Journal* on March 6, 2000. See Attachment B for public hearing notice, minutes and sign-in sheet.

d. This project qualifies as an Economic Development Project under criteria identified in Subsection 024 for the acquisition, construction, and installation of publicly-owned facilities--water system improvement, wastewater system improvements, and road remodeling with installation of street and traffic lights; and other site improvements.

e. See Attachment E for Project Area Maps, one of which shows the location of the proposed project in the community. See Attachment E for the site plans for both business improvements and infrastructure improvements.

f. Analysis of the business. Artco's confidential information will be made available to the Department of Commerce for confidential review upon request. This includes information pertaining to the business analysis section.

g. See Attachment C for letter of commitment from Artco, Inc., verifying their commitment of the financial obligations associated with the grant, and job creation including documenting their compliance with all applicable federal regulations. The City of Rexburg and Artco, Inc. have executed a grant assistance agreement.

h. See Attachment D for a description of the type and number of jobs to be created. A beginning payroll will be made available upon request. Artco, Inc., projected employment indicating 90 FTE jobs to be created early in the year 2000. Candidates for employment have been sought through advertisements in the local paper and referrals through Job Service. Training will be provided utilizing WDTF funds that have been awarded through the state. A detailed training procedure has been submitted and approved by the state and is available upon request. All job documentation forms will be made available to the Idaho Dept. of Commerce when completed.

096.02. Ranking Criteria page 9

a. 90 jobs X $250,000 ÷$500,000 = 45 pts. The percentage of Quality jobs is derived from the percentage of jobs above the county average salary x 90. Artco's percentage of jobs above the county average is 4%. 4% x 90 = 3.6 wage quality points.

b. See attachment D for a description of the fringe benefit package, which will be offered to each new employee hired. The package includes health and dental care for the employees and family members. Artco also offers a 401k and pension

plan one of which is a matching program of 3%, the other is provided by the company at no cost to the employee, together they represent a 7% gross wage retirement plan. In addition employees will also receive training provided by Work Force Development Training, daycare facilities, paid vacation, and sick leave.

c. Business Risk and Management This project will allow Artco to create the above-mentioned jobs by July 2000 the job documentation forms will be submitted to the Department of Commerce at that time. At the conclusion of the project, estimated by fall of 2000, the jobs may be documented if required by the Idaho Dept. of Commerce the.

d. Planning, Schedule, and Costs

i. Planning Numerous planning meetings have been scheduled and attended by the City of Rexburg, ECIPDA, Artco, and Madison County to discuss design, infrastructure improvements and benefits of the project. All entities are in strong support of the project. Along with the local entities, organizations such as Regional Development Alliance, Work force Development Training Fund, and Bechtel of Idaho, have been involved and are in strong support of the business expansion project. RDA, and WDTF have both committed funds for the training and relocation costs involved with the expansion. Grant funds from Bechtel of Idaho are pending.

ii. Schedule A detailed and reliable project schedule for the grant and business projects can be found in Attachment G of this application.

iii. Cost Detailed cost estimates on the public works project--including water, sewer, access road, traffic light and street lighting--have been prepared by the city engineer and are attached to the application as Attachment E.

e. Minority Benefit Currently Artco is meeting the goal set by the Federal Government for minority hires within their company. The current goal set by the U.S. Department of labor for Madison county is 4%. Arcto currently employees approximately 4% minority individuals.

f. Local Investment Leverage $500,000 Block Grant divided by $700,000 total project cost = 71% ICDBG funds. (100% - 71% = 29%) The City of Rexburg has an RLF to assist business development; however, the majority of the Rexburg RLF is currently all loaned out.

g. Distressed Areas Rexburg is located within Madison County, which has an unemployment rate of 4.4%, which is under the State average, per the County Profiles. However, many of the employees for this project will be drawn from Fremont County which has an unemployment rate of 8.6%. Artco is the largest employee for Fremont county. Madison and Fremont counties annual salaries are both well below the state average, which would qualify the project as distressed.

h. Rural Impact The 90 jobs created by this project will be individuals located within Madison and Fremont Counties. The City of Rexburg has a population of approximately 13,000.

i. Gem Community Madison County, which includes the City of Rexburg, is certified in the Gem Community Program. We were the 7th community in Idaho to receive Gem Community status and have a very active community economic development committee, which has been involved in the development of this project. They are currently very active in the State Gem Community program.

j. Private Leverage Total private investment of $5,850,000 + Block Grant of $500,000 = $6,350,000. $5,850,000 divided by $6,350,000 =92% private investment. The Block Grant Percentage: ICDBG of $500,000 ÷ $6,500,000 total project = 8%. 100% - 8% = 92%.

k. Activities All ICDBG dollars ($500,000) will be committed to construction of the public infrastructure project and to administrative services. (See Budget, page 6, in the application.)

l. Grant Management The City is selecting professional services related to the administration for this project. The City is undergoing procurement for a IDC Certified Grant Administrator in accordance with the rules governing the Block Grant program. This will be completed by mid April.

m. Economic Advisory Council Evaluation To be Determined

ATTACHMENT A

Official Actions by the City

Authorizing Resolutions

Fair Housing Resolution

Residential Anti-Displacement

City Excessive Force

Certification Regarding Lobbying