

# City Council Meeting

May 04, 2016

35 North 1<sup>st</sup> East  
Rexburg, ID 83440

blairk@rexburg.org  
www.rexburg.org

Phone: 208.359.3020 x2313  
Fax: 208.359.3022



CITY OF  
**REXBURG**  
America's Family Community

May 04, 2016

Mayor Jerry Merrill

Council Members:

President Sally Smith    Jordan Busby

Donna Benfield         Tisha Flora

Christopher Mann       Brad Wolfe

City Staff:

Stephen Zollinger – City Attorney

Matt Nielson – Finance Officer

Blair D. Kay – City Clerk

John Millar – Public Works Director

Val Christensen – Community Development Director

Scott Johnson – Economic Development Director

## **9:00 A.M. City Hall**

A. **City Council drive-around** to review the newly remodeled fire station, city venues, wastewater plant, animal shelter, streets and city projects.

City Council agenda for the drive around on May 04, 2016:

**8:30 A.M.** Breakfast at the Madison Fire Station prepared by  
Emergency Services Personnel

**9:00 A.M.** Tour New Fire Station - Chief Child

**9:30 A.M.** Tour Museum of Rexburg - Jackie Rawlins

**10:00 A.M.** Wastewater Plant Project - John Millar  
(Drive by new shop)

**11:00 A.M.** Tour Animal Shelter

**11:30 A.M.** Drive loop around University and 7<sup>th</sup> South (discuss Mesa Falls project  
including proposals to add additional housing in the area between  
South Yellowstone Hwy and South 5<sup>th</sup> West.

**12:00 P.M.** – 1:30 P.M. Working Lunch at BYU Idaho

1. Matt Nielson - Discuss School Resource officers/Potential Cost of Airport over the next 5 years
2. Blair - Talk about reducing Standing City Committees
3. Keith Davidson - Discuss 5 year road plan

**1:30 P.M.** Tour new Science and Technology Building at BYU-I

**2:00 P.M.** Keith Davidson – Road Tour

Scott Johnson – Economic Development Tour

**3:00 – 4:15 P.M. Department Head Meeting:** Review each City Department's status.

1. Customer Services
2. Parks
3. Recreation
4. Police
5. Emergency Services
6. Engineering
7. Community Development
8. Economic Development
9. Financial Management

10. GIS
11. Information Technology
12. Human Resources (HR)
13. Cultural Arts
14. Legal

**6:30 P.M. City Hall – Pledge to the Flag**

Victoria Varnido led the pledge.

Ian Zollinger said the prayer.

Mayor Merrill informed the audience that the City Council has been on their annual drive around today.

**Roll Call of Council Members:**

**Attending:** Council President Smith, Council Member Benfield by phone, Council Member Flora, Council Member Busby, Council Member Mann, Council Member Wolfe, and Mayor Merrill.

**Public Comment:** not scheduled on the agenda (limit 3 minutes); issues may be considered for discussion on a future agenda. Please keep comments on point and respectful.

**Presentation:** None

**Committee Liaison Assignments for 2016:**

**A. Council Member Mann:** *Golf Board · Emergency Services Board · GIS Oversight. Development Workshop Board*

Council Member Mann said he appreciates Council President Smith for the great drive around meeting they had today. The Golf Board met last night. Council Member Busby and Council Member Flora were there to go over the Golf Board Budget. Emergency Services has not met. The Development Workshop has a golf tournament on May 21<sup>st</sup>. They have been able to graduate several people from the Development Workshop because they have been able to get jobs.

**B. Council Member Busby:** *· Airport Board · Traffic & Safety · Trails of Madison County*

Council Member Busby reported the Airport Board met today and things are moving ahead with the 2016 projects; the seal coat, the crack seal on the runway and the taxi way. Trails of Madison County are still working on the bike park. It is being constructed and the water lines are in. Traffic & Safety meeting just ended and they are still addressing some old business regarding traffic concerns.

**C. Council Member Benfield:** *Police · MYAB · Parks & Recreation*

Council Member Benfield reported that Parks & Recreation has the Teton Dam Marathon coming up on June 4<sup>th</sup>. They are \$5,000 ahead in sponsorship. The pool will open on June 11<sup>th</sup>. The MYAB was doing a clean-up of rocks at the fields behind Rexburg Rapids today. Recreation sign-ups are going well. The Splash Park and Carousel will open Memorial Day weekend. The baseball season has been good with a smooth transition from Madison Baseball. They have had a good group of umpires that have done a great job. The Yellowstone Cup Soccer Tournament is June 9 to 11. They will be playing at Rexburg Rapids, the Middle School, and Evergreen Park. There will be a big pool party the night before. Scholarship Applications for recreation are up this year. Things have been so quiet in Rexburg that the Police Department has nothing to report.

**D. Council Member Smith:** *Legacy Flight Museum · Beautification Committee · M.E.P.I.*

**Council President Smith** reported the Legacy Flight Museum met a week ago. They did more planning for the June 18<sup>th</sup> airshow. June is a big month in Rexburg. The first weekend is the marathon, the second weekend is the soccer tournament and the third weekend is the airshow. It will be a great air show with so many World War II airplanes. MEPI has the business competition coming up next week. There has been a lot of interest in the business competition, including eight high school students who have submitted applications. There is still no Beautification Committee. More information will be coming regarding the Center Street project.

**E. Council Member Flora:** *School Board · Rexburg Arts Council/Museum of Rexburg*

**Council Member Flora** reported the School Board is busy with end of year testing. They are working on renewing a bond that will go for vote in August. There is one bond expiring and they want to renew the bond to use for operating expenses. She was able to attend the FFA awards banquet for Mayor Merrill and the DARE graduation where they graduated over 400 5<sup>th</sup> Graders. The museum, thanks to Jackie Rawlins, is making great strides. They are finding wonderful stories to display. City Council visited the museum today and they are doing a great job. Arts Council meets next week. They have so many great events coming in May; anyone can go to the website for more information. Orchestra Concert tonight is doing Star Wars and Alex Boyé is coming on May 19<sup>th</sup>.

**Council Member Busby** indicated that it is an operational levy not a bond that the school district is seeking.

**F. Council Member Wolfe:** *Planning & Zoning · Urban Renewal Agency · IBC*

**Council Member Wolfe** reported Planning & Zoning will meet tomorrow. Planning and Zoning met with the Madison County Commissioners last week to submit their recommendation to expand the impact zone. They had condensed it a little and took the north part off. The county didn't have any problem with the south portion of it but they had some concerns with the northwest portion. They will meet with the county again for further discussion.

**Staff Reports:**

**A. Finance: Matt Nielson**

1. Review recommended fee increases set for May 18th public hearing.

**Finance Officer Nielson** indicated a few fees were added. One is in Eagle Park which has never had a fee before. Boys' and girls' basketball had a five dollar increase. A facility fee per person per applicable program was added which is contingent upon another proposal that they are presenting tonight. Soccer field prep has been costing more each year so they want to bump that from seven dollars to ten dollars for the smaller fields and thirteen to twenty for the larger fields. Shop was also up sixty nine dollars. All the other fees were reviewed last meeting.

**Council Member Busby** asked about soccer prep. Is that just getting them ready for the games? Officer Nielson said it is for the painting of the fields not the mowing. They charge a certain amount per game to cover those costs. Parks Director Yeatman said the fields are cut twice a week and lined once a week.

***RESOLUTION NO. 2016-05***

*A RESOLUTION OF THE CITY OF REXBURG, IDAHO, ADOPTING A NEW RATE SCHEDULE FOR CERTAIN FEES.*

*WHEREAS, the City Council desires to maintain the overall quality of life experienced by its constituents; and*

*WHEREAS, the City Council desires to set certain fees so that they cover the cost of the services provided through the payment of those fees;*

NOW THEREFORE, be it resolved by the Mayor and the Council of the City of Rexburg, effective May 19<sup>th</sup>, 2016, that the fees in attached list shall be charged as specified:

Department	Category	Description	Current Fee	Proposed
Fire	Impact Fee	Multi Family or Dormitory per unit	\$100.00	\$105.00
Fire	Impact Fee	Non-Residential per 1,000 square feet	\$90.00	\$92.00
Fire	Impact Fee	Single Family per unit	\$270.00	\$280.00
Parks	Camp Site	Camp Site Reservation Fee-Eagle Park		\$10.00
Parks	Impact Fee	Dormitory per unit	\$1200.00	\$1,295.00
Parks	Impact Fee	Multi Family per unit	\$530.00	\$590.00
Parks	Impact Fee	Single Family per unit	\$1000.00	\$1,030.00
Police	Impact Fee	Non-Residential per 1,000 square feet	\$330.00	\$335.00
Recreation	Programs	Boys Basketball per person	\$40.00	\$45.00
Recreation	Programs	Facility Fee per Person per Applicable Program		\$5.00
Recreation	Programs	Girls Basketball (Grades 2-8)	\$40.00	\$45.00
Recreation	Programs	Soccer Field Prep U-11 size and under per Game	\$7.00	\$10.00
Recreation	Programs	Soccer Field Prep U-12 and Up per Game	\$13.00	\$20.00
Shop	Work Order Charges	Labor Per Man Hour		\$69.00
Street	Impact Fee	Multi Family or Dormitory per unit	\$880.00	\$900.00
Street	Impact Fee	Non-Residential Per trip per day	\$23.13	\$24.23
Street	Impact Fee	Single Family per unit	\$1110.00	\$1,160.00
Wastewater	In-City Utility Fee	Capacity Fee per Dormitory Apartment	\$1325.00	\$1,380.00
Wastewater	In-City Utility Fee	Capacity Fee per Multi Family Apartment	\$790.00	\$820.00
Wastewater	In-City Utility Fee	Capacity Fee per Non-Residential gpd over 206 gpd	\$8.04	\$8.20
Wastewater	In-City Utility Fee	Capacity Fee per Non-Residential Minimum	\$1400.00	\$1,550.00
Wastewater	In-City Utility Fee	Capacity Fee per Single Family Dwelling	\$1520.00	\$1,550.00
Wastewater	Out-of-City Utility Fee	Capacity Fee per Dormitory Apartment	\$1988.00	\$2,070.00
Wastewater	Out-of-City Utility Fee	Capacity Fee per Multi Family Apartment	\$1185.00	\$1,230.00
Wastewater	Out-of-City Utility Fee	Capacity Fee per Non-Residential gpd over 206 gpd	\$12.06	\$12.30
Wastewater	Out-of-City Utility Fee	Capacity Fee per Non-Residential Minimum	\$2100.00	\$2,325.00
Wastewater	Out-of-City Utility Fee	Capacity Fee per Single Family Dwelling	\$2280.00	\$2,325.00
Wastewater	Out-of-City Utility Fee	Capitalization Fee per gallon per day (Sugar & Teton)	\$7.85	\$6.44
Water	In-City Utility Fee	Capacity Fee per Non-Residential gpd over 1771 gpd	\$0.98	\$0.99
Water	In-City Utility Fee	Capacity Fee per Non-Residential Minimum	\$1725.00	\$1,745.00
Water	In-City Utility Fee	Capacity Fee per Single Family Dwelling	\$1725.00	\$1,745.00
Water	Out-of-City Utility Fee	Capacity Fee per Non-Residential gpd over 1771 gpd	\$1.47	\$1.49
Water	Out-of-City Utility Fee	Capacity Fee per Non-Residential Minimum	\$2588.00	\$2,618.00
Water	Out-of-City Utility Fee	Capacity Fee per Single Family Dwelling	\$2588.00	\$2,618.00

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR THIS 18<sup>th</sup> DAY OF MAY, 2015.

CITY OF REXBURG  
Madison County, Idaho

By \_\_\_\_\_  
Jerry L. Merrill, Mayor

ATTEST:

\_\_\_\_\_  
Blair D. Kay, City Clerk

**B. Engineering Department:** Keith Davidson

1. Approve Bid for Project #BLDG01-16 City Shop Concrete, Electrical and Mechanical

Engineer Davidson reviewed the following bids for the concrete, electrical and mechanical projects for the new City Shop. The low bid for the concrete came in at \$190,836.12 from Saurey Construction, the low bid for the electrical came in at \$56,100.00 from Nelson Electric, and the low bid for the mechanical came in at \$61,115.00 from Rexburg Plumbing & Heating.

**Project # BLDG 01-16**

**City Shop Concrete**

Saurey Construction \$190,836.12  
Depatco Not able to bid

Edelmeyer & Sons Not able to bid  
 Bryan Landon Con. Not able to bid

**City Shop Electrical**

Nelson Electric \$56,100.00  
 Lon Ricks 79,860.00  
 Leishman Electric 89,674.00

**City Shop Mechanical**

Rexburg Plumbing & Heating \$61,115.00  
 Bingham Mechanical 74,000.00  
 Mountain West Mechanical 77,000.00

**City Engineer Davidson** asked City Council for approval to award the lowest bids.

**Council Member Busby** moved to approve the low bid of \$190,836.12 from Saurey Construction for the new City Shop concrete, the low bid of \$56,100.00 from Nelson Electric for the new City Shop electrical, and the low bid of \$61,115.00 from Rexburg Plumbing & Heating for the new City Shop mechanical; Council Member Wolfe seconded the motion; Mayor Merrill asked for a vote:

**Those voting aye**

Council President Smith  
 Council Member Flora  
 Council Member Benfield  
 Council Member Busby  
 Council Member Mann  
 Council Member Wolfe

**Those voting nay**

None

**The motion carried**

**C. Community Development:** Natalie Powell

**1. Review the April Building Valuation Report**

There was no presentation or discussion at this time.

Issued Date	Applicant Name	Contractor Name	Valuation	Building Fees	Pubic Works Fees
29-Apr-16	Jeremy Bass	CNN Construction	\$559,128.44	\$4,719.90	
12-Apr-16	Alderson Karst & Mitro Architects	Construction Solutions Company			
6-Apr-16	BATEMAN-HALL INC	BATEMAN-HALL INC	\$40,000.00	\$971.00	
29-Apr-16	Kyle & Denise Stringham	Golds North Fork Roofing	\$2,500.00	\$100.00	
18-Apr-16	JRA on behalf of AT&T	Mastec Network Solutions	\$20,000.00	\$360.00	
29-Apr-16	Glen Evans	Jared Stucki Construction	\$6,000.00	\$130.00	
21-Apr-16	Western Wholesale Installed Sales, LLC	A-Core Inc	\$2,384.00	\$75.00	
		Total	\$ 630,012.44	\$ 6,355.90	\$ -

**Mayor's Report**

**A. Ratify Proclamation 2016-02** for "Building Safety Month" for May, 2016

**Mayor Merrill** read the Building Safety Month Proclamation.

**PROCLAMATION No. 2016 – 02**

*WHEREAS, our continuing efforts to address the issues of safety, energy efficiency and resilience in buildings that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound; and*

*WHEREAS, our confidence is achieved through the devotion of vigilant guardians – building safety and fire prevention officials, architects, engineers, builders and others in the construction industry who work year-round to ensure the safe construction of buildings; and*

*WHEREAS, modern building codes adopted by the City include safeguards to protect the public from such natural disasters as earthquakes, snowstorms, tornadoes and wildfires; and*

*WHEREAS, Building Safety Month is an opportunity to remind the public of the critical role played by our communities' largely unknown guardians of public safety – our local code officials – who work to assure us safe, efficient and livable buildings; and*

*WHEREAS, Building Safety Month encourages Idahoans to become more aware of the importance of building safety and to take appropriate steps to ensure that the places where we live, learn, work, worship and play are safe; and*

*WHEREAS, by observing Building Safety Month, we ask our citizens to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided to all of us by State and local building departments, fire prevention bureaus and emergency management agencies in protecting lives and property; and*

NOW, THEREFORE, I, JERRY MERRILL, Mayor of the City of Rexburg Idaho, do hereby proclaim May, 2016 to be

**“BUILDING SAFETY MONTH”**

in Rexburg, and I encourage all citizens to join me in this worthy observance.

*IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of City of Rexburg, Idaho on this 27<sup>th</sup> day of April in the year of our Lord two thousand and sixteen.*

City of Rexburg, Madison County, State of Idaho.

\_\_\_\_\_  
Jerry Merrill, Mayor

ATTEST:

\_\_\_\_\_  
Blair D. Kay, City Clerk

**Mayor Merrill** indicated that in light of the recent earthquakes it is important to make sure our buildings are built to standards. He indicated that they have talked to the City Building Inspectors and have asked them to be proactive in helping building contractors to identify deficiencies before they have to tear things out. He appreciates the building inspectors and the great job they do.

**B. Ratify Arbor Day Proclamation 2016-03 for May 4<sup>th</sup>, 2016**

**Mayor Merrill** read the Arbor Day Proclamation.

**Arbor Day Proclamation**



*Whereas, In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and*

Whereas, the holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

Whereas, Arbor Day is now observed throughout the nation and the world, and

Whereas, trees can reduce the erosion of our precious topsoil by wind and water, lower our heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife, and

Whereas, trees are a renewable resource giving up paper, wood for our homes, fuel for our fires and countless other wood products, and

Whereas, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

Whereas, trees, wherever they are planted, are a source of joy and spiritual renewal,

NOW, THEREFORE, I **Jerry Merrill**

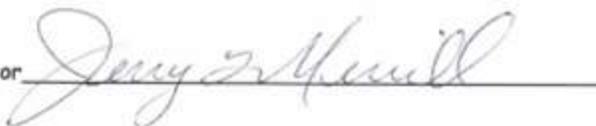
Mayor of the City of Rexburg do hereby proclaim

**May 04, 2016** as Arbor Day in the **City of Rexburg**

and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

Further, I urge all citizens to plant and care for trees to gladden the heart and promote the well-being of this and future generations.

Dated this 2<sup>nd</sup> day of **May** in the year **2016**.

Mayor 



**Mayor Merrill** indicated that they are working to get a better tree program for the City.

**City Council** ratified both proclamations.

**Public Hearings:** None

**Items for Consideration:**

A. Discussion on the potential lease of up to 20,000 square feet from the Development Workshop and the purchase of “The Zone” assets/business to use as a public recreation center. Staff/Mayor seeking input from the City Council as to whether to pursue these options.

**Parks Director Bob Yeatman** and **Finance Officer Matt Nielson** presented their plan to lease or buy the Zone. On the overhead screen, they showed the reasons why they recommend it.

## Reasons Why We Recommend It

- To **enhance recreation programs**/allow practice time for coaches
- Allow us to **add new programs for Youth and Adults**, including Day Camps and Winter Programs
- Allow us to **use as a Recreation Center** for our citizens at affordable rates
- Allow us to **test the idea of a Recreation Center** (on a small scale) without the large up front investment in the assets

**Recreation Director Yeatman** reviewed the potential new programs and events that could be implemented if they had full use of The Zone.

## Potential New Programs & Events

### Programs

- Adult Co-Ed Volleyball
- Recreational Girl's Volleyball
- Floor Hockey
- Pickle Ball
- Dodge Ball
- Indoor Soccer/Futsal

### Events

- Fishing/Hunting Expo's
- Race Packet Pick-Up Location
- Hot Hoops 3-on-3 Basketball
- Dances



**Finance Officer Nielson** went over the options and costs below.

### Option 1

- Sub-Lease the Building from "The Zone" and Rent Equipment- **No ownership of assets**
- Estimated Subsidy **\$21,700**

### Option 2- *Staff & Mayor Recommend*

- Lease Directly from the Development Workshop & **Buyout and own the assets/business** over 5 years
- Would partner with Development Workshop to provide job opportunities for their clients in exchange for lower lease payments
- Estimated Subsidy **\$ 17,900**

## Estimated Costs of Option 2

• Development Workshop Lease.....	\$43,200
• Property Tax Savings.....	(\$8,000)
• Assuming County Commissioners will make tax exempt if we take 100% control	
• Total Labor Costs.....	\$32,600
• Rec Program Labor \$15,600/PT Labor/Janitor Labor-not covered in programs \$17,000	
• Building Improvements/Maintenance.....	\$5,800
• Advertising.....	\$1,000
• Supplies/Janitorial Supplies.....	\$1,000
• Phone/Internet.....	\$600
• Purchase of Business and Assets over 5 years (\$55,000 Total-\$15,000 year one and \$10,000 next 4 years)...	\$11,000
• <b>TOTAL: (approximately \$7,200 per month)</b> .....	<b>\$87,200</b>

## Revenues

• Recreation Programs.....	\$32,300
• Court Rentals.....	\$19,000
• Outside Leagues/Groups \$12,000 and Open Gym \$7,000	
• Batting Cage.....	\$1,200
• Turf Rental-Outside Leagues.....	\$2,500
• Tournaments/Camps-Outside.....	\$3,000
• Dancoes/Events.....	\$4,000
• Sponsorship/Advertising.....	\$3,000
• Sub-Lease of Building and Equipment (i.e., Battle ball, etc.).....	\$4,800
• Less Sales Tax (Admissions Only/Not Rentals).....	(\$500)
• <b>TOTAL: (approximately \$5,700 per month)</b> .....	<b>\$69,300</b>

## Assets

Item	Quantity	Price New	Owners Est. Value	Liquidation Value (60%)
Sport Court	2 & Replacement Tiles	\$43,000	\$18,500	\$11,100
Rubber Flooring	About 11,000 Sq. Feet	\$20,000	\$10,000	\$6,000
Volleyball Equipment	2 Nets/2 Stands/40 Balls	\$2,900	\$1,200	\$720
Net Dividers	2 40'x20' Nets	\$1,312	\$1,000	\$600
Curtain Dividers	20' Tall x 280' Long	\$5,488	\$3,000	\$1,800
Risers/Steps	5	\$1,500	\$500	\$300
Finished Bleachers	40 Feet	\$3,400	\$2,900	\$1,740
Unfinished Bleachers	50 Feet	\$3,200	\$2,700	\$1,620
Front Desk/Computer	1 HP/Misc. Equipment	\$1,500	\$1,000	\$600
Stereo/Mic. Equipment	2 mics/2 Speakers	\$1,200	\$1,100	\$660
Batting Cage	1	\$700	\$600	\$360
Pitching Machine	1	\$1,900	\$1,400	\$840
Turf	1 Field 80'x50'	\$12,000	\$2,500	\$1,500
Misc. Sports Equipment	Bats, Balls, Nets, etc.	\$2,565	\$1,200	\$720
Site Improvements	Padding/Mounts/Wall Divider	\$4,500	\$2,500	\$1,500
<b>TOTAL</b>		<b>\$105,265</b>	<b>\$50,000</b>	<b>\$30,000</b>

## Future Obligation/Lease

- **Development Workshop** Lease Agreement
  - **One Year term** beginning June 1, 2016 that renews annually
  - **\*Non-appropriation clause included**
  
- **"The Zone"** Purchase Agreement
  - Would purchase **20% of the assets/business per year** with full ownership after 5 years
  - **\*Non-appropriation clause included**



\*If Mayor/Council choose not to budget either agreement in the future, then the City would be able to exit the agreement(s) without a future obligation

**Analysis For Lease or Sub-Lease on The Zone**

<b>Option 1 Sub-Lease the Building from The Zone and Rent Equipment</b>		
<b>Expenses</b>	<b>Notes</b>	
Sub-Lease From The Zone	50,000	Current Lease, which includes property Taxes is \$43,200. Property Taxes in 2016 approximately \$8,000
Internet	-	Would use Free Speed Connect Access Point
Phone	600	Cell phone-Would port current zone phone number over
Cleaning Supplies/Labor	2,800	Use Development Workshop Staff 6 hours per week
Sales Tax	500	Admission-Excludes Rental and Recreation Programs
Advertising	1,000	Will advertise in current budgets and cross-promote as well
Supplies	500	would still purchase most supplies in Rec. program and admin expenses
Repairs/Maintenance	800	
Improvements	5,000	
Rec Program Labor	15,600	
PT Labor-not covered in programs	14,700	19.5 hours per week to manage facility/scheduling plus PT Labor/Internships as Required
<b>Total Projected Expenses</b>	<b>\$ 91,500</b>	
	7,625.00	Per Month
<b>Revenues</b>	<b>Notes</b>	
Recreation Programs	32,300	Provided by Recreation Department
Court Rental-To Outside Leagues	12,000	Based on past experience. i.e. Club Volleyball Charge \$1.50/hour for use. Assumes 90 People per week for an hour. Battleball currently pays \$20/hour per court to rent
Court Rental-Open Gym	7,000	
Batting Cage	1,200	
Turf Field Rental-Outside Leagues	2,500	Based on past experience
Tournaments-Outside Sponsored	1,500	Based on past experience
Camps-Outside City Recreation	1,500	
Dances/Events	4,000	Based on past experience
Sponsorships/Advertising	3,000	
Sub-Lease	4,800	\$400 per month-Already getting \$200/month for battleball storage
<b>Total Projected Revenues</b>	<b>\$ 69,800</b>	
	5,816.67	Per Month
<b>Estimated Subsidy Required</b>	<b>21,700</b>	1,808
<b>Option 2 Lease Directly from the Development Workshop &amp; Buyout the Zone Assets/Business</b>		
Subsidy from Option 1	21,700	
Property Tax Savings	(8,000)	Assuming County Commissioners will make tax exempt if we take 100% control
Savings on Direct Lease/No Equipment Rent	(6,800)	Assuming We agree to current monthly rent amount (which includes property tax)
Annual Cost to purchase Equipment/Business over 5 Years	11,000	Asking \$55,000 over 5 years. We recommend \$11,000/year over 5 years based on appraisal to verify value
<b>Estimated Subsidy Required</b>	<b>17,900</b>	1,492

**Reasons Why We Recommend It**

- Would enhance our current recreation programs and allow practice time for coaches
- Would allow us to add new programs for Youth and Adults, including Day Camps and Winter Programs
- Would allow us to use as a Recreation Center for our citizens at affordable rates
- Would allow us to test the idea of a Recreation Center (on a smaller scale) without the large up front investment in the assets

**Other Notes**

- We would require waivers for use of the facility, but also be insured under our general liability policy
- Sign a 1 Year agreement beginning June 1 2016 that would auto-renew annually for up to 5 years. Agreement would include a termination clause for governmental non-appropriations
- We would allow the following to the current owners of the Zone as long as we continued to operate the lease:
  - Owner 1-Chris-To store his archery tag equipment on the site free and use the facility for up to 5 years at \$10/hour per court rental
  - Owner 2-Brandon-To use the site for up to 2 days per year to run a football camp he sponsors free of charge-for up to 5 years

**Finance Officer Nielson** is seeking a decision by motion from the City Council as to whether staff should proceed in securing these two agreements as described.

**Council President Smith** asked if utilities are included. Finance Officer Nielson said yes, they are included in the lease. She also asked about additional insurance that we would need to provide. Finance Officer Nielson said the Development Workshop would insure the building but we would still have liability insurance coverage through ICRMP.

**Council Member Mann** said in the winter it is cold inside The Zone, why is that? Brandon Bair, owner of The Zone, said they keep the heat down for the players. It can be warmer. It heats quickly but the heater gets loud so they usually heat early and then shut it off.

**Kelly McKamey** asked for public comment. Mayor Merrill said they would like to hear comments right now.

**Bryan Ball**, owner of World Gym, had some questions about the City buying The Zone business. Why a business purchase? Why not just do an asset purchase? Attorney Zollinger said they have not looked at any final contract documents but any contract documents would include a non-assumption of liabilities if we bought it as a business. We want a continuation of the entities that are already renting from The Zone for court rental but have no intention of assuming the liabilities.

**Mr. Ball** indicated he is concerned about the city going in competition with his business. He asked if the subleases will be for profit and will they bring their own insurance. Attorney Zollinger said they would take over the building and incorporate it into the city recreation program. We will not be sub-leasing, but co-sponsoring. For example, Mr. Bair could still use the facility for football camps but under the cities name with Brandon Bair as the star.

**Attorney Zollinger** said they have no intention of getting into any business other than the court space. If The Zone closed down it would adversely affect the City Recreation Program because we have been one of their strongest users for court space over the past several years. We need the court space for our recreation programs.

**Mr. Ball** asked why this location? What about parking spots and sprinkler system? Is there another building that would work better? Attorney Zollinger said this building is fully compliant with parking, sprinklers, etc. Mr. Ball asked how many parking spots there are. Mr. Zollinger said there are around 700 parking stalls.

**Mayor Merrill** told Mr. Ball that he brings up some good points. Council Member Mann asked Mr. Ball if he is opposed to this. Mr. Ball just wants to make sure this is the right location for safety reasons and he doesn't want something that will directly compete with his business. He said it doesn't sound like it would compete with him.

**Attorney Zollinger** indicated the City can have daily rentals but there is no option where we could lease a portion of the building on a regular basis. Sub-leasing is the wrong term. We would rent court space to teams as needed.

**Brandon Bair** indicated that the subleases they had already ended.

**Council Member Busby** clarified they are just voting to continue talks but not to finalize anything tonight.

**Council Member Smith** asked how many kids participate in winter recreation programs like basketball. Director Yeatman indicated that about 450 to 550 kids enroll each year with that number constantly increasing.

**Kelly McKamey** voiced his concerns about the contract containing language that states exactly what is allowed in the City Recreational Center. Also, the building being tax exempt creates concerns for the county. He said when it comes to City Government, it always gets bigger not smaller and the City already has plenty of property that is tax exempt. Attorney Zollinger said if this building goes empty it would be tax exempt. The Development Workshop is already tax exempt. The Zone was paying taxes. If another business ends up with it they would pay taxes.

**Council Member Flora** said at first she was against it but she talked to the Recreation Department and listened to the information on the budget and feels that a lot of people are asking for more recreation and she thinks Recreation Director Yeatman can utilize it to pay for itself. If we do start to go under we can go out.

**Council Member Busby** moved to continue negotiations regarding the lease of up to 20,000 square feet from the Development Workshop and the purchase of "The Zone" assets/business to use as a public recreation center; Council Member Smith seconded the motion; Mayor Merrill asked for a vote:

**Those voting aye**

Council President Smith  
Council Member Flora  
Council Member Benfield  
Council Member Busby  
Council Member Mann  
Council Member Wolfe

**Those voting nay**

None

**The motion carried**

**Calendared Bills and Tabled Items:**

- A. LAND USE ACTION – BILLS RECOMMENDED/APPROVED IN A LAND USE PUBLIC HEARING PROCEDURE: – NONE
- B. **BILL Introduction:** – NONE
- C. **First Reading:** – Those items which are being introduced for first reading: - NONE
- D. **Second Reading:** Those items which have been first read: NONE
- E. **Third Reading:** Those items which have been second read:
  - 1. **Ordinance 1142 – Hemming PRO Zone** (Project Redevelopment Option) replacing Ordinance No. 1006.

**ORDINANCE NO. 1142**

**AN ORDINANCE AMENDING ORDINANCE NO. 1115; PROVIDING FOR THE AMENDMENT OF THE “HEMMING PROJECT REDEVELOPMENT OPTION ZONE (PROZONE)”; REPEALING ORDINANCE 1006; AND PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE.**

**Council Member Smith** moved to consider Ordinance 1142 approved and third read for the Hemming PRO Zone (Project Redevelopment Option) replacing Ordinance No. 1006. Council Member Wolfe seconded the motion; Mayor Merrill asked for a vote:

**Those voting aye**

Council President Smith  
Council Member Flora  
Council Member Benfield  
Council Member Busby  
Council Member Mann  
Council Member Wolfe

**Those voting nay**

None

**The motion carried**

**Mayor’s Business:** None

**Council Member Smith** reminded City Council that they need to meet with Planning and Zoning in June. City Council agreed on June 15th at 5:00.

**Consent Calendar:** The consent calendar includes items which require formal City Council Action; however they are typically routine or not of great controversy. Individual Council members may ask that any specific item be removed from the consent calendar for discussion in greater detail. Explanatory information is included in the City Council’s agenda packet regarding these items.

- A. Approve acceptance of the City Council minutes from April 20, 2016; Planning and Zoning minutes from April 21, 2016 and the Arts Council 4/14/2016.
- B. Approve the City of Rexburg Bills

**Council Member Mann** moved to approve the Consent Calendar and minutes and pay the bills; Council Member Busby seconded the motion; Mayor Merrill asked for a vote:

**Those voting aye**

Council President Smith  
Council Member Flora  
Council Member Benfield  
Council Member Busby  
Council Member Mann

**Those voting nay**

None

Council Member Wolfe

**The motion carried**

**Council Member Mann** also commended the Mayor Merrill and the City Parks Department for the beautiful job they did in cleaning up around the Rexburg Tabernacle.

**Mayor Merrill** thanked the Fire Department. Due to the lift at the tabernacle not working, the men from the Fire Department are going to be at the concert tonight lifting those in wheelchairs up the stairs.

**Council Member Wolfe** also thanked the Fire Department for the delicious breakfast that they prepared for City Council this morning.

**Adjourned at 7:33 P.M.**

APPROVED:

\_\_\_\_\_  
Jerry Merrill, Mayor

Attest:

\_\_\_\_\_  
Mary Flanary, Deputy City Clerk