



Madison County Commissioners

Meeting Minutes

JUNE 27, 2012

8:00 AM

COMMISSIONERS ROOM

ATTENDEES

Commissioners: Chairman Kimber Ricks, Jon Weber, Todd Smith
Deputy Prosecuting Attorney: Troy Evans
Clerk: Kim Muir

AGENDA TOPICS

County Business:

Approval of Internal Audit - Commissioner Weber made a motion to approve the Internal Audit conducted by Searle Hart & Associates CPA. Commissioner Smith seconded and voting was unanimous.

Approval of Findings of Fact for Sexually Oriented Business and Filing Fees - Commissioner Weber asked a few additional questions and made additional clarifications. Commissioner Ricks made a motion to approve the Findings of Fact for Sexually Oriented Business and Filing Fees incorporating the charges being discussed today. Commissioner Weber seconded and voting was unanimous.

Craig Rindlisbacher – Budget Discussion:

Craig displayed the different “layers” of GIS and how it affects many departments. He also illustrated the tasks and expectations of GIS. Craig’s presentation showed that his department is not able to spend the time necessary to complete tasks that need done, because they spend so much time correcting problems instead of the actual mapping that they need to be doing. Craig is working with the GIS Oversight Committee to fix this problem. Commissioners stated they need to focus more on what GIS was actually formed to do, instead of taking on so many other departmental problems.

Board of Equalization:

Commissioner Ricks declared Board of Equalization Meeting open at 8:38 a.m. on Wednesday, June 27, 2012. Commissioners Ricks, Weber and Smith all voted yes on the roll call.

Ted Hendricks/ECIPDA:

Beverly Miller and Bobbie Carpenter were in attendance from Appletree Daycare.

Commissioner Ricks expressed that in January Madison County was the first County to participate in some new programs. Time was spent with the State Tax Commission on exempt properties. The law is very specific on how exempt properties are to be handled. They have to apply on the long form which states: (1) Owner of the property is tax exempt and (2) Establish that the property is being used for a tax exempt purpose. Both conditions have to be met. Exemption is for one year only, and the short form can be used in subsequent years. State law makes it clear that all properties are taxable, and the burden is on tax exempt properties to prove to the Commissioners that they should be exempt.

When the Appletree Daycare was established, it was to support Artco who agreed to subsidize. ECIPIDA, in partnership with Medco, Artco and the City of Rexburg, is the fulfillment of a community’s desire that it be built and assist in the job creation to help get grants. The

understanding was that it was a community facility. There was a requirement that it would be a daycare for 15 years, and they have just fulfilled that requirement. They are a 501 C4. A C4 is a tax exempt entity that focuses on economic development. They have gone through the process of changing the tax exempt status to 501 C3, which is a charitable organization. If there is any profit, it is for repairs and is put back into the daycare. Artco is changing the policy to only subsidize full time employees. Ted has been instructed by the Tax Commission that the Board of County Commissioners have the final say in the tax exempt process. Municipalities are always tax exempt.

Ted discussed the other three buildings. All tenants are highly subsidized. The job creation centers are intended to bring businesses into the community. They gave the E-Center a grant and raised ¾ million dollars in federal subsidies. The E-Center does a tremendous amount of good and is still a great tenant. Gorgeous Garage was started in the incubator system, and they have moved into their own facility and are doing great. Many companies don't have to pay rent the first few months so they can get established. ECIPDA is willing to set a parameter as to how long they can help a business. They never envisioned that the buildings would be taxed and are asking for flexibility to make things work. Commissioner Ricks made a motion to extend the tax exemption on all buildings for ECIPDA. This will be revisited next year. Commissioner Weber seconded and voting was unanimous.

Scott Harris – T-Rex Properties:

Scott Harris, Dustin Preece and Eric Freeman were present. Little Caesars is also owned by Mr. Harris. The issue is a 51% increase. The properties next to them were taxed at a different rate and didn't receive a large increase. Many other properties that he owns have decreased in value, and he doesn't understand why this property increased. The improvements are mostly why there are increases. T Rex Properties will meet with Brent Saurey to come to a conclusion.

Brian Ball – JCBS Properties:

Brian believes that the values are too high. Mr. Shewey explained that the State has to use comparable properties and actual sales. The Pioneer Road complex used in JCBS Properties comparable was a foreclosure. Brian's property is a 15,000 square foot metal building and is owner occupied. According to Gary, an income approach valuation is needed. It's not really retail space; it is a warehouse with improvements to the inside. He will meet with Brent to seek an agreement.

Reed Moss – Teton Valley/Meikle Holdings:

Reed was asked by Rex Meikle before his death to be a co-manager with his son. He is here representing Meikle Holdings. The Call property is 4.2 acres and is agricultural property, and he would like it valued as such. In 2006 Rex acquired Teton Valley Museum from BYU-Idaho, which is a 501C (3). In 2008 he deeded the property to Teton Valley Museum Foundation. When they developed the LLC they realized the White property would provide access, but the coal yard property was landlocked. When he deeded the property to the foundation, his intent was 30% to the foundation and 30% to BYU-Idaho and the remainder to Rex and his wife. With the history of the coal yard property, they put it into the LLC to help carry out Rex's intent to be charitable. Proceeds from the property were to go to BYU-Idaho. Reed was charged to get the property sold and transfer the proceeds to BYU-Idaho.

Commissioner Ricks made a motion to allow for a 30% exemption on Teton Valley Museum Foundation and 30% exemption on BYU-Idaho.

**Jeremy Hall – (Also Attending Are Russ Benedict, Phil Packer and Shane Webster) –
BYU-I Properties:**

In January the State Tax Commission met with the Commissioners to talk about tax exempt properties. The process that should be followed is: (1) The underlying presumption is that every property is taxable. (2) Statutory exemption is for government owned agencies. Anyone else has the burden of proof on property. (3) After the exemption is granted, it has to be reapplied for every year on a short form. BYU-I officials understood that they are required to pay taxes in the year of acquisition. In January they are required to complete an application to remain exempt. They completed applications on all of their properties and verified with Brent's office that they had included all property. The one property that is not exempt is on Sunrise Drive. From the standpoint of State Universities – they are allowed an exemption. BYU-Idaho built married housing because no one else would. The married housing was a three phase project, but the community began building married housing and BYU-Idaho quit after the first phase. Their interpretation is that they will not be taxed on married student housing. The statute was read and there was some clarification for the Commissioners. Commissioner Ricks proposed that our process be improved with the public. BYU-I officials stated that they are holding the College Avenue properties for educational purposes. Commissioner Weber proposed to treat them as exempt for this year, and they will be looked at again next year.

A motion was made by Commissioner Weber to grant the exemption for the current year on all College Avenue properties and married student housing. Commissioner Smith seconded and voting was unanimous.

Commissioner Ricks returned to Open Session at 5:10p.m.

Commissioner Ricks made a motion to adjourn at 5:30 p.m. Commissioner Smith seconded and voting was unanimous.

Approved:

Kimber Ricks, Chairman
Jon Weber, Commissioner
Todd Smith, Commissioner