
HARRIS RANCH CID TAXPAYERS' ASSOCIATION

August 7, 2021

Members of the Board
Harris Ranch Community Infrastructure District No. 1 ("HRCID")
City of Boise
150 N. Capitol Blvd.
Boise, Idaho 83702

Re: Objection to Additional Reimbursements Requested by the Developer

Members of the HRCID Board:

The purpose of this letter is to express our objection to two more of the reimbursements recently requested by the Harris Ranch developers ("Developer") totaling more than **\$7.5 million**. The first is a requested payment of **\$5,227,204** for facilities constructed as part of the Dallas Harris Estates Townhomes Subdivision No. 11 (Project ID No. GO21-3). The second is a requested payment of **\$2,334,106** for facilities constructed as part of the Dallas Harris Estates Townhomes Subdivision No. 9 (Project ID No. GO21-2).

The Developer is requesting reimbursement for the costs of constructing:

- (1) local access streets, water mains, sewer mains, stormwater mains, yard irrigation system facilities, and street lighting and signage, all within several specified blocks south of Parkcenter Blvd. in the Harris Ranch development, and
- (2) a series of stormwater retention ponds south of the Warm Springs arterial bypass road.

We object to these payments for the following reasons:

- The facilities described in (1), above, are improvements the costs of which must be borne by the *developer* in every other real estate development in the City of Boise, past and present. Those costs thus should be borne by the Developer here, as well.

- The facilities described in (2), above, are improvements which benefit *all* the properties between the E. Parkcenter bridge over the Boise River, on the west, S. Eckert Road, on the east, and the foothills, to the north, which is an area many times the size of the Harris Ranch CID. Those improvements also benefit and protect the environmental health of the entire Boise River. The costs of those improvements thus should be borne by the City as a whole and not by the relatively few properties within the CID.
- Most of the facilities for which the Developer is requesting reimbursement are *expressly prohibited* by Idaho law from being financed by a CID.

We have separately addressed the first two points with you previously in our letter of objection dated July 14, 2021. We will thus elaborate here only on our third point.

The definition in the Idaho Community Infrastructure District Act of “community infrastructure”, the costs of which can be financed by a CID, provides in relevant part as follows:

Community infrastructure *excludes* public improvements *fronting individual single family residential lots*.

Idaho Statutes, Sec. 50-3102(2). (Emphasis added.) Thus, any improvements which “front” on single-family residential lots *cannot* be financed through a CID.

The improvements for which the Developer has requested reimbursement under (1), above, are located primarily on the first block south of E. Parkcenter Blvd. of the following north-south streets: Trailwood Way, Honeycomb Way, Old Hickory Way, Barnside Way, Brookridge Way, Shadywood Way, Millbrook Way, and Hopes Well Way. All those streets, as the names of those subdivisions suggest, consist primarily of single-family residential townhomes, each on their own individual lots. Therefore, substantially all those improvements “front” on individual single-family residential lots. Thus, *none* of those costs can be reimbursed to the Developer by the Harris Ranch CID.¹

The Developer apparently understood this limitation in the past. Thus, they have not previously sought reimbursement for the identical types of improvements along E. Parkcenter Blvd. in Harris Ranch, which consists entirely of single-family residential townhomes. Nor have they sought reimbursement for the identical types of improvements along the very same streets to the *north* of E. Parkcenter Blvd., which consist entirely of single-family residential homes.

¹ It is our understanding that the parcels at the end of each of these blocks, along Haystack Street, are slated for future multi-family rather than single-family residential construction. But a single contract was executed by the Developer for the improvements in each of these two subdivisions. Thus, there does not appear to be any way to accurately segregate what may be permissible expenditures under the CID Act from those which are not.

The Developer might argue that the sidewalks and/or narrow landscaping strips along the streets in question are owned by a homeowners' association, rather than by the individual homeowners (if that is the case). They thus might argue that the improvements for which they seek reimbursement do not "front" on the townhomes, but rather on the sidewalks or narrow landscaping strips. That would seem to be a difficult argument to make in good faith.

Under general rules of statutory construction, words used in statutes are to be given their plain, ordinary, generally understood meaning. The word "fronting" is generally understood to mean "in front of". There can be no question that the streets, water mains, sewer mains, stormwater mains, yard irrigation system facilities, and street lighting and signage in question are "in front of" single-family residential lots. If you are fortunate enough to own a home on Payette Lake in McCall, no-one would suggest that, because the land past the lake's high-water mark in front of your home is owned by the State, your home is not "lake-front" property. The Legislature obviously intended to prohibit local improvements primarily serving single family residences from being financed through a CID.

The lawyers for the Developer, in their transmittal letter, nonetheless argue that:

[T]hese roadways do not lead to individual homes but instead lead to multi-family [sic][homes], future commercial areas, and the future Village Green, meaning this is much more of a "regional" roadway system and these roadways will be used by residents from throughout the district ...

This argument strikes us as disingenuous. These are all *local access* roads, not thoroughfares, and are the only means by which the owners of all those single-family residential townhomes can get to their properties. Using the Developer's lawyers' strange logic, every street in Harris Ranch could be considered to "lead to multi-family [homes], future commercial areas and the future Village Green", and thus to qualify for financing through the CID, even though bordered entirely by single-family residential homes.

We therefore request (and hope that we will not have to demand) that the Developer's two requests for reimbursement identified as Projects GO21-2 and GO21-3 be denied.

Please note, again, that this letter and our July 14, 2021 letter do not include all our objections to requested or proposed reimbursements to the Developer. We ask that the approval, let alone the payment, of any further reimbursements to the Developer cease pending the resolution of these and related legal issues.

We hope, again, that the HRCID understands that making payments under circumstances where you have reason to believe that such payments are or may be unlawful is a serious matter, both institutionally for the District and individually for its officials. And we again

hope that the Developer understands that submitting requests for payments from public funds to which they are not lawfully entitled is also a serious matter.

Sincerely,

p.p. */s/ A Crowley/*

Executive Committee,
Harris Ranch CID Taxpayers' Association

Cc: The Honorable Lauren McLean, Mayor, the City of Boise
Council Member Liza Sanchez, Council Pro Tem
Council Member Patrick Bageant
Council Member Jimmy Hallyburton
David Hasegawa, City of Boise
Jaymie Sullivan, City of Boise
Ron Lockwood, City of Boise
Amanda Brown, City of Boise