

Urban Renewal Agency of the City of Mountain Home

Special Meeting Minutes

May 27th, 2025, 12:00 pm

Mountain Home Fire Department

220 S 2nd East, Mountain Home, ID 83647

The Mountain Home Urban Renewal Agency believes in public participation and for those that cannot attend our meetings in person it has established the following alternative method of participation:

The meeting will be conducted through the use of Zoom. Persons who wish to provide comment on agenda items may do so by using the contact form on the Agency website and you will be given the Zoom link, ID, and password. This is the link to our website: <http://www.uramountainhome.com>. The Fire Department will be open for in person attendance.

- Item 1) Call the meeting to order and establish a quorum.
Meeting called to order at 12:01 pm by Chairman Randy Valley. Commissioner Alan Bermensolo in attendance and Commissioner Hailey Owen in attendance via Zoom.
- Item 2) Introduction of guests. No guests in attendance.
- Item 3) Discussion/Decision. Approve Idaho Power infrastructure upgrade per Idaho Power's quote.

Commissioner Bermansolo made a motion:
TO APPROVE A FUNDING COMMITMENT TO MARATHON CHEESE IN AN AMOUNT NOT TO EXCEED \$350,000 FOR THE SPECIFIC PURPOSE OF PUBLIC UTILITY INSTALLATION TO SERVE THOSE LOCATED WITHIN THE URBAN RENEWAL DISTRICT. SUCH FUNDING COMMITMENT TO BE MEMORIALIZED BY AN OWNER PARTICIPATION REIMBURSEMENT AGREEMENT EXECUTED BETWEEN MARATHON CHEESE AND THE AGENCY. Commissioner Owen seconded the motion and all vote AYE.
- Item 4) Business from the floor. No business from the floor.
- Item 5) Adjourn at 12:02pm

Next meeting will be held June 17th, 2025, at 6:00 PM.

R Valley
Signed

Jun 17, 2025
Date



MARATHON
CHEESE CORPORATION

www.mcheese.com

May 15, 2025

Mountain Home Urban Renewal Agency

Attn: Randy Valley, President; Alan Bermensolo, Treasurer

PO Box 1150

Mountain Home ID 83647

Email: rvalley2@msn.com; basko56@gmail.com

RE: Application for Urban Renewal District Incentive

Dear Messrs. Valley and Bermensolo,

Please accept this letter as application for economic development funding for **public infrastructure** relating to a potential expansion project at our facility in Mountain Home, ID. Public infrastructure funding requested is related to the Idaho Power quotation for \$350,000 included with this application.

Contact Information - see page 4

Location - Marathon Cheese Corporation production facility at 3000 NW Marathon Way, Mountain Home, with a local employee base of 550 employees.

Project Description - addition of 40,720 square feet to the existing facility of approximately 204,000 square feet. Please see a photo of our facility on page 5 and the site plan on page 6 of this letter.

Approximate Project Cost - \$20,200,000 for facility and an additional \$350,000 for power infrastructure; potential future equipment of \$10,000,000 - \$15,000,000 made possible by additional floor space.

Project Narrative - the construction of the existing facility was completed in 2006. The production floor was sized to accommodate the typical footprint of a natural cheese packaging line(s). Over time, equipment innovation and line automation improvements in employee safety and food quality requires a longer footprint to adequately service our business. The suggested addition would relocate the existing warehousing 100 feet to the North and allow for expansion of the production room. The exterior will be the same construction type and design as the existing structure.



The larger production room would accommodate for the placement of equipment at the front and back of the existing lines. In addition, the expansion would allow for the addition of two full packaging lines, requiring an 10 person average crew per shift or a total of 60 potential production jobs. These roles currently have an average annual wage of \$46,360 plus average benefit value of \$13,800 for a total annual compensation value of \$60,160. Decisions regarding future equipment investment will be dependent on market opportunities and other factors.

The proposed project would target a commencement in Q2 2025. The 40,720 square foot addition enclosure would be complete in Q1 2026. Completion of internal fit-out tasks would be complete in Q2 2026. The installation of automation and equipment would initiate in Q2 2026 and conclude in Q4 2027.

Public Infrastructure (Idaho Power) - the proposed expansion and associated equipment require an additional 1.0 MW of power to be delivered to the Marathon Cheese production facility. The future power load demand requires upgrades that will run parallel to the existing public utilities infrastructure.

The upgrades will include approximately 0.25 mile of new overhead 12.5 kV distribution line, approximately 100 feet of new underground 12.5 kV distribution line, one new 12.5 kV recloser and one new pad-mounted 4-way distribution switch. These upgrades will be directly to the public infrastructure and will service the Mt. Home area and will not be installed on Marathon Cheese property. Idaho Power has presented an Engineering Assessment indicating a cost estimate of \$350,000 for the required upgrades which is included with this application.

Community Impact - since the creation of the URA in 2005, the incremental tax dollars generated by Marathon Cheese have funded a variety of betterment projects in the Mountain Home area following the original bond pay-off. We are truly honored to be a part of the many improvements made in Mountain Home for the safety and enjoyment of the City's residents, many who are employed at our facility.

In addition, Marathon Cheese has gladly been a generous supporter of activities and programs within the Mountain Home community and school district directly. Over the last five years, we have supported over 50 organizations for a value exceeding \$30,000, including investment in the City's dog park and fitness trail. Our Foundation funds a scholarship program that has impacted approximately 60 local students in the aggregate of nearly \$120,000. With honor, we annually support Air Force Appreciation Day with a flavorful assortment of natural cheese.

Additional Context - Marathon has been interested in this project for some time. As you are aware, recent input on the cost of utilities through Idaho Power have caused us to reevaluate



MARATHON
CHEESE CORPORATION

www.mcheese.com

whether to proceed at this location or invest in a nearly identical project at our Wisconsin facility in the City of Medford.

In summary, we appreciate your consideration to this application to fund the power needs related to our potential expansion. We further appreciate your willingness to allow our application be presented at the next meeting of the URA scheduled for Tuesday, May 20th.

Please feel free to contact me should you have any questions.

Sincerely,

Nancy J. Kaiser

Nancy J. Kaiser
Vice President - Finance
nkaiser@mcheese.com
715-443-9200

C: Mayor Rich Sykes, City of Mountain Home
mayor@mountain-home.us



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Contact Information

Owner Representatives of Marathon Cheese Corporation:

Nancy Kaiser, Vice President Finance, nkaiser@mcheese.com, 715-443-9200

Ryan O'Toole, Corporate Director Operations, rptoole@mcheese.com, 715-443-9320

Local Manager at Mountain Home Facility:

Michael Gracia, Plant Manager, magracia@mcheese.com, 208-591-7603

Utility Provider - Idaho Power:

Paris Dickerson, Economic and Community Development Manager, pdickerson@idahopower.com, 406-546-2074

Facility Photo:

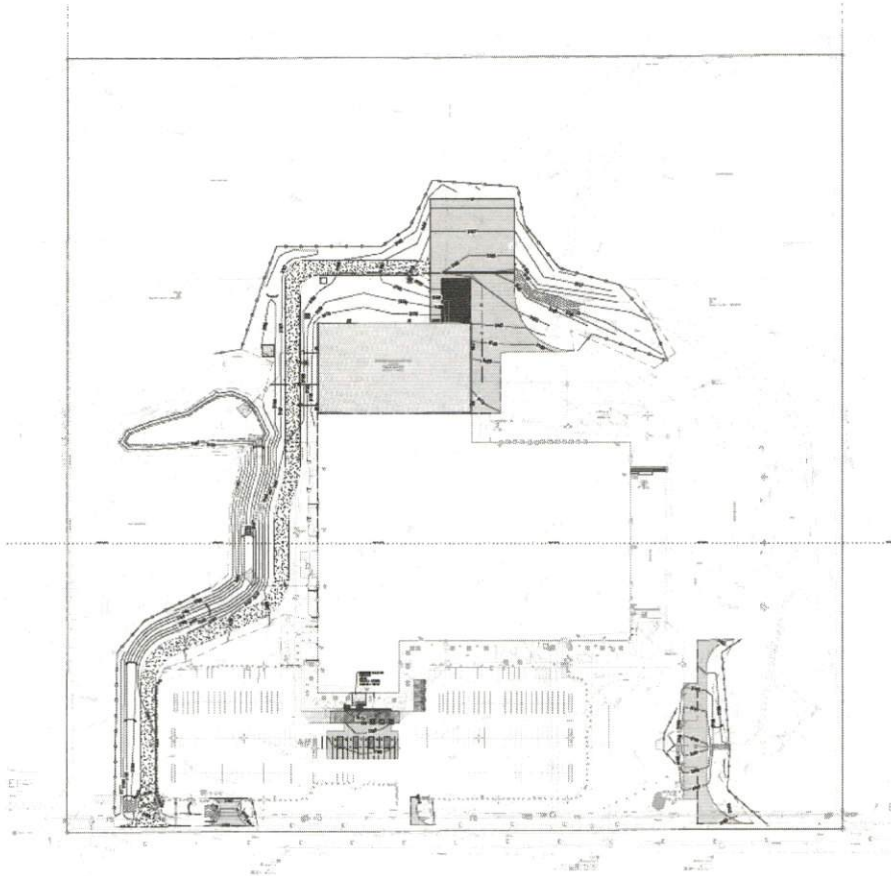




MARATHON
CHEESE CORPORATION

www.mcheese.com

Site Plan:



Marathon Way, Mountain Home



PROJECT INFORMATION

PROPOSED RENOVATION AND EXPANSION FOR:
MARATHON CHEESE CORPORATION
3000 NW MARATHON WAY • MOUNTAIN HOME, ID 83647

SUBMITTAL DATES		
NOV. 6, 2008	NOT FOR CONSTRUCTION	
NOV. 19, 2008		
NOV. 19, 2008		
JOB NUMBER		
2220080		

MARATHON CHEESE

Welcome

May 1, 2025

Dear Marathon Cheese,

Thank you for your inquiry about expanding your business in Idaho Power's service area. We appreciate the opportunity to continue serving you!

Idaho Power is passionate about powering lives with reliable, affordable, clean energy while developing innovative solutions every day. We believe in safety first, integrity always, and respect for all — and in sharing those values with the customers and communities we serve.

Our commitment to reliable, affordable, clean energy is more than a slogan. We keep the lights on more than 99.9% of the time — when you need us, we are there for you. We understand that price is important, and Idaho Power's business prices are 30% lower than the national average! Clean energy is also a priority — both today and into the future. Clean hydropower is our largest energy source, and we are on a path away from coal-fired energy. Idaho Power was one of the first investor-owned utilities to establish a clean energy goal without a government requirement to do so, and we are making significant progress on our plan to provide 100% clean energy by 2045.

Enclosed you will find additional information about Idaho Power and our proposed solutions to meet your energy needs. The next steps to move forward with this project are as follows:

Distribution Facilities Next Steps:

- ☐ Marathon Cheese submits a Service Request by contacting Tonja Dyke.
- ☐ Marathon Cheese signs Initial Service Request form and Consent to Proceed form and funds pre-paid engineering fees for distribution design work.
- ☐ Idaho Power will develop a Distribution Facilities (Rule H) Cost Quote (valid for 60 days).
- ☐ Marathon Cheese signs and funds a Distribution Facilities (Rule H) Cost Quote, Service Request, and Work Order Maps.
- ☐ Idaho Power commences distribution construction work.

Welcome

We are confident that Idaho Power's electrical system is well positioned to serve Marathon Cheese's needs now and into the future. We look forward to serving as your provider of reliable, affordable, clean energy in the years to come.

Sincerely,



Tonja Dyke
KEY ACCOUNT ENERGY ADVISOR

✉ tdyke@idahopower.com
☎ (208) 388-5356
📍 10790 Franklin Rd, Boise, ID 83709

Enclosures

- Engineering Assessment (Work Scope, Cost Estimate, and Timeline of necessary upgrades)

Additional Information

- [Idaho Power Overview](#)
- [Energy Efficiency Incentives](#)
- [New Service Attachments and Distribution Line Installations or Alterations – Rule H](#)
- [Facilities Charge Service– Rule M](#)
- [Large Power Service – Schedule 19](#)

Engineering Assessment

Engineering Assessment¹

Marathon Cheese

May 1, 2025

Project location: 3000 NW Marathon Way, Mountain Home, ID
Requested load: Option 1: 1 MW plus existing 1.5 MW for a total of 2.5 MW
Option 2: 1.7 MW plus 1.5 MW for a total of 3.2 MW
Requested in-service date: Q4 2027
Proposed in-service date: 18 – 24 months from the time Idaho Power receives a signed Service Request and applicable pre-paid engineering and design fees.

On-site electric facilities, including the service transformer(s), are not included in this estimate. Temporary construction power is also not included in this estimate.

Option 1: Scope of Work and Cost Estimate for 2.5 MW

The load request requires the following upgrades to Idaho Power’s electrical system:

- Approximately 0.25 mile of new overhead 12.5 kV distribution line
- Approximately 100 feet of new underground 12.5kV distribution line
- One new 12.5 kV recloser
- One new pad-mounted 4-way distribution switch

Below is an estimate of Marathon Cheese’s costs to serve the proposed facility.

Distribution facilities	\$350,000
Transmission facilities	\$0
Substation facilities	\$0
TOTAL.....	\$350,000

¹ This cost estimate includes a 20% contingency allowance for detailed refinement of the project’s scope or changed circumstances and overheads of 9.42% for distribution facilities. Overhead costs cover the indirect costs associated with the project and may vary from time to time.

Option 2: Scope of Work and Cost Estimate for 3.2 MW

The load request requires the following upgrades to Idaho Power’s electrical system:

- Approximately 0.25 mile of new overhead 12.5 kV distribution line
- Approximately 0.35 mile of new underground 12.5 kV distribution line²
- One new 12.5 kV recloser
- One new pad-mounted 4-way distribution switch

Below is an estimate of Marathon Cheese’s costs to serve the proposed facility.

Distribution facilities	\$730,000
Transmission facilities	\$0
Substation facilities	\$0
TOTAL.....	\$730,000

- The above stated solutions will be served by the new Idaho Power Sawmill Substation. Therefore, the new Sawmill Substation will need to be online and energized (anticipated energization date is 2026) before Marathon can add the requested load.
- Information included in this document is based on system capacities as of the date of this response. Idaho Power’s system operates on a first come, first served basis and is subject to change without notice. This assessment does not constitute a commitment of reserved capacity.
- Due to supply chain constraints and rapidly escalating material costs, the estimated timeline and costs included in this document are subject to change.
- All upgrades to Idaho Power’s electrical system will be owned, operated, and maintained by Idaho Power and may be used to serve other customers.

Timeline

A typical project timeline to design, procure materials, and construct facilities like those required for your project ranges from 18 to 24 months from the time Idaho Power receives an executed Service Request and all applicable pre-paid engineering and design fees.

Additional Considerations

The identified solution may require the purchase of right-of-way easements on private property and/or a Federal Aviation Administration permit. While Idaho Power does not anticipate that this will be a problem, it is unknown if Idaho Power can acquire these easements and permits for a reasonable cost. If the cost for obtaining the easements and permits is excessive or the timeframe to do so does not meet your needs, then Idaho Power will look for another route.

² This solution is based on Idaho Power needing to install new underground conduit. However, there is a possibility that conduit already exists and is available for use by Marathon Cheese. This will be determined once Idaho Power enters the design process.

Please be advised that a different route may result in changes to the project's scope, construction timeline and cost estimate.

Pursuant to Rule H of Idaho Power's tariff, you will hold a "Vested Interest" in the new distribution facilities funded by your project and may be eligible to receive Vested Interest Refunds from Additional Applicants connecting to such distribution line. Rule H is attached for your reference and we welcome the opportunity to discuss Vested Interest as it may relate to this project.

All upgrades to Idaho Power's electrical system will be owned, operated, and maintained by Idaho Power and may be used to serve other customers. Additionally, Idaho Power does not indefinitely reserve or hold capacity for its customers. Idaho Power makes capacity available to its existing and prospective customers on a "first come, first served" basis. "First come" is defined as a customer receiving a Rule H Cost Quote and funding such Rule H Cost Quote prior to its expiration. At the completion of upgrades, Idaho Power commits to making the requested capacity available for use within the bounds of Marathon Cheese's development for a period of up to five (5) years or upon completion of Marathon Cheese's ramp schedule, whichever comes first, assuming that the development continues to meet its provided load ramp milestones and all necessary upgrades are funded. At the end of this commitment period, any unused capacity will be available for Idaho Power to serve other customers.

Marathon Cheese has an existing Rule M - Facilities Charge arrangement with Idaho Power. Changes to the facilities installed and owned by Idaho Power may be required to serve the increase peak demand. Please be advised that any changes to Marathon Cheese's Distribution Facilities Investment report may increase Marathon Cheese's existing monthly facilities charge amount.

Idaho Power may require an upfront deposit pursuant to Rule L, which is linked above for your reference.

The identified solution and estimate are based on Idaho Power's existing electrical system as of the date of this letter. Because the electrical system is constantly changing, this estimate and associated solution is subject to change. To move your project forward, please see next steps listed above.

Energy Efficiency Incentive Opportunities

Idaho Power's New Construction and Major Renovations program includes several incentive opportunities that help cover a portion of the costs of designing and building energy-efficient features into a commercial or industrial construction project, including the following examples:

- Lighting measures to install efficient interior or exterior lighting. The interior light load reduction measure pays an incentive of \$0.30 per square foot (ft²) when the installed wattage is over 30% less than code allowed. For example, a 300,000 ft² facility could be eligible for an incentive of \$90,000.
- Controls and variable-speed drive (VSD) measures may offer great incentives, depending on the application. For example, customers can receive incentives up to \$120 per ton when installing control strategies for energy management or up to \$125 per horsepower when installing VFDs on HVAC equipment with variable load.

Qualified customers can identify potential energy savings through a free scoping assessment, or a cost-shared detailed assessment offered by Idaho Power's Custom Efficiency Program. This program offers incentives for energy efficiency projects that do not qualify through the New Construction and Major Renovations program. These incentives are paid at a rate of \$0.18 per kilowatt-hour (kWh) saved in the first year up to 70% of the eligible project cost.

Flex Peak Program

Flex Peak is a demand response program that offers cash incentives to commercial and industrial customers who reduce their electric load when summer demand for energy is high or for other system needs. Participants can earn \$3.25 per kilowatt (kW) per week. With a minimum of three events that last between two and four hours, a reduction nomination of 1,000 kW provides an incentive of up to a little over \$42,000 for the season. More information about these programs can be found at idahopower.com/business.

To discuss energy efficiency incentives, please contact Tonja Dyke. Our dedicated energy efficiency engineers are ready and available to offer support to help maximize your incentive opportunity.



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