

MINUTES
URBAN RENEWAL AGENCY
June 28, 2007

Commissioner McCabe called the Moscow Urban Renewal Agency meeting to order at 7:00 a.m. Thursday, 28th June 2007 in the Moscow City Council Chambers.

Attendance:

<u>Commission Members</u>	<u>City Staff Present</u>	<u>Others Present</u>
John McCabe, Chair	Gary J. Riedner, City Supervisor	Harlan Mann
John Weber	Bill Belknap, Comm. Dev. Director	BJ Swanson
Mike Thomason	Don Palmer, Finance Director	Robin Woods
Jack Nelson	Anne Clapperton, Planner I	Shelley Bennett
	Alisa Stone, Grants Coordinator	Mayor Chaney
	Bryn Booker, Administrative Intern	
	Stephanie Kalasz, City Clerk	

McCabe welcomed Nelson to the Board. Nelson said he is looking forward to serving and he said he may wait to vote on some items until he talks to other Board of County Commissioner members.

1. Approval of Minutes from May 24, 2007

It was moved and seconded to approve the minutes as proposed. Motion carried unanimously.

2. Disbursements - Don Palmer

Palmer presented the disbursement report. Thomason moved and Weber seconded approval of the disbursement report. Motion carried unanimously.

3. Financial Report - Don Palmer

Palmer discussed the financial report. He said the budget is going along fine. Weber asked if the project would still be retired on schedule even if a new project is started. Palmer said if there are no other projects then Alturas should be paid off early so it shouldn't be a problem. McCabe asked when the next payment is due to the Thompsons and was told that it is due in February.

Weber moved to accept the financial report and Thomason seconded the motion. Motion carried unanimously.

4. Request to Modify Pearwood, LLC Disposition and Development Agrmt. - Gary J. Riedner

Riedner explained that Robin Woods is in attendance to request an extension because she will not break ground on the new building by the date originally scheduled. Woods said she would like to have a six month extension. Riedner said May 1 of 2008 might be a good date because it would give maximum flexibility. Woods said their engineering drawings are supposed to come back on July 9th. Riedner said there are two dates that would need to change, the July 1, 2007 date would need to change to May 1, 2008 and the completion date to December 1, 2008. He said a formal motion of acceptance would be needed by the Board and a new attachment would be added to the current agreement.

Weber moved to extend the dates for start and completion of construction, the start of the construction to be by May 1, 2008 and completion of construction should be no longer than six months after the start date but no later than December 1, 2008.

Nelson asked about conditions regarding the building value. Riedner said the design of the building must be approved by the URA but there are no requirements as far as materials. Nelson asked what the URA would do if the building was not completed in six months. Riedner said there is no set fine, the purpose is to make sure the project is completed. He said Woods would probably be asked to come in and talk to the Board and an extension could be granted by the Board. He said another option would be to sue but that might be difficult because there are no damages (unless it could be shown that others won't move in due to the half finished building). Motion carried unanimously.

5. Update on Eligibility Study Conducted by Harlan Mann - Gary J. Riedner

Riedner explained that the Board authorized up to \$4,000 to be used to hire Harlan Mann to do an eligibility study for the proposed project area and he displayed a picture of the area. He said there is nothing in Idaho Code to allow phasing of a URA project but the area can be extended. He explained how the tax increment would be set. He said if the project was amended in 2012, the increment would not go back to 2007. He said ideas from the Board included multiple phasings. Staff has talked to numerous people involved with urban renewal who said one of the keys is to have an economic growth area to pay for the district. He explained where that area is in this plan.

Harlan Mann said there are some practical aspects that need to be addressed. He said there is a statutory requirement of how much of an area can be used based on how much of the tax base can be included in an urban renewal area. He said there could be about \$51,000,000 property value in area A. He displayed a drawing of the area. He said he has started to look at some property value in the area. Riedner said Mann was the one that did the report on the original slum and blight area for the Alturas project. Mann said he relies on City information as well as collecting his own. He said there are deteriorating structures in this proposed area. He said some of the streets are very old and there is a lot of room for improvement. He said the railroad tracks are also an issue. He said in theory, a URA could have those removed. Riedner said the tracks are in the process of being abandoned. Mann said the final report that he does will have a table of contents and some of his calculations. He said he was initially surprised about the other portion of the project until he started to walk around. There are some possibilities there. He said he thinks the report will be done by the end of July.

6. Status of Planning for Potential Project Area - Gary J. Riedner

Riedner said a letter of commitment from Kendig Keast is in the packets. He said Bret Keast met with members of the URA to discuss services that might be provided. He gave a history of what has been done to date. He said he met with property owners in the proposed project area and there was discussion about them meeting with an urban planner to discuss what they would like to have in the area. He said Kendig Keast is working on the City Comprehensive Plan so they were asked about how to approach this issue. He said the property owners have agreed to each put up \$1500 toward the cost of hiring Kendig Keast. The Council will be asked for the City to cover the balance of that contract. He said hopefully, when it is done, there will be something concrete about what should be done and what would benefit the public. He said when the funds are received from the property owners, the letters will be signed and the

process will be started. He said Kendig Keast will be here around the 12th of July to meet with property owners, etc.

McCabe verified that the Kendig Keast letter would have to be approved by the Council. Riedner said this is a unique situation because the property owners are helping financially. He said all groups involved will have a financial interest in the project.

7. Preliminary Budget Distribution - Don Palmer

Palmer explained that this is the Board's budget and is based on what has been discussed in meetings, etc. He said it can be adjusted according to the Board's wishes. Riedner said the public hearing is scheduled for August 7, 2007. Palmer discussed the budget included in the packet. He went through the projected revenues first.

Riedner explained what is covered with the administrative services fee that the URA pays to the City. He said there was a discussion this past year about the URA needing some sort of help through a half or three-quarter time position of an executive director. He said the proposal at this point is to keep things the same this year but if the Board wants to budget for a new position, it can be done. He said professional fees cover legal fees, Harlan Mann's services, etc. He said the amount has been raised this year based on a preliminary estimate because if there is a project, the next step is to develop a plan and there is usually three pieces to the plan. A narrative (attorney would help), a financial piece (Mann or similar professional would handle), and a design. He said a plan can be very general or very specific. It depends on how the Board wants to go. He said \$25,000 has been built in but it could be less. He went through other expense line items.

Thomason asked about the prediction that two lots will be sold. Palmer said if it happens but it is not appropriated, then the budget would have to be reopened. This way, if it is there, the money can be taken in and used to pay the loan and if not, it doesn't matter.

Nelson asked if the infrastructure belongs to the City or the URA and was told that the City owns the infrastructure after acceptance.

McCabe asked a question about the restricted balance. Palmer said only a portion of the balance is restricted and the other part is unrestricted and he gave the numbers. He explained how the money could be used. McCabe verified that there is \$57,820 that could be allocated toward a new plan to be paid back later. Riedner said there are many financing vehicles available to the URA and he gave a list. He said the concern is that we don't anticipate revenues prior to the property going on the tax roles. Alturas won't finance a new project. Palmer said the new allocation area probably wouldn't be on the tax rolls until 2009 and it probably wouldn't actually start paying until 2011 or 2012. Riedner said if a new project is started, the budget will need to be opened or it will be included in the FY2009 budget. There was some discussion about the proposed budget. Board members will email Riedner or Palmer with any recommended changes.

8. Update on URA Legislative Agenda - Gary J. Riedner

Riedner said, in the packet, there is a copy of a letter sent to McCabe inviting representatives of the agencies to attend a meeting in Coeur d'Alene during the AIC summer conference. He said at the meeting, they discussed how there can be a better understanding about what URAs do and about advertising the good works of URAs as opposed to URAs that are very aggressive.

They are developing a program to make legislators more aware of what is being done. He said they want to promote understanding to the legislators. The Board is welcome to attend those meetings. He said every time the Legislature is in session, there are anti-URA issues being considered. He said there are limited means to accomplish certain things and the executive branch encourages URAs but legislators fight it. He said there will be a proposal about whether all URAs should put out money for a lobbyist. There are two agencies currently supporting lobbyists.

Mann said he attended some of the hearings in Boise and there was one bill that wouldn't allow a URA to expand an area. He said the bill was rejected by Senate and Local Government. He said preparation should make a big difference. He said there is concern if the Senate doesn't pass something because there isn't enough time because it may have another opportunity.

Nelson said the Legislature has indicated that they want to have a large group get together to come up with a recommendation for the Legislature about urban renewal agencies.

Mayor Chaney said at the meeting in Coeur d'Alene, there was discussion about visibility and a public engagement process. She said the URA is an economic tool and is a good thing but if people feel it is a mystery then they don't understand or support it.

Riedner suggested putting more money in professional services if the Board is interested in providing support for a lobbyist. Thomason said he would like some money as contingency.

Mayor Chaney said there was no consensus in Coeur d'Alene about obtaining a lobbyist. She said the possibility is real but there was no consensus. Riedner said there were three legislators there and all three said lobbyists are very effective. Palmer said one thing that is not in the budget is travel and meetings so that is something the Board should consider.

9. Schedule Next Meeting - Gary J. Riedner

The next meeting will be scheduled for July 12th.

Other Business

Thomason asked if anyone discussed the possibility of an Alturas III with the Thompson Family. McCabe said not yet but he will have the discussion.

10. Adjourn

There being no further business, the meeting concluded at 8:20 a.m.