



City of Moscow Council Chambers • 206 E 3<sup>rd</sup> Street • Moscow, ID 83843

McCabe called the meeting to order at 7:00 a.m.

Attendance:

Commission Members	Staff Present	Others
John McCabe, Chair	Gary J. Riedner, Interim Exec. Director/City Supervisor	Wayne Krauss
John Weber	Don Palmer, Finance Director	Members of the Public
Steve McGeehan	Bill Belknap, Community Development Director	
Brandy Sullivan	Stephanie Kalasz, City Clerk	
Art Bettge	Alisa Anderson, Grants Manager	
Steve Drown	Kevin Lilly, Deputy Director - Engineering	
Dave McGraw	Laurie Lewis, Deputy Clerk	

**1. Welcome – John McCabe**

McCabe distributed a letter explaining that he may have a conflict of interest due to his position at the bank and his community involvement so he will recuse himself from the process. McGeehan chaired the meeting. McGraw acknowledged that the County Commissioners wrote a letter of support for the Gritman project but he was not involved with that process and although he read the letter this week, he will not let that influence his decision.

**2. Overview of Process – Gary J. Riedner**

Riedner explained that the URA (with the criteria of Legacy Crossing in mind) purchased the property to facilitate the Hello Walk and possibly dispose of the remainder of the property. He displayed a concept drawing. He discussed the Request for Proposal process and the guidelines. He said this is a focal point for the City and the University. He explained the criteria and how the proposed developments should be evaluated.

**3. 6th and Jackson Property Proposal Presentations – Gary J. Riedner**

- 7:00 Anderson Group, LLC
- 7:30 Gritman Medical Park, LLC
- 8:00 Sangria Development

Anderson Group – John Anderson presented for the Anderson Group. He read a statement from his father about their proposal. He said they intend on having a co-development structure with their adjoining property and they want to work with interested businesses. They will refine their proposal in the open public process. They plan a multiuse facility. It may take more time but it will be a better final result and a catalyst for the revitalization of Legacy Crossing. The Anderson Group wants to work with the URA to develop this area. He displayed a photo of their property with the grain elevator and what some alternatives for the property may look like.

Weber asked how funding is proposed for the development. Anderson said they have some significant stakeholders for the project. Clayton Anderson said this process has helped them find two stakeholders which will assist with financing the project. J. Anderson said the timeframe was difficult to meet and it is important to take some time to develop the plan. There was some discussion.

McGraw asked about the intended to be in the building and was told it will be commercial, retail and residential. Drown asked how the Anderson group would accomplish the co-development with their property. Anderson said with their other property, more parking will be available and there may be a connection between buildings. Sullivan asked how the Hello Walk would be addressed. Anderson said the Hello Walk would go through the building. C. Anderson said this is just an initial proposal and a comment was made that the path would be closed at night but that was never something they proposed. They will work with stakeholders and the public to develop a design that will be best for the community. J. Anderson said there is no interest in small scale development. There was more discussion about the timeline. J. Anderson said once they are approved, the project should be able to move quickly and they should be able to make significant progress in 18 months. He discussed plans for their adjacent property. McGeehan asked how the project would enhance the entrance to the University and J. Anderson discussed plans for the area.

Kara Besst, Gritman Hospital, introduced herself and read Gritman's vision statement. She explained that they would like to keep this local. She said this is proposed to be a for-profit establishment and will provide needed health care services and jobs. They are the largest private employer in Moscow. She displayed photos and drawings of the proposal and explained the necessary services that would be provided in this building.

B.J. Swanson said health care is the highest growth industry. She explained how they can assist growth in Moscow. She said Legacy Place will have a great economic impact on the community and she explained the projections. She said Gritman is not asking for any help from the URA for their project so the URA can use the funds elsewhere. Legacy Place would be the first cog in a network and they have been in conversations with the Anderson Group and want success for them as well. She explained the CHAS Latah Community Health Clinic would be available to everyone regardless of ability to pay. She said Gritman has a proven track record for success in development. She indicated that they have a short timeline with a completion to be done within 11 to 12 months. Their projects are on time and on budget. She said their south couplet property will likely be used on a project to be in conjunction with the University of Idaho.

Jimmy Anderson said this proposal fills the purpose of urban renewal. He explained how the Gritman project will fill the mission of urban renewal including creation of many new jobs and will help the economy. Weber said the URA runs on tax increment financing and he asked how we can be assured down the road that Gritman won't take the tax exempt status. Swanson said Gritman Medical Park would collect rent from the occupants and Idaho Tax Code would not allow them to be tax exempt. Sullivan asked what Gritman goals could still be accomplished if they worked with the Anderson Group. Swanson said they could be the key to the Anderson Group success. Health care facilities are high quality construction. There was discussion about the location of the CHAS Clinic. She said since they are nonprofit, they are able to charge less because they want services that benefit the community.

McGeehan said part of the goal of this area is to bring excitement, etc. to the area and asked how the Gritman Development would do that. Swanson said restaurants in the area could use the parking at night but there is also a plaza where there could be events and art shows. Weber asked if there is any future retail uses proposed for the property. Swanson said they have a 1200 square foot space and people have expressed an interest in it. Sullivan asked if the plan is set. Swanson said this is a great plan but it can still be fluid.

Sangria Development – Carly Lilly and George Skandalos presented for Sangria Development. They provided information about the success of Sangria (currently located at the Mall) and said they followed with Maialina in the downtown. They have been looking at this spot for years. They signed a short term lease with the mall because they wanted to own their restaurant rather than lease. They introduced Greg Castellaw from Castellaw Kom Architects who created the design for the project.

Castellaw discussed other projects done by his firm. He read a portion of the RFP and said this design fits perfectly. Lilly said this is vibrant, fun and active and their vision is a mixed use. MURA objectives are great and it should be a great experience. She said Maialina has really increased pedestrian traffic and they have a passion for sustainability. She became obsessed with buying local and she tries to figure out ways to do even more. Supporting local families helps the economy in the community. She said they want the building to have a historic feel so it will last a long time and bridge a gap between the University and downtown. They are looking at additional retail spaces and they want to cater to everyone not just a certain sect of the community. Skandalos said they want a space that could be repurposed in the future if needed. She said they have a suggestion for the Hello Walk but they are willing to put it in wherever the Board needs to have it.

Castellaw displayed a floorplan of the proposed development, explained the proposal and discussed some options. The second floor has apartments which are needed downtown. The roof would have a garden and possibly a bar and the space would be used for weddings and parties. Castellaw said the roof will provide an opportunity for reclaimed water as well. He displayed elevation views and images of the proposed structure.

Lilly discussed the intended style for the inside of the restaurant. Skandalos said they serve over 70,000 people per year and the people will go to other business and possibly other restaurants if there is a wait at Sangria. He said they are very community minded.

McGeehan asked about the economic impact of this development. Skandalos said they have saved money so they can buy their own building and not just pay rent. They currently pay higher than market rent. McGraw asked if they plan on hiring more employees. Skandalos said yes, they have always wanted to expand but can't in their current location. Lilly said they anticipate 40 to 50 new jobs. McGeehan asked about the timeline. Skandalos said the first phase would be the restaurant and Hello Walk. A draft schedule was distributed.

Drown asked about the parking and access. Lilly said the parking spaces are really for the residents and with Maialina people just find places to park and walk to the restaurant. Sullivan asked if they would work with one of the other developments. Lilly said they would not do this unless they could own their own building but they are willing to working with the Andersons to benefit both properties. She said they think the Silos project is important.

A recess was taken at 8:24 a.m. The meeting reconvened at 8:33 a.m.

#### **4. Board Discussion – Gary J. Riedner/John McCabe**

**ACTION:** Discuss proposals and select successful proposal or take such other action deemed appropriate.

Bettge thanked the presenters for three good projects. He said the URA acquired the property specifically to link the downtown and the University. Consideration of the proposals has to be done based on the RFP criteria and that cannot be changed. He discussed his concerns about the Anderson project regarding timeline and funding. He said Gritman has a good proposal and needed facility but it is not in the right place and doesn't really fit in this lot of Legacy Crossing. The Sangria Group answered the RFP questions and gave what was asked

for (all elements required) in the application. The community was in support of the design concept and increasing density in the downtown area. He said they don't mean to discourage the groups that are not selected. In terms of predictability and meeting what was asked for as a bridge from downtown to University, Sangria came out ahead.

Weber said he has gone through this several times and listened to the presentations today. All of the conditions don't necessarily need to be met on every lot. The transition should not end at 6<sup>th</sup> and Jackson. They City and University discussed collaboration on the Hello Walk but the University hasn't done much. The financial burden and how quickly this will get done should be considered. One project has the finances and can have the development completed within the timeline. Although they did not meet all of the criteria, there are a number of high paying jobs and they can expand so he has to come down on the side of Gritman.

Drown said it was stated very clearly in the RFP that energy, excitement and creativity are a priority. Sangria has given a timeline, finances and the intent and spirit of what the URA desires. McGraw said he looks at the economic benefit of this and Gritman would be bringing more high paying jobs and those people will be eating at establishments in the area. He said they were not asked what most benefits society as a whole and Gritman does that far ahead of the others. He was impressed that Gritman was willing to work with the Anderson Group. He said medical services will be needed for many years to come. He supports Gritman. Bettge said a larger benefit to consider is how this sets the stage for what else is to come in Legacy Crossing. The Gritman proposal is nice but a nine to five office building does not meet the intent of Legacy Crossing or the zoning. A good pin at the beginning is a good start to the rest of Legacy Crossing.

Sullivan said all three have shown potential and possibility of growth to the site which is the purpose of the URA. She said she wants to stick to the goals of the site. There is no argument that there is community good to Gritman but she has to look objectively looking at the written goals of the site and matching the criteria. She said she has ties to all three parties so she has to go by the objectives and the best fit. With the Anderson Group, the challenge is not knowing the what the final proposal is. It is more comprehensive but has many unknown parts including the financial issues so it is difficult to assess compared to the other two. She said the Anderson Group and Sangria group fit the multiuse and vitality more so than Gritman. Gritman is good for the community but she has to go back to the goals for the site.

Weber said the Gritman proposal will probably have the longest standing positive effect and it will give more financial gain so the URA Board can pursue other projects. They will supply a number of jobs that will be high paying. He said he likes the niceties of the Sangria proposal but the Board needs to make the decision overall for the short and long term benefit of the community. McGraw agreed and said the Gritman would benefit the entire region.

Drown said the Sangria represents a quality of life issue and they are assisting other things such as supporting local farmers, etc. it isn't just about a restaurant and it may be a smaller scale than Gritman but they are promoting local and healthy eating. Sullivan said the Sangria building is proposed to be a recyclable building so it can be used for something else in the future while a medical building may not be able to transition to something else.

McGeehan said this is tough. It is a very important piece of property and the URA has been working on it for a long time. He said he sees strengths more than weaknesses. He said the job creation in Gritman's project is important. He commended the Anderson Group for thinking outside the box and all groups will be neighbors in some way. Sangria has a proven track record and has met the energy and vitality that the URA wanted.

Sullivan said she would love for all of these developments to come through in the future even if only one can have this spot. She discussed what is unique about this location for each of these projects.

Weber said Gritman will continue on. The Anderson Group has been looking for a way to make it work and will probably continue. He said Sangria can make it work and can make it work profitably but it can be done somewhere else.

Sullivan said then she thinks the Board should go with the specific criteria set for this location. Bettge said the URA needs to go with the goals it set including design criteria. Predictability is important and this is supposed to be a gateway to the rest of the development and provide a keystone and anchor point. He will stick to those concepts.

Riedner read through the duties of the Board.

McGraw moved to accept the Gritman proposal and Weber seconded the motion. Roll Call Vote: Ayes: Weber, McGraw. Nays: Sullivan, McGeehan, Bettge, Drown.

Bettge moved and Drown seconded approval of the Sangria proposal. Ayes: McGeehan, Bettge, Drown. Nays: Weber, McGraw. Abstentions: Sullivan.

Motion carried.

Riedner discussed how the process moves forward now. He said there is no guarantee and negotiations have to occur for the project to move forward. The URA must sell the property for fair use appraisal value. He explained how things would move forward if the negotiations are successful.

## **5. Adjourn**

The meeting adjourned at 9:11 a.m.