

MINUTES
URBAN RENEWAL AGENCY
July 24, 2008

Commissioner McCabe called the Moscow Urban Renewal Agency meeting to order at 7:00 a.m. Thursday, 24th July in the Moscow City Council Chambers.

Attendance:

Commission Members	City Staff Present	Others Present
John McCabe, Chair	Gary J. Riedner, City Supervisor	Pat Raffee
Robin Woods	Don Palmer, Finance Director	B.J. Swanson
Brandy Sullivan	Bill Belknap, Community Dev. Director	Margaret Howlett
Tom Lamar	Ramon Nunez, Finance Department	
Jack Nelson	Jen Pfiffner, Assistant to the City Supervisor	
John Weber	Alisa Stone, Grants Coordinator	
Steve Drown	Stephanie Kalasz, City Clerk	

1. Approval of Minutes - June 19, 2008

Weber moved and Lamar seconded approval of the minutes. Motion carried unanimously.

2. Accounts Payable and Quarterly Financial Report - Don Palmer

Palmer presented the accounts payable and gave an overview. Woods asked about the amount for the sprinkler system because it is less than what was proposed. Riedner said \$6,000 is the initial amount Matt Decker needed for parts to start the project. Woods moved and Lamar seconded approval of the accounts payable. Motion carried unanimously.

3. Proposed FY 2009 Budget - ~~Gary J. Riedner~~ Don Palmer

Palmer presented the proposed budget. He said a new line item was added due to the sprinkler system. The money was taken out of marketing for Alturas. Riedner said he would recommend that the marketing budget be raised back to its original amount. Palmer recommended approving the budget as proposed and if need arises, it can be adjusted. Riedner said a flexible number is necessary. Lamar asked if the primary focus of marketing is to sell lots at Alturas. Riedner discussed the marketing that has been completed to date. Assurance is needed that marketing funds will be available as opportunities come up. Additional marketing funds are expected to be necessary for Legacy Crossing. There was discussion about when it is necessary to open the budget and when line items can be adjusted.

Palmer said in Appendix B, there is information on projected expenses for Legacy Crossing so down the road, the Alturas Project can be paid back. Raffee said when the URA only had one district, it made sense for the general expenses to come from that district but when there are two districts, the expenses should be divided. She said this will make a big difference and will make things easier years from now.

Nelson asked about the URA approving financial support for a new sprinkler system. Riedner said the URA approved it in order to keep Alturas looking good since there are lots still being sold.

Sullivan asked about using more funds for Legacy Crossing marketing than what is budgeted. It was explained that items could be adjusted within the budget.

Swanson asked the URA to adjust the budget to close out the Alturas Urban Renewal District in the next two years. She said there should be enough money to accomplish this goal. The Legacy Crossing has its opposition by the public in general. If the URA were to close out Alturas early, it would increase public trust. Government is inefficient. There is a 200% cost overrun but that is not uncommon for government. Alturas II land was based on unimproved land values. It has cost the URA money to sell lots. She asked the Board to let the private industries handle things earlier. She said the taxpayers are being robbed and asked the URA to please close out Alturas and do the taxpayer a favor.

Riedner said when Alturas was done in 1995, it was set up as a 20 year project but there was discussion that if it went well, it would be completed in seven years. He said the same philosophy was used when Alturas II was added and there was support for the URA to buy the lots and not have the project done privately. The same philosophy was used for Legacy Crossing. The Alturas money is needed for Alturas. It is a goal for staff to close Alturas as soon as possible. Weber said it has been a goal to close each district as soon as possible. At this point, Alturas money is being used to get Legacy Crossing going. If the URA sold all lots in Alturas II by next Wednesday then there would not be a problem with closing Alturas. He said he doesn't believe that changing the budget will make a difference in that goal. He said he hasn't seen anyone at the meetings or any writing in the newspaper to indicate anything terrible that the URA is doing.

Nelson said he appreciates Swanson's comments. He said the Commissioner's were against Legacy Crossing and he was surprised that there wasn't more comment from the public. He said in order to close out Alturas, the URA needs to spend less money. He said he doesn't see anything wrong with using money for Legacy Crossing but there are other methods. Riedner said it could be done in the same way Alturas was started although there are not currently any projects proposed. It isn't recommended to incur debt if there is no proposed project. Nelson asked how the first plan was funded. Riedner said the City financed the project until bonds were sold. The bonds were used for construction. There was only one buyer initially.

Woods said it is good business to close out any type of loan early. Palmer said the bonds will end in 2015 and the last increment will be received in 2016. If all of the lots are sold, it could be closed out in 2012. If all expenses were stopped then the district could be closed out early but the unsold lots would still need to be handled, marketed and sold. Woods said she would like to have the goal to close out Alturas early. She said the County isn't getting any increment and she wondered what the City is kicking in toward this project. The URA is paying half of a position and \$25,000 for administrative fees. Lamar said he agrees that Alturas should be closed out as soon as possible. Funds will be returned to Alturas from Legacy Crossing. He said he isn't sure how to move with specific line items to accomplish that goal. Nelson asked what the money for the Executive Director will be for and if the \$25,000 will no longer be needed. Riedner said the City gives up its increment as well and the money for administrative services is used for services of the City Supervisor, Finance Director, Assistant to the City Supervisor, City Clerk, legal publications, etc. Swanson said it is a lot of money and government waste. These are tough economic times and only residential housing is proposed which will not make money.

Raffee said meetings took place yesterday with property owners in Legacy Crossing and there is a new congregation of enterprise in Moscow which is working well. She said there hasn't been a marketing focus to share information but with more time and focus and laying groundwork, things will eventually get going. There will be pauses in the development. It will eventually result

in a higher increment. The activities that the URA started in the budget are appropriate to get the increment so the districts can close out.

Sullivan asked about the numbers and asked how \$72,000 came about. Riedner gave a history on what the URA has paid. He said the additional services necessary for Legacy Crossing plus additional services to Alturas when the URA purchased lots. He explained that the level of service needs to be increased. The time that has been spent by the City over the last few years has exceeded the \$25,000. He said one-fifth of his time has been spent on the URA over the past few years in addition to the time of other staff members. The URA is being asked to contribute to their own direction at this point.

Weber said he has heard that the LEDC and the Chamber of Commerce are supposed to handle things like this but there is now a fairly large project and we need someone that is working for the URA and the City. The LEDC encompasses a much larger area and the Chamber already has a set of duties. This is necessary because we have a large project and two smaller projects and we need someone to fill in the blanks and put out fires.

Woods expressed concern about having someone's time split between the URA and the City. Nelson asked about any conflict with the Director being a City employee and whether the person should be just a URA employee. Riedner said the same model worked well in Twin Falls. There are problems with having someone as a part-time employee. He said it is not a conflict.

Drown said the significance of an economic development person working with the URA is a very good thing and should be mutually beneficial. He supports the idea. Swanson said private business creates much more in value. She said a realtor can sell a lot in a timely manner and just gets paid a fee. Riedner said for \$25,000 paid to the City each year, the URA has seen Alturas I and II in addition to a plan for Legacy Crossing come to fruition. He said yesterday, staff spent the entire day meeting with property owners in Legacy Crossing. Sullivan asked what services will still be provided by the City after an Executive Director is in place. Riedner explained that he will oversee the Executive Director, additionally, there are financial services, clerk services, etc.

Lamar moved and Weber seconded approval to move the budget forward to the public hearing as proposed. Motion carried unanimously.

4. Set Date for Strategic Planning - Gary J. Riedner/Pat Raffee

Raffee will try to set strategic planning for a Wednesday.

5. Potential for future meeting dates - Gary J. Riedner

This was heard as item 4. Meetings will be on Wednesdays in the future with the exception of the public hearing on August 7th.

6. Organizational Chart - Gary J. Riedner

- **Committee Setup** - Riedner explained that three committees are recommended, Finance Committee, Marketing Committee and Legislative Policy & Governmental Relations Committee. Each committee would have members of the URA and a community member. He said staff is looking for direction on whether the Board wants to form these committees. Nelson asked about the AIC handling the legislative issues for the URA. Riedner explained that the AIC does do some work but there was also a request to support hiring a lobbyist. Woods moved and Weber seconded to set up the three committees. Drown asked about

the anticipated meeting schedule of the committees. Raffee gave an example of a process that would be followed with a current proposal. She said it is a utilization of expertise. McCabe said the committees would bring forward a recommendation for the full Board to take a vote. Howlett expressed concern about creating another step for the client. It is a pain to buy a lot from the URA. She said she understands that there needs to be review prior to the item going to the Board. McCabe said that is a valid concern but the goal should be to have the Finance Committee meet prior to the next available meeting. He said the concern is that more financial analysis will be required for Legacy Crossing. Howlett said it is already a cumbersome process and this adds a layer. Woods said she thinks it can be seamless to the buyer. Drown said the key will be how the committees function and how that information is moved forward to the Board. The key is that it streamlines the process. McCabe said the goal is to make regular meetings more efficient. The motion carried unanimously.

- **Committee Appointments**

McCabe said it makes sense that the two City Councilmembers and the County Commissioner serve on the Legislative Committee. He said he would like to serve on the Finance Committee and asked Woods to serve with him. He said he would like Sullivan and Drown to serve on the Marketing Committee. Sullivan said having the Director in place should help with deciding whether it is necessary for an item to go to committee.

7. Alturas Project - Gary J. Riedner

- **EMSI Letter** - Riedner said there is a proposal from EMSI for a lease to purchase agreement for a lot with the option to purchase another lot as well. This was reviewed by the URA's Attorney, Ryan Armbruster, who is forming a response. Riedner said he has informed EMSI that a formal response is necessary to start the process. Howlett said EMSI is ready to submit a proposal but they wanted to find out if this is even an option. Weber asked if there is any legal reason why this couldn't be done. Riedner said a lease purchase does have issues so there are some different things the Agency needs to be advised about. There was discussion about a 12 month installment plan. Weber said he would like to tell EMSI that we will try to work this out as quickly as possible. Drown asked if there would be development on the lot in the 11 month process. Riedner said those things are still issues. Woods said we need to wait to hear from Ryan Armbruster. Swanson said the URA needs to look at today's value versus 11 months from now. There may need to be something that adds those funds in at the end in addition to having them pay taxes on the property. Raffee said by September there should be enough information to give a definitive answer or ask for more information if necessary.

- **Cost Recovery Policy (Square Foot Price)**

Raffee said the Cost Recovery Policy is an element that needs some elaboration and direction from the Board. She said the cost of the land is significantly below the market rate. It may be the Commission's intention to use it as an economic development tool but it should be explored by the Finance Committee. Riedner said having a person dedicated to the Commission will help in recovering costs. The reason for the price at Alturas is for economic development. The price is not set now but is considered with each proposal.

- **Irrigation Repair Update**

Riedner said Matt Decker will be on site next Tuesday and the costs will be paid half by the URA and half by the Alturas Property Owners Association. The project should be done within two weeks but that is not time certain.

- **Sewer Extension**

This item was delayed.

- **Monumentation**

Riedner gave background on this issue and explained that the monumentation had not been done but staff is working to find out who is responsible.

8. Legacy Crossing Update - Gary J. Riedner/Pat Raffee

- **Status of District Formation**

Riedner explained that the official formation of Legacy Crossing is almost complete.

- **Meetings with Property Owners**

Raffee said staff met with B&G Enterprises who own six acres of the south mid-portion of the District. They are interested in selling the land to the agency by next Wednesday at a price of \$20,000,000. She said the gentlemen are serious about the project. There is some incentive from them to come down in price. She said it was a very cordial meeting.

Raffee said they met with the Crites group which was also a cordial meeting. Their primary issue is where to relocate. They need reasonable truck access to Highway 95 South because most of their trucks drive to Lewiston. They need about 1 year advance notice to move due to harvesting issues. June is their ideal move date. There is a good sense of a rough timeline. They have about six acres as well. They want 10 acres in their new parcel so there would be room for expansion. They will probably upgrade their equipment at that time. They want to keep office, seed, etc. facilities all together. Riedner said they would like to remain in Moscow if possible and definitely in Latah County. Nelson asked who would buy that property. Raffee said ideally, it would be good if the agency could control the Crites, B&G and University properties so an RFP would be sent out to large developers that might include a convention center, hotel, mixed retail uses, etc. but it may not be feasible. The largest amount of land that can be controlled would be beneficial. Riedner said one possible direction is that the URA could act as a facilitator with the property owners and developers. Raffee said the next step for Crites is to find another parcel. There are a few currently under consideration.

Raffee said the next meeting was with Shelley Bennett who has slightly over 3 acres which is of interest to a group from Post Falls for a hotel. There is a cash flow issue so they can't build tomorrow. She said Bennett gave advice on what was going on in the District and the going rate for land in the area. It will be at least a 2.5 year process.

Raffee explained which properties are owned by the University of Idaho. The University is interested in the connectivity between the University and downtown. They are willing to dialogue with other property owners and possibly do some trading.

The last meeting was with the University Facilities Group who has contracted with a graphic design firm to change signs. There was conversation about how to encourage way-finding from campus to the district and downtown. There was discussion about a blending of City and University standards in this area.

- **PUD Overlay Zone**

Belknap explained the PUD overlay zone and said it is the area between the University of Idaho and downtown. The City's land use and development codes are inadequate to achieve the community vision for the area. He said he has been working on a conceptual draft. The goal is to establish the framework for the area. He displayed an aerial view of the property that would be included. He discussed considerations for the area and what might be desired development. It is desired to have a large portion of the use commercial in nature. There was discussion about streetscape, location of parking, building materials and architectural features, sustainable development practices, public art and amenities. He said the next step is to form a project subcommittee including representatives from the Planning and Zoning Commission, URA, Property owners, and U of I and then move forward with Ordinance review and adoption to clear the way for transition area zoning.

Sullivan asked how this is enforced. Belknap said if the property owner wants money from the URA, then they would need to follow URA guidelines. Riedner said the Council would need to rezone the area because it is currently industrial zoning. Drown volunteered to be on the Committee.

- **Almon Street Rezone**

Belknap explained that a portion of Almon Street was rezoned from R4 to Residential Office. He displayed a map of the area. He said the driver in the request was to build parking. Riedner said this is a situation where formation of the plan lays the groundwork for this type of development. He said Belknap made the recommendation since it is a part of Legacy Crossing and made the area larger than what was originally requested.

9. Marketing - Jen Pfiffner

- **Uniquely Palouse Ad** - Pfiffner displayed a copy of the magazine and said there is an Alturas Ad in the magazine which was only \$500. Riedner said these magazines are in hotel rooms and have been provided to the Chamber.

- **Washington CEO Magazine**

Pfiffner said the article in Washington CEO is coming together well. Howlett said there is a lot of discussion about the community included.

- **Marketing Plan Draft for Review and Comment**

Weber moved and Wood seconded to adjourn to Executive Session per Idaho Code Section 67-2345(1) and the Board will not reconvene. The meeting concluded at 9:08 a.m.