

**MINUTES
URBAN RENEWAL AGENCY
October 8, 2008**

Commissioner McCabe called the Moscow Urban Renewal Agency meeting to order at 7:00 a.m. Wednesday, the 8th of October in the Moscow City Council Chambers.

Attendance:

Commission Members	Staff Present	Others Present
John McCabe, Chair	Pat Raffee, Interim Agency Director	Walter Steed
Robin Woods	Gary J. Riedner, City Supervisor	B.J. Swanson
John Weber	Stephanie Kalasz, City Clerk	Frank Hill
Jack Nelson		Louise Regelin
Brandy Sullivan (7:11)		

Absent: Tom Lamar, Steve Drown

McCabe said the Executive Committee met last week and they decided that it was important to focus on policy issues instead of procedural issues. He said they have decided to limit public comment to the public comment item on the agenda except in the case of public hearings.

1. Consent Agenda

- Minutes of September 24, 2008 regular meeting
- Accounts payable
- Committees: Confirm Acceptance of Citizen Members
- September Interim Staff Report

Woods moved and Weber seconded approval of the consent agenda. Motion carried unanimously via acclamation.

2. Public Comment for items not on agenda: 3 minute limit, 10 minutes total

Walter Steed, 1345 Ridgeview Drive, confirmed that the public will only be able to ask questions during the public comment period. Steed said that he believes it is a mistake not to allow public comment during discussion of agenda items.

3. Announcements (including conflict of interest disclosures by McCabe and Woods)

McCabe and Woods disclosed that they have a conflict of interest and would not vote on the Alturas proposal.

4. Unfinished Business:

- City-supplied Administrative Services (Gary Riedner)

Riedner said the URA receives services from the City but is not a City agency in terms of services. He asked if there are any questions in regard to the particular services provided by the City. Weber said this has been discussed at length and it is time to move on. Woods said she believes that since Alturas Park belongs to the City, the City should be maintaining it. Riedner said Alturas Park is a City park and the City will maintain it. However, there are some additional amenities that have been discussed as desired by the agency that might be provided by the URA such as the addition of benches. He said staff can keep track over the next year to give a better idea of what administrative services are provided over the next year.

Nelson said the Agency is here because the City wanted it so from a taxpayer point of view it might make sense for the City to provide some of those services at City expense. Riedner said one of the items in the City of Rexburg case is whether the URA is an alter-ego of the city. One of the reasons we have the agreement between the URA and the City is because we want to make it clear that the City provides services at the request of the URA according to that Contract between the two agencies. Initially, after the URA was created, the City did provide services to the URA at no cost.

Woods asked about a sign for the park. Raffee said once the name of the park is determined, she will request the City Parks and Recreation Department to install a sign. There is a process for naming and a sign standard for the City which will be used and she explained where Blanchard thought the sign should be installed.

Raffee asked how the agreement would be handled between the URA and the City and how payments are made. Riedner said Don Palmer would have to answer that question because he is not sure how the payments are made.

5. New Business:

- EMSI Proposal to purchase Alturas Tech Park property (Frank Hill)

McCabe and Woods stepped down. Mr. Hill distributed a handout regarding what EMSI does. He said they sell workforce data in 45 states, Canada, United Kingdom and soon Australia. Data is gathered for economic developers. Census Bureau data is very public but other forms of data are more private because companies don't want their financial data and tax returns exposed to competitors. There are many uses for this information. It is best to get like-minded businesses to complement each other. Virtually every dime that comes into EMSI's business comes from outside the Moscow area. Their payroll is \$280,000 per month and they have 50 employees. They hope to double the number of employees in five years. In his opinion, EMSI's business should be recession proof.

Hill said they propose to build 7,000 to 8,000 square foot buildings on lots three and four (two buildings). They have proposed that they will pay taxes on the property but they propose a lease with option to purchase agreement because EMSI uses every dime by the end of the year. They want to pay for this out of cash flow. Weber asked if the buildings would be complementary to each other and attractive to other buildings in the area. Hill said they won't be fancy buildings but they will look nice and wouldn't be something to be ashamed of.

Weber confirmed that the request is to enter into an exclusive negotiation agreement. Riedner said the City advertises a request for proposals every month and receives proposals. The next step is authorization to negotiate an exclusive negotiation agreement. If an ENA is successfully negotiated between the URA and EMSI, then a Disposition and Development Agreement will be the next step. The price of the lots will be considered during the dispositional development agreement process. The lots will be withdrawn from the RFP process through the ENA negotiations. The ENA will come back to the Board at the next meeting. After that, the final agreement will be drafted.

Nelson asked when construction will be started. Hill said their proposal is to lease the land for 12 months. They are required to have buildings on both lots installed two years after the lots are paid for. They would pay the amount that would be lost to the URA during the 12 month process.

Sullivan moved to direct staff to negotiate an exclusive negotiation agreement with EMSI and bring it back for review and approval by the Board. Nelson seconded the motion. Motion carried unanimously.

McCabe and Woods returned to the dias.

6. Committee Reports:

- Prospective Committee Meetings (Pat Raffee)

Raffee said the next step with the committees is to start scheduling meetings. It is likely the Marketing Committee will meet on the 22nd. The Government Relations Committee probably won't meet until we get into the legislative session.

7. Staff Reports:

- Status of DEQ Brownfields Program Discussion (Gary Riedner)

Riedner said at the last URA meeting, Steve Gill and Alisa Stone discussed a DEQ Brownfields Program. It is a grant opportunity process and if the URA chooses to participate, it would benefit properties in the Legacy Crossing area. There is an alternative that is being explored that is a coalition type of program. There is a requirement of at least five brownfield sites in the area and more than one jurisdiction that wants to participate. City Staff will work with the University of Idaho, Latah County Commissioners, City Council and the URA Commissioners to determine whether the coalition is desired. The advantage to the coalition is that it gives a greater potential for being funded. There are concerns about putting the coalition together in time and if it is not successful, staff may return and ask the URA to consider participation as a singular entity. Woods asked the amount of the grant and who would manage it. Riedner said \$600,000 for just the Legacy Crossing area and funds would be managed through the URA. If the coalition is successful, then the City would manage the funds and would ensure that the money is used in accordance with the grants processes. The property owners would make application to the City for assessments. There is no guarantee that a grant will be received.

- Friend of the Court (URA City of Rexburg v. Hart) (Gary Riedner)

Riedner gave an update on friends of the court participation in the URA Rexburg v.Hart case. He said the case is related to projects engaged in by the Rexburg URA. They are alleged to be an alter-ego of the City. He gave some history on the issue. Some of the projects engaged in by the URA in Rexburg were alleged as inappropriate by the petitioner. He said he doesn't have a briefing schedule at this time.

- Alturas Phase II Construction Costs (Gary Riedner)

Riedner said there have been discussions about Alturas Phase II in regard to the project being 200% over budget. He said staff developed a timeline for the project. He went through the process that was followed for the Alturas Phase II Project. He said gave the figures for what was spent on the project and said the project wasn't even 50% over estimate. He explained some of the factors pertaining to this particular project. Estimates are changed based on the dynamics of the services needed for a project. Sullivan asked about the Hodge estimate versus the McCall's Classic Construction estimate. Riedner explained the requirements of governmental agencies that can increase costs. The cost of materials can go up between the initial idea and when a project actually goes to bid. Hodge did the original estimate over a period of about 15 minutes at the request of

Barbara Crouch and it wasn't done scientifically. However, the budget was set based on the initial estimate. The project amount was adjusted in the 2006 budget. Woods asked what to do about Legacy Crossing. Riedner said there are different ways to budget for construction and explained how the City budget is handled. He recommended estimating as best as possible and allowing some contingency. There was discussion about how to budget. Sullivan said the URA should wait to proceed with anything without having two real bids ahead of time. Riedner said a budget can't be based solely on bids because you have to set budgets based on prospective project costs. He said bids could be inflated in that case because contractors would need to cover for a longer period of time without knowing that is happening in the market. The direction was to promote construction in year 2005 although it was late in the construction season. He explained the bidding process and what time of year bidding is usually best; winter and early spring. Woods said there were some special circumstances with this property because the Thompsons did not want to hold the property and there were other factors as well. She said we need to move forward now.

Raffee reported that the spike in material costs during the period of time discussed by Riedner was largely associated to China building for the Olympic Games. Prices will probably remain higher and will fluctuate faster due to petroleum prices. In FY2009, the line item for the sale of two lots in Alturas Park was \$140,000. The Board has indicated that they want to sell the lots for more which works out well because some of the property payments will occur in FY2010. A full day budget workshop should be initiated for the URA so careful consideration can be given to a range of costs for projects.

Sullivan said Alturas is a great success story. There is no need to continue to discuss this but it is helpful in regard to what the Board should do in the future. Riedner said he appreciates the opportunity to provide the information to the Board. There was a lot of activity during that time and many external factors. Alturas is a successful project and the URA can be proud of it. There needs to be celebration for the fact that the URA stepped forward and did what was requested of them.

McCabe said he questioned some of his thought processes during the time that the Board was considering Alturas Phase II but they made what they thought were the best choices at the time and the project is successful.

8. Executive Session: Pursuant to Idaho Code Section 67-2345, subsection (1)(c), to conduct labor negotiations or to acquire an interest in real property which is not owned by a public agency. None needed.

Other Business:

Woods asked about the difference between the amount budgeted and what the Board wants to charge for the property. Raffee explained how the budgeting process works and whether it will be necessary to open the budget to amend it.

Woods said the Board needs to look forward to Legacy Crossing and consider some things that could be promoted and possibly develop a plan. It is difficult during this economic time. Riedner said Raffee is further refining the process but her real value to the agency is with spending time on Legacy Crossing.

9. Adjournment – It was moved, seconded and mutually agreed upon to adjourn. The meeting adjourned at 8:25 a.m.