



Minutes: June 24, 2009 - 7 a.m.

City of Moscow Council Chambers • 206 E 3rd Street • Moscow, ID 83843

Commissioner McCabe called the Moscow Urban Renewal Agency meeting to order at 7:10 a.m. Wednesday, the 24th of June, 2009 in the City of Moscow Council Chambers.

Attendance:

Commission Members	Staff Present	Others Present
John McCabe, Chair	Travis Cary, MURA Executive Director	
John Weber	Gary J. Riedner, City Supervisor	
Brandy Sullivan	Don Palmer, Finance Director	
Jack Nelson (out at 8:00)	Stephanie Kalasz, City Clerk	

Absent: Steve Drown Tom Lamar

1. Consent Agenda - Any item will be removed from the consent agenda at the request of any member of the Board and that item will be considered separately later.
 - Minutes of June 27, 2009 meeting
 - May Accounts Payable
 - May Financial Reports

Weber moved and Nelson seconded approval of the consent agenda. Motion carried unanimously.

2. Public Comment for items *not on agenda*: 3 minute limit – None offered.
3. Announcements (including conflict of interest disclosures if any) – None offered.
4. New Business:
 - Alturas Technology Park Development Proposal (Travis Cary)

Action Required: Motion regarding execution of Exclusive Negotiation Agreement

Cary explained that the URA received a proposal from Biketronics Inc. He discussed the nature of the business and the proposal. He displayed an aerial photo of the property and he pointed out which lots the company is interested in buying. The Finance Committee reviewed the proposal and determined that the proposal was timely and complete. There is a memo from Bill Belknap confirming that the business can be located in the RTO Zone. The Finance Committee recommends approval of the Exclusive Negotiation Agreement. The details would be established in the Disposition and Development Agreement. The business owner hasn't signed the agreement yet but he is having it reviewed by his attorney and no problems are expected. Nelson asked if the present property owners have a say in who goes in to the space. Cary said the

use is allowed through the covenants, conditions and restrictions but it is important that the timeline set up is okay. Ensuring that the development happens in a timely manner is the most important thing. Riedner said the covenants, conditions and restrictions reflect the RTO uses so it should be okay. There is no requirement that other property owners be notified. The URA is the majority property owner in the area. There is only one visit by UPS per day and it is just assembly of electronics. Nelson asked about enforcement of the covenants, conditions and restrictions once the district is closed. Cary said it would be a private matter with the owners. The owner of Biketronics is in contact with Robin Woods, who is one of the business owners, anyway.

Weber moved to enter into an Exclusive Negotiation Agreement with Biketronics for the purpose of selling two lots at Alturas II. Nelson seconded the motion. Sullivan asked if the lots would appear sold during the agreement time. Cary said the two lots would be taken off of the market during the agreement time. Nelson asked if there is any money involved. Cary said there is a \$2000 deposit. McCabe asked when a sale price is determined. Cary said it will go to the Finance Committee to set the price and the appraisal has already been done. The price cannot be lower than \$2.34 per square foot. The final development agreement will be brought back to the full Board. Sullivan asked for a timeframe for the agreement. Cary said it is mentioned on the last page of the agreement. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

- Legacy Crossing Project Funding Request (Travis Cary)

Action Required: Motion regarding development of funding agreement and supporting documents

Cary explained that the Anderson Group is making a formal request for Environmental Remediation Assistance. This type of assistance is allowed in the Legacy Crossing Plan and it is authorized by Idaho Code. The URA's legal counsel has confirmed this as well. The Andersons have obtained a lot of information on the property. It is a very large project that will be done in phases. The total project cost estimate is \$325,000. It will be finalized after comments come in. DEQ will reimburse cleanup funds up to \$150,000 maximum. The Assessor has indicated that there may be an increase through "Land Marketability". A specific number probably won't be obtained. There won't be an increase for just the environmental cleanup. The cleanup of the buildings will result in a significant increase in appraised market value based on the Anderson's most current appraisal. The Finance Committee recommends providing assistance for the portion of the cleanup that is not reimbursed by DEQ through a Legacy Crossing increment reimbursement agreement. (potentially up to \$175,000 Increment Reimbursement) This method is used in Coeur d'Alene quite a bit. Reimbursement would happen when increment is received.

Weber said this is just brownfield remediation. This URA has kept a 10 percent limit on participation so this would be a change. Cary said participation has been 10 percent of the total project value so the question would be whether the clean-up is the project or if it is the entire development value. It wouldn't be beneficial to only do 10 percent of each phase of the project. Nelson said the URA is the catalyst to help these projects move forward. McCabe said the property would probably develop much slower if the URA does not provide assistance. Riedner explained the 10 percent rule. Cary said it is difficult to get people to commit to occupancy when it is not known when the environmental cleanup will be done. It will be easier for the Anderson Group to get financing from the bank with this agreement in place. Weber expressed concern with the Anderson Group not paying for any of the project. Cary said the Anderson Group will have to come up with all of the money initially. DEQ won't reimburse until the project is completed and the Anderson Group will only get URA help if increment is received for the reimbursement to occur. There aren't many other ways that the URA could assist with this project. There may be \$55,000 increment coming in from Legacy Crossing next year which is ahead of projections and this is the only project at this time.

Nelson said the goal of the Agency is not just to spend money and he asked if the URA would assist with projects even if the company is not in need of the money. McCabe said not necessarily. Nelson asked about setting a precedent. There was general discussion regarding options for the URA in this agreement. Cary said there is a lot of interest from property owners to do things in the area but they aren't coming forward right now. This project is very visible and may help get other things going. Palmer explained how the financing could work for the URA. Riedner said if the idea is to pay general increment rather than increment from the project then more consideration is needed. He gave some history about the project. He said it will take some involvement to catalyze the project and move ahead. The URA can make a potentially risky project financially viable. Nelson asked if the URA would use this to influence the type of development. Weber said it is more for the timing so the land is developed sooner and the project can move ahead. Nelson said he would like to know that there is a financial need.

Sullivan asked about utility extensions. Cary said the URA can assist with the cleanup plan and those are included in the plan. The property is not served by water or sewer. The current phase of the project would involve the ground cleanup, building cleanup and extension of utilities. The utilities are under \$20,000. Sullivan confirmed that the URA could still reject the agreement once it is drafted by the Finance Committee. There was general consensus to move forward with drafting an agreement.

Palmer discussed using resources for this project. Cary said it will be discussed in the Finance Committee. Palmer asked if an agreement would help sway a loan. McCabe said it would probably have an impact. It would be a question if the Anderson Group has the financial support to finish the rest of the project. He wouldn't want this portion to be done if there is no way to finish the project after that. There was general discussion about what should be included in the agreement. Weber said he would like to keep the URA's exposure as limited as possible. Cary said the URA will only give money if it receives increment. It really isn't a risk for the URA. The amount could be reduced if other funds can be obtained and staff is continually submitting the project for funding when possible. There was discussion about whether increment would be given from the project only or increment from the entire area. Sullivan asked if a certain percentage of the increment would go until the project generated enough. Riedner said it is an installment rather than a reimbursement if increment from outside the project is used.

Cary said other projects will be coming and the URA needs to have something to work with. Sullivan asked if a percentage is taken even if it is only increment from the project and Riedner said yes. Cary said it may be years until increment is received on the project so it could change through time. He offered some suggestions. It is really a show of support at this point. This will be the trigger for future investment. Riedner discussed the goals for Legacy Crossing. He discussed the benefits if jobs result from the development. It has to make financial sense but it also needs to make a difference to the community. Sullivan said she feels positive about the project. She asked about the project being in line with what the URA wants in the area. Cary said this project is not really something visual but that will be something to consider for future projects. Sullivan asked about the URA giving money and having any influence over future development. Riedner said the current zone has a bare minimum of what needs to be done and when the overlay zone is approved there will be some restrictions enforced by the City. Weber said the URA needs to think about positive ways to have an impact rather than the negative things that can happen. Riedner said the overall area needs to be considered. This is a good kick-off project for the area. McCabe said it makes sense help get the project off the ground.

5. Executive Director Report:

- 2010 Revenue Update - Cary displayed estimates from the Assessor and the Idaho State Tax Commission on increment income for the URA and discussed the reasons for the 28% increase.

- Alturas Marketing Update – Cary explained what he is doing to market Alturas and explained how it has been increased. Weber said he would like to have the ability to adjust the figure on the price for the land. Cary said the Finance Committee could set the price ahead of time for each of the lots. People like to know the price of the lot up front.

- Intern Project Overview – Cary introduced Vim who is a new intern for the City. He is a master's student at the University of Idaho and he will be working on URA projects. He said Vim will primarily work with Bill Belknap and Cary.

6. Executive Session: Pursuant to Idaho Code §67-2345, sub-section (1)(c) - to *conduct deliberations concerning acquiring an interest in real property not owned by a public agency* – Not done due to low attendance.

7. Adjournment – the meeting adjourned at 8:31 a.m.