



Minutes: July 13, 2010, 7:00 a.m.

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

McCabe called the Moscow Urban Renewal Agency meeting to order at 7:07 a.m. Tuesday, the 13<sup>th</sup> of July, 2010 in the City of Moscow Council Chambers.

**Attendance:**

Commission Members	Staff Present	Others Present
John McCabe, Chair	Gary Riedner, City Supervisor/Interim Exec. Dir.	Ryan Armbruster (via telephone)
Tom Lamar	Don Palmer, Treasurer	Nick Miller (via telephone)
Steve McGeehan	Stephanie Kalasz, City Clerk	Jeff Harkins
Jack Nelson		
Sue Scott		
Brandy Sullivan (via telephone)		

Absent: Steve Drown

1. Announcements (including conflict of interest disclosures if any)

McCabe said the agenda needs an amendment. Scott moved to amend the agenda to include a request to rent property for the good faith reason that the item just came up the day before and the next meeting has been cancelled, so it is necessary to add the item to this agenda. McGeehan seconded the motion. The vote was unanimous to approve the amendment.

McCabe said he will abstain from voting on the bond documents.

2. Acquisition of 6<sup>th</sup> & Jackson Property (Gary J. Riedner / Don Palmer)

- Project Update
- Document Review:
  - Technical Bond Resolution Changes

Riedner explained that Zion's Bank has asked for a change to the bond resolution that was approved by the URA Board last week. Miller explained that Zion's Bank is acting as lender and their bank trust department will handle the fund. The trust department brought on a person in the Boise Office and it was her first chance to look at the document. She found some things that need to be changed. He said counsel agrees with the suggestions. He discussed the summary of changes that was distributed by Riedner. Armbruster gave his perspective and said they are trying to create a document that will create a model for future transactions. There was discussion about the date of publication for the notice in the newspaper. Lamar asked about the name of the Urban Renewal Agency in the document. He discussed the difference in names and the marketing process and whether the URA should file a "doing business as" name to ensure that it is clear that

both names belong to the same agency. Nelson asked if the trustees are bank employees and whether they have control of the reserve funds. Miller said once the bond payments are made, the funds of the agency can be used for any lawful purpose. The reserve fund will stay with the bond holder. The reserve fund will be invested and the Agency will be credited with the interest earnings. Palmer asked about the debt service fund residing with the trustee to invest. Armbruster pointed out that the Agency can instruct the trustee on the investments. Riedner asked about the number of the Resolution. He was advised by Miller and Armbruster that it should remain the same number.

Lamar moved to approve the technical changes to the bond resolution requested by the bond trustee and Scott seconded the motion. Roll Call Vote: Ayes: 5. Nays: None. Abstentions: McCabe. Motion carried.

Miller signed off from the meeting and Armbruster stayed on the line.

⇒ Action Required: Motion regarding approval of technical changes to the Bond Resolution requested by the Bond Trustee.

### 3. *Request to Rent Property – Gary J. Riedner*

⇒ Action Required: *Direct staff as deemed appropriate.*

Riedner explained that the URA has been approached by the Latah County Republicans regarding renting, until November, a building on the property being purchased by the URA. He said the tax exempt status on the bond requires use for public purpose and he wanted to get advice from Armbruster regarding this matter. The lease of the property to anyone other than a public entity is questionable and an analysis should be done due to the tax exempt nature of the bonds. Between the signing of the resolution and the bond issuance would be a bad time to get into this situation. He said he told Mr. Steed that this would be treated as any other organization coming in to rent property. Armbruster said he can talk to Miller about the possibility to get some guidance. He advised being extremely cautious about renting to any non-public entity.

Harkins said he has done some duty with the Latah Economic Development Council and he is familiar with the URA and he has respect for people who are willing to do it. He said he would not have expected to represent the GOP on a land rental deal. He talked to the current owner of the property and he does not want to do anything to hurt this deal. The GOP only wants to lease the property for 46 days at market rate (September 20 to November 5). He discussed the status of their organization. Riedner explained that a 501(c)4 is similar to a 501(c)3 but they pay taxes. Lamar said there is no tax exemption for people who contribute to a 501(c)4. Riedner said bond counsel is very conservative. This type of thing gives bond counsel fits. Anything that might throw an issue on this deal should be refrained from by the Board. At some point, the URA may consider selling the property to another party but it is not the objective of purchasing the property. The property is for public use. He asked that the Board refrain from considering anything like this until the property is in the hands of the URA. Lamar said after hearing Armbruster's comments, he feels that is the right thing to do. He also had questions about the demolition that the URA already has planned for the property and what needs to be done this fall. Riedner said there will be some clean-up but he does not know if demo will be done this year. There was discussion about the EPA brownfield money that will be used to clean-up the property. Scott said the URA is not in the real estate business. She appreciates the conservative nature of the sale and protection of it. Things should be kept as clean as possible. She said the answer should be no. Sullivan said she agrees with counsel and Riedner and would be concerned with compromising the bonds. Staff was directed to follow legal counsel advice and decline the property rental at this time.

Harkins asked that if the sale goes through and the Board finds out from legal counsel that the lease could be considered that the GOP be informed. He requested that the Board consider the request in the future if possible. Riedner said once the URA owns the property, a determination can be requested from Armbruster.

#### 4. Adjournment

The meeting adjourned at 7:56 a.m.