

MINUTES
URBAN RENEWAL AGENCY
May 3, 2007

Commissioner McCabe called the Moscow Urban Renewal Agency meeting to order at 7:00 a.m. Thursday, 3rd May 2007 in the Moscow City Council Chambers.

Attendance:

Commission Members	City Staff Present	Others Present
John McCabe, Chair	Gary J. Riedner, City Supervisor	B.J. Swanson
John Weber	Don Palmer, Finance Director	Margaret Howlett
Mike Thomason	Bill Belknap, Asst. City Supervisor	Walter Steed
	Anne Clapperton, Community Dev.	Robert Greene
	Bryn Booker, Administration	Patrick Vaughn
	Stephanie Kalasz, City Clerk	Jack Nelson
		Omie Drawhorn

1. Potential Downtown URA Project - Gary J. Riedner

- **Proposed Project Boundaries**
- **Process for Establishing Project**

This was heard as item 2. Riedner displayed a map of the proposed project area and discussed the various parts of town to be included. He said there was some discussion last week about getting more input on the boundaries. He explained what is currently happening in some of the areas. He said the plan can't proceed until an eligibility study is done. He discussed the process necessary to start a project. He said the Latah County Commissioners and Latah County Assessor Pat Vaughn had expressed concern about the necessity of having an area as large as what is being proposed. He explained how tax increment financing works. He said the reason downtown is included because it give an opportunity to make public improvements such as parking, curb and gutter, public art, etc.

Chair McCabe said there is a recommendation to go with Harlan Mann to conduct the eligibility study in order to pursue the project. He asked if Mann can give his opinion regarding the potential size of the project. Riedner said he could provide some options but he recommended having the URA Board discuss the boundaries. Weber said he would like to get input from the community on the project boundaries.

Thomason confirmed that this project did not need to connect to the other project. Riedner said this project doesn't have any connection with Alturas I or II. Thomason asked if the URA used Mr. Mann for the first project and was told yes. Riedner mentioned some of the projects that Mann has worked on. Thomason asked if the funds are available to hire Mann. Riedner said URA Attorney Ryan Armbruster indicated that the URA could utilize funds generated by Alturas, as long as the Board passed a resolution for repayment. He said he can get a recommendation from Armbruster on the process. Weber confirmed that the money from a project area must be used in that project area.

Walter Steed, Chair of the City of Moscow Transportation Commission, asked if the area was a product of areas that are "developable" and looking for an allowed valuation. Riedner said there are a few things at work here. He said the total area of URA districts can't be more than

10% of the assessed valuation within the City limits and this area appears to be compliant with that limitation. The URA looked for areas that can benefit from redevelopment. The URA will look at whether there are things in the area that the URA can help with such as public infrastructure. Steed said the Transportation Commission sent out a survey regarding downtown parking problems to gather information. They want to find out what the problems are and how they might be addressed.

Robert Greene, downtown business owner, said this may be getting the cart before the horse because there are things that need to be completed first. He said there are areas that shouldn't be included. He said he doesn't think that things need to be torn down which is what a project area implies. The area is over broad. He said the Planning Commission says no parking is needed downtown. He said the project isn't simple or consistent with City plans and residents' desires. He said the plans for the areas need to be discussed. He said he is concerned that too much of the tax base will be gone and it will be shifted to residential properties. He said this needs to be made clearer in public hearings and this is premature. Thomason said there is the opportunity to capture some investment for properties that will be improved and it will create an engine to do some things and if we wait too long, then that will not be there. Riedner said yes, there is kind of a sense of urgency, not so much for the increment but to assist in redevelopment plans. He said things are tentative but there have been discussions about developing certain areas. They would like the property owners to come forward with an idea and then the URA can possibly assist with the public infrastructure. He said with the plan, we would find out what the community desires in the area.

Margaret Howlett, Executive Director of the Latah Economic Development Council, said she thinks there is an urgency to get the railroad/silo area under the URA and she asked if there is a way to draw the boundaries and add land on incrementally. She said she thinks it is really important to lock the silo area in. Riedner said there is nothing proposed for downtown in regard to knocking any building down. He said there is no subterfuge to destroy buildings downtown. He said an Historic District would not have been proposed by the City if that was the intent. He said the idea is designed to help businesses to make downtown a more inviting place so there would be good economic development impact. Greene said the properties outside the area will make up the difference. Palmer explained how the City gets a tax increase and said it can't take more than a 3% increase over the previous year's levy. Latah County Commissioner Jack Nelson said the County supports the URA but they are concerned about the size and time limit of the project. He said it will affect the tax payers in the county and it will effect the County budget.

Shelley Bennett, Team Idaho Realty, asked if the project areas have to connect and was told yes. Thomason explained how the Lake City Development Corporation kept their projects connected.

City Council Member Aaron Ament said he hopes we invite the public to help make the plan rather than to review the plan. He said Alturas has proved to work well but in the past it had sparked some controversy in the City so it would be better to invite the public in to make comments regarding the plan.

Steed said the "slum and blight" perception is something the URA will have to deal with. He said the downtown business owners won't want to pay for parking but if the work can be done

this way, the parking can be paid for in this manner and the employees won't be parking in front of businesses.

Swanson said URAs were created to create high paying jobs. She said the proposed project is going to be large so there could be an effect on residents of the county. She said the Alturas plan was rewritten many times and the cost was high. She said an Urban Renewal Agency district may not be needed for retail and housing.

Nelson asked if the URA can own and lease property. Riedner said he thought they could own a building but would have to research. He said the County will still get a 3% increase in the allocation area, they just wouldn't get the increased value represented by new building. He said there are many purposes served by urban renewal and economic development is not the only reason. He said Alturas was intended for economic development. Thomason confirmed that a part of the area could be chosen for the plan and that the Council will have a public hearing on the plan. Thomason said he would like to segment this into three pieces and then let the City decide what they wanted to improve. He said the Nelson made some good points regarding the effect on the County with such a large project area. Riedner said he can have some discussions with Mr. Mann and bring back some information regarding flexibility of the project. He said the map is for the Board to make comments and it is not set.

Anne Clapperton, Assistant City Planner, who worked with Capital City Development Corporation, said one thought about taking the increment to encourage redevelopment and the other is to use it to provide infrastructure for downtown. She said in Boise, they use the money for parking garages, etc. She doesn't see Historic Preservation and urban renewal as being opposed to each other. Bill Belknap, Moscow Community Development Director, said the University District representatives have indicated that they would like to see the silos/railroad area developed and this is an opportunity for an area of transition and to get a community plan for what is desired in that area. He said we want to develop a community vision for what should be there as part of the Comprehensive Plan process. He thinks people would see the proposed project area as smart growth and it would allow the opportunity for many of the City's goals.

Bennett said the goal in doing this has to be to provide for the improvement of the areas to a better extent. She said to do an excellent job on the creek, it would be about \$1,000,000 to \$2,000,000. The ultimate goal is to solve some of the downtown problems. Belknap said we continue to look into the Business Improvement District because it doesn't look likely that there will be any more block grant funds until something more is done with that and having some local funds. Thomason said the investment is going to be made regardless of whether a project is done. We don't want to lose the ability to earn on investment capital and to have a say in the improvements. Swanson said forming a district does give the community some involvement in the development. Bennett said it is a matter of incentive, in order to get the developers to slow down, there must be incentive. She said U of I has expressed the need for our community to develop such that it will enhance their campus. If we can show the public what our ideas are, then they will welcome it. It is not just about retail. There are many opportunities that can be considered and they may be lost if we don't do things quickly.

Thomason asked about the timeline. Riedner said we have someone that can come in to help. He said it may be six months. He said much depends on the stage. He said it is a matter of allocating staff resources to it as well. He said he could probably lay out a timeline. Mann can

determine eligibility in about three weeks. Thomason asked if the financial aspect of contracting with Mr. Mann could be brought back next week. Ament suggested getting information on the entire area without making a commitment to the size. He said six months will be about election time so a smaller area may allow the URA to do more in the area faster.

2. Update on Refinance of URA Bonds - Don Palmer

This item was discussed first. Palmer said it was determined that the bonds can be tax exempt. He said the determination was made based on the fact that the bonds were used for public improvements. He said it will be a big savings (almost four percent). He would like to move forward with refinancing the bonds. The savings will be just shy of about \$20,000 per year but that amount will decrease as the balance decreases. Thomason moved and Weber seconded to refinance the bonds at 4.75 percent. Motion carried unanimously. Thomason moved and Weber seconded to approve the Resolution for financing. Motion carried unanimously.

Ament asked if the bonds were taxable initially at the suggestion of the URA Attorney. Riedner said as far as he knew, it was the bank willing to give financing. Swanson said it doesn't make any difference to the bank and she isn't sure why it was done. McCabe said the Bank of Pullman's offer was the only offer there was for financing so that is why the URA went with that option. Riedner said he will research the issue to find out why it was done that way. It could be that it was because the land remained the property of a private owner.

Riedner discussed the things that would need to be determined from Mann and Armbruster. He said he will try to have the information by next week but may not be able to due to the budget process.

3. Schedule Next Meeting - Gary J. Riedner

Next meeting scheduled tentatively for Thursday, May 10.

Howlett said the LEDC has written a letter to the Council asking for a joint meeting of the Council, LEDC, Chamber of Commerce and they would like the URA included as well to figure out what everyone is doing. The intent is to update everybody and look at where the holes are so we have a comprehensive economic development program. She said when she receives something from the City, she will contact the URA.

Belknap said they are trying to put together a working lunch with the URA and Kendig Keast (Comp Plan consultant) and have a walking tour of the potential project areas. It is scheduled tentatively for May 17 at noon.

4. Adjourn - The meeting adjourned at 8:50 a.m.