BOARD MEETING MINUTES

WEDNESDAY DECEMBER 16, 2015 4:00 P.M.

COEUR D’ALENE PUBLIC LIBRARY COMMUNITY ROOM

1. CALL TO ORDER

Chairman Denny Davis called the ignite cda Board meeting to order at 4:00 p.m.

ignite cda board members present: Armon, Davis, Jordan, Hoskins, Patzer, Colwell, Widmyer, Goodlander.

ignite cda staff present: Berns  ignite cda legal counsel present: Quade

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

No public comment was provided.

4. APPROVAL OF MINUTES

- November 18, 2015 Board Meeting Minutes

Motion by Commissioner Hoskins, seconded by Commissioner Armon, to approve the November 18, 2015 Board meeting minutes. Motion carried.

5. PRESENTATION: Fiscal Year 2015 (FY15) Audit - Chris Shipley, Magnuson & McHugh (M&M)

Chairman Davis welcomed Mr. Shipley to the board meeting. Mr. Shipley shared the following comments re. the FY15 audit with the Board:

- The FY15 audit performed by M&M is recognized and conducted as an independent / external audit of the ignite cda organization.
- M&M audits are conducted using professional accounting standards.
- The FY15 audit of ignite cda provided a clean opinion of ignite cda’s FY15 year; the best audit opinion an organization can achieve.
- M&M reviewed the internal financial controls for ignite cda and found that ignite cda has very good internal financial controls. No
recommendations for improvements re. financial management / oversight were offered by M&M.

- Commissioner Hoskins asked if M&M performs audits of other governmental entities?
  - Mr. Shipley shared that yes, M&M performs such audits and identifies if there are problem issues to address.

- Commissioner Armon shared that Mr. Shipley met with the Finance Committee to review/discuss the audit in detail. Finance Committee members asked for M&M to identify any areas for improvement, etc.

- Commissioner Goodlander shared that her recollection is that ignite cda has always received a clean audit opinion, is that correct?
  - Mr. Shipley shared that yes, ignite cda has always received a clean audit opinion from M&M.

- Commissioner Patzer asked how does M&M check / validate expenditures?
  - Mr. Shipley shared that the audit team uses a random sampling methodology to test for validity of expenditures.

- Commissioner Colwell shared that M&M also checks and verifies cash balances and the status of existing debt obligations; a very important aspect of the audit process.

- Commissioner Widmyer asked if the completed audit will be posted on the ignite cda website (www.ignitecda.org)?
  - Ex. Director Berns shared that yes, the audit will be posted on the ignite cda website.

**Motion by Commissioner Colwell, seconded by Commissioner Patzer, to approve and accept the Fiscal Year 2015 audit report as prepared by Magnuson & McHugh, and authorizing execution of the management representation letter that will complete the audit process. Motion carried.**

6. REPORTS

A. Finance – Commissioner Rod Colwell
   
   Lake & River District Monthly Financials
   Lake & River District Payables

   Commissioner Colwell reviewed and discussed the November Lake and River District financial statements, and the November / December account payables sheet, with the Board.
Motion by Commissioner Goodlander, seconded by Commissioner Armon, to approve the November financial statements and the November / December accounts payables for the Lake & River Districts as presented. Motion carried.

Demolition of 515 W. Garden Avenue Buildings

Ex. Director Berns discussed the demolition of the buildings (residence and garage) located on ignite cda’s 515 W. Garden Avenue property due to safety/liability concerns. Gary Frederickson, owner of Vista Property Management that manages the property for ignite cda, recommends that ignite cda consider demolishing the buildings on the 515 W. Garden Avenue property for the following reasons:

- Extensive repair issues
- Safety issues / liability issues

Mr. Frederickson feels that the costs required to remediate the safety/liability issues at this property are not worth the investment, and thus has recommended that the buildings on the site be demolished.

Cannon Hill has provided an estimate of the cost to demolish the buildings, plus the associated asbestos testing. The estimated cost to demo the buildings and test for asbestos is between $7-8,000 (asbestos remediation, if needed, would be extra). Following is a graphic depicting the 515 W. Garden Avenue property highlighted in red.
Following discussion, Ex. Director Berns was asked by the Board to compile a total cost for needed repairs to address the aforementioned issues with the residence located on the 515 W. Garden Avenue property.

B. Housing – Commissioner Deanna Goodlander

Commissioner Goodlander had no report to share.

C. Parking – Commissioner Brad Jordan

Commissioner Jordan (who serves as the ignite cda representative on the City’s Parking Commission) shared that the Parking Commission:

- Supports the strategy to construct a parking structure on the ignite cda / City of CDA property located on the 4th and CDA Ave. block,
- Supports updating the 2007 Rich & Associates downtown parking study,
- Supports working with Kootenai County on parking solutions involving the County campus area.

Commissioner Jordan also discussed the following issues:
Summary of City Parking Revenues for Downtown Parking Lots

Commissioner Jordan shared and discussed a summary with the Board highlighting past fiscal year parking revenues realized by the City for their downtown parking lots.

Update of 2007 Rich & Associates Downtown Coeur d’Alene Parking Study

Commissioner Jordan shared the following proposal from Rich & Associates with the Board re. an update to the 2007 downtown Coeur d’Alene parking study.

26877 Northwestern Hwy., Suite 208
Southfield, Michigan 48033
tel 248.353.5080
fax 248.353.3830
www.richassoc.com Parking Consultants Architects Engineers Planners

December 9, 2015
Troy Tymesen
City of Coeur d’Alene
Finance Director
710 E. Mullan Avenue
Coeur d’Alene, ID 83814

RE: Proposal – Parking Demand Analysis Update (RA No. 5016p)

Dear Troy: Thank you for the opportunity to provide this letter proposal to complete an update to the parking demand analysis portion of the 2007 downtown parking study. Per our phone conversations and email it was determined that the study would update current and future parking demand in relationship to the current parking supply and how to maximize revenue for the Memorial Park parking area. We have revisited the 2007 study and based on this review we offer the City the following proposal.

Scope
Rich & Associates will review all of the development activities that have occurred over the past eight (8) years and development activities that will be occurring in the near future. We will travel to Coeur d’Alene over a 3 to 4 day period to meet with the City and various stakeholders to discuss recent and planned redevelopments. While in town we will use conduct a parking utilization analysis of on-street and select off-street parking areas. We will review management practices, allocation and the cost structure for parking at McEuen and Memorial Park to determine the best ways to maximize revenue.

This information, combined with the redevelopment information to be provided by the City, will be used to determine the current and near term parking demand projections. The 2007 parking demand model, and the factors used to build that model, will be used as the basis for updating demand projections. Rich &
Associates will return to Coeur d’Alene to make a formal presentation of the completed report to City Staff and Council.

Information we will require from the City includes, but may not be limited to:

- Listing of any changes to the parking supply both on-street and off.
- Listing of any changes in land-use and/or building occupancies.
- Detailed program information of the redevelopment projects that have occurred within the past eight years and those planned in the immediate future. This information should include square footages of the types of uses, any parking being lost due to new construction and any parking being provided with the development.
- Timeline of redevelopment activities.
- Parking rates and changes to parking rates since 2007

There may be additional information needed as we work through the demand model and the information provided above. Proposed deliverables include updated parking demand model, text regarding demand analysis and projections, updated map spatially representing the future parking surplus or deficit conditions on each block in the study area. Recommendations on maximizing revenue for McEuen and Memorial Park parking areas.

**Professional Fee**

Our fee to complete the 2007 demand update is $15,500. This fee includes time and expenses for two (2) trips to Coeur d’Alene as described above. Our fee assumes that any interim and final reports will be provided to the City electronically in PDF format. Based on our knowledge and experience with the City and data of the downtown, we will be able to complete this update within 45 to 60 days upon receipt of written authorization to proceed from the City. This completion schedule is contingent on the City providing us with all of the information identified above, within one (1) week from authorization to proceed. If this proposal meets with your approval, please sign where indicated below. If you have any questions please call me at 248.353.5080.

Sincerely,

RICH & ASSOCIATES, INC. City of Coeur d’Alene, Idaho
PARKING CONSULTANTS

_______________________________
David N. Rich Signature
Director of Business Development

➢ Commissioner Patzer asked for the cost of the original 2007 Rich & Associates study, and he assumes they plan to just update the original study as the proposal states?

- Commissioner Jordan shared that he did not know the cost for the original 2007 study, and that yes, the Rich & Associates proposal is to update the original study elements.
 Commissioners asked what is the geographic footprint of the proposed update?

- Commissioner Jordan invited City of CDA Finance Director Troy Tymesen to the meeting.
- Mr. Tymesen shared that the footprint of the update will be the downtown business area.

Commissioner Goodlander shared that there are quite a few small private parking lots located downtown that can be quickly turned into building sites, thus decreasing parking capacity in the downtown. So knowing the public sector parking potential is critical.

Commissioner Patzer asked if this parking study update is critical to city leadership to help them with parking ordinance updates?

- Mr. Tymesen shared that yes, accurate and timely information is always very important to possess by leadership.

Commissioner Patzer asked if ignite cda should pay for this update study since ignite cda does not receive any revenue from the city parking lots.

Commissioner Widmyer shared that the ignite cda fiscal year 2016 budget has $25,000 budgeted for parking initiatives. He feels that utilizing those budgeted funds for this parking survey update would be a good use to help keep the downtown vibrant.

Commissioner Davis shared that the practice in the past was for ignite cda to split such study costs with the City.

Commissioner Armon asked if the City was going to contribute funds to help pay for the proposed parking update study, where would the funds originate?

- Mr. Tymesen shared that the funds would most likely originate from the Parking Fund, but Council has not approved the use of those funds in the City’s fiscal year 2016 budget for this type of initiative.

**Motion by Commissioner Jordan, seconded by Commissioner Goodlander, to approve $15,500 in partnership funding for the Rich and Associates proposal, as presented, to update their 2007 downtown Coeur d’Alene parking study.**

Commissioner Patzer voted against the motion.

Motion carried.
D. Communications – Commissioner Dave Patzer

Commissioner Patzer had no report to share this month.

E. Jobs – Commissioner Mic Armon

Commissioner Armon had no report to share this month.

7. EXECUTIVE DIRECTOR’S REPORT

Resolution 16-02: Riverstone West Apartments III: Improvement Reimbursement Agreement (IRA)

Background: Please refer to the December 18, 2013 board meeting minutes for more background on this initiative (minutes can be viewed online at www.ignitecda.org). Following is a graphic pertaining to the proposed initiative, along with a description of the public improvements, and the Board’s December 18, 2013 motion:


**Description of public improvements:**

Creation of new public space improvements on City of Coeur d’Alene owned property adjoining the Project Site area. Improvements include construction of a new dog park area and public rest shelter along the Prairie Trail.

**December 18, 2013 board motion:**

*Motion by Commissioner Jordan, seconded by Commissioner Armon, authorizing approval of $280,000 in LCDC partnership funding for the “Riverstone West Apartments III (RWIII)” project as presented, directing the LCDC Ex. Director to:*

- develop a draft Improvement Reimbursement Agreement (IRA) for this proposed project, and
- perform a cost validation analysis re. the public improvements associated with this proposed project, with final LCDC Board approval pending completion of the two aforementioned directives as well as the City’s acceptance of the public improvements once installed. Motion carried.

*Recusal: Commissioner Davis recused himself from voting on this motion since his organization works/has worked with or for the applicant or principals of Whitewater Creek, Inc. on initiatives unrelated to the Riverstone West Apartments III housing project.*

Ex. Director Berns shared an overview summary of the Riverstone West Apartments III IRA, discussing key parameters of the agreement. Ex. Director Berns shared that the IRA instrument used by ignite cda reimburses the developer for Board approved public improvements solely from tax increment revenues generated by the project itself; i.e. the Riverstone West Apartments III project must generate the tax increment revenue used to service the IRA debt obligation. If the project cannot generate sufficient tax increment revenue to service the IRA note by the end of the River District’s term (2027), then the developer does not get fully reimbursed for the approved public improvements.

Ex. Director Berns shared that the City has accepted the Board approved public improvements. Welch-Comer Engineers conducted the cost validation analysis recommending that ignite cda reimburse the developer $280,000 for the installed public improvements. Ex. Director Berns also recommended that the interest rate included in the promissory note be 2.5% per annum, and that an interest payment cap be placed in the promissory note totaling $84,000 (30% of the promissory note’s value), and that interest accrual begin on December 16, 2015.

*Motion by Commissioner Armon, seconded by Commissioner Hoskins, to approve Resolution 16-02 approving the Riverstone West Apartments III IRA.*
Recusal: Commissioner Davis recused himself from discussion and voting on the Riverstone West Apartments III IRA since the applicant is a client for which he provides legal services from time to time on projects unrelated to either ignite cda’s Lake or River Districts.

Recusal: Commissioner Colwell recused himself from discussion and voting on the Riverstone West Apartments III IRA since the applicant is a client of his employer, Mountain West Bank.

Motion Carried.

Resolution 16-03: Circuit @ Seltice: Improvement Reimbursement Agreement (IRA)

Background: Please refer to the December 18, 2013 board meeting minutes for more background on this initiative (minutes can be viewed online at www.ignitecda.org). Following is a graphic pertaining to the proposed initiative, along with a description of the public improvements, and the Board’s December 18, 2013 motion:
Description of public improvements:
Improvements to the area of the Project Site consisting of the installation of:
- a new 2,750 foot section (100 feet of 10 inch diameter pipe; 2,650 feet of 8 inch diameter pipe) of public sewer system line, beginning at the east boundary of the The Villas at River View LLC property, and running east to the east boundary of the Project Site,
- eight (8 inch) service lateral line stubs along the new 2,750 foot sewer line to service other property owners,
- five (6 inch) service lateral line stubs along the new 2,750 foot sewer line to service other property owners,
located on City of Coeur d’Alene owned public right of way property located on the north side of Seltice Way as approved by the Coeur d’Alene City Council on December 18, 2013.

December 18, 2013 board motion:

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins, authorizing approval of $371,450 in LCDC partnership funding for the “Circuit at Seltice” project as presented, directing the LCDC Ex. Director to:
- develop a draft Improvement Reimbursement Agreement (IRA) for this proposed project, and
- perform a cost validation analysis pertaining to the public improvements associated with this proposed project, with final LCDC Board approval pending completion of the two aforementioned directives as well as the City’s acceptance of the public improvements once installed. Motion carried.

Ex. Director Berns shared an overview summary of the Circuit at Seltice IRA, discussing key parameters of the agreement. Ex. Director Berns shared that the IRA instrument used by ignite cda reimburses the developer for Board approved public improvements solely from tax increment revenues generated by the project itself; i.e. the Circuit at Seltice project must generate the tax increment revenue used to service the IRA debt obligation. If the project cannot generate sufficient tax increment revenue to service the IRA note by the end of the River District’s term (2027), then the developer does not get fully reimbursed for the approved public improvements.

Ex. Director Berns shared that the City has accepted the sewer line improvements. Welch-Comer Engineers conducted the cost validation analysis recommending that ignite cda reimburse the developer $344,610 for the installed public improvements. Ex. Director Berns also recommended that the interest rate included in the promissory note be 2.5% per annum, and that an interest payment cap be placed in the promissory note totaling $103,383 (30% of the promissory note’s value), and that interest accrual begin on December 16, 2015.
Motion by Commissioner Goodlander, seconded by Commissioner Armon, to approve Resolution 16-03 approving the Circuit @ Seltice IRA.

Roll Call:
Armon       Yes       Davis       Yes       Druffel       Absent
Widmyer     Yes       Colwell     Yes       Patzer        Yes
Jordan      Yes       Hoskins     Yes       Goodlander    Yes

Motion carried.

Ignite cda - City of CDA Four Corner Project / Mullan Road Element Financing Agreement

Background: Please refer to the November 18, 2015 board meeting minutes for more background on this initiative (minutes can be viewed online at www.ignitecda.org). Following is a graphic pertaining to the base bid area of the proposed initiative, along with the Board’s November 18, 2015 motion:
November 18, 2015 board motion:

Motion by Commissioner Patzer, seconded by Commissioner Hoskins, approving an amount not to exceed $1.6 million in Lake District partnership funding for the Mullan Road project element of the Four Corner Master Plan as proposed at the October 21, 2015 ignite cda board meeting, given the following conditions:

- Ignite cda funds need to be spent within the Lake District,
- An ignite cda board member will be invited to participate on the project implementation team,

Also directing Ex. Director Berns and legal counsel Quade to work with the City of CDA on drafting the necessary agreements for this partnership initiative. Motion carried.

Ex. Director Berns shared an overview summary of the financing agreement with the Board, discussing key agreement components.

Motion by Commissioner Hoskins, seconded by Commissioner Goodlander, to approve the ignite cda / City of Coeur d’Alene Four Corner Project Mullan Road Agreement for Financing of Improvements as presented, authorizing the ignite cda Ex. Director to execute the document. Motion carried.

Collaborative Education Facility: Funding Discussion

Background: more detailed information re. this agenda item can be found in the minutes of the November 18, 2015 ignite cda board meeting (minutes can be viewed online at www.ignitecda.org).

Ex. Director Berns provided a brief summary of the funding request from North Idaho College (NIC), University of Idaho (UI), and Lewis Clark State College (LCSC) for the proposed Collaborative Education Facility (Facility) to be located on the Higher Education Campus (HEC) in Coeur d’Alene. The request from NIC/UI/LCSC is for $2.5 million in ignite cda partnership funding for construction of the Facility.

- Commissioner Goodlander asked if ignite cda’s Lake District possesses the funds to meet this request?
  - Commissioner Colwell shared that yes, the Lake District possesses the financial capacity to fund the Facility request in front of the Board.

- Commissioner Armon shared that a funding request for this project has been anticipated for quite some time, and that planning was put in place to assure that funding capacity would be available for this Lake District project.
Commissioner Patzer commented that Kootenai Health (KH) was included early on in discussions involving this project with the hope that this Facility could help on the medical job creation front. He feels that KH needs to be reengaged to see if they want to partner on this initiative.

Commissioner Patzer asked how much of the space in the Facility will be classroom vs. administration space?
- Chris Martin (VP of Finance, NIC) addressed the Board sharing that of the Facility’s planned 40,000 total square feet footprint, 31,000 square feet will be usable space of which 14,000 square feet will be for instructional space (classrooms and science labs). Fourteen classrooms and a science lab are planned at this time, with varying capacities between 24 and 48 students. In addition, pre-planning estimates are for approximately 9,000 square feet designated for student services functions. This is space that will allow for centralized services for all students for advising, testing, financial aid, and other student service functions. The pre-planning has allocated almost 3,000 for common areas (restrooms, lobby, etc.), and 4,000 square feet for staff areas (break room, workroom/copy, restrooms, conference room and office space). The remaining square footage is planned for custodial and service uses.

Commissioner Armon shared that one of the original proposed functions of the Facility was to act as a one stop point of entry for all students planning to take classes at the HEC; is that still the intent?
- Mr. Martin shared that yes, the Facility is planned to be the entry point for all students.

Commissioner Patzer asked if the Facility will create any new jobs for the three institutions?
- Mr. Martin shared that no new jobs will be created for the institutions at this time.

Commissioner Jordan asked if any other funding partners are interested in helping out financially with the Facility?
- Mr. Martin shared that there are no new funding partners at this time.

Commissioner Jordan asked how long will the planned Facility meet the needs of the institutions?
- Mr. Martin shared that the Facility as planned will meet the needs of the institutions for at least a decade.

Commissioner Hoskins asked when was KH leadership last contacted regarding partnership funding for this project? If it has been a while, then efforts should be made to re-engage KH leadership.
• Mr. Martin shared that KH leadership has not been contacted recently due to KH’s current capital construction efforts, but he agrees that contact should be revisited.

Motion by Commissioner Armon, seconded by Commissioner Goodlander, approving an amount not to exceed $2.5 million in Lake District partnership funding in Fiscal Year 2017 for the Collaborative Education Facility as proposed at the November 18, 2015 ignite cda board meeting, given the following condition:
  • An ignite cda board member will be invited to participate on the design/project implementation team,
Also directing Ex. Director Berns and legal counsel Quade to work with the three institutions on drafting the necessary funding agreements for this partnership initiative. Motion carried.

Acknowledgement of potential conflict of interest: Commissioner Colwell shared with the Board that he is a member of the NIC Foundation; he sees no conflict in voting on this motion. Ignite cda legal counsel Quade concurred.

Acknowledgement of potential conflict of interest: Commissioner Davis shared with the Board that his wife works for the University of Idaho in a capacity not related to this initiative; he sees no conflict in voting on this motion. Ignite cda legal counsel Quade concurred.

Recusal: Commissioner Widmyer recused himself from voting on this motion because he owns property in close proximity to the proposed Facility building site.

8. BOARD COMMISSIONER COMMENTS:

No comments were shared.

9. PUBLIC COMMENT

No comments were provided.

10. ADJOURN

  Motion by Commissioner Patzer, seconded by Commissioner Goodlander, to adjourn. Motion carried.

The ignite cda Board meeting adjourned at 5:40 p.m. Minutes prepared and submitted by Ex. Director Berns.