



## BOARD MEETING MINUTES

WEDNESDAY OCTOBER 19, 2016 4:00 P.M.

### COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM

#### 1. CALL TO ORDER

Chairman Hoskins called the **ignite cda** board meeting to order at 4:00 p.m.

**ignite cda** board members present: Davis, Jordan, Widmyer, Metts, Hoskins, Goodlander.

**ignite cda** staff present: Berns

**ignite cda** legal counsel present: Quade

#### 2. PLEDGE OF ALLEGIANCE

#### 3. PUBLIC COMMENT

Mr. Lyons – shared a historic summary and his opinion re. the Midtown partnership between **ignite cda**, the Idaho Housing & Finance Association, and The Housing Company pertaining to the property located at 823 N. 4<sup>th</sup> Street.

#### 4. APPROVAL OF MINUTES

- September 21, 2016 Board Meeting Minutes
- September 28, 2016 Special Call Board Meeting Minutes

**Motion by Commissioner Davis, seconded by Commissioner Widmyer, to approve the September 21, 2016 board meeting minutes. Motion carried.**

**Motion by Commissioner Widmyer, seconded by Commissioner Metts, to approve the September 28, 2016 special call board meeting minutes. Motion carried.**

5. PRESENTATION: “COEURLLABORATE” PROJECT – Ron Ayers

Ron Ayers, project proponent, visited with the board and shared a project overview, including an **ignite cda** partnership funding request, for a proposed 200,000 square foot, mixed-use, LEED certified, solar powered, Fairfield Inn & Suites by Marriott-anchored entrepreneurial and economic development focused hospitality center project on Northwest Boulevard in Coeur d'Alene.

Mr. Ayers shared that he envisions this project as a “Coeurllaborate” style project which will create a sphere of common interest that supports entrepreneurs and economic development in the greater Coeur d'Alene area:

“The proposed “Coeurllaborate” model works as follows: by referring friends or family, business associates or sports team, hobby club or class reunion to the Fairfield Inn & Suites by Marriott in Coeur d'Alene, you are directly supporting specific organizations that are involved in making our area a better place for entrepreneurs, startups, and economic development in general. “Coeurllaborators” know that the Fairfield Inn & Suites will funnel a percentage of profits to these organizations that need help with funding, and by staying in our hotel, they are helping to support our startup ecosystem.”

Following are key slides from Mr. Ayers presentation, which includes an **ignite cda** partnership funding request of \$1,255,000 for project related public improvements:

**FAIRFIELD INN & SUITES**  
Marriott  
(A LEED PROJECT)

# COMING 2017

Architect:  
**MILLER STAUFFER ARCHITECTS**

General Contractor:  
**VANDERVERT CONSTRUCTION**

Structural Engineer:  
**DCI ENGINEERS**

Mechanical Engineer:  
**DUMAIS ROMANS, INC.**

Electrical Engineer:  
**TRIDERA ENGINEERING**

Civil Engineer:  
**MAUL FOSTER ALONGI**

Landscape Architect:  
**CDF LANDSCAPE**

DEVELOPED BY RON AYERS

ADDITIONAL PADS AVAILABLE  
**KIEMLE & HAGOOD COMPANY**    **PAT EBERLINE**  
(208) 770-2591

## Project Location

1806 Northwest Blvd, high-profile site just across from Riverstone

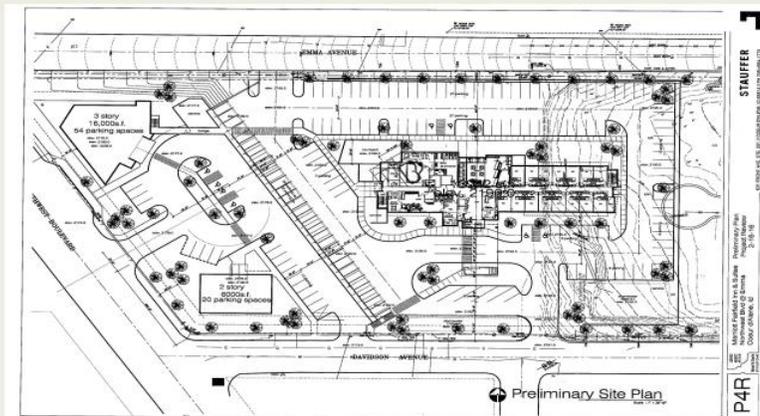


## Project Summary

- 4.55 Acre Class A Hospitality focused project
- 112 Room Fairfield Inn & Suites by Marriott anchors the project
- 4 Story, 65,000 sq.ft. Hotel with swimming pool and conference room
- Above ground, off street parking with 60 space parking structure
- LEED Certified Energy Efficient by US Green Building Council
- Solar powered with substantial photovoltaic array on roof
- Solar Roadways installation on sidewalk and parking area\*
- Up to 2 acres Restaurant/Retail pads on NW Blvd
- Complete redevelopment and beautification of entire site

\*Solar Roadways installation will launch collaborate in support of local startups

## Site Plan



## ignitecda Criteria for Review

- Economic Stimulus- This Hotel and other [coeurlaborate](#) businesses will generate in excess of \$6M in annual sales and lodging revenue. With an overall completed value of over \$22M, the ignitecda request of \$1.255M investment-to-value ratio is 18-to-1.
- Tax Generation- The tax increment generated should be well over \$200,000 annually.
- Employment Generation- The project will employ over 125 during construction, and create more than 70 new full-time jobs at build-out.
- Elimination of Deteriorated Conditions- The project will completely rehabilitate and beautify the entire 4.55 acre property.
- Special or Unique Opportunities- The project re-develops a high profile site into a highest-and-best use property.
- Impact Assessment- Hospitality is a "clean" economic engine, with minimal negative impact for the area, while furthering our attractive resort/destination identity and economy.
- Financial Assistance- Agency participation ensures the highest-and-best use and maximum value and tax increment while creating new jobs, creating the opportunity for bank financing for the project.
- Project Feasibility- Our positive identity as a resort/destination ensures that a Marriott-branded hotel will do well and anchor this hospitality project.
- Developer Ability to Perform- Over 20 years in lodging and hospitality investment, ownership, development, franchising and operation ensures the best chance for a successful project.
- Timely Completion- With Agency partnership and participation, the last steps can be taken to break ground and begin construction.
- Payment of Taxes- Northwest Blvd LID is paid and all property taxes will be paid.
- Justification for Agency Funding- To reach highest-and-best use, as well as maximum value, jobs and utility to the area, the site requires extensive work due to its elevated nature, including substantial earth removal and retaining walls.

## ignitecda Partnership/Participation Request

### Existing Property Clean-up

■ Demo/Hauling	\$165,000	
■ Tree Removal	38,000	
■ Excavation/Hauling	150,000	
■ Grading/Site Work	45,000	<b>\$398,000</b>

### Emma Ave Improvements

■ Demo Curb	\$18,000	
■ Asphalt Cuts/Demo	16,000	
■ Asphalt Replace	32,000	
■ Curb/Sidewalk Inst	65,000	
■ Water Main 8"	95,000	
■ Fire Hydrants	30,000	
■ Retaining Wall	265,000	<b>\$521,000</b>

### Davidson Ave Improvements

■ Demo Curb	\$15,000	
■ Asphalt Cuts	16,000	
■ Asphalt Replace	20,000	
■ Curb Replace	30,000	
■ Utility Bury	140,000	<b>\$221,000</b>

### Landscape ROW Improvements

Street Trees	\$35,000
ROW Landscaping	30,000
Stormwater Mgmt	20,000
Irrigation	30,000
	<b>\$115,000</b>

### Total Work

**\$1,255,000**

## Project Budget

Land (owned)	\$2,800,000
Hard Costs	8,980,000
Soft Costs	1,335,000
<u>FF&amp;E, Working Capital</u>	<u>1,885,000</u>
<b>Total Project Costs</b>	<b>\$15,000,000</b>

## Project Financing

Owner Equity- Land	\$2,800,000
TIF- ignitecda	1,255,000
<u>Debt- Bank</u>	<u>10,945,000</u>
<b>Total Capital</b>	<b>\$15,000,000</b>

## Tax Increment Calculation

### Existing Assessed Values

Garden Motel 3 Parcels	
■ 5011A	\$174,901
■ 5012B	\$466,582
■ 5013C	\$552,108
1101 Davidson	\$ 93,130
1103 Davidson	\$ 90,970
1113 Davidson	\$ 98,310
1750 Pinewood	\$524,240

**Total**                    **\$2,000,241**

### Est. Project Assessed Values

Marriott Hotel	\$15,000,000
Restaurant/Retail	\$ 7,000,000

**\$22,000,000**

Estimated Increase in Assessed Value	\$19,999,759
At 1.4% Levy Rate	x 0.014
Estimated Annual Property Tax Increase	280,000
Assuming Open July 2017 thru 2021 (4.5 yrs)	x 4.5
<b>Total Property Tax Increment</b>	<b>\$ 1,260,000</b>

Key comments from Mr. Ayers associated with the previous slides:

- One key element of the partnership funding request to **ignite cda** is related to the 50 feet of elevation site differential associated with the back of the project area down to Northwest Boulevard. In order to place the hotel on the back portion of the site, a large amount of dirt (approximately 20,000 cubic yards) needs to be removed to level the site and to create a site that offers the highest and best use for the project, which enables the potential for the “coeurllaborate” initiative.
- Another key element of the funding request is the retaining wall needed to support Emma Avenue due to the relocation of the aforementioned 20,000 cubic yards of material. Once again, leveling the site affords the highest and best use of the site for the “coeurllaborate” initiative.

In addition to his comments pertaining to the previous slides, Mr. Ayers shared that he has received a building permit from the City of CDA for the project and is ready to break ground on the project given the requested financial assistance from **ignite cda**.

- Commissioner Metts shared that a couple of hotels in the area are assessed in the \$5-7 million range. Why is the proposed Fairfield Inn & Suites expected to be assessed at 15 million?
  - Mr. Ayers shared that given the cost to construct the proposed facility, he envisions a higher assessment value for this project.
- Commissioner Davis asked, in the Marriott business model, how does the proposed Fairfield Inn & Suites product compare to the Springhill Suites product?
  - Mr. Ayers shared that the Fairfield Inn & Suites product has smaller rooms, a few less amenities, and a different price point when compared to the Springhill Suites product.
- Commissioner Davis shared that his understanding of the “existing property cleanup” requested funds is that the demo/hauling and tree removal costs clean up the site by addressing site related deteriorated conditions. The excavation and grading costs under this heading address the elevation issues associated with the site that were discussed during the presentation. Correct?
  - Mr. Ayers shared the yes, that is a correct portrayal of the costs.
- Commissioner Davis asked if the proposed retaining wall associated with Emma Avenue is located inside or outside of the property line?
  - Mr. Ayers shared that the retaining wall as currently drawn on the plans is located on his property and not in the public right of way.

- Commissioner Davis commented that an element of the funding request for the board to consider will be how much should the agency potentially reimburse the developer for costs incurred inside the property line related to deteriorated site conditions vs. costs associated with preparing the site for at grade development (i.e. excavation and grading of the site) to help facilitate the “coeurllaborate” initiative.
- Commissioner Metts asked Mr. Ayers to explain the synergistic relationship of the “coeurllaborate” model as it relates to the development of the hotel element of the project.
  - Mr. Ayers shared that the “coeurllaborate” model works when people are referred to stay at the hotel by community organizations; said organizations are then financially supported via a percentage of revenues generated by their referrals. So, the hotel element of the project is critical to the success of the “coeurllaborate” model.

Chairman Hoskins thanked Mr. Ayers for his presentation and shared that the board will take his request under consideration.

## 6. REPORTS

- A. Finance – Commissioner Armon  
Lake & River District Monthly Financials  
Lake & River District Payables

Ex. Director Berns, in Commissioner Armon’s stead, reviewed and discussed the September Lake and River District financial statements, and the September / October account payables sheet, with the board.

**Motion by Commissioner Davis, seconded by Commissioner Widmyer, to approve the September financial statements and the September / October accounts payables for the Lake & River Districts as presented. Motion carried.**

Q4 FY16 Financial Overview Packet

Executive Director Berns shared the Fiscal Year 2016 fourth quarter (FY16 Q4) report with the Board.

- 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) had no report to share.

- D. Communications – Ex. Director Berns  
Ex. Director Berns had no report to share.
- E. Jobs – Commissioner Steve Widmyer  
Commissioner Widmyer shared that the Alliance Data organization continues to be a huge job creation success story for the community, currently employing 800 people.

## 7. EXECUTIVE DIRECTOR’S REPORT

### 823 N. 4<sup>th</sup> Street Property: Discussion of Draft Purchase and Sale Agreement

*Background: at the August 2016 board meeting, Gerald Hunter, President of Idaho Housing & Finance Association (IHFA), shared that IHFA would be willing to acquire the 823 N. 4<sup>th</sup> Street Midtown property (Paris Flea Market) from **ignite cda**. Following is a summation of the partnership involvement between IHFA, **ignite cda**, and The Housing Company (THC) re. the 823 N. 4<sup>th</sup> property:*

*Beginning in 2007, IHFA and **ignite cda** started working on a proposed mix-use workforce housing project in the Midtown area of Coeur d’Alene. THC was brought in to act as the developer for the mix-use project on the 800 block of N. 4<sup>th</sup> street. At that time, the Idaho Youth Ranch was operating out of the building at 811 N. 4<sup>th</sup> Street. **Ignite cda** owned the vacant land at 813-821 N. 4<sup>th</sup> street, and the old Ponderosa Motors building had been listed for sale. In 2008, THC negotiated with the Idaho Youth Ranch to move their operations to the Ponderosa Motors building in exchange for their property at 811 N. 4<sup>th</sup> Street. **Ignite cda** participated in the acquisition of the old Ponderosa motors property by acquiring the two parking lots associated with the property sale. These two parking lots were to be used for public parking for the Midtown area.*

*All parties agreed that if the Paris Flea Market property (823 N. 4<sup>th</sup> Street) was acquired, that it would greatly enhance the proposed mix-use project. THC began negotiations with the owners of the 823 N. 4<sup>th</sup> Street property.*

*In 2009, THC entered into a Purchase and Sale Agreement for the 823 N. 4<sup>th</sup> Street property. The sale price was \$325,000. Acquisition of the property was contingent upon **ignite cda’s** board approval of the acquisition.*

*During the timeframe of December 2009 to March 2010, **ignite cda** and THC entered into an agreement whereby **ignite cda** would acquire the 823 N. 4<sup>th</sup> Street property from THC for \$100,000 (land value) and THC would retain an “improvement value” of \$225,000. It was felt at the time that **ignite cda***

*should own both the land and buildings on the property since **ignite cda** would be the entity that prepared the site (i.e. demolition and site remediation of the property) for the proposed mix-use workforce housing project. The agreement stated that if for any reason **ignite cda** wanted to dispose of the property it would first offer the property back to THC for the agency's initial investment acquisition cost of \$100,000.*

*At this time, **Ignite cda**, IHFA and THC understood that there was an agreement in concept that this property transaction, as well as the other components of the proposed development, was a joint effort and that since IHFA/THC had contributed \$225,000 for the 823 N. 4<sup>th</sup> Street property and **ignite cda** had contributed \$100,000 for the property, that if either party wanted to cause the termination of the proposed development, the one party would pay the other party the amount it had paid in the transaction.*

*In early 2012, neighborhood opposition to the proposed mix-use project grew and it was becoming clear that the mix-use workforce housing project may not take place. The proposed mix-use project has been placed on hold since that time.*

Ex. Director Berns shared as a result of the IHFA's overture at the August board meeting to purchase the 823 N. 4<sup>th</sup> Street property from **ignite cda** per the original partnership documents approved in 2009, a draft 2016 purchase and sale (PSA) agreement has been crafted with input from IHFA. Ex. Director Berns shared that the draft PSA document is designed to continue the conversation re. the property footprint ownership in Midtown relative to the recently proposed Modern Theater Performing Arts center initiative.

The draft PSA calls for **ignite cda** (Seller) to sell the land and building assets located at 823 N. 4<sup>th</sup> Street to IHFA (Buyer) for a price of \$100,000 which equals the acquisition cost incurred by **ignite cda** in 2009. The \$100,000 value is a suggested transaction value at this time; an appraisal of the property will likely be desired by the board.

Board discussion ensued as to whether the agency should consider selling the 823 N. 4<sup>th</sup> Street property, or retain ownership of the property and work with IHFA on resolving the financial relationship between the two parties. The board asked the Acquisition Committee to review this issue and associated documentation and report back to the board.

#### **Ignite cda** / City Council Workshop

Ex. Director Berns shared that an **ignite cda** / city council workshop has been scheduled for October 28<sup>th</sup> at noon in the Library's Community Room.

## Initiative Updates

### **Ignite cda** Strategic Properties

- Ex. Director Berns shared that he has met with the City's planning team re. the agency's properties located on Young Avenue and N. Park Drive re. their input as to possible redevelopment scenarios. The City planning team offered excellent insight as to possibilities. Next step will be to reconvene the property working group for further discussion.

### Proposed Modern Theater Performing Arts Center in Midtown

- Ex. Director Berns shared that a draft Memorandum of Understanding has been developed by **ignite cda** & IHFA/THC, and is being reviewed by the Modern Theater board.

## FY16 Board Goals: Q4 Update

Executive Director Berns shared an overview of the fourth quarter (Q4) status of the board's Fiscal Year 2016 tactical goals.

## 8. BOARD COMMISSIONER COMMENTS:

Commissioner Widmyer shared that October is breast cancer awareness month and he is participating in a competition with other regional folks to raise funds to help defeat breast cancer. Following is a link to the fund-raising website:

<http://www.makingstrideswalk.org/realmeninlandempireWA>

Commissioner Hoskins asked how the City/County parking lot initiative was proceeding? Commissioner Widmyer shared that the initiative is proceeding, with both City and County leadership approving the initiative of the County paying \$1.3 million for construction of a surface parking lot located on the south side of Northwest Boulevard; the City will own the parking asset. This new parking asset will require the realignment of certain elements of the 4 Corner Master Plan targeted for that area. Planning for said realignment is underway.

Commissioner Jordan asked if there is an update available for the carousel?

Commissioner Widmyer shared that the expectation is that the carousel will open for business in the spring of 2017.

## 9. PUBLIC COMMENT:

Mr. Lyons – shared additional thoughts / opinions pertaining to the board's discussion of the 823 N. 4<sup>th</sup> Street property issues, sharing that the board remember their fiduciary responsibilities to the community.

10. EXECUTIVE SESSION – Idaho Code Section 74-206  
 Subsection (1)(c): to acquire an interest in real property which is not owned by a public agency.

**Motion by Commissioner Widmyer, seconded by Commissioner Metts, to convene an Executive Session, as provided by Idaho Code Section 74-206: Subsection (1)(c): to acquire an interest in real property which is not owned by a public agency.**

**Roll Call:**

<b>Goodlander</b>	<b>Yes</b>	<b>Widmyer</b>	<b>Yes</b>	<b>Druffel</b>	<b>Absent</b>
<b>Metts</b>	<b>Yes</b>	<b>Jordan</b>	<b>Yes</b>	<b>Hoskins</b>	<b>Yes</b>
<b>Armon</b>	<b>Absent</b>	<b>Davis</b>	<b>Yes</b>		

**Motion carried.**

The **ignite cda** board entered Executive Session at 5:02 p.m. Those present were the **ignite cda** Board of Commissioners, legal counsel Quade, and Ex. Director Berns. Deliberations were conducted regarding acquiring an interest in real property which is not owned by a public agency. No action was taken in Executive Session and the **ignite cda** board returned to regular session at 5:30 p.m.

11. ADJOURN

**Motion by Commissioner Davis, seconded by Commissioner Widmyer, to adjourn. Motion carried.**

The **ignite cda** board meeting adjourned at 5:30 p.m. Minutes prepared and submitted by Ex. Director Berns.