



BOARD MEETING MINUTES

WEDNESDAY JULY 19, 2017 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: Jordan, Widmyer, Hoskins, Metts, Chapkis, Druffel, Armon, Garcia, Goodlander.

ignite cda staff present:

ignite cda legal counsel present: Quade

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

No public comment was provided.

4. APPROVAL OF MINUTES

- June 21, 2017 Board Meeting Minutes
- July 10, 2017 Special Call Meeting Minutes

**Motion by Commissioner Widmyer, seconded by Commissioner Chapkis to approve the June 21, 2017 board meeting minutes.
Motion carried.**

**Motion by Commissioner Widmyer, seconded by Commissioner Chapkis, to approve the July 10, 2017 special call meeting minutes.
Motion carried.**

5. REPORTS

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

Commissioner Armon reviewed and discussed the June Lake and River District financial statements, and the June / July account payables sheet, with the board.

**Motion by Commissioner Goodlander, seconded by Commissioner Druffel, to approve the June financial statements and the June / July accounts payables for the Lake & River Districts as presented.
Motion carried.**

Amended Fiscal Year 2017 (FY17) Lake District Budget: Discussion & Publication Approval

Legal Counsel Quade shared an overview of the proposed amended FY17 Lake District budget with the board (summary table below). The proposed amended FY17 Lake District budget was reviewed / discussed by the board at the June 21, 2017 board meeting.

AMENDED Ignite CDA FY2017 Budget

Line		Original	AMENDED	Original	Original	AMENDED
		Lake District	Lake District	River District	Total	Total
1	Estimated Beginning Fund Balance (10/1/16)	\$ 4,842,359	\$ 5,347,556	\$ 6,555,289	\$ 11,397,648	\$ 11,902,845
2						
3	Revenues					
4	Estimated Tax Increment	\$ 3,946,536	\$ 4,273,770	\$ 1,204,418	\$ 5,150,954	\$ 5,478,188
5	Property Rental Receipts	\$ 127,611	\$ 92,490	\$ -	\$ 127,611	\$ 92,490
6	Int. & Misc. Funds	\$ 4,560	\$ 4,560	\$ 4,680	\$ 9,240	\$ 9,240
7	Capital Acquisition Financing	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total	\$ 4,078,707	\$ 4,370,820	\$ 1,209,098	\$ 5,287,805	\$ 5,579,918
9						
10	Expenses					
11	Administration	\$ 99,453	\$ 99,453	\$ 99,453	\$ 198,906	\$ 198,906
12	Office Expenses	\$ 4,630	\$ 4,630	\$ 4,630	\$ 9,260	\$ 9,260
13	Travel	\$ 3,250	\$ 3,250	\$ 3,250	\$ 6,500	\$ 6,500
14	Professional Services	\$ 59,130	\$ 159,130	\$ 54,930	\$ 114,060	\$ 214,060
15	Notices	\$ 2,000	\$ 2,000	\$ 1,000	\$ 3,000	\$ 3,000
16	Communications	\$ 2,500	\$ 2,500	\$ 2,500	\$ 5,000	\$ 5,000
17	Insurance	\$ 2,699	\$ 2,699	\$ 2,699	\$ 5,397	\$ 5,398
18	Meetings	\$ 2,550	\$ 2,550	\$ 2,550	\$ 5,100	\$ 5,100
19	Utilities	\$ 12,420	\$ 9,990	\$ -	\$ 12,420	\$ 9,990
20	Property Management	\$ 87,866	\$ 116,047	\$ -	\$ 87,866	\$ 116,047
21	Organization Dues	\$ 3,913	\$ 3,913	\$ 3,913	\$ 7,825	\$ 7,826
22	Miscellaneous	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 1,000
23	Public Art	\$ 78,931	\$ 85,475	\$ 24,088	\$ 103,019	\$ 109,563
24	Capital Acquisition Expense	\$ -	\$ 750,500	\$ -	\$ -	\$ 750,500
25	Debt: Interest (non-OPA,IRA)	\$ 287,733	\$ 122,106	\$ -	\$ 287,733	\$ 122,106
26	Debt: Principal (non-OPA,IRA)	\$ 1,749,990	\$ 1,779,955	\$ -	\$ 1,749,990	\$ 1,779,955
27	Parking Initiatives	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
28	Planning	\$ 75,000	\$ 610,000	\$ 25,000	\$ 100,000	\$ 635,000
29	Agency Funded Programs	\$ 1,366,250	\$ 895,800	\$ 1,750,000	\$ 3,116,250	\$ 2,645,800
30	Partnership Agreements (OPAs, IRAs)	\$ 83,240	\$ 83,240	\$ 447,264	\$ 530,504	\$ 530,504
31	Midtown Place Making	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ 5,000
32	Special Project Reserve	\$ 500,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 500,000
33	Total	\$ 4,437,054	\$ 4,998,738	\$ 2,671,776	\$ 7,108,830	\$ 7,670,514
34						
35	Estimated Ending Fund Balance (9/30/17)	\$ 4,484,012	\$ 4,719,638	\$ 5,092,611	\$ 9,576,623	\$ 9,812,249

Lake District FY17 Budget – Amended Budget Line Items

Revenues

- Fiscal year 2017 property tax revenue value increased from \$3.95M to \$4.27M.
- Property rental receipts decreased from \$127,611 to \$92,490.

Expenses

- **Professional Services:** net cost increase for Lake District from \$59,130 to \$159,130 due to the following initiatives:
 - Welch-Comer N. Park Drive contract (\$25,000)
 - Miller-Stauffer parking facility conceptual analysis (\$15,000)
 - Miller-Stauffer Memorial Field grandstand analysis (\$15,000)
 - Property appraisals (\$6,000)
 - Two building demolition projects: 4 houses on N. Park Drive

(\$24,000) + 214 3rd St. (\$9,000) [demo costs for 213 4th & 308 CDA already in budget].

- Legal Counsel work of WTB Note Series 2016 refinancing (\$19,000)
- Legal Counsel work for new URD planning (\$10,000)
- Minus (-\$23,000) for Government Relations services
- Utilities: decrease from \$12,420 to \$9,990 due to property demolitions.
- Property Management: increase from \$87,866 to \$116,047. The amended value includes demolition costs for the buildings once located at 712 & 720 Young Avenue. Demolition costs for 213 4th & 308 CDA Avenue were already included in the original budget. Amended value also includes \$7,000 for repaving/stripping Midtown surface parking lots and \$25,000 for the installation of irrigation / sod / fencing on the Midtown bare lots.
- Public Art: value planned to go to the City's Public Arts Commission increased from \$78,931 to \$85,475 due to projected increase in revenue receipts.
- Capital Acquisition Expense: original budget value was \$0. Amended value of \$750,500 reflects the acquisition cost of the real property assets located at 214 N. 3rd Street
- Debt Interest (non-OPA, IRA): decrease from \$287,733 to \$122,106 due to re-financing of WTB Note Series 2016.
- Debt Principal (non-OPA, IRA): increase from \$1,749,990 to \$1,779,955 due to re-financing of WTB Note Series 2016.
- Planning: increase from \$75,000 to \$610,00 reflecting a parking facility design cost of \$350,000 and \$210,000 for the IHFA/THC joint venture termination agreement related to the 823 N. 4th Street property.
- Agency Funded Programs: decrease from \$1,366,250 to \$895,800 primarily due to shifting the Collaborative Education Facility payment to FY18 and inclusion in FY17 of half of the board's commitment to the next phase of the 4 Corner Master Plan (Memorial Park element):
 - Misc. Projects: \$60K (no change)
 - CDA 2030 Contract: \$25K (no change)
 - Downtown Association Event Contract: \$31,250 (no change)
 - Collaborative Education Facility: \$0: moved to FY18
 - Memorial Park Element of 4 Corner Plan: \$779,550
- Special Project Reserve: decrease from \$500,000 to \$250,000.

Motion by Commissioner Goodlander, seconded by Commissioner Armon, to authorize the *ignite cda* Executive Director to publish the proposed amended FY17 Lake District budget as presented in the CDA Press prior to the August 16, 2017 budget public hearing date. Motion carried.

Fiscal Year 2018 (FY18) Draft Budget: Discussion & Publication Approval

Legal Counsel Quade shared an overview of the draft FY18 budget with the board (summary table below). The draft FY18 budget was reviewed / discussed by the board at the June 21, 2017 board meeting. Please refer to the June 21, 2017 board meeting minutes for further budget related background information.

Legal Counsel Quade also shared that under Idaho urban renewal law, urban renewal agencies are required to prepare and finalize budgets prior to September 1st of each year. Therefore, the **ignite cda** board needs to review draft budgets at the July board meeting, and authorize publication of the draft budgets prior to the August board meeting where a public hearing is held on the proposed budgets.

Ignite CDA FY2018 DRAFT Budget Summary

Line		Lake District	River District	Total
1	Estimated Beginning Fund Balance (10/1/17)	\$ 4,985,382	\$ 5,515,411	\$ 10,500,793
2				
3	Revenues			
4	Estimated Tax Increment	\$ 4,771,949	\$ 1,453,576	\$ 6,225,525
5	Property Rental Receipts	\$ 35,070	\$ -	\$ 35,070
6	Int. & Misc. Funds	\$ 4,380	\$ 4,980	\$ 9,360
7	Note Draws	\$ 7,500,000	\$ 4,000,000	\$ 11,500,000
8	Property Divestitures	\$ 2,425,000	\$ -	\$ 2,425,000
9	Capital Acquisition Financing	\$ -	\$ -	\$ -
10	Total	\$ 14,736,399	\$ 5,458,556	\$ 20,194,955
11				
12	Expenses			
13	Administration	\$ 99,453	\$ 99,453	\$ 198,905
14	Office Expenses	\$ 4,630	\$ 4,630	\$ 9,260
15	Travel	\$ 2,000	\$ 2,000	\$ 4,000
16	Professional Services	\$ 57,130	\$ 60,430	\$ 117,560
17	Notices	\$ 1,500	\$ 1,000	\$ 2,500
18	Communications	\$ 1,250	\$ 1,250	\$ 2,500
19	Insurance	\$ 2,726	\$ 2,726	\$ 5,451
20	Meetings	\$ 2,550	\$ 2,550	\$ 5,100
21	Utilities	\$ 6,900	\$ -	\$ 6,900
22	Property Management	\$ 27,090	\$ -	\$ 27,090
23	Organization Dues	\$ 3,913	\$ 3,913	\$ 7,825
24	Miscellaneous	\$ 500	\$ 500	\$ 1,000
25	Public Art	\$ 95,439	\$ 29,072	\$ 124,511
26	Capital Acquisition Expense	\$ -	\$ -	\$ -
27	Debt: Interest (non-OPA,IRA)	\$ 152,545	\$ 82,700	\$ 235,245
28	Debt: Principal (non-OPA,IRA)	\$ 4,371,414	\$ 264,800	\$ 4,636,214
29	Parking Initiatives	\$ 10,000	\$ -	\$ 10,000
30	Planning	\$ 100,000	\$ 200,000	\$ 300,000
31	Agency Funded Programs	\$ 9,639,550	\$ 6,810,000	\$ 16,449,550
32	City of CDA - interest on Bad Axe	\$ -	\$ 200,000	\$ 200,000
33	Partnership Agreements (OPAs, IRAs)	\$ 91,068	\$ 559,030	\$ 650,098
34	Midtown Place Making	\$ 5,000	\$ -	\$ 5,000
35	Special Project Reserve	\$ 500,000	\$ 250,000	\$ 750,000
36	Total	\$ 15,174,657	\$ 8,574,052	\$ 23,748,709
37				
38	Estimated Ending Fund Balance (9/30/18)	\$ 4,547,125	\$ 2,399,915	\$ 6,947,039

River District – key budget item comments

- ✓ Estimated beginning fund balance (10/1/17) (line 1): \$5,515,411
- ✓ Total Revenues (line 10): \$5,458,556
- ✓ Total Expenses (line 36): \$8,574,052

- ✓ Estimated ending fund balance (9/30/18) (line 38): \$2,399,915

Revenues

- Estimated Tax Increment (line 4): \$1,453,576
- Proposed Note Draw (line 7): \$4,000,000 (budget assumes a new \$7 million financial note established in FY18 for project initiatives within the expanded River District area)

Expenses

- Professional Services (line 16): \$60,430. Costs on this budget line item include:
 - External contract accounting services
 - Legal services (Hawley-Troxell, Elam & Burke)
 - FY2017 Audit expense
 - Other professional services
- Public Art (line 25): \$29,072. Transfer to City's Public Arts Commission remains at 2% of increment revenue realized.
- Debt (lines 27 & 28): interest and principal payments associated with the \$4M draw on the new 2018 financial note.
- Planning (line 30): \$200,000. Budget value includes funding for a master planning effort for the old mill site area located in the expanded district boundary.
- Agency Funded Programs: (line 31): \$6,810,000
 - \$2.81M in FY18 budget for Seltice Way revitalization project. Background: the board committed \$4.56M in total for the project, with \$1.75M budgeted in FY17.
 - \$3.0M budgeted for road network construction in the expanded district area.
 - \$1.0M budgeted for public space development in the expanded district area.
- City of CDA – Interest on Bad Axe Acquisition (line 32): \$200,000. Budget includes an interest payment of \$200K to the City re. the City's \$8M acquisition cost of the Bad Axe mill site property (**ignite cda** will acquire this property from the City over time and reimburse the City for the acquisition cost).

Lake District – key budget item comments

- ✓ Estimated beginning fund balance (10/1/17) (line 1): \$4,985,382
- ✓ Total Revenues (line 10): \$14,736,399
- ✓ Total Expenses (line 36): \$15,174,657
- ✓ Estimated ending fund balance (9/30/18) (line 3): \$4,547,125

Revenues

- Estimated Tax Increment (line 4): \$4,771,949
- **ignite cda** properties (line 5): \$35,070.
- Note Draw on \$10M 2017 Note established in FY17 (line 7): \$7,500,000
- ignite cda Property Divestitures (line 8): \$2,425,000

Expenses

- Professional Services (line 16): \$57,130. Costs on this budget line item include:
 - External contract accounting services
 - Legal services (Hawley-Troxell, Elam & Burke)
 - FY2017 Audit expense
 - Other professional services
- Public Art (line 25): \$95,439. Transfer to City's Public Arts Commission remains at 2% of increment revenue realized.
- Debt: Interest (line 27): \$152,545. Value includes \$143,520 of interest payments on the Washington Trust Bank 2016 & 2017 Lake District Notes.
- Debt: Capital (line 28): \$4,371,414. Value includes \$3,804,754 of principal payments on the Washington Trust Bank 2016 & 2017 Lake District Notes.
- Planning (line 30): \$100,000. Value includes funds for board initiatives (e.g. performing arts center feasibility study).
- Agency Funded Programs (line 31): \$9,639,550
 - Misc. Projects: \$60K
 - CDA 2030 Contract: \$25K
 - Downtown Association Event Contract: \$25K
 - Downtown Parking Facility: \$6.5M
 - Memorial Park Element of Four Corners Master Plan: \$779.5K
 - Memorial Field Grandstand Revitalization: \$1M
 - North Idaho Collaborative Education Facility (NICE): \$1.25M (1/2 of \$2.5M total commitment).

Motion by Commissioner Armon, seconded by Commissioner Druffel, to authorize the **ignite cda Executive Director to publish the draft FY18 budget as presented in the CDA Press prior to the August 16, 2017 budget public hearing date. Motion carried.**

B. Parking – Commissioner Jordan

Commissioner Jordan (who serves as the **ignite cda** representative on the City's Parking Commission) shared he had no report from the Parking Commission.

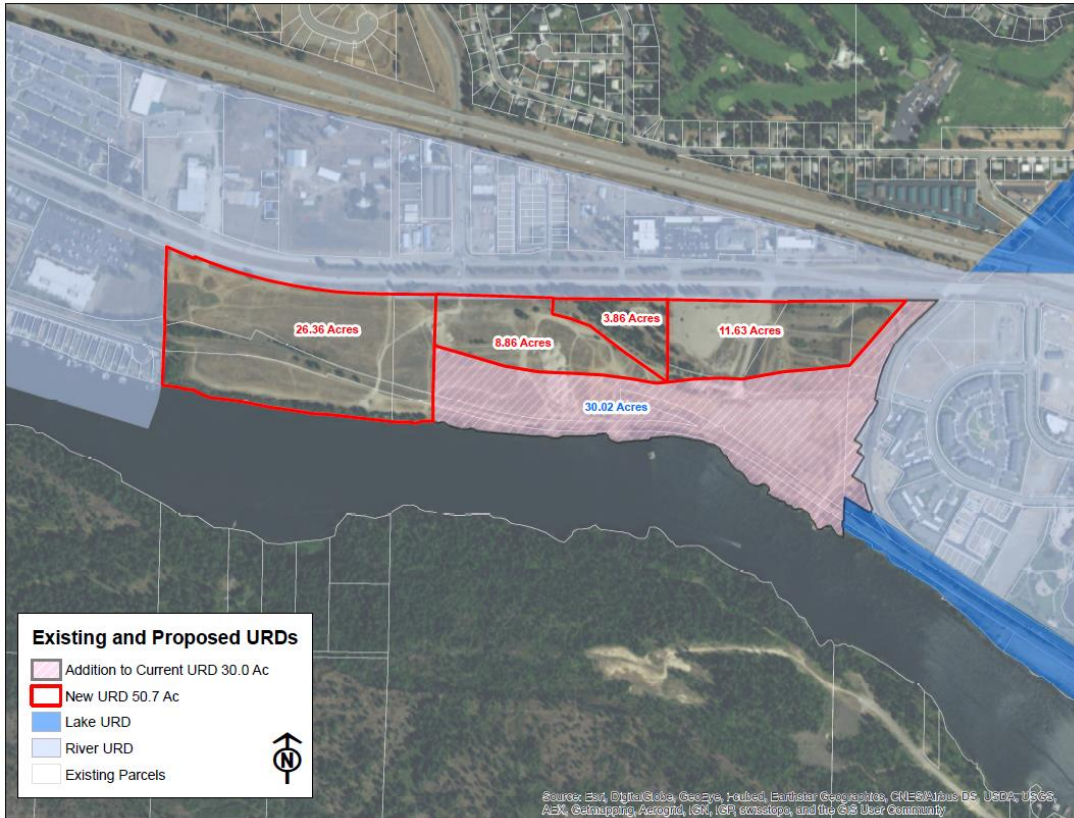
Commissioner Jordan shared that the Parking Committee held an open house to take feedback on the new parking structure. He shared that only approximately 10 people attended and most questions were related to downtown generally, rather than the parking structure. No negative comments on the parking structure were received. Commissioner Jordan thinks the consensus in the community is positive on the parking structure project.

Commissioner Jordan also shared that the design team is reinforcing the structure for a potential skywalk on the north side of the structure facing Coeur d'Alene Avenue, as well as to the south to the Olympia building. He shared that the construction schedule is still on track. The next team meeting will be in early August.

6. EXECUTIVE DIRECTOR'S REPORT

New District Name

Legal Counsel Quade shared that the proposed new district that will include a portion of the former Stimson/Atlas Mill Site area needs a name (see graphic below illustrating a draft concept of the new district area: **red** boundary).



Following are a few suggested names:

- Atlas District
- Seltice District
- Opportunity District
- Mill District

The board discussed the naming issue. Commissioner Jordan shared that he was not in favor of the Mill District name because it sounds like a mill could be sited there. Commissioner Goodlander shared that she likes the Atlas District name.

Motion by Commissioner Armon, seconded by Commissioner Goodlander, to name the new district the Atlas district. Motion carried.

N. Park Drive Subdivision Update

Phil Boyd (Welch-Comer Engineers) updated the board on the subdivision effort re. the N. Park Drive parcels. Mr. Boyd shared that his office has communicated with the Kerl family, who has a reversionary interest in the property overlapping portions of lots 9 and 10, as currently envisioned. Mr. Boyd also reported that Executive Berns had requested his office look at whether a 9th lot could be

created without the property restricted by the Kerl family, and it is possible, but it would cut into the park.

Commissioner Goodlander commented that with 8 lots it's a push from a revenue perspective. Commissioner Jordan commented that the lots may be worth more than the proforma shows. He is in favor of moving forward with the 8 lots while continuing to try to work out a reasonable settlement with the Kerls. He thinks we should not let the Kerl family delay the project and it may impact their view of the value if we move forward with the other part of the project.

Commissioner Widmyer shared that he spoke to one member of the Kerl family and she stated that she was one of six family members with an interest in the property and the opinions of the interested family members were all over the board on what an acceptable settlement would be. Commissioner Widmyer indicated that he believes it will be a long process with the Kerl family and he thinks we should move forward with 8 lots.

Chairman Hoskins asked if Mr. Boyd had looked at moving forward with 8 lots. Mr. Boyd indicated that he had, and he would recommend not building the alley behind lots 9 and 10, but in the future it could be extended. He said lot 8 could be side loaded, so that lot would not need the alley. Mr. Boyd asked for direction on whether we move forward with the land trade in hopes of later developing lots 9 and 10. Commissioner Druffel was supportive of moving forward with the land trade at this time. Legal Counsel Quade asked if the land trade can happen based on restrictions from the Kerl family. Mr. Boyd responded he was not sure. He will provide Legal Counsel Quade the documents to review.

Commissioner Widmyer asked if new wood would be put on the grandstand at Memorial Field. Mr. Boyd indicated he believed so, but that is a question for Miller Stauffer. Commissioner Jordan asked about the depth of lot 8. Mr. Boyd responded that lot 8 is 120 feet deep. Commissioner Widmyer asked if there would be public access to the park from the alley and Mr. Boyd indicated that there would be. Commissioner Widmyer asked if there was berming or fencing behind the lots. Mr. Boyd indicated that although berming was initially designed, fencing was going to be less expensive and less maintenance and Bill Greenwood was supportive of fencing, but that Executive Director Berns was concerned that it was a significant change to the project and that the issue is going to be discussed further when Executive Director Berns is back in the office. Commissioner Widmyer indicated he agreed with Executive Director Berns. Mr. Boyd indicated that berming creates a maintenance issue on the alley side and encroaches on the picnic side, so Bill Greenwood had thought a fence and vegetation would be an acceptable alternative. Commissioner Widmyer indicated that this decision should be brought back to the board.

Commissioner Jordan indicated that a masonry fence might be a good option. Vegetation is great with time, but would not initially provide a sufficient barrier. Commissioner Armon asked that Legal Counsel Quade review the Kerl family documents to see what the restrictions are. Mr. Boyd indicated that Randy Adams has reviewed the documents as well, and considered a quiet title action; Mr. Boyd will provide the information to Legal Counsel Quade.

Consideration of Employment Policy

Legal Counsel Quade shared a summary of the Employment Policy relating to employment of Executive Director Berns. She shared that the change from an employment contract to a policy was suggested to better align the terms of employment and benefits with the City of Coeur d'Alene. She shared the Policy is based on the Policy for Department Heads at the City. She noted that one significant difference is that Executive Director Berns does not have PERSI, so the board will continue to invest in his 401k. She called the board's attention to the provision related to reimbursement for personal vehicle use. Currently, the board reimburses Executive Director Berns \$150 per month for use of his personal vehicle. Another approach for the board to consider would be to reimburse based on documented mileage recognizing there would be some time lost on the documentation.

The board discussed the employment policy.

Commissioner Widmyer indicated that we should move to getting this position leveled, within a salary range. Then, if Executive Director Berns reached the maximum salary he would only be eligible for the cost of living increase. Commissioner Widmyer believes Executive Director Berns is likely at the maximum salary. Chairman Hoskins asked if a change to the Policy was necessary if a range is created and Legal Counsel Quade indicated that they would work together, so no change is necessary. Commissioner Goodlander shared that she believes the Policy should align the severance with the City. Commissioner Druffel indicated that he thinks we should keep the \$150 vehicle reimbursement. Commissioner Garcia asked for an analysis on the salary range as part of the process for Executive Director Berns' review. Commissioner Widmyer and others indicated that we should adopt the policy effective October 1, 2017 because of budget impacts.

Motion by Commissioner Widmyer, seconded by Commissioner Druffel, to approve the new ignite cda employment policy as presented, effective October 1, 2017. Motion carried.

7. BOARD COMMISSIONER COMMENTS:

- Chairman Hoskins shared that this will be Commissioner Druffel's last board meeting. Commissioner Druffel began service on the board in March of 2012. Chairman Hoskins and all of the board members thanked Commissioner Druffel for his years of service. Commissioner Druffel indicated that he believes the board serves an important role and drives a lot of change and he is proud to have participated and he will miss it.
- Commissioner Goodlander complimented the Mayor and the City Council on the vision and support of the Atlas Mill site acquisition project. She shared that the vision was invaluable and thanked the Mayor for the foresight and work that will make this tremendous asset public.
- Commissioner Widmyer indicated that the McEuen Park garage has been busier than ever this summer and he thinks the timing for the new garage is great. He thinks downtown employees will transition to the new garage and it will free up public parking at McEuen. Commissioner Armon echoed the comments, as did Commissioner Jordan.

8. PUBLIC COMMENT:

No public comment was provided.

9. ADJOURN

Motion by Commissioner Armon, seconded by Commissioner Widmyer, to adjourn. Motion carried.

The **ignite cda** board meeting adjourned at 4:55 p.m. Minutes prepared and submitted by Legal Counsel Quade.