



BOARD MEETING MINUTES

WEDNESDAY DECEMBER 20, 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, Chapkis, Armon, Goodlander, English, Metts.

ignite cda staff present: Berns

ignite cda legal counsel present: Kling

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Chet Gaede – thanked the board for all of their hard work for the community and wished them all a Merry Christmas. He asked if the city council members on the board are acting as ex-officio of the city council, or are they acting as members of the community? Legal counsel Kling shared that the two council members serving on the **ignite cda** board do not act as ex-officio members of city council, but serve as members of the community.

4. APPROVAL OF MINUTES

- November 15, 2017 Board Meeting Minutes

Motion by Commissioner Widmyer, seconded by Commissioner Goodlander, to approve the November 15, 2017 board meeting minutes. Motion carried.

- November 30, 2017 Special Call Board Meeting Minutes

Motion by Commissioner Widmyer, seconded by Commissioner Goodlander, to approve the November 30, 2017 special call board meeting minutes. Motion carried.

- November 30, 2017 **ignite cda** / City Council Workshop Minutes

Motion by Commissioner Widmyer, seconded by Commissioner Goodlander, to approve the November 30, 2017 **ignite cda / City Council workshop minutes. Motion carried.**

5. PRESENTATION: KOOTENAI HEALTH INITIATIVES – Jon Ness

Chairman Hoskins welcomed Kootenai Health (KH) CEO Jon Ness to the board meeting. Mr. Ness shared the following thoughts/insights with the board:

- Thanked the board for everything they have done for the community.
 - Compared the growth challenges of KH to those of the Mayo Clinic in Minnesota, and shared how Mayo Clinic addressed those challenges and succeeded. KH is benchmarking off of the successes of Mayo Clinic.
 - KH is an economic engine for the community.
 - Discussed how KH developed a strategic plan in 2011, and how KH has implemented that plan over the ensuing years.
 - KH has grown by 75% since 2011, and will double in size by 2020. KH employs 3,200 with an average annual salary of \$60K. 78% of KH's employees are female.
 - 40% of KH's customers come from outside of Kootenai County; KH is a regional hospital.
 - KH is going to continue to grow, but there are challenges: traffic issues; no master plan for that area of the community; no real identity for the KH area; many vacant buildings are located to the west of the hospital and are for sale (KH is limited as to its ability to assemble property); housing near KH is mostly older single family stock (not multi-family); KH is outgrowing the current hospital campus area; there is a lack of amenities (e.g. restaurants, ped/bike trails, public space) currently located on/near the campus area.
 - In October, KH partnered with Parkwood Properties and CDA2030 to bring in a Urban Land Institute (ULI) technical assistance panel to help address the aforementioned issues. The ULI team is preparing recommendations for the KH area; these recommendations will be available in Q1 2018.
- Commissioner Goodlander shared that it sounds like KH is landlocked in that area.
- Mr. Ness shared that KH does not have enough land to continue to expand on the existing campus and needs additional land assemblage in that area to allow for further growth.
- Commissioner English shared that senior housing and transportation issues in the community are a challenge and hopes KH is addressing those issues.
- Mr. Ness shared that KH expects to see the senior demographic in the area to continue to grow. He shared that some communities are constructing senior housing developments close to hospitals.

- Commissioner Widmyer asked how the Mayo Clinic grew their medical campus – did they grow vertically?
 - Mr. Ness shared that Mayo developed a system of skybridges that connect buildings, thus facilitating functionality of their campus. They also added ped/bike trails, transportation routes and new amenities for visitors.

- Commissioner Jordan thanked the KH team for all of their efforts in the community. He asked how does **ignite cda** help KH?
 - Mr. Ness shared that one scenario / idea is to partner with the city and **ignite cda** on the formation of a medical corridor urban renewal district to assist with creating needed improvements via public/private partnerships.

- Commissioner English asked how do the existing satellite KH clinics in the region tie in to KH's vision?
 - Mr. Ness shared that a common model for hospitals is the hub and spoke model. KH acts as the hub, and the clinics act as the spokes. This model allows KH to serve customers in a large regional area.

Commissioner Hoskins, on behalf of the board, thanked Mr. Ness for his visit and insights.

6. REPORTS

- Finance – Commissioner Armon

Lake & River District Monthly Financials

Lake & River District Payables

Commissioner Armon 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 Chapkis, to approve the November financial statements and the November / December accounts payables for the Lake & River Districts as presented. Motion carried.

Fiscal Year 2017 Audit – Hoover Accounting

Scott Hoover presented and discussed his firm's audit report for the Agency's 2017 fiscal year. Mr. Hoover shared that the Agency's 2017 fiscal year audit was "clean"; i.e. no issues with the Agency's financial status/reporting nor internal accounting controls. Mr. Hoover also provided an overview of the accounting standards used in the audit.

- Commissioner Armon shared that the finance committee spent time with Mr. Hoover and reviewed the draft audit report in great detail and discussed numerous topics.
- Commissioner English asked Mr. Hoover if this was his first audit experience with the Agency?
 - Mr. Hoover shared that he helped audit the Agency's financials in the past when he worked as an auditor with the Magnuson & McHugh accounting firm.

Motion by Commissioner Armon, seconded by Commissioner Widmyer, to accept the Fiscal Year 2017 audit as prepared by Hoover Accounting. Motion carried.

- Parking – Commissioner Jordan

Commissioner Jordan (who serves as the **ignite cda** representative on the City's Parking Commission) shared that the parking garage initiative has been delayed for a month due to utility relocation issues. Plans are to have the general contractor begin work the second week of January.

7. EXECUTIVE DIRECTOR'S REPORT

Performing Arts Center Feasibility Study Consultant Recommendation

*Background: Following is an excerpt from the May 2017 **ignite cda** / City Council workshop re. discussion of a potential Performing Arts Center:*

Board member Armon said that it appears that they are spinning their wheels with the performing arts center. He noted that an Auditorium District would be recommended and wondered how the Council felt about that option.

*Councilmember Miller thinks using the CDA 2030 group to pull the community together and conducting a feasibility study funded by **ignite cda** would give the Council a basis to decide on an Auditorium District.*

Councilmember Gookin agreed that an Auditorium District would be needed to fund the center. Mayor Widmyer asked if it was the direction from Council to set the priority to fund a feasibility study and analyze how an Auditorium District would work. Councilmember McEvers asked how the business side of a theater works. Councilmember Miller noted that it could be a job creator as the theater brings people to town during off seasons and fills hotels. She reiterated her request to do a feasibility study.

Councilmember McEvers expressed concern about a government entity running an auditorium but would support a feasibility study. Board Member Metts noted that CDA 2030 could submit for a grant for a feasibility study.

Councilmember English noted that if an Auditorium District were like all other districts, he would support it and a feasibility study. Board Member Metts agreed to check with the CDA 2030 to see their interest. Board

*Member Armon said that he would not want to wait for a grant process, due to the short term of the Lake District, so **ignite cda** should move forward.*

Board Member Jordan confirmed that they should go forward with a feasibility study.

Nicole Kahler, CDA 2030 Project Manager, shared a summary of CDA 2030's efforts to solicit proposals for a potential Performing Arts Center, and to ultimately develop a recommendation of a consultant to the **ignite cda** board. Mrs. Kahler shared the 11 proposals were received and reviewed by a CDA2030 committee. The top three proposals were chosen and additional information from the top three firms was solicited. The CDA2030 committee recommended Chicago-based HVS Convention, Sports & Entertainment Facilities Consulting ("HVS") to the **ignite cda** board to perform a market analysis and feasibility study. Following is a summary of HVS' proposed fee:

PROPOSED FEES

Phase 1 - Market and Demand Assessment	\$29,750
Phase 2 - Financial Projections and Feasibility	\$19,500
Total	\$49,250
Optional Services - Surveys	\$7,500

HVS' proposal also includes a not to exceed travel expense budget of \$6,000; total proposal cost is \$62,750. The "optional survey" cost of \$7,500 is for a potential survey of facility donors should that service be requested by **ignite cda**. HVS proposes to complete their study within 12 weeks following contract initiation. If **ignite cda** accepts the CDA 2030 recommendation for HVS to complete the market analysis and feasibility study, CDA 2030 is willing to act as the project liaison. CDA 2030 requests that **ignite cda** fully covers the study expenses and provides a legal review of the contract.

- Commissioner Armon shared that this is a great first step in the process to determine the viability of a performing arts center in CDA. He highly recommends moving forward on this initiative.
- Commissioner Widmyer shared that he has heard quite a bit of discussion over the years re. a performing arts center in CDA, and feels that this study will help determine if there is a viable opportunity for such a center, and if so, will provide a roadmap for achieving the development of a center. He too supports moving forward with this initiative.

Motion by Commissioner Armon, seconded by Commissioner English, to accept CDA 2030's recommendation of the consultant for the Performing Arts & Event Center Market Analysis and Feasibility Study, and to enter into a contract with HVS in an amount not to exceed \$62,750 (with the decision to be made at a later time whether or not to employ the optional survey fee of \$7,500), to perform the 12-week feasibility study. Motion carried.

Atlas Mill Site Planning Proposal

*Background: Following is an excerpt from the September 12, 2017 **ignite cda** special call board meeting:*

Ex. Director Berns discussed several issues re. the Agency moving forward with the mill site initiative, including:

- *Kushlan Associates, the third-party entity brought in by the Agency to review the Atlas Mill Site initiative, has advised the Agency to seek more time to further analyze the development costs and revenue generation opportunities prior to making any formal commitments to the initiative.*
- *Community input has suggested that no shoreline development or multi-family development be included on the Bad Axe portion of the mill site area. These constraints restrict the Agency's ability to optimize value / revenue generation, thus increasing the Agency's risk of adequately covering development costs and proposed debt obligations.*
 - *It is the Agency's understanding that the City will/may approach the community for a GO bond to help facilitate the acquisition/development costs of the Bad Axe property. The earliest a GO bond could be run would be May 2018. Understanding the community's support and commitment to proposed land uses would be critical to the Agency's success.*
- *Development costs (e.g. road construction, site work, water / sewer systems) of the Bad Axe property are estimated at this time to be approximately \$16.5 million. These costs do not include any environmental remediation costs.*
 - *A positive note on this front is that there may be some financial resources available in the future through the Idaho Department of Environment Quality (DEQ) to help address some areas of site remediation and shore line bank stabilization.*
 - *The estimated costs take advantage of City and ignite cda land ownership in the area (BLM, Prairie Trail), that reduce overall costs and create win/win scenarios on the Stimson and BLM properties.*
- *Feedback from real estate stakeholders in the area is that the current residential real estate market will hold for the next several years; i.e. no expectation of a near term decline in residential lot demand.*
- *There is no private development on the mill site area anticipated in the near term. Therefore, there would be minimal risk of the assessed base value for the mill site area changing from January 1, 2017 to January 1, 2018.*

- The City of CDA is expecting the Agency to sign an \$8 +/- million promissory note to reimburse the City's acquisition cost of the Bad Axe property. The Agency may want to delay executing such an agreement until development costs are determined based upon a more certain land use development scenario that is developed following public input and further analysis.
- The site redevelopment costs are significant and it appears unlikely the site will develop privately, unless waterfront lots can be platted, which would require selling a portion of the City RR ROW.

Summary: The Atlas Mill Site initiative is a natural fit for **ignite cda**'s business model; it makes sense for the Agency to be a partner in this initiative. As with any partnership project, a clear path to success is needed for the Agency. Given more time for analysis / input, a viable path should be attainable.

Discussion ensued by the board re. the Atlas Mill Site initiative. The board's consensus was that additional time is needed to clearly define a successful path for the Agency.

Given the decision by the **ignite cda** board in September 2017 to seek additional time to further analyze/plan for the mill site acquisition/development, Ex. Director Berns shared that he engaged the Welch-Comer Engineering / Consulting firm to develop a proposal for the **ignite cda** board's consideration pertaining to the next planning steps involving the Atlas mill site acquisition based on their selection as one of three Engineer's pre-qualified to perform engineering tasks pursuant to Idaho Code Section 67-2330(2)(h), such as to analyze the Atlas Mill site.

Phil Boyd of Welch Comer discussed his team approach proposal with the board. Following are key elements of the proposal:

Project Goal

- Prepare a site development scenario and property sales strategy ("Site Development Implementation Plan") that will be the basis for the **igniteCDA** River District Expansion and the new Atlas District Urban Renewal Plans.

Project Objectives

1. Conduct a market assessment to determine development options.
2. Develop a site land use plan(s) that considers the market assessment, funding sources and community input.
3. Identify site development approach(es) and transaction structure(s).
4. Develop public space improvement concepts and opinions of cost for use in securing funding.

Welch Comer Team Scope of Work

1. Participating in community meetings.
2. Conducting a market assessment.
3. Developing site development scenarios, with financial analysis, that are informed by the market assessment and community values.
4. Identifying and evaluating land development implementation approaches and structures.
5. Developing public space concepts and opinions of costs.
6. Preparing the site development implementation plan.

Project Schedule

Item	2018											
	January	February	March	April	May	June	July	August	September	October	November	
Market Assessment & Preliminary Public & Private Land Use Areas & Sizes												
City Led Community Input Meetings												
Refine Preliminary Land Use Areas (Public/ Private) & Development Types/Mixes												
City Council/IgniteCDA Workshop to Consider Site Land Use & Development Options												
Community Open House to Present Site Options and Solicit Community Feedback												
Steering Committee Meeting to Review Inputs & Make Recommendations for Final Plan												
Prepare Site Development Strategy and Plan												
Finalize Urban Renewal Plans												
Urban Renewal District Formation Process												
Expanded River & New Atlas Districts Formed												

Proposed Tasks and Fees

Task 1 - Community Meeting Assistance	\$ 5,000
Task 2 - Site Development, Market Analysis & Financial Review	
Task 2.A Market Assessment	\$ 14,850
Task 2.B Land Development Scenarios & Financial Analysis integrated with igniteCDA Financial Model	\$ 41,000
Task 2.C Public Space Concept Plans and Costs	\$ 11,000
Task 2.D Site Development Charette & Public Open House	\$ 26,800
Task 2 TOTAL	\$ 93,650
Task 3 - Development Implementation Plan	
Task 3.A Financing Source Evaluation and Configuration (URD, Private, Grants, City)	\$ 17,000
Task 3.B Transaction Structure Evaluation (DDA's, Retail Sales, P3, Ground Lease, etc.)	\$ 5,500
Task 3.C Prepare Strategic Implementation Plan	\$ 22,300
Task 3 TOTAL	\$ 44,800
	TOTAL \$143,450

- Commissioner Goodlander asked about the consultant team members?
 - Mr. Boyd shared that the primary consultant on the team will be Heartland, a real estate advisory group located in Seattle. Heartland's specialty is real estate economics. Heartland's expertise is derived from their own development portfolio and their work as a real estate consultant for both the private and public sectors.
- Commissioner Armon asked when will the critical financial analysis occur in the proposed project timeline?
 - Mr. Boyd shared that the key analytical effort will occur in the April 2018 timeframe.
- Commissioner English shared that he views Task 2C (public space concept plan/cost) as critical to the success of the planning effort.
 - Commissioner Jordan agrees with Commissioner English re. the proposed planning effort for public space and is looking forward to having high caliber planning professionals working on this unique site / opportunity.

Motion by Commissioner Goodlander, seconded by Commissioner Armon, to accept the Welch-Comer planning proposal as submitted/presented for the Atlas mill site initiative in an amount not to exceed \$143,450. Motion carried.

Note: Commissioner Chapkis left the board meeting at 5:15

301 Lakeside Avenue Property: Plumbing Re-Alignment Proposal

Background: a building sewer line alignment issue was discovered earlier in the year wherein a portion of the sewer line from the building was routed east under the adjacent building before being routed north to the City sewer line located in the alley. Efforts have been underway to engage a plumbing contractor to re-route the entire building's sewer line to the City's sewer line in the alley.

Ex. Director Berns discussed a \$32,000 proposal from Fish Plumbing to re-align the sewer service/line within the 301 Lakeside Avenue building to flow from the building to the City's sewer line located in the alley. The Fish Plumbing proposal calls for re-routing the sewer service line beginning at the front of the building (Olympia Restaurant space / Total Life Chiropractor space) to the alley. The proposal calls for concrete saw cutting and replacement to re-route the sewer service through the building. The timeframe for this project is planned for mid-January.

Motion by Commissioner Widmyer, seconded by Commissioner Goodlander, to approve the \$32,000 contract proposal as submitted by Fish Plumbing to re-align the 301 Lakeside building's sewer service/line to flow to the City's sewer line located in the alley, with the board determining that this proposal is in the best interest of the Agency to expeditiously procure the services required without the unnecessary cost and delay of formal bidding. Motion carried.

Initiative Updates:

➤ *Memorial Park & N. Park Drive Subdivision*

Ex. Director Berns shared the following N. Park Drive update with the board:

- Reminded the board that the following improvements are to be completed/constructed in 2018: sidewalks, alleyway, final berm grading and landscaping.
- City Council provided final plat approval for the subdivision at the December 19, 2017 Council meeting.
- Welch-Comer and Bernardo-Wills have developed the following communication material for the subdivision. This graphic will be used on a planned 4'x 8' on-site sign and for possible mailers/flyers.

**FOR SALE
SINGLE FAMILY HOMES**



Commissioner Jordan shared that he feels the graphic is well done, and suggested that the bottom three rows/lines of the table be removed to prevent any confusion from potential bidders. Ex. Director Berns agreed, and will have the bottom three rows/lines of the table removed.

The subdivision lots will be placed on the market in the near term, with sealed bid information material located on the ignite cda website (www.ignitecda.org) Opening of sealed bids for each lot is planned for the February 21, 2018 board meeting.

➤ *Seltice Way Road Revitalization*

Ex. Director Berns shared that all four lanes of the roadway are open to traffic. Project work will re-start in the spring which will include final asphalt overlays, roadway striping, irrigation and landscaping efforts.

➤ *Railroad Right of Way Surplus Property Sale*

Ex. Director Berns shared that the Agency continues to work with Active West on the Purchase and Sale Agreement (PSA) for the right of way property, focusing on addressing pertinent due diligence issues associated with the sale.

➤ *Ignite @ Riverstone (formerly referred to as the Tilford Lane initiative):*

Project due diligence efforts continue by Welch-Comer Engineers to determine the viability of the proposed land exchange between the Agency and the City of CDA.

8. BOARD COMMISSIONER COMMENTS:

Commissioner Hoskins thanked fellow board members for all of their hard work, and wished them a Merry Christmas.

9. PUBLIC COMMENT:

Chet Gaede – thanked the board for their continued work on the Atlas mill site project, and is happy to see the board working with CDA 2030.

Ben Weymouth (TO Engineers) – thanked the board for including TO Engineers on the Agency's three firm engineering roster, and thanked the board for all they are doing in 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 Jordan, 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:

Goodlander	Yes	Widmyer	Yes	Garcia	Absent
Metts	Yes	Jordan	Yes	Hoskins	Yes
Armon	Yes	English	Yes	Chapkis	Absent

Motion carried.

The **ignite cda** board entered Executive Session at 5:36 p.m. Those present were the **ignite cda** Board of Commissioners, legal counsel Kling, 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 6:10 p.m.

11. ADJOURN

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

The **ignite cda** board meeting adjourned at 6:11 p.m. Minutes prepared and submitted by Ex. Director Berns.