



**BOARD MEETING MINUTES
WEDNESDAY JANUARY 19, 2011 4:00 P.M.
COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

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

LCDC Board members present: Elder, Davis, Patzer, Nipp, Hassell, Hoskins, Goodlander, Jordan, Colwell. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley-Troxell Law Firm).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Chris Hollibaugh, Tom Hasslinger, Todd Prescott, Maryann Prescott, Mike Craven, Ben Johnston, Susie Snedaker, Renata McLeod, Don Morrell, Alison Boggs, Troy Tymesen.

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- December 15, 2010 Board Meeting Minutes

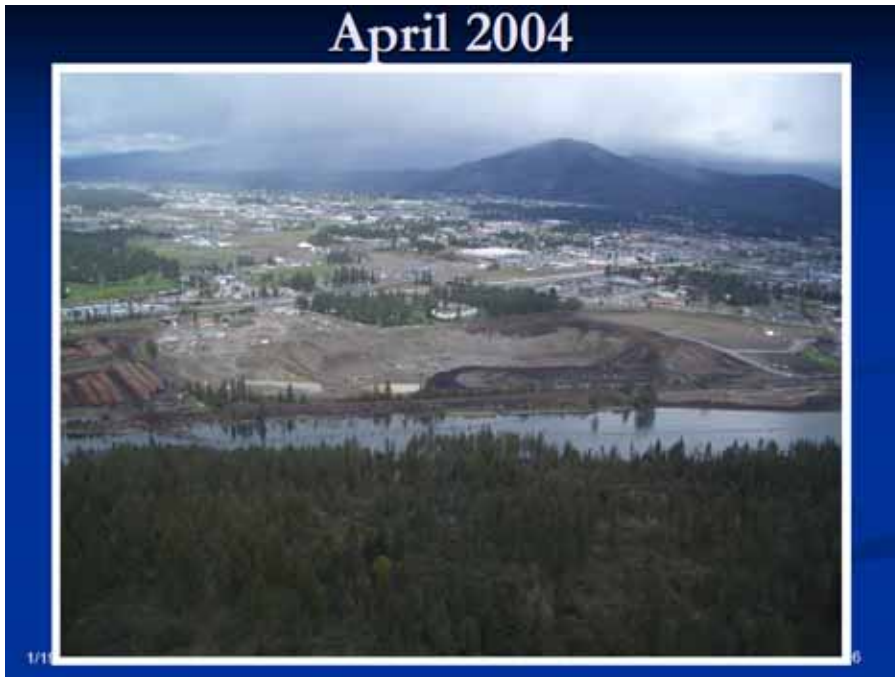
Motion by Commissioner Elder, seconded by Commissioner Hoskins to approve the December 15, 2010 Board Meeting Minutes. Motion carried.

5. PRESENTATION: RIVERSTONE WEST PHASE 2 – PROPOSED NEW ROADWAY & WHITEWATER CREEK AFFORDABLE HOUSING INITIATIVE

Recusal: Commissioner Davis recused himself from participating in the Riverstone West Phase 2 and Riverstone West Apartment agenda item, and thus did not chair this portion of the Board meeting, because Whitewater Creek, Inc. and principles of the Riverstone organization are clients of his law firm on matters unrelated to these applications.

Vice-Chairman Elder welcomed Mike Craven (Riverstone West Phase 2 development team), Todd Prescott (Principle, Whitewater Creek, Inc.) & Maryann Prescott (Principle, Whitewater Creek, Inc.) to the Board meeting. Mr. Craven shared and overview presentation to the Board including the success to date of the past

LCDC/Riverstone partnership endeavors (i.e. original Riverstone project, Riverstone West Phase 1 project) and a summary of the proposed public improvements for phase 2 of Riverstone West. Mr. Craven shared that these public improvements will be the final public improvements installed for the entire Riverstone project area. Following are selected slides from Mr. Craven's PowerPoint presentation:



2004 aerial view of the Riverstone West project area before initial improvements.



2008 aerial view of improvements to date (area below red line) on the Riverstone West site; approximate/general location of proposed new road shown in black.

Jobs and Investment

- Initial Public/Private partnership with LCDC has generated an estimated \$200,000,000 in private investment.
- Riverstone has created an estimated 2,900 design and construction jobs.
- There are an estimated 800 workers at Riverstone today and many more to come.

Slide capturing how the Riverstone development has added value to the community.

Projects in Queue

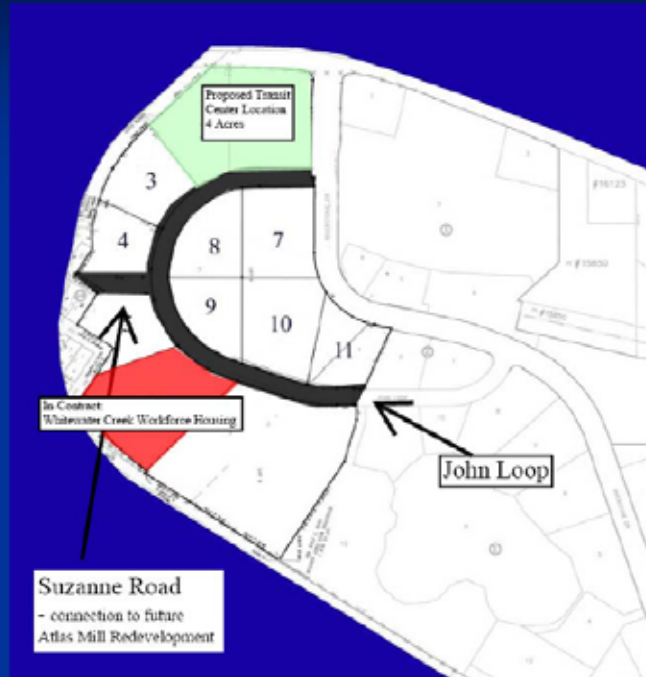
- New Projects Planned
 - 10,000 sq. ft. Owner/User Office Building
 - 10,000 sq. ft. FBI Field Office
 - The Ugly Fish Sushi Restaurant
 - Medical Office
 - Riverstone West Apartments
 - CityLink Transit Hub



Slide depicting location of the Riverstone West Phase 2 area (bounded by green line) including the proposed Whitewater Creek apartment site.

Phase II Description

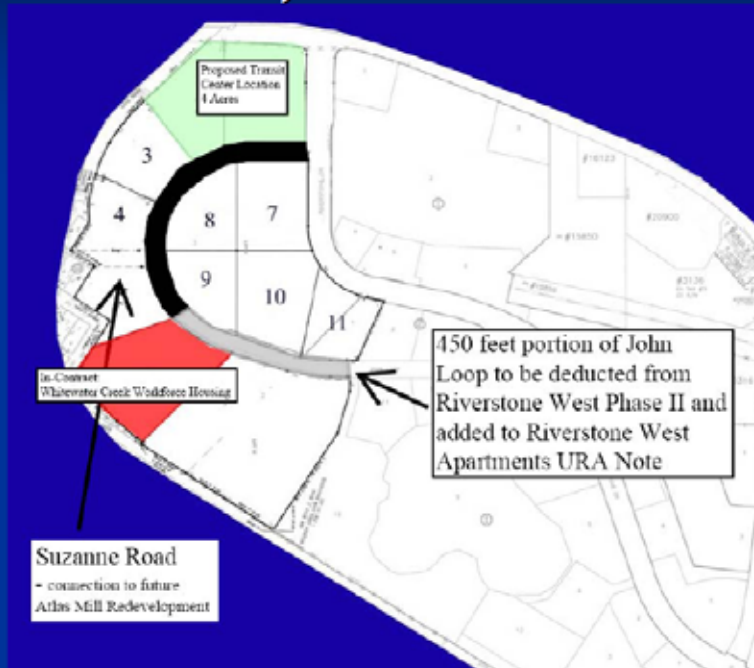
- **Final Phase of Riverstone Infrastructure**
 - +/- 21.5 acres
 - 11 New Lots
 - 1850 lineal feet of public roadway and all wet & dry utilities, fill material, landscaping and lighting
- **Estimated Project Cost:**
\$1,900,000
- **Final Plat Estimated for:**
2/15/2011
- **Construction Start Date:**
ASAP



Slide depicting the proposed new Phase 2 road location (heavy black line on map)

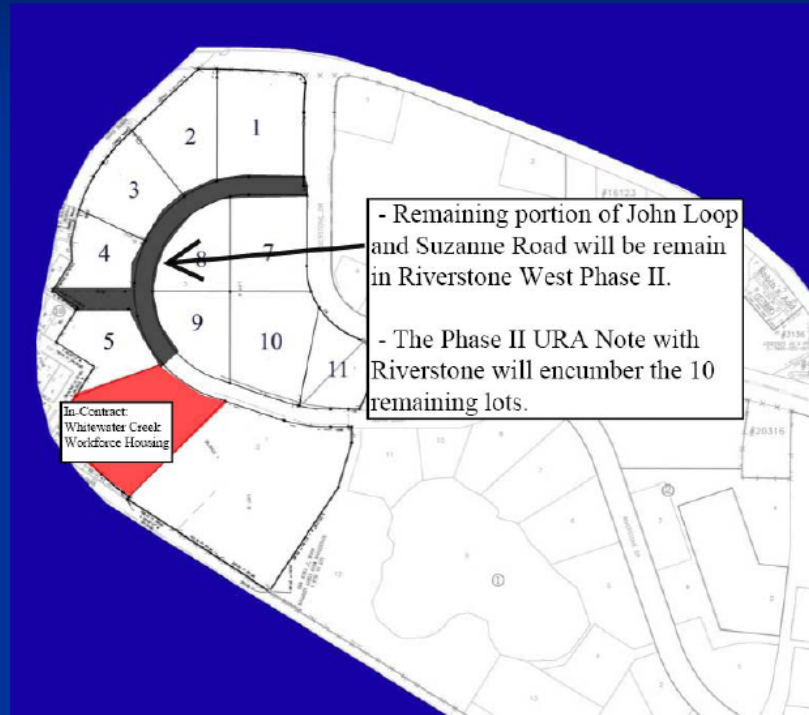
Phase II Improvements – Whitewater Creek Adjustment

- A portion of the total Phase II public improvements will be allocated to the Riverstone West Affordable Family apartment project



Slide depicting portion of roadway (grey color) pertaining to Whitewater Cr. Project.

Riverstone West Phase II – Riverstone West Portion



Slide depicting portion of roadway (grey color) pertaining to Riverstone West project area.

Project Costs

| Total Public Improvement Cost Estimate | |
|--|------------------------|
| Project Soft Costs (Design, Eng Permits, OH&P) | \$ 194,463.83 |
| Water Sewer and Utility Trenching | \$ 168,105.00 |
| Asphalt Paving | \$ 163,510.00 |
| Curb and Gutter | \$ 96,830.00 |
| Lighting | \$ 154,585.00 |
| Landscape | \$ 70,960.00 |
| Estimated Fill in R.O.W. (already in place) | \$ 602,777.78 |
| Additional Fill and related Earthwork | \$ 332,750.00 |
| Insurance and Bond | \$ 33,190.36 |
| Contingency | \$ 90,858.60 |
| Total Estimated Project Cost | \$ 1,908,030.57 |

Project Cost Revised for WWC

| Total Public Improvement Revised with Whitewater Creek | | |
|--|----|------------------|
| Total Public Improvement Cost Estimate | \$ | 1,908,031 |
| <i>less Portion Allocated to Whitewater Creek</i> | \$ | <i>(395,000)</i> |
| Total Riverstone West Request Amount | \$ | <u>1,513,031</u> |

Conclusion

- LCDC's commitment to this project is needed for this project move forward.
- Two projects which provide a great benefit to the entire community require the extension of John Loop and platting of Phase II
 - Whitewater Creek Affordable/Workforce Housing
 - CityLink Transit Center
- Completes Riverstone's Public Improvements prepares us for future land sales

As the previous slides illustrate, the public improvement assistance sought by Riverstone West involves reimbursement for the costs associated with completing the construction of John Loop road in the Riverstone West development area. Mr. Craven shared that this request is unique in that it dovetails with a proposed LCDC / Whitewater Creek Inc. (WWC) affordable housing apartment initiative within Riverstone West Phase 2.

Commissioner Elder invited Todd and Maryann Prescott to provide an overview to the Board regarding their proposed affordable housing apartment initiative located in the Riverstone West Phase 2 area. Following are selected slides from Mr. Prescott's presentation:



Slide depicting the architecture of the proposed 50 unit development.



Slide capturing the rents and types of apartment units in the development.

Community Rental Needs

- Vacancy for Affordable Units 3.3%
- Pend Up Demand 1,443 on local IHFA wait list
- Incremental New Demand 243 units
- Aligns with City Affordable Housing Needs Assessment
- Foreclosure and job loss only adds to the need
- Market Study approved by Idaho Housing and Finance

Slide illustrating the community demand of these types of rental units.

Proposed Use

LCDC Funds Used for Public Infrastructure

| | | |
|--|----|----------------|
| ○ Frontage Sewer, Water, Road, Sidewalks | \$ | 167,960 |
| ○ Access Infrastructure from Existing Pavement | \$ | <u>227,040</u> |
| Total Request | \$ | 395,000 |

Slide depicting how the proposed LCDC funding would be utilized.



Public Value

- 450 Lineal Feet of Public Infrastructure Constructed
- 130 Construction Jobs*
- 2 Permanent Jobs*
- 2 Part-time Jobs*
- \$3.9M in earnings generated by construction*

*Estimates based upon U.S. Dept of Commerce-Bureau of Economic Analysis

Slide illustrating the public value associated with the proposed initiative.



Public Value

- Approx. \$370,000 fees City of CDA
- Increase assessed value \$3M
- Generate \$42,700 annually property taxes
- \$280,800 in annual savings to local Idaho Housing & Finance Section 8 Voucher Program
- Green Building Design Practices State Threshold Req.

Slide illustrating the public value associated with the proposed initiative.



Why Requesting LCDC Funds?

- Idaho Housing & Finance Association (IHFA) requires 5% project cost funded locally
- Critical for community affordable housing needs
- Critical element bringing complex to Coeur d'Alene
- Without such TIF funds, project **will not** be allowed to move forward by IHFA

Slide explaining the need for LCDC partnership funding assistance.

In closing his presentation, Mr. Prescott shared that his development team was looking for a central community location and that Riverstone West was a perfect site for this type of WWC apartment development. Mr. Prescott shared that these proposed apartments will provide excellent housing opportunities for individuals working within the Riverstone mix-use development, as well as for the community as a whole. Mr. Prescott stressed that LCDC's support is critical to the project moving forward in that tax increment financing is an essential financing element in obtaining the federal tax credit funding component of the financing matrix.

These two proposals are based upon LCDC's standard Owner Participation Agreement (OPA) model wherein the developer constructs the public improvements and then LCDC reimburses the developer over time with tax increment revenues generated solely from the property associated with the public improvements. In other words, tax increment revenue generated by the Whitewater Creek Riverstone West Apartment project will be used to service the proposed debt obligation of \$395,000 for the affordable apartment initiative. Tax increment revenue generated by the remaining lots in the Riverstone West Phase 2 area will be used to service the proposed Riverstone West Phase 2 debt obligation of \$1,513,031.

Mr. Craven and Mr. Prescott summarized the proposal as follows:

- LCDC is being asked to partner in a \$1.9 million road construction endeavor,

- \$395,000 of the road cost will be attributed to LCDC's proposed OPA partnership agreement with Whitewater Creek for the development of the affordable apartment housing initiative,
 - the remaining \$1,513,031 of road construction costs will be attributed to an OPA partnership agreement with the Riverstone West Phase 2 development team, with said funding sourced primarily from Riverstone West Phase 2 lots 3,4,5,7,8,9,10 – i.e. all of the lots in Riverstone West Phase 2 minus any lots involved with the Whitewater Creek affordable apartments, and any lots eventually associated with the proposed Kootenai Metropolitan Planning Organization (KMPO) CityLink transit center located at the northern edge of the Riverstone West Phase 2 project area next to Seltice Avenue because these lots will most likely be deemed tax exempt when acquired by KMPO thus generating zero tax increment revenue.
- Commissioner Goodlander asked if there is a problem associated with the Riverstone West Phase 2 lot that borders the Riverstone Park boundary?
- Mr. Craven responded that the majority of that 5.8 lot is buildable, but there is a portion of the lot near the park boundary that contains significant levels of organic material; thus making that portion of the lot not suitable for building construction, but rather uses such as surface parking.
- Commissioner Patzer asked what will the demographics look like in these 50 apartment units?
- Mr. Prescott shared that the ground floor accessible units will most likely support seniors or individuals with disabilities. The other apartment units will most likely host dual income families primarily due to the proximity of the proposed CityLink transit center.
- Commissioner Patzer asked how will the eligibility of college students be evaluated for this type of housing?
- Mrs. Prescott responded that college students can qualify as renters, but that they can't qualify solely as college students. These federal tax credit supported projects cannot be utilized for dormitory housing with all full time students. Typically, if a college student lives in one of these apartment units, he/she is the only person in the household going to school.
- Commissioner Hassell asked how many residents would occupy this apartment complex?
- Mrs. Prescott shared that there would be approximately 125+/- residents when fully occupied.
- Commissioner Elder commented that he has read articles stating that the national demand for apartment housing is very high. He assumes that national trend exists in the CDA market. Is that true?
- Mrs. Prescott shared that yes, the CDA market has a high existing demand for apartment living, especially on the affordable living front where demand exceeds supply at this time; thus the need for additional rental space.

- Commissioner Elder shared that he has heard concerns from individuals in the community who own market rate rental apartments that this proposed affordable housing apartment project will lure their existing tenants away via cheaper rental rates. Is this a justified concern?
 - Mrs. Prescott responded that WWC is very aware of this issue in the communities where they work. A rental market study was performed in the CDA area prior to the awarding of the federal tax credits, and the market study determined that there exists a demand for over 200 new rental apartments in the CDA market place. The main issues at play here are increasing demand and a lack of supply due to the current economic times. WWC's business model of using federal tax credits in the funding matrix allows them to build rental apartments in these tough economic times which helps to meet the pent up demand for rental apartments.
- Commissioner Elder asked how WWC monitors the income levels of residents to make sure they still qualify for the affordable apartments?
 - Mrs. Prescott shared that this type of due diligence is critical for WWC because WWC is audited annually to make sure they are complying with the federal rules behind the federal tax credit funding. Annually, the income of existing residents is reviewed to make sure they are still within the affordable household guidelines. If the residents exceed the guidelines, they are asked to relocate.
- Commissioner Patzer asked what is the average length of stay for residents in WWC apartments?
 - Mrs. Prescott shared that there are two distinct populations. Residents living in the accessible ground floor units usually stay for a long time. Residents living in the other apartment units typically turn over every 2-3 years.
- Commissioner Patzer asked if WWC has other affordable housing phases planned for the Riverstone development?
 - Mr. Prescott shared that there could be some additional housing projects developed within Riverstone, but that the housing projects would contain primarily market rates units, with possibly a small affordable housing component.
- Commissioner Hassell asked if the Board approves funding for these two projects, how will that approval affect the financial situation in the LCDC's River District?
 - Commissioner Colwell responded that since these proposed projects are stand alone projects that will be self funded by tax increment generated, that the overall financial picture of the River District will be favorably affected in the long-term. The developers of these two projects will be assuming all of the risk associated with these projects by paying for the public improvements up front, with the expectation of being reimbursed over time from property taxes generated by their specific projects.

- Commissioner Patzer commented from an awareness standpoint that if the CityLink transit center does move forward, the property CityLink acquires from the Riverstone West development team will in all likelihood be removed from the tax rolls (i.e. become tax exempt), and thus would not help to service the debt associated with the proposed Riverstone West Phase 2 OPA.

Motion by Goodlander, seconded by Hoskins, to approve the Riverstone West Phase 2 development team's requested LCDC partnership funding amount of \$1,513,031 for the proposed Riverstone West Phase 2 public improvements, with said LCDC funds to be used for construction of the aforementioned public improvements, pending completion of the following actions by the LCDC Executive Director: 1) consult with LCDC legal counsel re. development of the appropriate contractual agreements (e.g. an OPA) necessary to govern this project, and to 2) arrange for a third party cost validation analysis relative to the aforementioned public improvements. Motion carried.

Recusal: Commissioner Davis recused himself from participating and voting on the Riverstone West Phase 2 agenda item because the applicant and/or related entities are clients of his law firm on matters not related to this application.

Recusal: Commissioner Nipp recused himself from participating and voting on the Riverstone West Phase 2 agenda item because of a potential conflict of interest.

Motion by Hoskins, seconded by Patzer, to approve Whitewater Creek's requested LCDC partnership funding of \$395,000 for the proposed Riverstone West Apartment Project, with said LCDC funds to be used for construction of the aforementioned public improvements, pending completion of the following actions by the LCDC Executive Director: 1) consult with LCDC legal counsel to develop the appropriate contractual agreements (e.g. an OPA) necessary to govern this project once all of the project's financing sourcing documents are finalized, and to 2) arrange for a third party cost validation analysis relative to the aforementioned public improvements. Motion carried.

Recusal: Commissioner Davis recused himself from participating and voting on the WWC Riverstone West Apartment agenda item because the applicant and related entities are clients of his law firm.

Recusal: Commissioner Nipp recused himself from voting on the WWC Riverstone West Apartment agenda item because of a potential conflict of interest.

Recusal: Commissioner Colwell recused himself from voting on the WWC Riverstone West Apartment agenda item because of a potential conflict of interest.

6. COMMITTEE REPORTS

❖ Education Corridor ad hoc Committee

Commissioner Hoskins, Chair of the ad hoc Committee, shared that the final engineering design effort is moving forward, with plans to have biddable road and public improvement documents ready by the spring of 2011.

- Commissioner Elder asked about the status of phase 2 of the project (depicted in the Education Corridor Phase 1 & 2 graphic below)?
 - Commissioner Hoskins shared that the Committee decided not to pursue final design work for Phase 2 at this time because it was felt the majority of stakeholders wanted to see how Phase 1 improvements worked first before undertaking Phase 2 design.
- Commissioner Patzer asked what is the current design status of the proposed roundabout at Hubbard and River?
 - Commissioner Hoskins shared that recent successful discussions with a property owner located on the corner of River Avenue and the existing Hubbard Avenue (located south of River Avenue) have opened the possibility to move the Hubbard/River roundabout further to the east on River Avenue, thus aligning the roundabout with the existing location of Hubbard Avenue (see graphic depiction below for new proposed location of roundabout).
- Commissioner Goodlander asked for a process update regarding steps following completion of the current planning process.
 - Commissioner Hoskins shared that when the design phase is completed, and the biddable documents are ready, the LCDC Board will then decide which elements of the design will be released for bid (i.e. all of Phase 1, or just certain elements of Phase 1).
- Commissioner Davis commented that the River Avenue extension to Northwest Boulevard as planned will remove the need to construct any retaining walls along River Avenue, but will require the acquisition of a certain portion of private property (BNSF railroad fee property) near Northwest Boulevard.



Proposed new road segment alignment of Hubbard Avenue, with the proposed new location of the Hubbard/River Avenue roundabout, is depicted above in black.

❖ Finance Committee – Commissioner Rod Colwell

Fiscal Year 2010 Audit

Commissioner Colwell invited Ben Johnston, of the Magnuson & McHugh Accounting Firm, to share a summary overview of the 2010 fiscal year LCDC audit.

Mr. Johnston reviewed several key elements of the report and shared that LCDC's FY10 audit is deemed "clean" – i.e. no issues of concern were found during the audit.

- Commissioner Colwell asked, for the benefit of the viewing audience, if LCDC's cash assets were verified during the audit?
 - Mr. Johnston responded that yes, all LCDC cash assets were verified, as well as the verification of all LCDC existing debt obligations.

Mr. Johnston commented that a real strength of the LCDC business model is having a 3rd party accountant prepare LCDC's monthly financial statements.

Commissioner Colwell shared that LCDC has a very strong internal control program overseen by the LCDC Finance Committee.

Lake & River District Monthly Financials
Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the December Lake and River District financial files, and the December account payables sheet, with the Board.

Motion by Commissioner Hassell, seconded by Commissioner Hoskins, to approve the December financial packets and the December accounts payables for the Lake & River Districts as presented. Motion carried.

Seattle/Northwest Securities Corp (SNW): Financial Advisory Services
Contract Proposal

As Commissioner Colwell shared at the December 15, 2010 Board meeting, the LCDC Board will need to spend time early in 2011 working through a capital allocation prioritization exercise for the Lake District. With several significant community project endeavors on the horizon, the Board needs to make sure that available LCDC funds are invested wisely, optimizing the benefit to the community.

To that end, the Finance Committee recommends that LCDC engage Eric Heringer of SNW to assist the LCDC in analyzing Lake District financial alternatives. Mr. Heringer will assist in helping to evaluate the potential financial capacity of the Lake District and assist in evaluating the pros and cons of entering into either a public bond financing scenario or a private bank placement scenario. The Finance Committee wants to make sure that LCDC can afford to be a financial partner in any significant LCDC Board commitments (e.g. McEuen Park) that may arise in 2011.

The fee proposal for Mr. Heringer's services assumes SNW will act as financial advisor to LCDC in evaluating revenues, structuring debt and developing possible debt obligation placement strategies (both private and public placements). Mr. Heringer's hourly fee will be \$225 for said financial advisory services.

- Commissioner Elder commented that although the firm's name is Seattle/Northwest, Mr. Heringer is located in Boise and has a vast background in helping Idaho public entities with their financing needs.

- Commissioner Nipp commented that he feels it is very prudent for LCDC to engage the services of Mr. Heringer as proposed. SNW is a well respected firm in the financial industry.
- Commissioner Goodlander shared that SNW has also worked with the city of CDA on numerous occasions and has been given high marks by city staff.
- Commissioner Davis also has heard good reviews re. SNW involving their work for municipal entities across the state.

Motion by Commissioner Nipp, seconded by Commissioner Elder, authorizing the engagement of Eric Heringer of Seattle Northwest Securities, to act as an LCDC financial advisor, at the rate of \$225/hour, with a contract spending cap of \$11,250.

Motion carried.

FY11 Q1 Quarterly Report

Commissioner Colwell shared the Fiscal Year 2011 first quarter (FY11 Q1) report with the Board, asking Board members to review the package at their convenience, and to share any questions with Ex. Director Berns.

❖ Housing Committee – Commissioner Jim Elder

Housing Committee Chair Jim Elder shared that the Committee had no items to report at this time.

❖ Parking Committee – Commissioner Jim Elder

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City's Parking Commission, shared that he had no update from the Parking Commission's endeavors other than what will be discussed under the following McEuen Park agenda item.

❖ Communication Committee – Commissioner Dave Patzer

Communication Committee Chair Dave Patzer, shared that the Committee had no report at this time, and still plans to have informational presentations at upcoming Board meetings.

7. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns reviewed the first quarter 2011 district scorecards and shared the following item with the Board:

McEuen Park: Public Engagement – Logistics and Facilitation Funding

LCDC has been approached by the City of CDA re. contributing additional funds to the McEuen Park conceptual design initiative. Currently, LCDC's commitment to the \$125,000 McEuen Park conceptual planning initiative is \$100,000. This original funding is intended to fund Team McEuen's professional time. As this initiative matures, additional costs are arising involving desired professional meeting facilitation services as well as additional logistic costs.

City of CDA leadership estimates that an additional \$5,400 will be needed to address meeting facilitation needs and logistic costs. The City proposes splitting these additional costs 50/50 with LCDC, asking that LCDC consider committing an additional \$2,700 to the McEuen Park conceptual design initiative.

- Commissioner Elder commented that the McEuen Park initiative is being worked and discussed in many venues throughout the community. Commissioner Elder shared that an estimated 500 people attended the first McEuen Park public meeting held on January 6th. Each person who attended the meeting was given a survey to complete seeking their likes and dislikes of the proposed design changes. Of the surveys returned, the majority of feedback supports the direction of the design team at this time.
- Commissioner Elder shared that the next McEuen Park public meeting (February 3rd, 6:00 pm @ the Woodland Middle school) will be a repeat performance of the January 6th presentation because not all of the interested public was able to attend the first session. Another more interactive McEuen Park public meeting is scheduled for Feb 10th (location and time still to be determined).
- Commissioner Jordan asked how large of an audience will the Woodland school support? Commissioner Elder responded that he has been told that the Woodland gymnasium can host a gathering in the 500+/- range.
- Commissioner Elder encouraged the viewing audience to provide input re. the proposed modifications to McEuen Park by completing a survey located online at the McEuen Park website (www.mceuenpark.com). The survey is easily accessible and easy to complete.
- Commissioner Davis commented that he feels having a repeat performance of the January 6th presentation is a good idea.
- Commissioner Patzer shared that a letter was distributed by the State of Idaho to all registered boat owners in eastern Washington, northern Idaho and western Montana who boat on lake CDA. An estimated 32,000 registered boaters were contacted sharing that the City of CDA was contemplating the removal of the 3rd street boat launch. Doug Eastwood, City of CDA parks

Director, has fielded about 200 inquiries from interested boaters re. the removal of the 3rd street boat launch.

- Commissioner Hoskins commented that one key aspect of the McEuen Park design is the introduction of decked parking, which almost doubles the parking capacity at McEuen Park while also freeing up 5 acres of land (that used to support the surface parking lot) to be utilized for other public uses.

Motion by Commissioner Jordan, seconded by Commissioner Hoskins, to authorize the spending of \$2,700 towards facilitation and logistic costs associated with the McEuen Park conceptual planning initiative. Motion carried.

8. PUBLIC COMMENT

No public comment provided.

9. EXECUTIVE SESSION – Idaho Code Section 67-2345(1)

Subsection C: acquiring an interest in real property not owned by a public agency.

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins to convene an Executive Session, as provided by Idaho Code Section 67-2345(1) Subsection C: acquiring an interest in real property not owned by a public agency. Roll Call:

| | | | | | |
|----------------|------------|-------------------|------------|----------------|------------|
| Nipp | Yes | Goodlander | Yes | Hassell | Yes |
| Colwell | Yes | Patzer | Yes | Jordan | Yes |
| Elder | Yes | Davis | Yes | Hoskins | Yes |

Motion carried.

The LCDC Board entered into Executive Session at 5:47 p.m. Those present were the LCDC Board of Commissioners, LCDC legal counsel Danielle Quade, and LCDC Executive Director Tony Berns.

Deliberations were conducted regarding the acquisition of an interest in real property which is not owned by a public agency.

No action was taken in Executive Session and the LCDC Board returned to regular session at 6:14 p.m.

10. ADJOURN

Motion by Commissioner Colwell, seconded by Commissioner Hoskins to adjourn. Motion carried.

The LCDC Board meeting adjourned at 6:15 p.m. Minutes prepared and submitted by Tony Berns.



**BOARD MEETING MINUTES
WEDNESDAY FEBRUARY 16, 2011 4:00 P.M.
COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

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

LCDC Board members present: Elder, Davis, Nipp, Hassell, Hoskins, Goodlander, Jordan, Colwell. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley-Troxell Law Firm).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Chris Hollibaugh, Tom Hasslinger, Brad Marshall, Dale Baune, Alan Soderling, Alison Boggs.

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- January 19, 2011 Board Meeting Minutes

**Motion by Commissioner Goodlander, seconded by Commissioner Elder to approve the January 19, 2011 Board Meeting Minutes.
Motion carried.**

5. COMMITTEE REPORTS

❖ Education Corridor ad hoc Committee

Commissioner Hoskins, Chair of the ad hoc Committee, welcomed Brad Marshall, Dale Baune and Alan Soderling from JUB Engineers to the Board meeting.

Mr. Marshall provided an update to the Board re. the Education Corridor infrastructure design process for phase 1 of the proposed infrastructure improvements (Slide 1 below depicts the phase 1 area). Mr. Marshall shared that the Strata Engineering firm has completed their phase 1 geo-technical survey work and have determined that the areas proposed for the public

improvements are comprised of soils predominantly of sands and gravels which are well suited for construction of the proposed improvements.

Mr. Marshall showed graphic depictions of initial (Slide 2) and current (Slide 3) road & roundabout locations. Mr. Marshall also discussed JUB's recommendation re. the best alignment for extending River Road out to Northwest Boulevard. As seen in Slide 2, the new section of College Avenue has been straightened out a bit which better facilitates the construction of the planned NIC/UI/LCSC joint use building that will be located to the south of the new College Avenue road section.

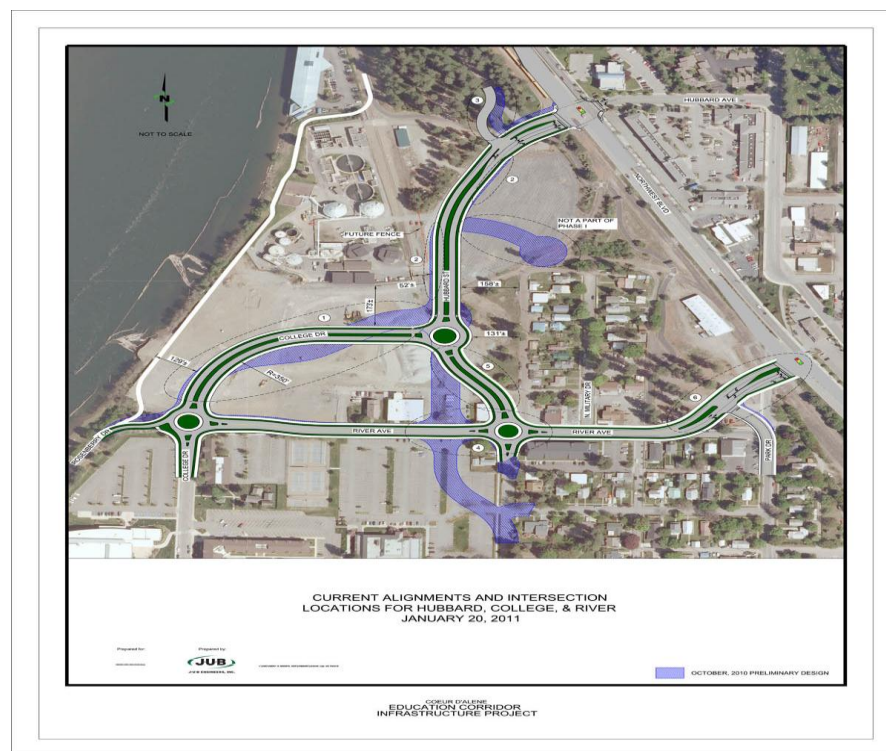
Other road alignment modifications were made (Slide 2) that slightly shifted the new section of Hubbard Avenue slightly to the east, and shifted the Hubbard/College roundabout slightly to the south which provides a better alignment with the existing section of Hubbard Avenue south of River Avenue. The revised location of the Hubbard Avenue / River Avenue roundabout as shown in Slide 2 necessitates the acquisition of property that currently supports the Jeffries TV building. Owners of Jeffries TV are working with the City and NIC on this acquisition issue. All other property related impacts resulting from the revised location of the Hubbard/River roundabout are less impactful and are being worked with the property owners.

Mr. Marshall also shared that the design team has designed the roundabouts to handle the limited amount of large truck traffic (e.g. food service trucks, paper delivery trucks) that occurs on the campus. Other issues discussed involved the complexity of the signalized intersection designs and landscaping plans for the roadway areas. Mr. Marshall shared the following design completion statistics: signalized intersection designs are 90% complete, roundabout designs are 55% complete, street designs are 10-20% complete, and the lighting and landscaping design efforts are under way.

- Commissioner Nipp asked if the signalization equipment needed for the Hubbard /NW Boulevard intersection will be pre-ordered?
 - Mr. Soderling responded that yes, JUB is finalizing the material needs list and will forward the list to the city.
- Commissioner Jordan asked where on the old DeArmond mill site is the proposed boat launch to be located?
 - Mr. Marshall utilized Slide 3 to show the location of the proposed boat launch between the wastewater treatment plant's southern boundary and the proposed new section of College Avenue.
- Commissioner Davis asked if the Hubbard Avenue central median will contain "breaks" near the treatment plant to allow ingress and egress?
 - Mr. Marshall shared that yes, the median will contain access points where needed for the treatment facility.

- Commissioner Nipp asked for a summary review of the proposed turn lane configurations for the two proposed NW Boulevard signalized intersections?
 - Mr. Soderling provided said summary review for the Board.
- Commissioner Goodlander asked how the turning traffic heading south on NW Boulevard will be stacked at the new Hubbard/NW Boulevard signalized intersection?
 - Mr. Soderling reviewed the turn lane stacking design, and shared that the design is based on traffic count data collected in 2010.
- Commissioner Elder, for the sake of clarity, commented that the design shown for the proposed intersection of River Avenue with NW Boulevard is the final recommended design – correct?
 - Mr. Marshall shared that yes, the depicted intersection location on Slide 3 is the recommended location.
- Commissioner Nipp asked for a design schedule update.
 - Mr. Marshall shared that this is a complicated project, but that overall, the design team is on schedule to have the design plans complete by the 3rd week of March, with a proposed bid date of late April, and construction commencing in late May.
- Commissioner Goodlander asked how would the construction of phase 1 street improvements be sequenced on the ground?
 - Mr. Marshall shared that if all of the phase 1 improvements are awarded at bid this spring, the first road section addressed would be the existing section of River Avenue between Hubbard Avenue and College Avenue, followed by construction of the new Hubbard Avenue section, followed by the new College Avenue section.
- Dale Baune shared with the Board that due to the complexity of this design initiative, weekly meetings are occurring between JUB staff, City of CDA Engineering Department staff and LCDC staff to assure that all tasks are being addressed in a timely fashion.

Commissioners Davis and Hoskins thanked the JUB design team for the presentation and summary overview.





Slide 3. Current Public Improvement Locations.

❖ Finance Committee – Commissioner Rod Colwell

Lake & River District Monthly Financials

Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the January Lake and River District financial files, and the January/February account payables sheet, with the Board.

Motion by Commissioner Elder, seconded by Commissioner Hassell, to approve the January financial packets and the January / February accounts payables for the Lake & River Districts as presented.

Recusal – Commissioner Davis recused himself from voting on the payables related to the Riverstone development.

Motion carried.

Seattle/Northwest Securities Corp (SNW) Financial Analysis: Update

Background: Please refer to the January 19, 2011 Board meeting minutes for background re. this initiative.

Commissioner Colwell shared that the SNW Lake District financial analysis is progressing well. SNW has shared some preliminary modeling information with the Finance Committee at this point. Sensitivity analyses (i.e. changing various model parameters to see how “sensitive” the model results are to each parameter change) are currently underway. In addition, various coverage ratio scenarios are being performed to determine the Lake District’s financial capacity. Commissioner Colwell shared that he hopes to have a preliminary Lake District financial capacity recommendation to the Board at the March Board meeting.

- Commissioner Nipp asked Commissioner Colwell to provide a brief overview of the coverage ratio concept.
 - Commissioner Colwell shared that a coverage ratio is basically a formula used to assess the adequacy of cash flow generated via revenues for the purposes of meeting debt obligations. For example, a 1.3 coverage ratio is good meaning that revenues realized annually exceed debt obligations by 1.3 times. A 1.5 coverage ratio is usually a target ratio that lenders prefer when evaluating loan commitments. Typically, the higher the coverage ratio required, the lower the loan amount.

❖ Housing Committee – Commissioner Jim Elder

Housing Committee Chair Jim Elder shared that the Committee had no items to report at this time.

❖ Parking Committee – Commissioner Jim Elder

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City’s Parking Commission, shared that he had no update from the Parking Commission’s endeavors. Commissioner Elder did share that the parking component of the proposed McEuen Park design is still being vetted, and the park’s ultimate parking design component will impact the overall long-term downtown parking solution. Commissioner Elder shared that initial public feedback re. the proposed McEuen Park parking concept has received positive feedback to date.

❖ Communication Committee – Commissioner Dave Patzer

Executive Director Berns, in Communication Committee Chair Dave Patzer’s stead, invited LCDC’s Online Communication Coordinator Chris Hollibaugh

to join the Board meeting to update Board members on the status of LCDC's new Content Management System (CMS).

Mr. Hollibaugh shared that he will have the redeveloped LCDC website available for the Communication Committee's review within a week. The new LCDC CMS is very straight forward and intuitive. He shared that the new system is much more efficient from a data management standpoint. Mr. Hollibaugh shared that he still plans to have the ability to stream videos on line.

- Commissioner Elder commented that he feels the LCDC website is very easy to use and loaded with valuable information. He looks forward to viewing the new LCDC CMS website.

6. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns shared the following items with the Board:

Membership in Redevelopment Association of Idaho (RAI)

Note: Please refer to the December 15, 2010 LCDC Board Meeting Minutes for background pertaining to this item.

Executive Director Berns shared that the RAI organization has formalized its status within the state of Idaho, and is now soliciting membership by offering a \$50/year membership rate for existing urban renewal agencies, and a \$100/year membership rate for affiliate membership (i.e. membership for individuals / organizations that are not urban renewal agencies but want to participate in the organization's goals).

Executive Director Berns recommended to the Board that LCDC become a member of RAI for 2011 at the proposed \$50/year membership rate.

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins, authorizing LCDC to become a member of the Redevelopment Association of Idaho (RAI) for 2011 at the proposed membership rate.

Discussion:

- Commissioner Davis shared that he believes LCDC's membership in this organization is important because the RAI will become a central voice for urban renewal agencies across the state, benefiting both local communities and legislators by sharing factual information involving the urban renewal economic development tool.

Motion carried.

LCDC Annual Report to City Council

Executive Director Berns shared that he presented the 2010 LCDC Annual Report to City Council on February 15, 2011. The LCDC annual report presentation to City Council highlighted LCDC's vision and mission, updates on LCDC initiatives, and discussion of LCDC's long-term strategic goals.

Urban Renewal Legislation Update

Executive Director Berns and Commissioner Davis shared that the House Local Government Committee was conducting a hearing today (February 16th) and accepting testimony involving a host of urban renewal legislation. Limited information was available to share with the Board during the meeting due to the ongoing hearing process. Information pertaining to the fate of the House bills will be shared with Board members when available.

7. PUBLIC COMMENT

No public comment provided.

~~8. EXECUTIVE SESSION — Idaho Code Section 67-2345(1)~~

No Executive Session was called.

9. ADJOURN

Motion by Commissioner Hassell, seconded by Commissioner Hoskins to adjourn. Motion carried.

The LCDC Board meeting adjourned at 4:50 p.m. Minutes prepared and submitted by Tony Berns.



**BOARD MEETING MINUTES
WEDNESDAY MARCH 16, 2011 4:00 P.M.
COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

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

LCDC Board members present: Elder, Davis, Nipp, Hassell, Patzer, Jordan, Colwell. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley-Troxell Law Firm).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Chris Hollibaugh, Gordon Dobler, Todd Prescott, Mike Craven

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- February 16, 2011 Board Meeting Minutes

Motion by Commissioner Hassell, seconded by Commissioner Elder to approve the February 16, 2011 Board Meeting Minutes. Motion carried.

5. COMMITTEE REPORTS

- ❖ Education Corridor ad hoc Committee: Commissioner Scott Hoskins
LCDC Executive Director Berns, in Commissioner Hoskin's stead, shared that the JUB Engineering design process is progressing on schedule, with expected delivery of stamped plans and contract (bid) documents to the City of CDA by April 8th. The City's Engineering department will prepare and distribute the bid packages, and will assist in the review and analysis of submitted bid proposals, with said bid proposals most likely due by early to mid May.

JUB and City of CDA Engineering staff have recommended that the proposed traffic signal component parts needed to install a traffic signal at Hubbard

Avenue & Northwest Boulevard be pre-ordered to assure their summertime delivery (delivery of said component parts can take up to 4 months).

The City of CDA Engineering department has secured a bid for said traffic signal component parts from Northwest Signal, the city's supplier of traffic signal components. Northwest Signal's bid for the proposed Hubbard / Northwest Boulevard traffic signal is \$150,061.



Origins in 1976

12965 SW Herman Rd.
Tualatin, OR 97062
T: +1.503.635.4351
F: +1.503.635.4341

chad.vanorder@nwsignal.com

| | | | | | |
|--|--|--|----------------|-------------------------|--|
| Date: March 14, 2011 | | Bid Date: | | Contact CHAD VANORDER | |
| Project: NORTHWEST BLVD AT HUBBARD AVE | | | | | |
| Attn: GORDON DOBLER @ CITY OF COEUR D' ALENE | | | | | |
| Payment Terms: 0 % NET 30 Days | | | | Quote Validity: 30 DAYS | |
| Delivery | | 60 DAYS (After receipt of approved submittals) | | REVISED 3/14/2011 | |
| Item | Description | Qty | Price ea. | TOTAL | |
| 1 | TYPE P-CABINET W/ M1 CONTROLLER, EDI MMU16LE, (16) 4000HD LOAD SWITCHES, 4000F-HD FLASHER, WIRED DETECTOR RACK W/ (2) NWS 24V 1.2A POWER SUPPLIES, (1) GTT M745 PHASE SELECTOR, (1) 252 OPTICALLY ISOLATED SLOT (5) 4-CH DETECTOR AMPLIFIERS | 1 | INC | INC | |
| 2 | MILBANK SERVICE CABINET PER DRAWING | 1 | INC | INC | |
| 3 | CLASS 3 3015-50 SIGNAL STANDARD GALVANIZED W/ ANCHOR BOLTS | 1 | INC | INC | |
| 4 | CLASS 2 3015-45 SIGNAL STANDARD GALVANIZED W/ ANCHOR BOLTS | 1 | INC | INC | |
| 5 | CLASS 1 4020-30 SIGNAL STANDARD GALVANIZED W/ ANCHOR BOLTS | 1 | INC | INC | |
| 6 | CLASS 3 4015-50 SIGNAL STANDARD GALVANIZED W/ ANCHOR BOLTS | 1 | INC | INC | |
| 7 | PP-10 PED SIGNAL POLES GALVANIZED W/ ANCHOR BOLTS POLES INCLUDE CITY OF CDA INTERNAL TERMINAL COMPARTMENTS | 2 | INC | INC | |
| 8,9,12,13 | 3-SECTION SIGNAL HEADS W/ LEDS AND MOUNTING HARDWARE | 15 | INC | INC | |
| 10,11,14 | 4-SECTION SIGNAL HEADS W/ LEDS AND MOUNTING HARDWARE | 5 | INC | INC | |
| 15, 17 | INCLUDED IN HEADS | | | | |
| 16 | 6X6 NEVER FAIL LOOPS W/ LEAD IN CABLE | 24 | INC | INC | |
| 18,19 | PEDESTRIAN SIGNAL HEADS W/ LED HAND/MAN COUNTDOWN AND MOUNTS | 8 | INC | INC | |
| 20 | CAMPBELL ADVISOR PROGRAMMABLE AH STYLE PUSHBUTTONS | 8 | INC | INC | |
| 21,22 | NOT INCLUDED | | | | |
| 23,24,25 | COBRA HEAD LUMINAIRE W/ LAMPS | 4 | INC | INC | |
| 26,27 | NOT INCLUDED | | | | |
| 28, 29 | GTT-M722 DETECTOR W/ CABLE AND 575 CALL BACK LIGHT | 2 | INC | INC | |
| 30 | LED STREET NAME SIGNS W/ MOUNTING HARDWARE | 4 | INC | INC | |
| 31 | ILLUMINATED LANE CONTROL SIGN W/ MOUNT FOB NWS FACTORY - FREIGHT PREPAID | 3 | | | |
| | | | MATERIAL TOTAL | \$150,061 | |

City of CDA Engineer Gordon Dobler was invited to join the Board meeting.

- Commissioner Elder asked if the NW Signal bid was just for the cost of equipment?
 - Mr. Dobler shared that yes, the bid is just for materials and that installation costs will be additional. Mr. Dobler shared that pre-ordering the parts directly from NW Signal saves money by avoiding any possible contractor price markups via their ordering process.
- Commissioner Patzer asked for some background re. the NW Signal organization?
 - Mr. Dobler shared that NW Signal is located on the westside of Oregon, and has been in the traffic signal parts business for years. NW Signal manufactures the poles and controllers required for traffic signals and supplies the additional required equipment components. NW Signal is the only regional supplier for the type of equipment the City requires for traffic signals. There are other vendors in California, but they do not offer the level of service and required response time as provided by NW Signal.
- Commissioner Davis commented that Mr. Dobler's explanation of the NW Signal business model explains the City's decision to use NW Signal as the City's sole source provider for traffic signal components.
 - Mr. Dobler shared that yes, the City has used the sole source provider rationale as described in the following excerpt from a recent City staff report:

Idaho code requires purchases for personal property in excess of \$50,000 to publicly bid. However, an exception can be made for sole source expenditures when there is only one source reasonably available and "Where the compatibility of equipment, components, accessories, computer software, replacement parts or service is the paramount consideration" (67-2808).

All of our traffic signal equipment (poles, mast arms, lights, cabinet, controllers, detection, conflict monitors, etc.) is provided by the same manufacturers in order to maintain compatibility between the component parts, availability of service, and to reduce the expense necessary to stock replacement parts. Many of the component parts are configured to operate with other specific component parts of the signal, making it infeasible to accept substitutes that would inevitably occur through the bidding process. In addition, service for the controllers, detection, and related signal logic equipment is provided by the supplier. So, it is critical that the supplier be located close to Coeur d'Alene in order to provide timely response to equipment failures. Northwest Signal Supply is the closest and they are located in Portland, in addition, all of the

existing signal equipment is serviced by them. Finally, it is infeasible to stock replacement parts for multiple manufacturers of a single piece of equipment. When equipment fails it must be replaced immediately or the signals will not operate, so we must have these parts on hand. Having one manufacturer means we only need one or two controllers, conflict monitors, load switches, etc. instead of several of each. The cost of keeping an inventory like that would be substantial.

- Commissioner Nipp shared that he feels it is important to move forward with this order due to the possible length of delivery time.

Motion by Commissioner Nipp, seconded by Commissioner Hassell to authorize the ordering of traffic signal component parts, as outlined in the proposed bid, from Northwest Signal for the proposed Hubbard Avenue / Northwest Boulevard signalized intersection.

Discussion

Commissioner Patzer commented that since NW Signal is the sole source provider to the City of traffic signal components, he wants to make sure that the NW Signal bid price is competitive in the market.

- Mr. Dobler shared that yes, the NW Signal bid is market competitive and that the City has cross cost checked their bids in the past with other suppliers.

Commissioner Patzer commented, as a point of clarification, that LCDC will pay for the signal parts when invoiced by NW Signal, and that no down payment is required at time of ordering.

Motion carried.

- ❖ Finance Committee – Commissioner Rod Colwell

Lake & River District Monthly Financials

Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the February Lake and River District financial files, and the February/March account payables sheet, with the Board.

Motion by Commissioner Elder, seconded by Commissioner Hassell, to approve the February financial packets and the February / March accounts payables for the Lake & River Districts as presented.

Motion carried.

Seattle/Northwest Securities Corp (SNW) Financial Analysis: Update

Background: Please refer to the January 19, 2011 Board meeting minutes for background re. this initiative.

Commissioner Colwell shared that the Finance Committee is still working on refining financial parameters (e.g. various debt ratio scenarios, interest rate scenarios, etc.) through sensitivity analyses modeling efforts with SNW, and plans to have a Lake District financial capacity recommendation to discuss with the Board at the April Board meeting.

❖ Housing Committee – Commissioner Jim Elder

Housing Committee Chair Jim Elder shared that the Committee had no items to report at this time.

❖ Parking Committee – Commissioner Jim Elder

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City's Parking Commission, shared that he had no update from the Parking Commission's endeavors. Commissioner Elder did share that the parking component of the proposed McEuen Park conceptual design is currently being priced to determine the scope and scale of the proposed capital investment required. Team McEuen plans to price two scenarios for structured parking below Front Avenue; one scenario involving two below grade parking levels; one scenario involving one below grade parking level. Team McEuen hopes to have their cost analysis complete in April.

Commissioner Elder also shared that a Urban Land Institute (ULI) "white paper" regarding the value of public space to the community was presented to City Council at the March 15th City Council meeting. The ULI is a 501(c) (3) nonprofit research and education organization supported by its members. Founded in 1936, the ULI now has members in 95 countries worldwide, representing the entire spectrum of land use and real estate development disciplines working in private enterprise and public service. As the preeminent, multidisciplinary real estate forum, ULI facilitates an open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better places.

The ULI white paper shares an overview of the importance of public space to a community on many fronts; e.g. economic, social, cultural. Commissioner Elder shared that the renovation of McEuen Field will add vitality to the downtown and surrounding community. Commissioner Elder shared that the ULI document will be posted on the city of CDA's website, and asked to have the ULI document also posted on the LCDC website (www.lcdc.org).

❖ Communication Committee – Commissioner Dave Patzer

Communication Committee Chair Dave Patzer shared that the Committee has invited representatives from the CDA tribe to visit with the Board at the Board's April meeting to discuss the Tribe's strategic vision re. community initiatives, including the Tribe's partnership plans involving transportation initiatives (e.g. the Citylink program).

6. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns shared the following items with the Board:

Whitewater Creek (WWC) Riverstone West Phase 2 Apartment Project: Public Improvement Request Modification

Recusal: Commissioner Davis recused himself from participating in the Riverstone West Phase 2 Whitewater Creek agenda item, and thus did not chair this portion of the Board meeting, because Whitewater Creek, Inc. and principles of the Riverstone organization are clients of his law firm on matters unrelated to this application.

LCDC Vice Chairman Elder invited Todd Prescott (Whitewater Creek, Inc.) and Mike Craven (Riverstone Development) to join the meeting.

Mr. Craven shared with the Board that updated projected costs for the proposed public improvements in phase 2 of Riverstone West (originally estimated and presented to the Board in January at \$1,908,030) are now estimated to cost \$1,293,917; a cost savings of \$614,114. The reasons for this decrease in costs include:

- Better than expected bids on construction elements,
- value engineering by the Riverstone and WWC development teams,
- less reimbursement requested for "already in place fill material" that was brought in several years ago when the Central PreMix pit was filled.

The realization of the substantial cost savings over earlier cost estimates has resulted in WWC re-analyzing their project related public improvements totaling \$395,000; which is the project-related tax increment financing amount (5%) required by the IHFA federal tax credit program. WWC's \$395,000 public improvement funding request at the January Board meeting was comprised solely of road construction costs. Since the road construction costs have been reduced, WWC and the Riverstone development team are proposing to re-allocate WWC related public improvements to now include both needed road construction costs and sewer connectivity costs (refer to WWC letter below). The required gravity sewer connection across the WWC parcel (Slide 1) will provide sewer access for the 11 lots in Riverstone West Phase 2 to the main sewer trunk line located beneath the Prairie Trail.

Mill River Properties LLC

8421 N. Government Way, Hayden, ID 83835
(208)772-0108 (208)772-0178 (fax)

March 7, 2011
Via e-mail

Mr. Tony Berns
LCDC
P.O. Box 3450
Coeur d'Alene, ID 83814

RE: Riverstone West

Dear Mr. Berns:

As we progress to the close of the Riverstone West Properties affordable project, we found that the actual bid cost estimates are thankfully coming in lower than our original estimates. This will have an overall impact on our \$395,000 as follows (see attached Plat Map):

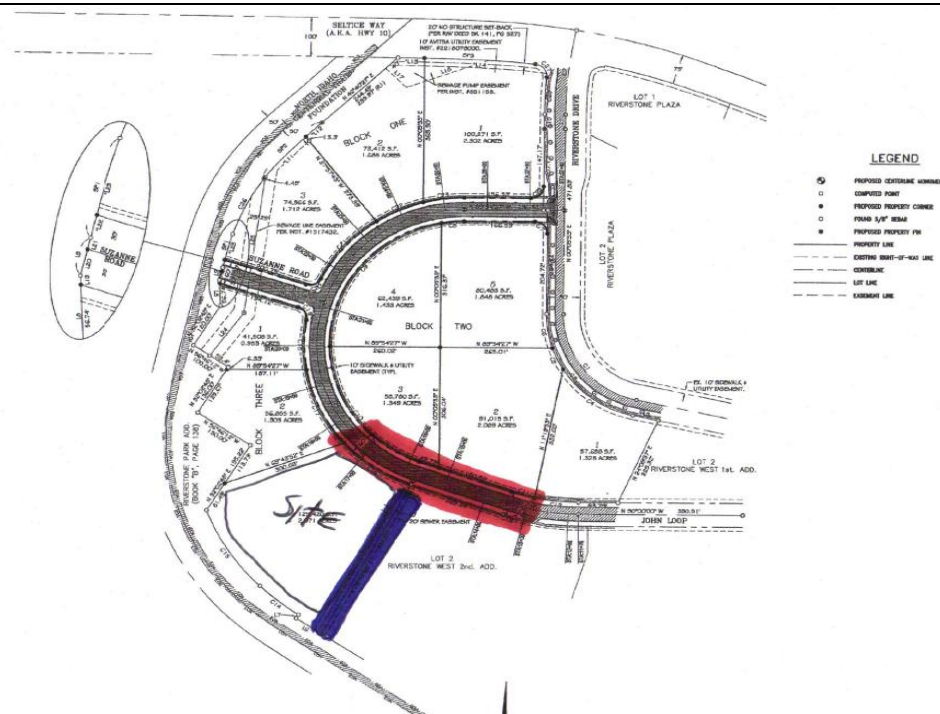
- A) Extension from the existing pavement thru the frontage of our site to the north westerly corner of our lot including the road, sewer, water, lights and sidewalks decreased from \$395,000 to \$201,562.
- B) Addition to scope of work to include the extension of the public sewer from the northeasterly corner of the lot to the main sewer trunk located at the bike path including the fill to bring the site to grade and the all-weather surface and associated easements \$193,438

Total Request \$395,000

Please note these are all public improvements just revisions on the costs and scope. We thank you for your time and attention to this.

Sincerely,

Todd Prescott
attachment



Slide 1. Graphic depiction of road right-of-way (red) and sewer connector (blue).

- Commissioner Colwell asked how does the proposed sewer connector and its location benefit the public?
 - Mr. Craven shared that the proposed sewer connector location and “gravity feed” engineering is the least expensive solution to connect the lots of Riverstone West Phase 2 to the main sewer trunk line located beneath the Prairie Trail.
- Commissioner Patzer asked how were the Riverstone West Phase 2 lots going to be connected to the main sewer line originally?
 - Mr. Craven shared that the original design called for the sewer connector line to run through Riverstone Park; a more expensive proposition.
- Commissioner Patzer asked if this proposed sewer connector will service all of the Riverstone West Phase 2 lots?
 - Mr. Craven shared that yes, the proposed gravity feed connector line will service all of the lots without the need for a lift station.
- Commissioner Patzer asked if the requested shifting of funds from the street improvements will be sufficient to pay for the proposed sewer connector line?
 - Mr. Prescott shared that yes, the proposed costs will cover the expense of the sewer line connector components, plus the costs of the fill material required to bring the site up to grade and the cover material required for access.
- Commissioner Patzer asked LCDC legal counsel Danielle Quade if the requested funds to pay for public improvements on private property to facilitate a public use falls within LCDC’s purview?
 - Mrs. Quade shared that she sees no problem with the sewer line public improvement as proposed and located on the WWC lot.
- Commissioners Jordan and Hassell both commented that the City prefers to avoid the installation of sewage lift stations where possible due to their long-term maintenance and operation issues.
- Commissioner Nipp asked if all of the Riverstone West Phase 2 lots will be stubbed into the collector system running below John Loop road?
 - Mr. Prescott shared that yes, all of the lots will be stubbed for collector access.

Motion by Commissioner Hassell, seconded by Commissioner Patzer, approving the public improvement modifications as presented pertaining to the Whitewater Creek Riverstone West Phase 2 Apartment project, subject to the City’s concurrence that this

proposed sewer connector remedy is the best solution for the wastewater needs for the Riverstone West Phase 2 area.

Recusal: Commissioner Davis recused himself from participating and voting on the WWC Riverstone West Apartment agenda item because the applicant and related entities are clients of his law firm.

Recusal: Commissioner Nipp recused himself from voting on the WWC Riverstone West Apartment agenda item because of a potential conflict of interest.

Recusal: Commissioner Colwell recused himself from voting on the WWC Riverstone West Apartment agenda item because of a potential conflict of interest.

Motion carried.

Urban Renewal Legislation Update

Executive Director Berns and Commissioner Davis shared that the Senate Local Government & Taxation Committee conducted hearings on March 15th and March 16th regarding two urban renewal bills forwarded from the House: House Bills (HB) 95A and 110. The Senate Committee discussed amendments to both House Bills and referred both HB95A and HB110 to the senate floor's amendment calendar.

7. PUBLIC COMMENT

No public comment provided.

8. EXECUTIVE SESSION – Idaho Code Section 67-2345(1)

Subsection C: acquiring an interest in real property not owned by a public agency.

Motion by Commissioner Colwell, seconded by Commissioner Patzer to convene an Executive Session, as provided by Idaho Code Section 67-2345(1)

Subsection C: acquiring an interest in real property not owned by a public agency. Roll Call:

| | | | | | |
|----------------|------------|-------------------|---------------|----------------|---------------|
| Nipp | Yes | Goodlander | Absent | Hassell | Yes |
| Colwell | Yes | Patzer | Yes | Jordan | Yes |
| Elder | Yes | Davis | Yes | Hoskins | Absent |

Motion carried.

The LCDC Board entered into Executive Session at 4:50 p.m. Those present were the LCDC Board of Commissioners, LCDC legal counsel Danielle Quade, City of CDA Attorney Mike Gridley, and LCDC Executive Director Tony Berns.

Deliberations were conducted regarding the acquisition of an interest in real property which is not owned by a public agency.

No action was taken in Executive Session and the LCDC Board returned to regular session at 5:46 p.m.

9. ADJOURN

Motion by Commissioner Hassel, seconded by Commissioner Colwell to adjourn. Motion carried.

The LCDC Board meeting adjourned at 5:47 p.m. Minutes prepared and submitted by Tony Berns.



**BOARD MEETING MINUTES
WEDNESDAY APRIL 20, 2011 4:00 P.M.
COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

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

LCDC Board members present: Elder, Davis, Hoskins, Goodlander, Hassell, Patzer, Jordan, Colwell. LCDC staff present: Berns, Hollibaugh. LCDC legal counsel present: Quade (Hawley-Troxell Law Firm).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Matthew Beam, Vince Hughes, Marc Stewart, Eric Heringer, Tom Hasslinger, Mike King, Alison Boggs, Skip Fuller, Frank Orzell, John Bruning, Rita Sims-Snyder, Susie Snedaker, and others.

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- March 16, 2011 Board Meeting Minutes

**Motion by Commissioner Elder, seconded by Commissioner Goodlander to approve the March 16, 2011 Board Meeting Minutes.
Motion carried.**

5. PRESENTATION: COEUR D' ALENE TRIBE

Commissioner Dave Patzer, Chair of the Communication Committee, welcomed Marc Stewart, Public Relations Director of the CDA Tribe, to the Board meeting. Commissioner Patzer shared that Mr. Stewart's visit today is part of the Communication Committee's ongoing effort to educate / update the Board on current issues, conditions and opportunities.

Mr. Stewart shared that the CDA Tribe is very busy, with several ongoing initiatives, including the upcoming grand opening of the new casino expansion which will add 200+ jobs to the community. The CDA Tribe sees great economic opportunities in the

region, and plans to be an active partner in these economic opportunities. Mr. Stewart shared that he would be happy to answer any Board member questions.

- Commissioner Colwell asked how many new lodging rooms will be added via the casino expansion?
 - Mr. Stewart shared that 98 additional rooms will be added.
- Commissioner Elder asked how many people are employed by the casino operations?
 - Mr. Stewart shared that the overall casino operation employs over 1,200 individuals. The CDA Tribe is the leading employer in northern Idaho.
- Commissioner Patzer asked how the Citylink bus transit (free to ride) operation is working from the CDA Tribe's perspective?
 - Mr. Stewart shared that Citylink ridership is about 50,000 per month. The success / growth of Citylink has exceeded the CDA Tribe's expectations. A small percentage of the ridership travels to the casino operations. The CDA Tribe contributes a total of \$1.2 million per year to the Citylink endeavor; \$660,000 federal dollar match needed to secure federal funding for the initiative, \$600,000 towards Citylink operations. The CDA Tribe expects Citylink ridership to soar due to increasing fuel prices, and is looking for regional partners (e.g. KMPO, Kootenai County, area cities) to help offset the rising costs of the Citylink operations. If few partners are willing to participate, then the CDA Tribe will review its position in the Citylink enterprise.
- Commissioner Patzer asked where does the CDA Tribe generate the \$1.2 million Citylink contribution?
 - Mr. Stewart shared that the funds emanate from several CDA Tribe operational sources, including general funds and fuel taxes.
- Commissioner Jordan asked if the CDA Tribe federal match funds will continue to materialize?
 - Mr. Stewart shared that he is hopeful that the CDA Tribe will continue in the federal match program, but there are no guarantees. That is why it is very important to gain secure long-term support for the Citylink enterprise from other local organizations/entities.
- Commissioner Goodlander asked if the CDA Tribe has considered a strategy to better communicate to the general public the CDA Tribes' commitment to Citylink – e.g. some type of messaging on the buses sharing the CDA Tribe's supportive partnership in the endeavor?
 - Mr. Stewart shared that the CDA Tribe's culture is not to boast of its success and achievement. However, he will convey that suggestion to tribal leadership for their consideration.

- Commissioner Hassell suggested that the Citylink partners should consider charging for ridership to help offset some of the operational cost issues.
- Commissioner Davis asked if the CDA Tribe supports the proposed Citylink transit center located in the Riverstone development?
 - Mr. Stewart shared that the CDA Tribe is watching the transit center situation closely, but has not decided on any potential partnership role at this time.
- Commissioner Patzer asked what other CDA Tribe partnership agreements exist?
 - Mr. Stewart shared that the CDA Tribe works with the State of Idaho & communities on many issues, including support for the Cataldo Mission and support/funding for the Lake CDA management plan which involves the southern third of Lake CDA.
- Commissioner Davis asked about any future CDA Tribe Coeur d'Alene centric partnerships?
 - Mr. Stewart shared that there are no firm commitments at this time, but that the CDA Tribe enjoys great relationships with the City of CDA, North Idaho College and the Kroc Community Center.

Commissioner Davis, on behalf of the Board, thanked Mr. Stewart for his participation in the Board meeting.

6. PRESENTATION: KOOTANAI YOUTH RECREATION ORGANIZATION (KYRO) ARENA

Please refer to the LCDC Board Meeting minutes from December 16, 2009 for more background on this issue.

Chairman Davis welcomed Vince Hughes and Matthew Beam, members of the KYRO leadership team, to the Board meeting to provide an update re. KYRO's partnership funding request of LCDC.

Mr. Hughes presented a PowerPoint presentation to the Board reflecting the current state of development re. the KYRO ice arena. Select slides from the PowerPoint presentation are presented below:



Dear Members of the LCDC Board,

The Kootenai Youth Recreation Organization is now at a stage in the construction process of our new facility to finalize the previously approved motion and partnership of your board to finance limited portions of our project which are either in the public domain or directly benefit the public.

Attached please find the necessary supporting documents:

- 1) Photographs. An updated picture of the KYRO construction and corresponding artistic renderings. CMU Block walls and entire roof should be complete by late April or early May.
- 2) Parcel map. Parcel # 22705, highlights the 4.1830 acres of land which is owned by The Kootenai Youth Recreation Organization, Inc.
- 3) Site Plan. This plan includes the area from Seltice Way on the south to the Centennial Trail on the north.
 - a) The Blue color indicates the ADA compliant ramp connector to the Centennial Trail. LCDC is granted a public easement in perpetuity, including granted access to the ramp area through the KYRO property.
 - b) The Red color indicates the 60 parking stalls and swale. LCDC is granted a public easement for 60 parking stalls through 2027. After this time LCDC public easement will decrease to a total of 20 parking stalls located near the Centennial trail access ramp which will last in perpetuity.
 - c) The Green color indicates the upgraded Seltice approach required by the Post Falls Highway District and the connection of a larger water line required by the City of Coeur d'Alene. These improvements are in the public domain.

4) Expense listing for each of the three colored areas

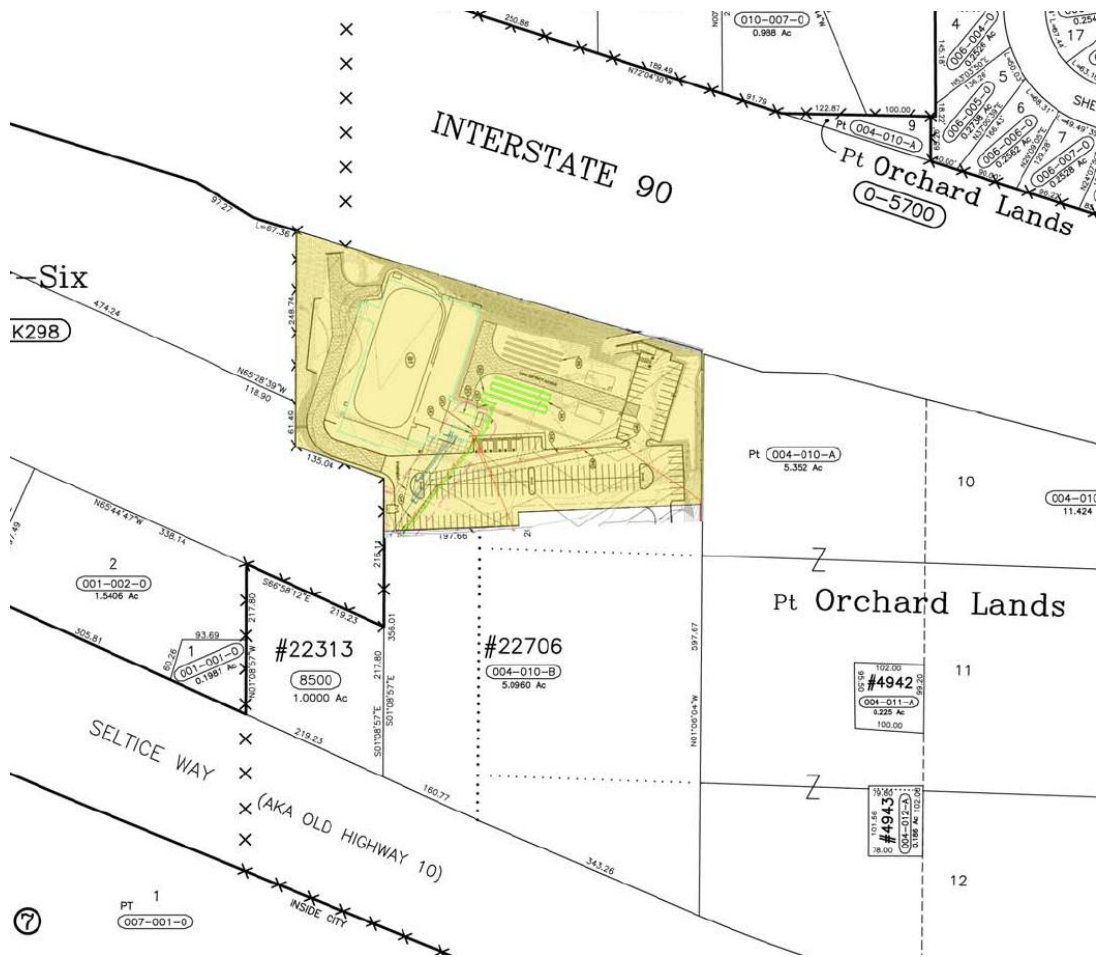
5) Pictures of the subject area and examples of the improvements to be made

KYRO looks forward to welcoming the public to the new community arena and ADA accessible Centennial Trailhead and parking.

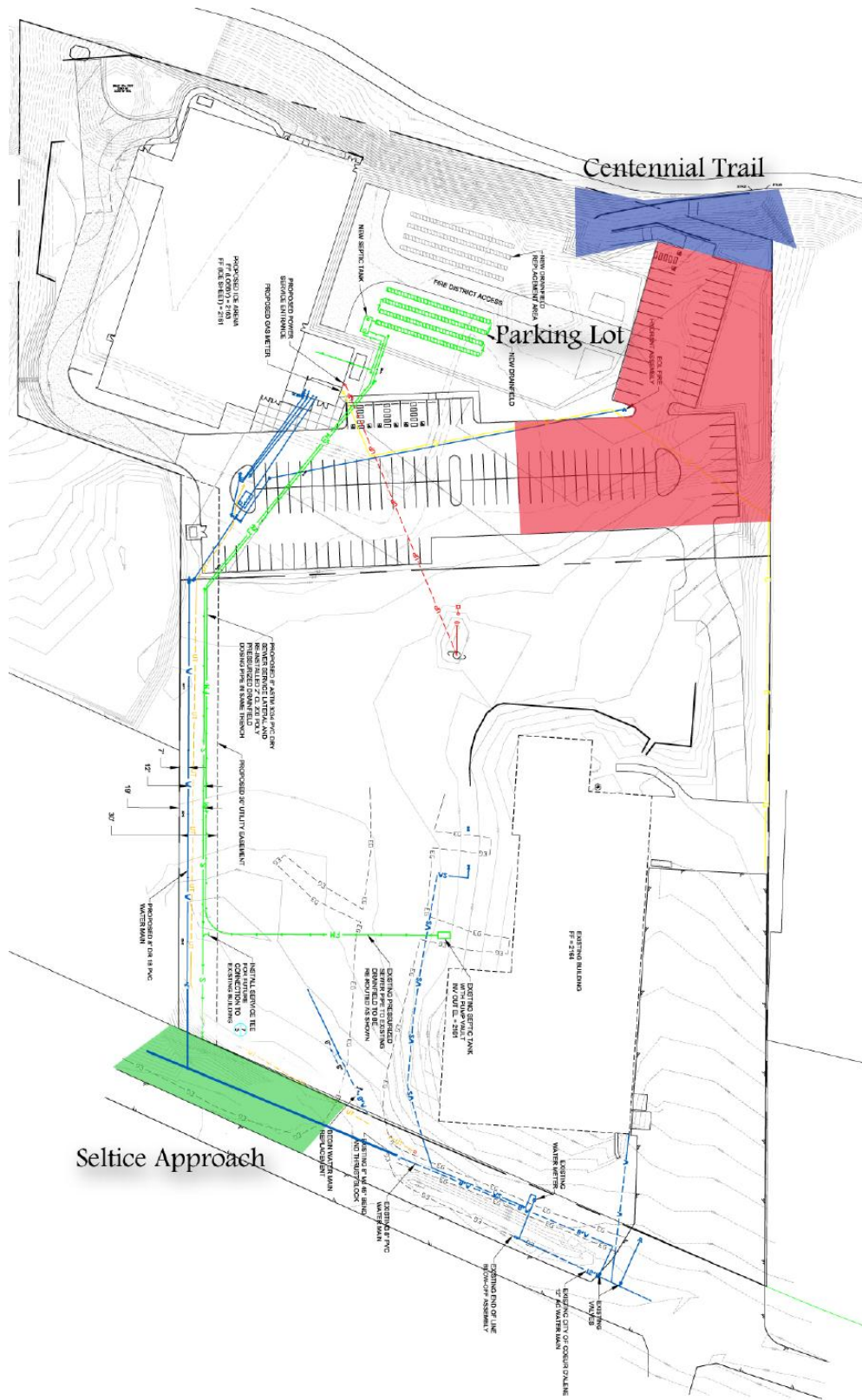
Should you be in need of additional information please do not hesitate to contact me.

Vince Hughes,
President
Kootenai Youth Recreation Organization, Inc.

Slide 1 – KYRO cover letter to LCDC Board.



Slide 2 – Aerial depiction of KYRO site parcel showing planned construction.



Slide 3 – Graphic illustrating the proposed areas (color shading – relates to KYRO cover letter in Slide 1) for LCDC partnership funding.

LCDC/KYRO Partnership
Itemized Expenses

Centennial Trail ADA Compliant Ramp (Total \$89,300.00)

| | | |
|---|-------|--------------------|
| Excavation | ----- | \$47,500.00 |
| <ul style="list-style-type: none">Details: import 1200 yards of fill material; place, grade and compact; prepare ADA compliant ramp; build 150' of retaining wall with boulders; import and grade topsoil | | |
| Fencing | ----- | \$5,250.00 |
| <ul style="list-style-type: none">Details: 230 feet of fence | | |
| Landscaping | ----- | \$10,000.00 |
| <ul style="list-style-type: none">Details: hydro seeding; trees and shrubs; irrigation | | |
| Lighting | ----- | \$2,650.00 |
| Signage | ----- | \$900.00 |
| <ul style="list-style-type: none">Details: Seltice Sign; trail head markers | | |
| Concrete | ----- | \$13,500.00 |
| <ul style="list-style-type: none">Details: ADA ramp | | |
| Professional | ----- | \$5,000.00 |
| <ul style="list-style-type: none">Details: engineering; surveying; permits; inspections | | |
| Miscellaneous | ----- | \$4,500.00 |

Parking Lot (Total \$117,050.00) (60 stalls @ \$1,950.83 per)

| | | |
|---|-------|--------------------|
| Excavation | ----- | \$22,500.00 |
| <ul style="list-style-type: none">Details: import 2000 yards of fill material; place, grade and compact; install dry well; import and grade topsoil | | |
| Landscaping | ----- | \$15,000.00 |
| <ul style="list-style-type: none">Details: hydro seeding; trees and shrubs; irrigation | | |
| Parking Lot | ----- | \$57,000.00 |
| <ul style="list-style-type: none">Details: 58 regular parking spots, 2 ADA accessible spots; asphalt; curbing; striping; signs | | |
| Lighting | ----- | \$10,700.00 |
| Professional | ----- | \$6,000.00 |
| <ul style="list-style-type: none">Details: engineering; surveying; permits; inspections | | |
| Miscellaneous | ----- | \$5,850.00 |

Seltice Approach (Total \$23,500.00)

| | | |
|---|-------|--------------------|
| Seltice Approach | ----- | \$23,500.00 |
| <ul style="list-style-type: none">Details: import 750 yards of material and build approach; hot tap water main with extension; asphalt apron; landscaping; 18" Culvert for full width | | |

Slide 4 – Cost breakdown for proposed public improvements totaling **\$229,850**

- Commissioner Elder asked how many youths are in the KYRO programs and where are they skating currently?
 - Mr. Hughes shared that there are about 350 kids in the youth hockey program and 75 kids in the figure skating program. Currently, ice skating venues are available to these kids in north Spokane and Cheney.
- Commissioner Elder asked Ex. Director Berns if the KYRO team met all of the original funding conditions as set forth by the LCDC Board in December of 2009?
 - Ex. Director Berns shared that yes, the KYRO team has met all of the LCDC Board conditions, with one condition being removed following a better understanding of the KYRO business model (i.e. the condition removed was a weekly schedule of some amount of free public skate time).
- Commissioner Goodlander shared that she understands that the arena could expand in the future, where would that expansion happen on the site?
 - Mr. Hughes shared that a second sheet of ice has been designed and engineered into the existing plans, and if developed in the future, the second ice sheet would be built on the eastern portion of the site.
- Commissioner Jordan asked if there will be any public skate time?
 - Mr. Hughes shared that yes, there will be public skate time and public skating classes. For non-profits like KRYO to succeed, KYRO needs to charge fees for the public skate time. Many groups rent arena time for skating activities and events like broom ball. Public skating times are key to the success of non-profit ice arenas, and will be available at KYRO for the long-term.
- Commissioner Jordan asked if there will be spectator seating and viewing areas?
 - Mr. Hughes shared that there will be viewing/seating areas which are positioned about 28 inches higher than the ice level to facilitate viewing.
- Commissioner Davis asked how many individuals will the KYRO arena employ once completed?
 - Mr. Hughes shared that for a year round skating season, the forecast is to employ 11 part time individuals, with the hope of increasing that number in the future as activities warrant.
- Commissioner Patzer shared that the proposed number of public parking spaces (60) in the LCDC partnership endeavor seems high for their intended public use. What entity would perform long-term maintenance of the public improvements once completed?

- Mr. Hughes shared that it is KYRO's intent to perform required long-term maintenance.
- Commissioner Patzer commented that he feels that language will need to be included in any agreement that clearly defines how the public investment would be protected if the KYRO organization were to sell the facility and site in the future.
- Commissioner Patzer asked how firm are the proposed cost estimates?
 - Mr. Hughes shared that they are the best estimates available at this time and will be fine tuned as efforts progress.
 - Commissioner Patzer indicated, as with all LCDC partnership projects, that a cost validation effort will need to be completed prior to any LCDC fund disbursement.
- Commissioner Patzer commented that he feels the requested 60 stalls of public parking needs further validation, enlisting the assistance of the North Idaho Centennial Trail Foundation (NICTF). In other words, how many public parking stalls are needed to support this type of public access to the Centennial Trail? Commissioner Patzer also suggested that the Department of Transportation (DOT) be contacted to see what plans are on the horizon for Interstate 90 expansion that could jeopardize the current location of the Centennial Trail along the I90 corridor.
- Commissioner Goodlander shared that it is important to remember the value / benefit of having a local ice arena in the community. There is an economic stimulus value to having such an asset in our community.

In closing the discussion, Commissioner Davis sensed that the Board would need a bit more time to digest this updated KYRO information, and will require additional input from the NICTF re. trail user needs, and additional input from the DOT on future expansion of I90.

Commissioner Davis thanked the KYRO team for their visit and presentation, and shared that the Board will revisit this issue at the May LCDC Board meeting.

7. COMMITTEE REPORTS

- ❖ Education Corridor ad hoc Committee: Commissioner Scott Hoskins
Commissioner Hoskins shared that the JUB Engineering design process is progressing on schedule, with plans to have the LCDC Board award the construction contract for Phase 1A of the Education Corridor public improvement infrastructure initiative at the Board's May Board meeting. One aspect of the initiative still to be finalized involves the negotiation for project/contract management services.

North Idaho College (NIC) / LCDC Development Agreement

LCDC legal counsel Danielle Quade and Ex. Director Berns discussed the draft version of a proposed development agreement between NIC and LCDC pertaining to the proposed Phase 1A infrastructure public improvements for the Education Corridor.

Since the proposed Education Corridor Phase 1A public infrastructure improvements will be located on NIC property, and LCDC will be acting as the “developer” of the project, it is customary for the property owner to grant the developer access to the property based upon certain conditions. This proposed development agreement articulates said conditions.

Motion by Commissioner Goodlander, seconded by Commissioner Hassell, to authorize execution of a LCDC/NIC Development Agreement, subject to acceptance by the LCDC of a satisfactory construction bid, for Phase 1A of the Education Corridor Infrastructure Public Improvement project. Motion carried.

❖ Finance Committee – Commissioner Rod Colwell

Lake & River District Monthly Financials

Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the March Lake and River District financial files, and the March/April account payables sheet, with the Board.

Motion by Commissioner Hassell, seconded by Commissioner Hoskins, to approve the March financial packets and the March/April accounts payables for the Lake & River Districts as presented. Motion carried.

FY11 Q2 Quarterly Report

Commissioner Colwell and Ex. Director Berns shared the Fiscal Year 2011 second quarter (FY11 Q2) report with the Board, asking Board members to review the package at their convenience, and to share any questions with Ex. Director Berns.

Seattle/Northwest Securities Corp (SNW) Financial Analysis

Background: Please refer to the January 19, 2011 Board meeting minutes for background re. this initiative.

Commissioner Colwell welcomed Eric Heringer, Seattle Northwest Securities, to the Board meeting. Commissioner Colwell shared that the Finance Committee has been working over the last few months with Mr. Heringer on analyzing the Lake District’s financial capacity with the intention of bringing

a recommendation to the Board on a potential borrowing strategy against said financial capacity. Following is the Finance Committee's recommendation for borrowing funds in the Lake District via a direct private bond placement scenario based upon the SNW analysis:

Revenue Projections/Priority of Payment

| | |
|------------------------|---|
| Tax Increment Value: | \$362,564,884 (December 2010 value). <u>No future increase/decrease (i.e. "steady-state")</u> |
| TIF Collection Rate: | 99% collections |
| Tax Increment Revenue: | \$3,827,574 at 99% collection for FY 2011 |
| | Future <u>estimated</u> increment revenues drop to \$3,777,505 in FY 2012, then drops again to \$3,669,400 in FY 2016 as certain city & school bond levies drop |
| Priority of payment: | <p>Senior lien</p> <ul style="list-style-type: none"> • Midtown debt is assumed to be Senior • OPA and IRA are senior only to the extent of the increment tied to specific agreements <p>Subordinate lien</p> <ul style="list-style-type: none"> • Operations & Maintenance • "Property Debt" |

Financing Assumptions

| | |
|-----------------------------------|---|
| Term/Structure: | 10 years repayment term (2021 final maturity) with relatively level amortization to meet tax increment revenue coverage target of 1.75 times bond payments |
| <u>Estimated</u> Interest Rate: | 5.00% |
| Debt Service Reserve: | 10% of Principal amount (financed). Assumes earnings on the reserve (estimated at 2% per/yr) will be used to offset annual bond payments and the balance used to offset the final payment |
| <u>Estimated</u> Financing Costs: | 1.00% of Principal amount |

Analysis Summary

| 1.75 Coverage | |
|--|---------------|
| Sources & Uses | |
| Principal Amount | \$ 16,750,000 |
| Less: Debt Service Reserves | (1,675,000) |
| Less: Issuance Costs | (167,500) |
| Equals Proceeds | 14,907,500 |
| Less: NICTF (new and refi) | (3,200,000) |
| Equals Proceeds for new project(s) | \$ 11,707,500 |
| Impacts on Ending Fund Balance ("EFB") ⁽¹⁾ | |
| Estimated FY 2011 EFB ⁽²⁾ | 1,375,252 |
| Projected FY 2021 EFB ⁽³⁾ | 2,973,318 |

(1) Projects the impact on Ending Fund Balance after paying debt service, public art, O&M, and "Property Debt"

(2) FY 2011 EFB subtracts \$4.0 million for Education Corridor Project

(3) FY 2021 EFB subtracts \$1.8 million (P&I) for a 2 level, 159 stall Federal building block parking garage

Prior to reviewing the Finance Committee's borrowing recommendation, Mr. Heringer shared an overview of his financial management and analysis experience, including the numerous municipal entities (including urban renewal agencies) that he has represented on financial transactions, and also discussed the concept of the coverage ratio. Mr. Heringer shared that his SNW team performed a thorough economic due diligence effort by reviewing the LCDC Lake District forecast model assumptions, performed stress tests on the assumptions and performed sensitivity analyses on the forecast model results.

Mr. Heringer stated that the LCDC is in a good position to borrow the proposed \$16.7 million via a direct private bond placement due to the maturity of the agency, and due to the solid /stable existing tax increment valuation. Mr. Heringer stated that LCDC has a solid "on the ground coverage", i.e. LCDC has sufficient existing value to cover debt obligation payments on any borrowed funds. The Finance Committee's proposed 1.75 coverage ratio is conservative in nature, indicating that after paying senior debt obligations, there exists 1.75 times the needed cash flow to satisfy the new proposed debt obligation payments, and to pay for operations & management expenses and conventional property debt. Some urban renewal agencies borrow at a 1.25 coverage ratio, which is very reasonable; thus making the proposed 1.75 coverage ratio quite conservative.

As indicated in the Finance Committee's recommendation, the financial analysis assumed a "steady state" valuation modeling scenario where there is no proposed increase in annual property tax revenues within the Lake District through 2021; a very conservative approach.

- Commissioner Colwell asked how the financial capacity of the LCDC's Lake District compares to other urban renewal districts in the state?
 - Mr. Heringer shared that the LCDC Lake District is in a very strong financial position. It is a mature district that has been managed to let increment wisely build over time, and that the increment has not been encumbered in an over leveraged situation. Mr. Heringer shared that if he were to evaluate the Lake District's financial health via a Moody's bond rating, the Lake District would most likely yield a DDD rating, which is very good. He shared that there is a lot to like in the Lake District from an investor's standpoint.
- Commissioner Jordan asked if a Moody's rating will be needed?
 - Mr. Heringer replied that a Moody's rating will not be needed; he was just curious as to what a rating might be for this proposed initiative.

- Commissioner Elder asked if property valuations were to decrease in the future, will the Lake District annual increment stream remain close to 2011 levels?
 - Mr. Heringer shared that yes, levy rates would most likely adjust to keep revenue streams somewhat constant.
- Commissioner Elder asked if LCDC uses existing Lake District cash reserves to pay for the Education Corridor public improvements this year, will that be a liability for the Lake District?
 - Commissioner Colwell shared that the Lake District currently has sufficient cash reserves to absorb the proposed spending on the Education Corridor, and therefore there should not be cash reserve concerns.
- Commissioner Jordan asked if LCDC would pay off the Midtown debt obligation as part of this financing proposal?
 - Commissioner Colwell shared that no, LCDC would not pay off the Midtown debt early, but continue to pay down the debt as amortized to best manage cash reserves.
- Commissioner Jordan asked if LCDC would still consider new Owner Participation Agreements (OPAs) in the Lake District?
 - Commissioner Colwell shared that yes, new OPAs could be considered, but the lender carrying this new proposed debt obligation would have to be agreeable to any new OPA-type debt.
 - Commissioner Elder commented that he envisions few OPA type projects surfacing in the Lake District over the next 10 years.
- Commissioner Hoskins commented that it is a wise move to utilize a certain portion of the Lake District's cash reserves since interest earnings on the cash reserves are so low.
 - Commissioner Colwell concurred, sharing that it will be prudent to spend a certain portion of existing cash reserves due to the low interest rate return on invested cash assets.

Commissioner Colwell stated that the next step in this proposed borrowing recommendation is to gain a sense of the willingness of regional/national lending institutions to partner on such a private placement bond scenario.

Motion by Commissioner Hassell, seconded by Commissioner Hoskins to authorize the Finance Committee to issue a non-binding letter of interest to select regional and national banks on the proposed borrowing scenario to gain a sense of the lending environment.

Discussion:

Commissioner Goodlander asked for an explanation re. the different strategy employed for evaluating a public bond market placement vs. a direct private bond market placement?

- Mr. Heringer shared that the public bond market is available, but that there is more flexibility for the LCDC with a direct private bond placement. LCDC, via a private placement, would have one primary lender making it much easier to work any issues that arise vs. contacting and working with the many different bond holders that would exist in a public bond market placement scenario. Although interest rates might be a bit lower in the public bond market, the overall cost of debt is typically more expensive in the public bond market. Also, there is significantly less reporting required in a private bond market placement.

Commissioner Hassell asked if banks will be interested in this type of public debt?

- Mr. Heringer shared that yes, banks will be interested in this type of proposal.

Commissioner Jordan asked if any national banks will be interested in this type of debt instrument?

- Mr. Heringer shared that yes, a few of the major national banks should be interested in this proposed debt offering.

Commissioner Davis commented that the 1.75 coverage ratio is the coverage ratio that is comfortable for the Finance Committee. The Board could choose to go with a higher coverage ratio (more conservative), or with a lower coverage ratio (more aggressive). The Finance Committee feels that the recommended borrowing proposal at the recommended coverage ratio will be a good test of the lending market.

Motion carried.

❖ Housing Committee – Commissioner Jim Elder

Housing Committee Chair Jim Elder shared that he and Ex. Director Berns recently met with Idaho Housing & Finance Association (IHFA) leadership re. the LCDC/IHFA Midtown mix use workforce housing project. Commissioner Elder shared that IHFA is still very excited about the project, and is looking to move forward with the project in the near-term. IHFA has proposed altering the workforce housing component of the project from a for-sale condominium

unit product to a for-rent apartment unit product. Commissioner Elder felt that moving to a for-rent residential product would be a good strategic move based upon the foreseeable housing market. IHFA will work with the Housing Committee on any project adjustments, and the Housing Committee will bring a refined project model to the full Board as the mix use project moves forward.

❖ Parking Committee – Commissioner Jim Elder

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City's Parking Commission, shared that he had no update from the Parking Commission's endeavors. Commissioner Elder did share that the parking component of the proposed McEuen Park conceptual design has been priced, with that price matrix shared with the public. Team McEuen priced two scenarios for structured parking below Front Avenue; one scenario involving two below grade parking levels; one scenario involving one below grade parking level. City Council will decide in the near future what type of parking capacity scenario to support.

❖ Communication Committee – Commissioner Dave Patzer

Communication Committee Chair Dave Patzer shared that other than the earlier presentation to the Board by the CDA Tribe, the Committee had no other items to share.

8. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns reviewed the second quarter FY11 Lake and River District scorecards, and shared the following items with the Board:

LCDC FY12 Strategic Planning Session

Ex. Director Berns shared that the LCDC Board's Fiscal Year 2012 strategic planning session will be held on April 27th at the CDA Kroc Community Center. The session will begin at 7:30 a.m. and end by 11:00 a.m. The public is welcome to attend.

Charlie Nipp Thank You

Commissioner Elder commented that as shared publicly earlier in the month, Charlie Nipp has retired from the LCDC Board of Commissioners.

Commissioner Elder wanted to publicly thank Charlie Nipp for his years of service to the community through his involvement and leadership on the LCDC Board of Commissioners. Commissioner Elder shared that the Board will miss his leadership, insight and intellect. All of the other Commissioners echoed Commissioner Elder's sentiments and thanked Mr. Nipp for his years of service to the community.

9. PUBLIC COMMENT

No public comment provided.

10. ADJOURN

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

The LCDC Board meeting adjourned at 6:00 p.m. Minutes prepared and submitted by Tony Berns.



**BOARD MEETING MINUTES
WEDNESDAY MAY 18, 2011 4:00 P.M.
COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

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

LCDC Board members present: Elder, Davis, Hoskins, Goodlander, Hassell, Patzer, Jordan, Colwell. LCDC staff present: Hollibaugh. LCDC legal counsel present: Quade (Hawley Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Matthew Beam, Vince Hughes, Charlie Miller, Eric Sawyer, Brad Marshall, Dale Baune, Chris Hollibaugh, John Martin, Suzie Snedacker, Jim Faucher, Skip Fowler, John Givens, Tom Hasslinger

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- April 20, 2011 Board Meeting Minutes
- April 27, 2011 Board Strategic Planning Session Minutes

Motion by Commissioner Elder, seconded by Commissioner Hoskins to approve the April 20, 2011 Board Meeting Minutes. Motion carried.

Motion by Commissioner Goodlander, seconded by Commissioner Patzer to approve the April 27, 2011 Board Strategic Planning Session Minutes. Motion carried.

**5. KOOTENAI YOUTH RECREATION ORGANIZATION (KYRO) ARENA
PROJECT: PARTNERSHIP FUNDING REQUEST**

Please refer to the LCDC Board Meeting minutes from December 16, 2009 and April 20, 2011 for more background on this issue.

Chairman Davis summarized the discussion at last month's meeting and questions the Board had including the likelihood of an expansion of I-90 and the number of parking spaces needed for the trail head. He then referenced the memo received by the Board to answer those questions.

Charlie Miller from the North Idaho Trail Foundation outlined the due diligence he had performed to determine the necessary number of parking spaces required at a trail head. Mr. Miller indicated that Jon Mueller advised him that 20-30 stalls would be appropriate based on usage of other trail head parking. Additional stalls would only be required for organized events.

- Commissioner Elder asked how many parking areas are there on the trail?
 - Mr. Miller responded that in Coeur d'Alene there are trail heads approximately every 1-1/2 miles. However, there are less trail heads in Post Falls.
- Commissioner Elder asked if the trail along I-90 will be maintained if a river trail is constructed?
 - Mr. Miller responded that it will continue to be maintained.
- Commissioner Patzer asked what types of users will use the trail from the KYRO site?
 - Mr. Miller responded that many trail users are recreational, but increasingly there are more commuters using the trail. He indicated he foresees the KYRO site being used by commuters based on its location.
- Commissioner Jordan mentioned how full the park and ride parking lot on Seltice Way was when he passed by. He indicated he thinks the KYRO trail head is strategically located.
- Commissioner Hassell asked if people are using the park and ride lot for bike/walk commuting?
 - Mr. Miller responded that he believes they are.
- Commissioner Patzer asked where Mr. Miller would recommend investing \$200,000 for a trail access?
 - Mr. Miller responded that he believes the KYRO site is a strategic place to add a trail head.
- Commissioner Patzer asked how the trail access will be signed?
 - Mr. Miller responded that trail maps will be updated annually.
- Commissioner Davis asked if there is currently signage on the freeway for trailheads?

- Mr. Miller responded that he does not believe there is currently signage.

➤ Commissioner Jordan indicated he thinks signage is a good idea.

Eric Sawyer, president of the Spokane Regional Sports Commission was introduced, along with Vince Hughes from KYRO. Mr. Sawyer shared that the Spokane Regional Sports Commission is a non-profit corporation that is 80% publicly funded, 20% privately funded. The Commission's charge is to use sports to promote economic development. The Commission is involved in a lot of events, including NCAA basketball, figure skating, etc. The Commission believes sports are important to the economy, as evidenced by sports travel having held steady during the economic downturn. The Spokane Regional Sports Commission is excited about the KYRO facility because of the lack of ice availability in this area. Mr. Sawyer believes it will open opportunities for events in the Spokane/Coeur d'Alene area and the Commission wants to support and partner with KYRO. Sports travelers spend over \$100 per day, which can be a very important economic driver. Sports also provide quality of life to our community.

➤ Commissioner Jordan indicated that he appreciated the information.

➤ Commissioner Elder asked how the Spokane Regional Sports Commission promotes events like those that would be held at KYRO?

- Mr. Sawyer indicated that his team looks for events that would work at the KYRO facility, and rate events based on the benefits, and then events are pursued based on that scoring.

➤ Commissioner Goodlander asked if KYRO would be partnered with other ice arenas to host tournaments?

- Mr. Sawyer responded that such tournaments are being considered and that figure skating events could also be held at KYRO.

John Givens was introduced. He indicated that he has been on the board for Coeur d'Alene hockey for the past 10 years. He shared that numbers participating in hockey are down significantly because of the rink closure. He indicated that there is a huge need for ice in this area. He thanked the board for its participation in the Kroc Center and said KYRO will be a similar facility. Based on experience as a tournament director, he indicated that with an average of 75 players per tournament each tournament would result in approximately \$30,000 of money spent in the community. Mr. Givens also mentioned the facility will help with quality of life and bringing people to our community.

➤ Commissioner Patzer asked what will happen if taxpayer money is not contributed to the project?

- Mr. Hughes indicated that it may delay opening of the project. A commitment from LCDC will help get the parking done, which will allow other money raised to go to other amenities.
 - Mr. Sawyer indicated that there is a shift in sports from schools to private and club programs. The return on investment to the public for involving kids in sports is significant.
- Commissioner Hassell stated that a portion of the site de-annexed from the City of Coeur d'Alene.
 - Mr. Hughes indicated that KYRO had to de-annex to get County building permits. He indicated that prior to expansion KYRO would have to annex into the City.
 - Commissioner Jordan asked about the state of the Eagles Arena?
 - Mr. Givens indicated that it is old and tired, but will work well in partnership with KYRO.

Chairman Davis recapped the request stating that the sense of the Board some time ago was to consider a grant of up to \$200,000 for a trail head and parking. More recently additional infrastructure requirements of \$23,000 were requested for funding. Commissioner Davis indicated that one question is what is the magical number of parking spaces and in his mind he thinks its 25/30. Commissioner Colwell stated that to fund the trail head, 30 parking stalls and the infrastructure improvements would be approximately \$226,000.

- Commissioner Jordan asked how we police who uses the parking spots?
 - Commissioner Davis said he anticipated some signage for trail parking and he believes a joint use agreement would be appropriate.
 - Mr. Hughes indicated he doesn't anticipate a lot of conflict because winter weekends are when the big events typically occur.
- Commissioner Jordan asked when big events were?
 - Mr. Hughes responded that summer events would be camps, which do not require significant parking, rather than tournaments.
- Commissioner Elder stated that he believes we have an opportunity to support community assets; KYRO and the Centennial Trail. He said the parks director, Doug Eastwood, indicated that the Centennial Trail was very controversial when initially proposed and now is a flagship asset to our community. He thinks supporting that access is key. He said the trail head will be visible from the trail.
- Commissioner Jordan indicated that signage is very important and should be included in the motion.

- Commissioner Patzer indicated that community members had evidenced their passion for hockey and making ice available to our community. He further stated that he was hoping for public ice time, but understands that is not workable with the business model. Commissioner Patzer indicated that the shortfall in the project funding makes the case more compelling. At the end of the day, LCDC would own public parking and a trail head, and he believes it adds value to the community, both as an economic development driver and for quality of life.

Motion by Commissioner Elder, seconded by Commissioner Goodlander to support the KYRO Project in an amount up to \$230,000 to pay for a trail head, 30 parking spaces and infrastructure improvements. LCDC Executive Director Berns is empowered to negotiate an easement and joint use agreement with KYRO. The Board strongly recommends signage on the highway, as well as the trail.

Commissioner Hassell voted no, indicating that KYRO is not in the City of Coeur d'Alene and uses City services.

Motion carried.

6. COMMITTEE REPORTS

- ❖ Education Corridor ad hoc Committee: Commissioner Scott Hoskins. Commissioner Hoskins invited John Martin, North Idaho College VP for Community Relations and marketing, to join the Board meeting. Commissioner Hoskins indicated that the construction project is out to bid and bids will be opened on 5/26/11, and the Board has a meeting to award the bid on 5/31/11 at the Old City Council Chambers. Communications are going to be handled by John Martin. Mr. Martin indicated that he has a team to do public relations in an open, transparent and accurate way. Communications will be kicked off with a press release next week. NIC intends to do email blasts and create a web site for the project for status updates. NIC is also looking at the possibility of having a web cam to provide updates on the website.
 - Commissioner Patzer thanked Mr. Martin for stepping up to handle communications. He believes there will be a number of issues to address, and he recommends the contact phone number be readily available.
 - Commissioner Hassell indicated that a web cam is a great asset if its possible.

- Commissioner Davis echoed Commissioner Patzer's gratitude for the College's willingness to act in this capacity.

JUB Engineering: Ed. Corridor Phase 1A Project Management Services Contract

Chairman Davis introduced the modification to the existing contract with JUB to allow JUB to act as contract manager on behalf of LCDC. Dale Baune and Brad Marshall from JUB were introduced. Mr. Marshall indicated the project includes a mile of street, 3 roundabouts, a traffic signal and a quarter mile of trail. Mr. Marshall shared that JUB is hopeful bids will come in lower than estimated costs. Mr. Marshall has been working on the construction management modification to the current contract, which will include services by JUB for bid opening, review, construction observers, construction closing and providing as built drawings. Mr. Marshall indicated that currently the bid for this work is at 5.5% of estimated construction costs. Often low-bids require more construction administration.

- Commissioner Elder asked if JUB would see the project through for the negotiated cost?
 - Mr. Marshall indicated that it's a time/cost estimate, so if there are significant unexpected events, additional work/costs may be incurred.
- Commissioner Jordan asked if LCDC would be locked in for additional amounts in the event there are cost overruns?
 - Commissioner Davis indicated that all that is being considered today is the fixed amount presented and additional amounts would need to be approved based on circumstances.
 - Commissioner Hoskins agreed.
- Commissioner Patzer indicated that there is a benefit to having the design team be the construction manager and should decrease the risk of overages.
- Commissioner Colwell asked if the contingency is sufficient? He also stated he thinks the project is fairly straightforward and he doesn't expect any contingencies, and asked if JUB agreed?
 - Mr. Baune responded that he thinks the project is very complex and much larger than the Midtown Project. He thinks to get it done on time the contractor will have to be aggressive, but it is doable. He shared that there are a number of events that the contractor will have to work around, as well. Mr. Baune stated that the JUB team is very experienced.

- Commissioner Davis indicated that the negotiations on the contract are because of LCDC's duty to be good stewards of public funds.
- Commissioner Goodlander asked if JUB expects a good response to the bid request?
 - Mr. Baune stated that he thinks bidding is very competitive right now and they expect a good response.

Motion by Commissioner Colwell, seconded by Commissioner Goodlander, to authorize the engagement of JUB Engineering for project management services related to Phase 1A of the Education Corridor Infrastructure Public Improvement project as proposed, in a sum not to exceed \$297,500, plus \$15,000 of survey staking assistance, as needed, and \$40,000 in a management reserve fund to cover contingencies, as needed.

Recusal: Commissioner Hassell abstained.

Motion carried.

- ❖ Finance Committee – Commissioner Rod Colwell

Lake & River District Monthly Financials
Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the April Lake and River District financial files, and the April/May account payables sheet, with the Board.

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins, to approve the April financial packets and the April/May accounts payables for the Lake & River Districts as presented.
Motion carried.

Seattle/Northwest Securities Corp (SNW) Financial Analysis: Update
Background: Please refer to the January 19, 2011 & April 20, 2011 Board meeting minutes for background re. this initiative.

Commissioner Patzer shared that LCDC requested proposals from six lending institutions and LCDC received three proposals. He indicated that the finance committee is looking into the offers and will discuss it again next month.

Recusal: Commissioner Colwell indicated he left the Finance Committee meeting prior to the discussion of the bank proposals, recusing himself from the issue/discussion.

- ❖ Housing Committee – Commissioner Jim Elder.

No report was given.

- ❖ Parking Committee – Commissioner Jim Elder

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City's Parking Commission, shared that the next McEuen meeting is Tuesday 5/24/11 at 6 pm at Woodland Middle School.

- ❖ Communication Committee – Commissioner Dave Patzer.

No report was given.

EXECUTIVE DIRECTOR'S REPORT

LCDC Legal Counsel Danielle Quade, in Executive Director Berns stead, shared the following item with the Board:

Centra Consulting (Teresa Molitor) Contract Renewal

Ms. Quade shared that the annual agreement with Centra Consulting (Teresa Molitor) is up for renewal. Ms. Quade indicated that the contract provided to the Board has been slightly modified to include changes she requested including a statement that Centra Consulting's representation of LCDC does not create a conflict with any current clients.

Commissioner Goodlander inquired as to what information is being accomplished by the contract. Commissioner Goodlander stated the information received by the Board is fairly generic. Commissioner Davis indicated that Teresa Molitor and Mr. Berns communicate primarily verbally during the legislative session and she is there representing LCDC on urban renewal legislation. Commissioner Goodlander would like to receive better information on what is being accomplished under the contract. The Board agreed to defer consideration of the contract until further information can be provided.

7. PUBLIC COMMENT

No public comment provided.

8. ADJOURN

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

The LCDC Board meeting adjourned at 5:40 p.m. Minutes prepared and submitted by Danielle Quade.



**BOARD MEETING MINUTES
WEDNESDAY JUNE 15, 2011 4:00 P.M.
COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

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

LCDC Board members present: Davis, Hoskins, Goodlander, Hassell, Patzer, Jordan, Colwell. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Tom Hasslinger, Mike Gridley, Eric Heringer, Mic Armon, Chris Hollibaugh, Jim Pierce, Nelson Gourley, Alison Boggs.

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- May 18, 2011 Board Meeting Minutes
- May 31, 2011 Board Special Call Meeting Minutes

Motion by Commissioner Hoskins, seconded by Commissioner Colwell to approve the May 18, 2011 Board Meeting Minutes, as modified with minor edit involving the KYRO / City of CDA annexation discussion. Motion carried.

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins to approve the May 31, 2011 Board Special Call Meeting Minutes. Motion carried.

5. RESOLUTION 11-01: NORTH IDAHO CENTENNIAL TRAIL FOUNDATION (NICTF) MODIFICATION OF LOAN AGREEMENT & DEED OF TRUST NOTE

Chairman Davis introduced the issue of the LCDC Board needing to consider modifying LCDC's existing North Idaho Centennial Trail Foundation (NICTF) loan documents via the proposed "NICTF Modification of Loan Agreement and Deed of

Trust Note” (“Agreement”) document because the Burlington Northern Santa Fe (BNSF) railroad (RR) abandonment process has taken longer than originally anticipated. Commissioner Davis also welcomed Mike Gridley to the Board meeting. Mr. Gridley attended the Board meeting on behalf of the NICTF, on which he has served as a past Board member.

Mr. Gridley shared a summary of the LCDC-NICTF arrangement highlighting the following parameters:

Background:

- *The original 2006 NICTF-LCDC contract arrangement calls for the LCDC to pay NICTF \$3.7M in total for a land transaction which ultimately conveys to LCDC land controlled by the Bureau of Land Management (BLM) along Northwest Boulevard (the abandoned BNSF RR right-of-way).*
- *In December of 2006, LCDC loaned NICTF \$2.5M to acquire the abandoned Union Pacific RR line (now the “Prairie Trail”) that would ultimately be traded to the BLM, with NICTF agreeing to pay 7.0% interest on borrowed funds to LCDC.*
- *LCDC borrowed \$2.5M from Washington Trust Bank (WTB) to provide the loan funds to NICTF. LCDC’s loan with WTB is an interest only payment loan. The WTB loan is at a 4.52% interest rate, with the loan maturing and payoff of principal due on December 21, 2011.*
- *LCDC’s contract with NICTF allows LCDC to credit interest payments towards the \$3.7M owed by LCDC to NICTF, with the interest payments applied to the variance of owed funds totaling \$1.2M (i.e. \$3.7M-\$2.5M = \$1.2M).*
- *Procedurally, LCDC has been applying the WTB interest payments over the past 4 years towards the \$1.2M owed amount at the 4.52% cost of funds interest rate, and not the 7.0% interest rate. As of February, 2011, LCDC has accrued \$477,893 in interest payments on the WTB loan that have been procedurally applied to the \$1.2M NICTF loan contract variance, thus leaving approximately \$700,000 in new funds owed by LCDC to NICTF.*
- *The 2006 NICTF-LCDC Deed of Trust contract note **expires on December 20, 2011** and calls for NICTF to repay LCDC the \$2.5M in borrowed funds.*

The Agreement to the Board proposes to:

1. extend the LCDC-NICTF Deed of Trust contract note consummation deadline to December, 20 2014 hopefully providing ample time for the NICTF-BLM-LCDC trade to occur.
2. Revise the Deed of Trust contract note’s existing interest rate variable of 7% as follows:
 - The revised contract interest rate on the NICTF Note shall be 4.52% per annum commencing December 20, 2006, through a maximum term date of December 20, 2011. Commencing ____ (date to be determined), interest shall accrue on the outstanding principal balance of the Deed of Trust contract note until paid at the

higher of a) 4.5% per annum; or b) in the event the NICTF debt obligation is refinanced by LCDC, the rate of interest will be in the amount of the actual cost of funds for such a refinancing up to 7% per annum.

Mr. Gridley also shared that he has recently met with BLM representatives on the proposed trade sequence and that the BLM still fully supports the proposed trade initiative.

- Commissioner Patzer asked Commissioner Colwell (LCDC Finance Committee chair) if the proposed change in the NICTF contract interest rate will affect the LCDC's balance sheet in any fashion?
 - Commissioner Colwell shared that the proposed interest rate change will have no impact on the LCDC's balance sheet.

Motion by Commissioner Patzer, seconded by Commissioner Goodlander approving Resolution 11-01 which authorizes the NICTF Modification of Loan Agreement & Deed of Trust Note as proposed and presented.

Roll Call:

| | | | | | |
|----------------|---------------|-------------------|------------|---------------|------------|
| Elder | Absent | Goodlander | Yes | Davis | Yes |
| Hassell | Yes | Colwell | Yes | Patzer | Yes |
| Jordan | Yes | Hoskins | Yes | | |

Motion carried.

6. COMMITTEE REPORTS

- ❖ Education Corridor ad hoc Committee: Commissioner Scott Hoskins. Commissioner Hoskins shared that the phase 1 groundbreaking event occurred on Friday June 10th and was very well attended. Phase 1 construction is underway, with the contractor having full expectations of meeting the project timelines. Commissioner Hoskins also shared that North Idaho College is sending out email "blasts" to interested stakeholders and is establishing a website to help facilitate information sharing re. the project's progress.
- ❖ Finance Committee – Commissioner Rod Colwell

Lake & River District Monthly Financials
Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the May Lake and River District financial files, and the May/June account payables sheet, with the Board.

Motion by Commissioner Hassell, seconded by Commissioner Patzer, to approve the May financial packets and the May/June accounts payables for the Lake & River Districts as presented.

Recusal – Commissioner Davis recused himself from voting on the Jobs Plus payable since he is a member of the Jobs Plus Board of Directors.

Motion carried.

Seattle/Northwest Securities Corp (SNW) Financial Analysis: Eric Heringer
Background: Please refer to the January 19, 2011 & April 20, 2011 Board meeting minutes for background re. this initiative.

Commissioner Patzer welcomed Eric Heringer of SNW to the Board meeting and provided background on the initiative. Mr. Heringer reviewed the Lake District financial analysis process to date, and discussed the following bank financing proposal summary sheet:

LAKE CITY DEVELOPMENT CORPORATION
 BANK REQUEST
 May 31, 2011

| | | | |
|----------------------------------|---|--|--|
| Institution: | <u>Mountain West</u> | <u>Washington Trust</u> | <u>Bank of America</u> |
| Contact Name: | Alison Gonsalves | Nelson Gourley Jim Pierce | Doug Bowsby |
| Amount: | \$16,750,000 | \$16,750,000 | \$16,750,000 |
| Lead: | Yes | Yes | Yes |
| 10-Year Fixed: | Yes | No | Yes |
| Interest Rate Estimate: | Range of – 4.00% - 4.31% | 3.75% fixed for 5 years subject to reset after 5 years with floor of 3.75% and ceiling of 5.75%. | 4.70% |
| All-In TIC ⁽¹⁾ | 4.36% | 4.19% | 4.70% |
| Loan Fee: | \$167,500 (1.00%) plus hard costs and bank counsel fees | \$41,875 (0.25%) plus hard costs. Estimated bank counsel fee of \$7,000 to \$8,000 | \$5,000 plus hard costs. Estimated bank counsel fee of \$10,000. |
| Reserve: | Yes | Yes | Yes |
| Prepayment Penalty: | None | None | Yes |
| Other: | | Proposed a “Reducing Revolver Note.” For discussion | |

- Inland Northwest and US Bank declined to respond. Panhandle State Bank interested as participant, but not as lead.

(1) All-In TIC includes proposed Loan Fee only, all other costs (including bank counsel) are excluded. Mountain West uses 4.15% rate (midpoint); Washington Trust assumes rate adjusts to 5.75% ceiling after 5th year.

Mr. Heringer shared that he was impressed with the strong proposals submitted by the two local banks (Washington Trust Bank and Mountain West Bank). Mr. Heringer shared that the SNW analysis indicated that the Washington Trust Bank proposal was the best offer submitted, and thus recommended to the Board that LCDC choose the Washington Trust Bank proposal for the Lake District financing initiative.

- Commissioner Jordan asked a clarifying question re. the “all in TIC” calculation.
 - Mr. Heringer reviewed the “all in TIC” calculation methodology for the Board.
- Commissioner Hassell asked if there were any proposed prepayment penalties?
 - Mr. Heringer shared that the only bank proposing a pre-payment penalty was Bank of America.

Mr. Heringer also shared that SNW performed a calculation testing the potential rate that could be received if this debt obligation was placed in the public bond market. He shared that this type of analysis is somewhat tricky when based on a tax increment financing product. SNW’s public bond market analysis indicated that the potential interest rate for this proposed offering would be a bit higher than the rates provided by the banks in the private placement venue. An additional demerit on the public market front is the loss of flexibility by having to 1) take all of the bond proceeds at one time up front, and 2) work with numerous non-local bond holders vs. just working with one bank lender.

Commissioner Patzer shared with the Board that the Finance Committee concurs with SNW’s recommendation of proceeding with the Washington Trust Bank financing proposal, and so recommends the Washington Trust Bank proposal to the Board for consideration.

Motion by Commissioner Hoskins, seconded by Commissioner Hassell, selecting Washington Trust Bank as the lending institution for the proposed Lake District financing initiative, authorizing LCDC’s Executive Director to prepare the necessary documents, negotiate the necessary terms, and to consummate a loan agreement with Washington Trust Bank as per their submitted loan proposed parameters. Motion carried.

Recusal: Commissioner Colwell indicated that due to a potential / perceived conflict of interest, he left the June Finance Committee meeting prior to the Committee’s discussion of the bank proposals, recusing himself from the issue/discussion. Commissioner Colwell also recused himself from the Board’s discussion re. this agenda item.

Financial Consultant Contract Extension (Eric Heringer)

The Finance Committee recommended that the Board extend the existing contract with Eric Heringer to a sum not to exceed \$20,000. This recommendation will equate to the Board authorizing an additional \$8,750 (\$20,000 - \$11,250 existing contract amount) for Mr. Heringer's financial consulting assistance to be billed @ \$225/hour. The Finance Committee feels that it is important to have Mr. Heringer's and Seattle Northwest's talents focused on the Lake District financing initiative to make sure LCDC enters any debt obligation in a strategic fashion.

Motion by Commissioner Patzer, seconded by Commissioner Jordan, to approve the extension of Eric Heringer's Lake District financial consulting contract, including an increase in the consulting fee cap from \$11,250 to an amount not to exceed \$20,000, to be billed at a rate of \$225/hour. Motion carried.

❖ Housing Committee – Commissioner Jim Elder

LCDC Ex. Director Berns, in Commissioner Elder's stead, shared that the two Whitewater Creek affordable housing projects are both under construction in the LCDC's River District. The Mill River Seniors project located on Seltice Way is nearing completion, and construction of the Riverstone Family Apartments project located in Riverstone West Phase 2 started a few weeks ago. Board members were encouraged to drive by and see the progress associated with both construction projects.

❖ Parking Committee – Commissioner Jim Elder

LCDC Ex. Director Berns, in Commissioner Elder's stead, shared that there was no parking update; the Parking Commission is waiting to see how the parking element in the McEuen park plan develops.

❖ Communication Committee – Commissioner Dave Patzer

Commissioner Patzer shared that a takeaway from last April's Board strategic planning session was to arrange a visit with John Austin to discuss ideas for enhanced LCDC community communication efforts. Mr. Austin has been involved with urban renewal endeavors for two decades, recently working for the Panhandle Area Council on numerous urban renewal initiatives in smaller northern Idaho communities (e.g. Harrison, Dover, Bonners Ferry).

Members of the Communication Committee met with Mr. Austin recently to gain a better understanding of the history involving CDA's urban renewal agency (the LCDC which Mr. Austin helped to form in 1997), as well as learn from his experience gained from working with numerous other urban renewal

agencies. A result of the committee visit with Mr. Austin is that Mr. Austin suggested that he compose a recurring column in the CDA Press that would help to objectively communicate the pros, cons, and tenets of urban renewal as practiced in Idaho. Mr. Austin plans to work the idea of such a recurring column with leadership of the CDA Press to test their interest.

7. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns shared the following item with the Board:

Centra Consulting (Teresa Molitor) Contract Renewal

Ex. Director Berns shared that the annual agreement with Centra Consulting (Teresa Molitor) is up for renewal. Renewal of the Centra Consulting government relations contract was discussed at the May Board meeting, with the Board postponing consideration of the contract pending clarification of a few matters. Ex. Director Berns shared that he has visited with Board members concerning matters raised at the May Board meeting, and recommends approval of the Centra Consulting Contract as presented.

Commissioner Goodlander shared that she spent time recently with Ms. Molitor and feels very comfortable that Ms. Molitor is providing LCDC excellent service in her advocacy role.

Commissioner Davis shared that the legislators need to have the expertise of government relation advocates to help them better understand the issues at hand. Some organizations have in-house advocates to help with government relations; LCDC does not, and thus needs to engage external expertise as offered by Ms. Molitor. Commissioner Davis shared that based on his time as a state senator in the legislature, the public is well served by having knowledgeable advocates involved in the legislative process.

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins authorizing approval of the 2011-2012 Centra Consulting Contract as presented. Motion carried.

8. PUBLIC COMMENT

No public comment provided.

Commissioner Davis, on behalf of the LCDC Board, thanked Chris Hollibaugh for his work on behalf of the LCDC over the past two plus years, and wished him well in his next endeavor.

9. EXECUTIVE SESSION – Idaho Code Section 67-2345(1)

Subsection C: acquiring an interest in real property not owned by a public agency.

Motion by Goodlander, seconded by Hoskins to convene an Executive Session, as provided by Idaho Code Section 67-2345(1) Subsection C: acquiring an interest in real property not owned by a public agency.

Roll Call:

| | | | | | |
|----------------|---------------|-------------------|------------|----------------|------------|
| Hoskins | Yes | Goodlander | Yes | Hassell | Yes |
| Colwell | Yes | Patzer | Yes | Jordan | Yes |
| Elder | Absent | Davis | Yes | | |

Motion carried.

The LCDC Board entered into Executive Session at 4:39 p.m. Those present were the LCDC Board of Commissioners, LCDC legal counsel Danielle Quade, North Idaho College Board of Trustee Mic Armon, and LCDC Executive Director Tony Berns.

Deliberations were conducted concerning the acquisition of an interest in real property which is not owned by a public agency.

No action was taken in Executive Session and the LCDC Board returned to regular session at 5:29 p.m.

10. ADJOURN

Motion by Commissioner Hoskins, seconded by Commissioner Colwell to adjourn. Motion carried.

The LCDC Board meeting adjourned at 5:30 p.m. Minutes prepared and submitted by Tony Berns.



**BOARD MEETING MINUTES
WEDNESDAY JULY 20, 2011 4:00 P.M.
COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

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

LCDC Board members present: Davis, Hoskins, Elder, Goodlander, Hassell, Patzer, Jordan. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Mic Armon, Chris Hollibaugh.

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- June 15, 2011 Board Meeting Minutes

**Motion by Commissioner Hassell, seconded by Commissioner Hoskins
to approve the June 15, 2011 Board Meeting Minutes.
Motion carried.**

**5. RESOLUTION 11-02: 609 SHERMAN AVENUE LOFTS IMPROVEMENT
REIMBURSEMENT AGREEMENT (IRA)**

Chairman Davis turned the meeting over to Vice-Chairman Elder citing a possible conflict of interest issue. Vice-Chairman Elder asked Executive Director Berns to provide an overview of the project relative to the resolution in front of the Board.

Executive Director Berns shared a summary review of the proposed 609 Sherman Avenue Lofts IRA including the following:

- The project, located at 609 Sherman Avenue, consists of a seven (7) story residential building of approximately 41,300 square feet, comprised of 10 condominium units;

- The LCDC Board, at its August 17, 2005 Board meeting, approved via motion, the 609 Sherman Avenue Lofts public improvement cost sheet;
- The LCDC-required project cost validation analysis of the LCDC funded public improvements was completed during the first quarter of 2011;
- The LCDC Board will reimburse the developer, via a limited recourse promissory note, for the following project related public improvements:

| | |
|---------------------------------|------------------|
| ▪ Site Improvement | \$ 89,957 |
| ▪ Demolition (Site & Building) | \$ 58,236 |
| ▪ Asphalt, Curbs, Streetscaping | \$ 51,330 |
| ▪ Building Material Upgrades | \$186,270 |
| ▪ Construction Staging | <u>\$ 19,200</u> |
| Grand Total Not to Exceed | \$404,993 |

- The LCDC limited recourse promissory note will pay an interest rate of five percent (5.0%) on the note's principal, with a total IRA interest funding cap of \$121,498, with interest accrual commencing on April 13, 2011;
 - The LCDC Board agrees to make semi-annual payments of 75% of the tax increment revenues received, following any deduction for public art. The semi-annual payments will be funded solely from property taxes generated by the project itself until the principal amount of \$404,993, plus interest, has been paid, or until December 31, 2021, whichever occurs first. LCDC has no obligation to make tax increment payments to the developer from property taxes generated by the project beyond the December 31, 2021 date.
- Commissioner Patzer asked for the current assessed value of the project, and if LCDC will receive sufficient tax increment revenues from the project to pay off the limited recourse promissory note?
- Ex. Director Berns shared that the project is currently assessed at approximately \$3,000,000 and currently yields approximately \$31,000/year in gross tax increment revenue. At the current assessed value and current annual increment yield, the project will not generate enough funds to pay off the note's principal and interest prior to December 31, 2021.
- Commissioner Patzer shared for the viewing audience that the developer of these types of projects bears the risk of getting reimbursed for the approved public improvements if their project does not generate sufficient tax increment revenues over the term of the redevelopment district. Commissioner Patzer shared that the IRA instrument that the LCDC utilizes protects the public from un-secured financial exposure.

Motion by Commissioner Patzer, seconded by Commissioner Hoskins approving Resolution 11-02 authorizing the 609 Sherman Avenue Lofts IRA as drafted and presented (Ex. Director Berns read Resolution 11-02 prior to the roll call).

Roll Call:

| | | | | | |
|----------------|------------|-------------------|---------------|---------------|----------------|
| Elder | Yes | Goodlander | Yes | Davis | Recused |
| Hassell | Yes | Colwell | Absent | Patzer | Yes |
| Jordan | Yes | Hoskins | Yes | | |

Recusal – Commissioner Davis recused himself from participating in the discussion and voting on Resolution FY11-02 due to a potential conflict of interest because in the past his firm, and Commissioner Davis, represented the applicant (609 Sherman, LLC) in formation of that entity and other matters related to the project. Commissioner Davis did not perform any work related to this application for partnership funding. Also, Commissioner Davis no longer represents the applicant or any of its principals.

Motion carried.

6. COMMITTEE REPORTS

❖ Education Corridor ad hoc Committee: Commissioner Scott Hoskins.

Commissioner Hoskins shared that Phase 1A of the Education Corridor project is progressing on schedule. North Idaho College is continuing communication efforts with stakeholders by sending out timely emails re. various aspects of the construction project. Commissioner Hoskins encouraged folks to visit the Education Corridor website (www.edcorridor.com).

- Commissioner Davis thanked NIC for their continued communication efforts.
- Commissioner Elder shared that the project is looking very good and will be impressive once completed.

LCDC Partnership Funding Grant Request: North Idaho College (NIC)
Request re. Phase 1B Public Right of Way Property Acquisition: Mic Armon, NIC Trustee

Commissioner Davis welcomed Mic Armon, NIC Trustee, to the Board meeting. Mr. Armon, on behalf of the NIC Board of Trustees, thanked the LCDC Board for their continued support of the Education Corridor initiative.

Mr. Armon shared that NIC has reached an agreement with the Burlington Northern Santa Fe (BNSF) railroad to acquire the entire BNSF fee simple ownership parcel adjacent to NIC’s Robinhood campground for \$265,000.

Closing on the acquisition is scheduled for early fall of 2011. The BNSF parcel is needed to provide optimal ingress and egress public right of way access for the proposed Education Corridor Phase 1B road improvements (i.e. the extension of River Avenue out to Northwest Blvd.) [Figure 1].

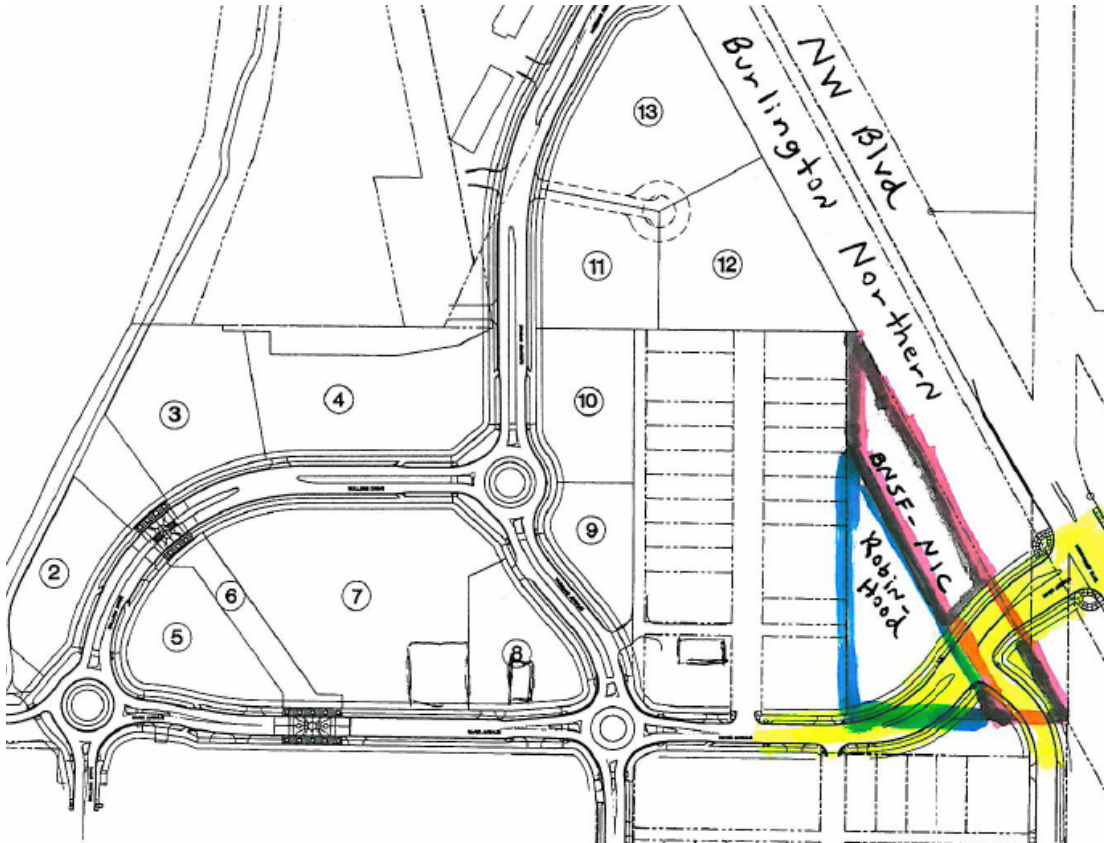


Figure 1: Graphic depicting proposed public infrastructure improvements associated with Phase 1B: the extension of River Avenue out to a signalized Northwest Boulevard intersection (yellow); NIC Foundation Robinhood parcel (blue); and the BNSF parcel to be acquired by NIC (pink).

NIC also plans to retire the outstanding debt owed to the NIC Foundation pertaining to the Robinhood campground parcel. The Robinhood debt obligation, which matures in 2014, needs to be retired prior to construction of any new public improvements that will be dedicated to the City of CDA. Mr. Armon shared that NIC's remaining debt balance on the Robinhood property is \$265,765 (the original purchase price was \$700,000).

NIC, facing \$530,765 in near-term property acquisition costs, would like the LCDC Board to consider contributing public right of way funding assistance in the amount of \$125,000 to help offset the pending NIC cash expenditures. The public right-of-way acquisition costs for the two parcels in question breakdown as follows:

- BNSF acquisition: NIC purchase price equates to \$2.31/sq.ft.
 - JUB Engineers has calculated that the needed public right of way area for the proposed River Avenue extension out to NW Blvd across this parcel totals 19,776 sq.ft.; which equates to \$45,683 @ \$2.31/sq.ft.
- NIC Foundation (Robinhood campground) acquisition: NIC debt retirement cost equates to \$12.48/sq.ft.
 - JUB Engineers has calculated that the needed public right of way area for the proposed River Avenue extension out to NW Blvd across this parcel totals 16,461 sq.ft. which equates to \$205,433 @ \$12.48/sq.ft.

Thus, the public right of way acquisition cost for both parcels equals \$251,116. NIC's request of LCDC for \$125,000 would pay for approximately one half of the required public right of way property acquisition costs for Phase 1B of the Education Corridor initiative.

- Commissioner Goodlander asked if NIC could not use some of their existing revenue streams to pay for all of these property acquisitions?
 - Mr. Armon shared that NIC has used quite a bit of their existing revenue streams to pay for the acquisition of the old DeArmond mill site property, and that they have been counseled by their auditors to replenish their reserve accounts which have dropped to a low value. Thus the request of the LCDC for the property acquisition funding assistance.
- Commissioner Patzer shared that the BNSF acquisition price per square foot seemed low.
 - Mr. Armon shared that the square foot price is low because BNSF was able to realize other tax related value from the NIC transaction.
- Commissioner Davis shared that he felt NIC's request for LCDC financial participation based on the square footage cost of the public right of way area for Phase 1B seemed logical and appropriate.
- Commissioner Patzer asked about the access status for the North Idaho Museum storage building located adjacent to the soon to be acquired BNSF parcel – will the Museum storage building still have reasonable access?
 - Mr. Armon shared that yes, the Museum storage building will have reasonable / viable access following the acquisition.
- Commissioner Davis suggested that one stipulation of an LCDC grant for this public right of way area acquisition might be that NIC agree to dedicate the public right of way acquired to the City of CDA.

Motion by Commissioner Patzer, seconded by Commissioner Elder, to approve a \$125,000 LCDC partnership grant to NIC to be used by NIC for public right of way property acquisition necessary for the construction of Phase 1B of the Education corridor initiative, stipulating that any NIC acquired public right of way area designated for Phase 1B roadway improvements be dedicated to the City of CDA. Motion carried.

❖ **Finance Committee – Commissioner Rod Colwell**

Lake & River District Monthly Financials

Lake & River District Payables

LCDC Executive Director Berns, in Finance Committee Chair Rod Colwell's stead, reviewed and discussed the June Lake and River District financial files, and the June/July account payables sheet, with the Board.

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

Recusal – Commissioner Davis recused himself from voting on the payables related to the Riverstone developments.

Motion carried.

Budget Discussion: Draft FY12 Budget

Executive Director Berns led the Board through an overview discussion of the draft fiscal year 2012 (FY12) budgets for the Lake & River Districts. Ex. Director Berns 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 LCDC 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. Key FY12 budget issues discussed with the Board:

Lake District:

- The County currently shows a decrease in valuation for the Lake District of \$26.2 million over last year. The estimated \$3.6 million property tax revenue value is computed without any increase in levy rates; a conservative approach. **Note:** the LCDC is not a taxing entity; LCDC revenues are computed using levy rates set by the various taxing entities represented in LCDC's redevelopment districts.
- There is a new line item on the income statement for the Washington Trust Bank bond. The proposed budget anticipates drawing \$6.0 million in FY12.

- The Finance Committee proposes reducing the annual % contribution to public art from 3% down to 2%.
- McEuen Park expenses are forecast for Phase 1 A&E design, and two months of Phase 1 construction in FY12.
- A new line item “Ed. Corridor Phase 1B Infrastructure” has been added to the budget. The Finance Committee proposes budgeting \$500,000 towards this phase of the project in FY12.
- The FY12 budget anticipates the pay off of the \$2.5 million North Idaho Centennial Trail Foundation debt obligation.

River District:

- The County currently shows a decrease in valuation for the River District of \$10.5 million over last year. The estimated \$1.6 million property tax revenue is computed without any increase in levy rates; a conservative approach.
 - The Finance Committee is proposing reducing the annual contribution % to public art from 3% down to 2%.
 - The LCDC FY12 grant program budget captures \$30,000 for the KYRO project, based on the assumption that \$200,000 of the Board approved \$230,000 grant will be paid in FY11.
- Commissioner Davis discussed the Finance Committee’s recommendation to reduce the public art contribution percentage by 1% sharing that the current LCDC annual contribution to the City’s Arts Commission for public art within the redevelopment districts is significant. A 2% LCDC FY12 contribution for public art for both redevelopment districts equates to approximately \$104,000 versus a 3% FY12 contribution equaling approximately \$155,000.
- Commissioner Elder shared that the McEuen Park initiative will most likely also generate funds for public art.
- Commissioner Hassell agreed with the committee’s proposed reduction in the art contribution percentage.
- Commissioner Goodlander commented that the LCDC Board can modify its Arts Commission public art contribution percentage on a yearly basis. She also shared that the Arts Commission is working to place public art in the soon to be completed Education Corridor roundabouts, and at the wastewater treatment facility.
- Commissioner Davis commented that the Finance Committee felt the proposed funding for Phase1B of the Education Corridor initiative was an appropriate amount for LCDC.

Motion by Patzer, seconded by Hassell, to authorize the LCDC Executive Director to publish the proposed FY12 draft LCDC budget as presented in the CDA Press prior to the August 17, 2011 budget public hearing date. Motion carried.

Budget Discussion: Amended FY11 Lake District Budget

Executive Director Berns shared an overview of the proposed amendment to the fiscal year 2011 (FY11) LCDC budget citing that the only proposed amendment to the FY11 LCDC budget pertains to the LCDC's Lake District and involves the inclusion of 1) the construction costs for the Phase 1A infrastructure improvements pertaining to the Education Corridor initiative, and 2) the project management costs pertaining to Phase 1A of the Education Corridor initiative.

Motion by Hassell, seconded by Hoskins, to authorize the LCDC Executive Director to publish the amended FY11 LCDC budget as presented in the CDA Press prior to the August 17, 2011 budget public hearing date. Motion carried.

Lake District / Washington Trust Bank (WTB) Financing: Update

Executive Director Berns shared that the WTB financing process is moving forward, with document preparation planned for the end of July, with an anticipated loan closing in September.

FY11 Q3 Quarterly Report

Executive Director Berns shared the Fiscal Year 2011 third quarter (FY11 Q3) report with the Board, asking Board members to review the package at their convenience, and to contact him with any questions.

❖ **Housing Committee – Commissioner Jim Elder**

Commissioner Elder commented that he had no committee report to share.

❖ **Parking Committee – Commissioner Jim Elder**

Commissioner Elder commented that he had no committee report to share.

❖ **Communication Committee – Commissioner Dave Patzer**

Commissioner Patzer commented that he had no committee report to share.

7. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns reviewed the 3rd quarter status of the Board's FY11 goals. All of the Board's goals are progressing well and should be attained by the end of the fiscal year.

8. PUBLIC COMMENT

No public comment provided.

9. ADJOURN

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

The LCDC Board meeting adjourned at 5:07 p.m. Minutes prepared and submitted by Tony Berns.



**BOARD MEETING MINUTES
WEDNESDAY AUGUST 17, 2011 4:00 P.M.
COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

Vice-Chairman Jim Elder called the LCDC Board meeting to order at 4:00 p.m.

LCDC Board members present: Elder, Hassell, Patzer, Jordan, Colwell. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Tom Hasslinger, Chris Hollibaugh, Frank Orzell, Rita Sims-Snyder, Lillian Lynd, Nelson Gourley, Jim Pierce, Susie Snedaker, Julie Clark, and others.

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- July 20, 2011 Board Meeting Minutes

**Motion by Commissioner Patzer, seconded by Commissioner Hassell
to approve the July 20, 2011 Board Meeting Minutes.
Motion carried.**

5. LCDC FY2011 AMENDED BUDGET HEARING

Vice-Chairman Elder called the fiscal year 2011 amended budget public hearing to order at 4:02 p.m. and asked Executive Director Berns to provide an overview of the proposed budget amendment prior to public comment.

Mr. Berns shared that the only proposed amendment to the LCDC's fiscal year 2011 budget pertains to the LCDC's Lake District and involves the inclusion of 1) the construction costs for the Phase 1A infrastructure improvements pertaining to the Education Corridor initiative, and 2) the project management costs pertaining to Phase 1A of the Education Corridor initiative. The amended budget graphic below depicts the increase in expenditures on the "Expenses/Debt Service" line.

| | FY2011 Plan <u>Expenditures</u> (ORIGINAL) | FY2011 Plan <u>Revenues</u> (ORIGINAL) | FY2011 Plan <u>Expenditures</u> (AMENDED) | FY2011 Plan <u>Revenues</u> (AMENDED) |
|--------------------------------------|---|---|--|--|
| Administration | \$ 175,937 | | \$ 175,937 | |
| Expenses/Debt Service | \$5,412,553 | | \$8,105,103 | |
| Capital/Debt Service | <u>\$1,884,362</u> | | <u>\$1,884,362</u> | |
| Totals | \$7,472,852 | | \$10,165,402 | |
| Tax Increment Revenue ⁽¹⁾ | | \$4,542,592 | | \$4,542,592 |
| Rental Receipts | | \$ 164,322 | | \$ 164,322 |
| Int. & Misc. Funds | | \$ 35,000 | | \$ 35,000 |
| Capital Financing | | <u>\$1,190,000</u> | | <u>\$1,190,000</u> |
| Totals | | \$5,931,914 | | \$5,931,914 |

| | FY2011 <u>Plan – Original</u> | FY2011 <u>Plan – Amended</u> |
|---|----------------------------------|---------------------------------|
| Fund Balance ⁽²⁾ , Beginning of Year | \$7,832,288 | \$7,832,288 |
| Revenues | \$5,931,914 | \$5,931,914 |
| Expenditures | <u>(\$7,472,852)</u> | <u>(\$10,165,402)</u> |
| Fund Balance ⁽²⁾ , End of Year | \$6,291,350 | \$3,598,800 |

⁽¹⁾ FY2011 tax increment revenue generated from Kootenai County data - estimated at time of publication.

⁽²⁾ FY2011 fund balance was estimated at time of original publication. Fund Balances can be applied to debt service, applied to Board approved initiatives, or held in reserve.

Vice-Chairman Elder asked if there was any public comment on the proposed amendment to the FY11 budget. No public comment was provided regarding the proposed amendment to the FY11 budget as proposed. Vice-Chairman Elder closed the Public Hearing at 4:05 p.m.

- Resolution 11-03: Adoption of LCDC FY2011 Amended Budget

Motion by Commissioner Hassell, seconded by Commissioner Patzer to approve Resolution 11-03 adopting the amendment to the LCDC FY2011 Budget as proposed.

Roll Call:

| | | | | | |
|-------------------|---------------|----------------|---------------|---------------|------------|
| Goodlander | Absent | Davis | Absent | | |
| Hassell | Yes | Colwell | Yes | Patzer | Yes |
| Jordan | Yes | Hoskins | Absent | Elder | Yes |

Motion carried.

6. LCDC FY2012 BUDGET HEARING

Vice-Chairman Elder called the fiscal year 2012 budget public hearing to order at 4:06 p.m. and asked Executive Director Berns to provide an overview of the proposed budget prior to public comment.

Mr. Berns shared summary comments re. the following LCDC proposed FY12 budget:

FY2012 Budget Overview

| | <u>Lake District</u> | <u>River District</u> | <u>Total</u> |
|---|----------------------|-----------------------|----------------------|
| <u>Estimated</u> Beginning Fund Balance (10/1/11) | \$ 4,595,667 | \$ 2,031,553 | \$ 6,627,220 |
| Revenues | | | |
| <u>Estimated</u> Tax Increment | \$ 3,590,264 | \$ 1,594,504 | \$ 5,184,768 |
| Property Rental Receipts | \$ 153,663 | \$ - | \$ 153,663 |
| Int. & Misc. Funds | \$ 12,500 | \$ 3,500 | \$ 16,000 |
| WTB Bond Draw | \$ 6,000,000 | \$ - | \$ 6,000,000 |
| Capital Acquisition Financing | <u>\$ 350,000</u> | <u>\$ 140,000</u> | <u>\$ 490,000</u> |
| Total | \$10,106,427 | \$ 1,738,004 | \$ 11,844,431 |
| Expenses | | | |
| Administration | \$ 106,368 | \$ 70,912 | \$ 177,280 |
| Office Expenses | \$ 5,868 | \$ 3,912 | \$ 9,780 |
| Travel | \$ 7,200 | \$ 4,800 | \$ 12,000 |
| Professional Services | \$ 65,216 | \$ 39,744 | \$ 104,960 |
| Notices | \$ 2,000 | \$ 1,250 | \$ 3,250 |
| Communications | \$ 3,000 | \$ 2,000 | \$ 5,000 |
| Insurance | \$ 3,458 | \$ 2,306 | \$ 5,764 |
| Meetings | \$ 3,150 | \$ 2,100 | \$ 5,250 |
| Utilities | \$ 13,620 | \$ - | \$ 13,620 |
| Property Management | \$ 95,721 | \$ - | \$ 95,721 |
| Organization Dues | \$ 4,506 | \$ 3,004 | \$ 7,510 |
| Miscellaneous | \$ 600 | \$ 400 | \$ 1,000 |
| Public Art | \$ 71,805 | \$ 31,890 | \$ 103,695 |
| Capital Acquisition Expense | \$ 500,000 | \$ 200,000 | \$ 700,000 |
| Debt: Interest | \$ 226,481 | \$ - | \$ 226,481 |
| Debt: Principal | \$ 4,906,580 | \$ - | \$ 4,906,580 |
| Property Leases | \$ - | \$ - | \$ - |
| LID Payments | \$ - | \$ - | \$ - |
| Parking Initiatives | \$ 50,000 | \$ - | \$ 50,000 |
| Planning | \$ 1,175,000 | \$ 88,000 | \$ 1,263,000 |
| Grants | \$ 235,000 | \$ 30,000 | \$ 265,000 |
| Partnership Agreements | \$ 783,403 | \$ 947,856 | \$ 1,731,259 |
| Midtown Place Making Project | \$ 25,000 | \$ - | \$ 25,000 |
| Ed. Corridor: Infrastructure | \$ 1,497,513 | \$ - | \$ 1,497,513 |
| McEuen Park Initiative | \$ 2,000,000 | \$ - | \$ 2,000,000 |
| Special Project Reserve | <u>\$ 500,000</u> | <u>\$ -</u> | <u>\$ 500,000</u> |
| Total | \$12,281,489 | \$ 1,428,174 | \$ 13,709,663 |
| <u>Estimated</u> Ending Fund Balance (9/30/12) | \$ 2,420,605 | \$ 2,341,383 | \$ 4,761,988 |

Following Mr. Berns' summary remarks, Vice-Chairman Elder asked if there was any public comment on the proposed budget. No public comment was provided regarding the LCDC FY2012 budget as proposed. Vice-Chairman Elder closed the Public Hearing at 4:09 p.m.

- Resolution 11-04: Adoption of LCDC FY2012 Budget

Motion by Commissioner Colwell, seconded by Commissioner Hassell to approve Resolution 11-04 adopting the LCDC FY2012 Budget as proposed.

Roll Call:

| | | | | | |
|-------------------|---------------|----------------|---------------|---------------|------------|
| Goodlander | Absent | Davis | Absent | | |
| Hassell | Yes | Colwell | Yes | Patzer | Yes |
| Jordan | Yes | Hoskins | Absent | Elder | Yes |

Motion carried.

7. RESOLUTION 11-05: REIMBURSEMENT RESOLUTION

LCDC Legal Counsel Danielle Quade provided a summary overview of the proposed reimbursement resolution to the Board. The proposed reimbursement resolution will allow the Board to utilize proceeds from the Washington Trust Bank (WTB) Lake District Bond to reimburse itself for qualified project costs expended up to 60 days prior to the date of the resolution.

The primary rationale behind the resolution mechanism involves the pending payoff of the \$2.5 million North Idaho Centennial Trail Foundation (NICTF) WTB note in December, 2011. Original plans targeted funds from the WTB Bond to pay off the NICTF note and use existing cash assets to pay for the Education Corridor Phase 1A infrastructure project that is underway. For compliance with IRS tax-exempt bond regulations reasons, it is recommended that LCDC use existing cash assets to pay off the NICTF tax-exempt financed note and use proceeds from the WTB Bond to pay for the Education Corridor infrastructure improvements.

This resolution provides the Board the flexibility to utilize the WTB Bond funds to help pay (i.e. reimburse the LCDC) for Education Corridor costs that would have otherwise been paid for via existing funds on hand prior to issuance of the WTB Bond .

Motion by Commissioner Patzer, seconded by Commissioner Hassell to approve Resolution 11-05 adopting the Reimbursement Resolution as presented.

Roll Call:

| | | | | | |
|-------------------|---------------|----------------|---------------|---------------|------------|
| Goodlander | Absent | Davis | Absent | | |
| Hassell | Yes | Colwell | Yes | Patzer | Yes |
| Jordan | Yes | Hoskins | Absent | Elder | Yes |

Motion carried.

8. COMMITTEE REPORTS

❖ Education Corridor ad hoc Committee: Commissioner Scott Hoskins.

LCDC Executive Director Berns, in Commissioner Hoskins' stead, shared that Phase 1A of the Education Corridor infrastructure project is progressing on schedule. North Idaho College is continuing communication efforts with stakeholders by sending out timely emails re. various aspects of the construction project. Ex. Director Berns also commended all stakeholders associated with the project, specifically the Fort Ground homeowners and the principals of the Fort Ground Grill, for their patience during the construction period.

- Commissioners Elder and Hassell both commented on how well the project is progressing.
- Commissioner Jordan commented that he is looking forward to the eventual construction of new facilities on the old mill site area.

❖ Finance Committee – Commissioner Rod Colwell

Lake & River District Monthly Financials

Lake & River District Payables

LCDC Finance Committee Chair Rod Colwell reviewed and discussed the July Lake and River District financial files, and the July/August account payables sheet, with the Board. Mr. Colwell also provided a summary review of how an "Owner Participation Agreement" (OPA) works, wherein the developer of a project pays for and constructs all LCDC pre-approved public improvements (e.g. roads, sewer lines, sidewalks) associated with the project, with the developer getting reimbursed by LCDC for his upfront costs over time solely from the future property taxes generated by his/her project. The developer receives no money up front from the LCDC, and LCDC has no obligation to use non-project related funds to reimburse the developer. So basically, there is no risk to the public; the developer bears all of the risk on the premise that his/her project will generate sufficient future property taxes to pay for the all ready installed public improvements.

Motion by Commissioner Patzer, seconded by Commissioner Hassell, to approve the July financial packets and the July/August accounts payables for the Lake & River Districts as presented.

- Commissioner Hassell asked for a summary of how the invoice review process works re. the MDM Construction invoices for the Education Corridor Phase 1A project?
 - Ex. Director Berns shared that JUB Engineers reviews all of the submitted MDM invoices to assure their accuracy. JUB then forwards the MDM invoices to the City of CDA's Engineering Department for their review and concurrence that the proposed charges are accurate. Once both JUB and the City agree to the validity of the invoices, JUB sends a payment request to LCDC containing the MDM invoices and supporting documentation.
- Commissioner Patzer shared that the Board will be seeing several more sizable payment requests over the next several months from MDM Construction as the Phase 1A Education Corridor project progresses.

Motion carried.

Lake District / Washington Trust Bank (WTB) Financing: Update

Executive Director Berns shared that the Lake District WTB financing process is moving forward, with document preparation nearing completion, and an anticipated loan closing of September 27, 2011.

❖ **Housing Committee – Commissioner Jim Elder**

Commissioner Elder commented that he had no committee report to share.

❖ **Parking Committee – Commissioner Jim Elder**

Commissioner Elder commented that he had no committee report to share.

❖ **Communication Committee – Commissioner Dave Patzer**

Commissioner Patzer commented that he had no committee report to share.

9. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns commented that he had no report to share.

10. PUBLIC COMMENT

Frank Orzell: Mr. Orzell asked several questions pertaining to LCDC's planned level of financial participation in the McEuen Park initiative, and how said financial participation would be monitored by the LCDC Board.

➤ Board members responded to Mr. Orzell's questions.

Lillian Lynd: Ms. Lynd asked several questions re. the funding source for potential LCDC partnership funding for the McEuen Park initiative.

➤ Board members responded to Ms. Lynd's questions.

11. EXECUTIVE SESSION – Idaho Code Section 67-2345(1)

Subsection B: to consider the evaluation of the LCDC executive director.

Motion by Commissioner Patzer, seconded by Commissioner Hassell to convene an Executive Session, as provided by Idaho Code Section 67-2345(1) Subsection B: to consider the evaluation of the LCDC executive director.

Roll Call:

| | | | | | |
|-------------------|---------------|----------------|---------------|----------------|---------------|
| Goodlander | Absent | Hassell | Yes | | |
| Colwell | Yes | Patzer | Yes | Jordan | Yes |
| Elder | Yes | Davis | Absent | Hoskins | Absent |

Motion carried.

The LCDC Board entered into Executive Session at 4:38 p.m. Those present were the LCDC Board of Commissioners, and LCDC legal counsel Danielle Quade. Ex. Director Berns was invited into Executive Session just prior to the session's conclusion.

Deliberations were conducted regarding the performance review of the executive director.

No action was taken in Executive Session and the LCDC Board returned to regular session at 5:05 p.m.

Following the Executive Session, the following motion was made re. modifications to the LCDC Executive Director's compensation package:

Motion by Commissioner Colwell, seconded by Commissioner Patzer, to make the following adjustments to the LCDC Executive Director's compensation package:

- **Authorize a 3% annual compensation increase.**
- **At the choice of the Executive Director, the 3% increase can be used as a salary increase, or an increase to the employer's contribution to the Executive Director's 401k plan.**

Board members commended Executive Director Berns for his performance as LCDC Executive Director, and thanked him for his continued contributions to the organization.

Motion carried

12. ADJOURN

Motion by Commissioner Hassell, seconded by Commissioner Jordan to adjourn. Motion carried.

The LCDC Board meeting adjourned at 5:10 p.m. Minutes prepared and submitted by Tony Berns.



BOARD MEETING MINUTES

WEDNESDAY SEPTEMBER 21, 2011 4:00 P.M.

COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM

1. CALL TO ORDER

Chairman Denny Davis called the LCDC Board meeting to order at 4:02 p.m.

LCDC Board members present: Davis, Elder, Hassell, Patzer, Jordan. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Tom Hasslinger, Major Ben Markham, Terry Cooper, Tina Johnson, Teresa Molitor.

Terry Cooper, CDA Downtown Association (DTA) Manager:

Mr. Cooper thanked the LCDC Board for their continued support of the DTA and downtown CDA, and shared an overview with the Board of the DTA's event marketing program. Downtown CDA is event strong, with the DTA hosting 78 events in the past fiscal year. The DTA has structured a very successful farmers market that occurs downtown every Wednesday afternoon from late spring to early fall. The DTA has 161 flower baskets on Sherman and Lakeside Avenues, with the flower baskets receiving water/nutrients every morning, seven days a week, for the four month flower basket season.

The DTA also employs an "Ambassador" that works four days a week downtown to help visitors and community members with any downtown related issues / questions. The Ambassador is the eyes and ears on the street for the DTA. The DTA also spends a lot of time cleaning the downtown sidewalks due to the high intensity of use of the downtown area by local patrons. Mr. Cooper shared that this past summer season has been very busy, with downtown street level lease space remaining very strong on Sherman and Lakeside Avenues.

- Commissioner Elder commented that he feels Mr. Cooper and the DTA is doing a fantastic job, sharing that the flower baskets are beautiful.

Commissioner Elder asked how much do the DTA members contribute financially towards the flower basket program?

- Mr. Cooper shared that the total cost of the flower basket program is around \$15,000 per year. \$10,000 of that amount is comprised of donations, with about 85% of the donated funds coming from DTA members.
- Commissioners Jordan and Hassell shared that they both receive a lot of wonderful feedback regarding the downtown flower baskets.
- Commissioner Davis asked about the current level of lease/business turnover in the downtown?
 - Mr. Cooper shared that space on Sherman Avenue turns over occasionally but does not stay vacant long. The side streets off of Sherman take longer to lease once a vacancy occurs. The DTA's façade program is helping to recruit businesses to the side streets by working with property owners to enhance the aesthetics and functionality of their properties. Attracting and retaining tenants for the small professional office space is the biggest challenge faced right now by the DTA. Retail stores and restaurants are doing great.
- Commissioner Davis asked Mr. Cooper to share with the viewing audience how the DTA is funded.
 - Mr. Cooper shared that the primary funding source for the DTA is the Business Improvement District (BID) assessment. 250 BID members are assessed annually based upon location, type of business and square footage occupied. This BID assessment contributes approximately \$60,000 to the DTA. The DTA also has a contract with the City of CDA which generates funding to the DTA based on performance re. negotiated DTA responsibilities (e.g. sidewalk cleaning and maintenance, tree maintenance, sidewalk snow removal, maintaining downtown vitality through events). The DTA also receives revenues generated by their events and benefits from the event program grant provided by the LCDC.

Major Ben Markham, CDA Kroc Community Center:

Major Markham thanked the LCDC Board for their continued support of the CDA Kroc Community Center. Major Markham shared that the Kroc Center currently has around 15,000 members, a slight drop from earlier this year. This current membership level still eclipses the original projected membership estimate for the Kroc Center which was around 5,000. Major Markham shared that 24% of the 15,000 members are on scholarship; the scholarship program provides a financial subsidy to these members making the Kroc Center more accessible to the entire community.

Major Markham also shared that they are completing a new parking structure addition that was needed to accommodate all of the Center's members, as well as visiting guests who attend the numerous events and meetings held at the Center. The new 142 space parking structure is being financed through an internal Salvation Army grant.

- Commissioner Davis commented that the community benefits greatly from the swimming programs/venues offered at the Kroc Center. Commissioner Davis thanked the Kroc leadership team for including this element in the Center's design.
- Commissioner Elder commended the Kroc leadership team for implementing the scholarship program; stating that this type of program really helps make this type of community center available to the whole community. Commissioner Elder also shared that the Kroc Center summer camp programs are well designed and led by excellent staff.
- Commissioner Jordan asked how many Kroc Centers exist?
 - Major Markham shared that there are 31 Centers on the design / construction list. At this time, 19 are up and running. The City of CDA is the smallest city in the country to have a Kroc Center, and the CDA Kroc Center is the Center that all other Kroc Centers benchmark as they begin their programs.

4. APPROVAL OF MINUTES

- August 17, 2011 Board Meeting Minutes
- August 25, 2011 Special Call Meeting Minutes

Motion by Commissioner Elder, seconded by Commissioner Patzer to approve the August 17, 2011 Board Meeting Minutes. Motion carried.

Motion by Commissioner Patzer, seconded by Commissioner Hassell to approve the August 25, 2011 Special Call Meeting Minutes. Motion carried.

5. COMMITTEE REPORTS

❖ **Education Corridor ad hoc Committee: Commissioner Scott Hoskins.**

LCDC Executive Director Berns, in Commissioner Hoskins' stead, shared that Phase 1A of the Education Corridor infrastructure project is progressing on schedule, with the completion of the new Hubbard Avenue / NW Boulevard traffic signal expected within two weeks. North Idaho College is continuing communication efforts with stakeholders by sending out timely emails re. various aspects of the construction project.

- Commissioner Patzer asked when the BNSF railroad tracks will be removed?
 - Ex. Director Berns shared that BNSF has let a salvage contract for the rail and tie removal, with the completion of the salvage contract scheduled for the end of this calendar year.

❖ **Finance Committee – Commissioner Rod Colwell**

Lake & River District Monthly Financials

Lake & River District Payables

LCDC Executive Director Berns, in Commissioner Colwell's stead, reviewed and discussed the August Lake and River District financial files, and the August/September account payables sheet, with the Board.

Commissioner Patzer asked Ex. Director Berns to share an overview of the invoicing approval process for the MDM Construction invoices associated with Phase 1A of the Education Corridor project. Ex. Director Berns shared such an invoice approval process summary with the Board and viewing audience.

During his discussion of the ICRMP insurance premium payment on the payables sheet, Executive Director Berns recommended to the Board that LCDC once again decline the additional terrorism insurance protection offered to LCDC by ICRMP. ICRMP is required by law to offer such additional terrorism insurance coverage to its members. John Goedde, of Kuespert Insurance, concurs with this recommendation to decline the additional terrorism insurance coverage that would cost LCDC \$5,000 annually. LCDC currently enjoys coverage re. this matter under ICRMP's \$20 million membership coverage package. The ICRMP insurance premium payable in front of the Board for approval does not include the additional terrorism coverage premium of \$5,000.

Motion by Commissioner Hassell, seconded by Commissioner Patzer, to approve the August financial packets and the August/September accounts payables for the Lake & River Districts as presented, and to also decline ICRMP's offer for additional terrorism insurance coverage.
Motion carried.

Lake District / Washington Trust Bank (WTB) Financing: Update

Executive Director Berns shared that the Lake District WTB financing process is moving forward, with document preparation nearing completion, and closing planned for September 27, 2011.

❖ **Housing Committee – Commissioner Jim Elder**

Housing Committee Chair Jim Elder shared that LCDC is still working with the Idaho Housing & Finance Association (IHFA) on the Midtown mix-use workforce housing initiative. Market conditions are still delaying implementation of the project. Both LCDC and IHFA are hopeful that 2012 will offer the economic conditions suitable for ground breaking on this project.

- Commissioner Jordan asked if the workforce housing units are still planned to be rental units?
 - Commissioner Elder shared that yes, IHFA is still planning to move forward with rental housing units located above street level commercial retail/office space.

❖ **Parking Committee – Commissioner Jim Elder**

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City's Parking Commission, shared that the City's 2011 summertime revenues generated from the downtown public parking lots were up significantly over the same time period last year. This increase was primarily generated by the increased parking fee structure implemented by the City. Commissioner Elder also reminded the Board that the use of the downtown 3rd street boat ramp has dropped significantly over the past seven years.

- Commissioner Patzer asked if the Parking Commission has received any customer feedback re. the user friendliness of the automatic parking ticket dispensers located in the Independence and Museum public parking lots? Commissioner Patzer shared that his experience with the machines has not been positive, and he has witnessed the frustration of quite a few other parking lot customers re. use of the machines.
 - Commissioner Elder shared that the Parking Commission has not heard any such feedback, and that he would check with Diamond Parking as to the customer feedback they are receiving concerning the machines.

❖ **Communication Committee – Commissioner Dave Patzer**

Communication Committee Chair Dave Patzer commented that he had no committee report to share.

6. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns commented that he had no report to share.

7. PUBLIC COMMENT

No public comment was given.

8. ELECTION OF LCDC CHAIRMAN & VICE CHAIRMAN

Motion by Commissioner Patzer that Commissioner Denny Davis be nominated as LCDC Board Chairman, and that Commissioner Jim Elder be nominated as LCDC Vice-Chairman, for fiscal year 2012. Commissioner Hassell seconded the motion. No other nominations were proffered, and no objections to the nomination slate were voiced. Motion carried.

Board members thanked Commissioners Davis and Elder for their hard work on behalf of the LCDC and the community, and for their willingness to once again serve in LCDC leadership positions. Commissioners Davis and Elder thanked their fellow Board members for their support and trust.

9. ADJOURN

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

The LCDC Board meeting adjourned at 4:48 p.m. Minutes prepared and submitted by Tony Berns.



BOARD MEETING MINUTES

WEDNESDAY OCTOBER 17, 2011 4:00 P.M.

COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM

1. CALL TO ORDER

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

LCDC Board members present: Davis, Elder, Hassell, Colwell, Hoskins, Goodlander, Patzer. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Frank Orzell

No public comment provided.

4. APPROVAL OF MINUTES

- September 21, 2011 Board Meeting Minutes

Motion by Commissioner Elder, seconded by Commissioner Hassell to approve the September 21, 2011 Board Meeting Minutes. Motion carried.

5. COMMITTEE REPORTS

❖ Education Corridor ad hoc Committee: Commissioner Scott Hoskins

Education Corridor Committee Chair Scott Hoskins shared that Phase 1A of the Education Corridor infrastructure project is nearing completion, with the new Hubbard Avenue / NW Boulevard traffic signal set to be energized next week. Landscaping and street lighting are the two primary project components left to complete. North Idaho College continues its fine communication efforts with stakeholders by sending out timely emails re. various aspects of the construction project.

❖ **Finance Committee – Commissioner Rod Colwell**

Lake & River District Monthly Financials
Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the September Lake and River District financial files, and the September/October account payables sheet, with the Board.

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins, to approve the September financial packets and the September / October accounts payables for the Lake & River Districts as presented. Motion carried.

FY11 Q4 Quarterly Report

Executive Director Berns shared the Fiscal Year 2011 fourth quarter (FY11 Q4) report with the Board, asking Board members to review the package at their convenience, and to contact him with any questions.

❖ **Housing Committee – Commissioner Jim Elder**

Housing Committee Chair Jim Elder shared that LCDC is still working with the Idaho Housing & Finance Association (IHFA) on the Midtown mix-use workforce housing initiative. Market conditions are still delaying implementation of the project. City council member Mike Kennedy, who has worked with LCDC, IHFA and Midtown stakeholders on this project in the past, has asked that IHFA and LCDC re-engage the Midtown stakeholders prior to the launch of this project. Commissioner Elder shared that a re-engagement meeting venue as proposed by Councilmen Kennedy is targeted for this fall.

- Commissioner Hassell asked if IHFA is still considering switching the residential housing product from condominium units to rental units?
 - Commissioner Elder shared that yes, that is IHFA's current strategy.
- Commissioner Davis asked if IHFA is pursuing any pre-leasing efforts for the Midtown project?
 - Commissioner Elder shared that, to his knowledge, they are not.

❖ **Parking Committee – Commissioner Jim Elder**

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City's Parking Commission, shared that he followed up on

Commissioner Patzer's comments from the last Board meeting that Diamond Parking's automated ticket dispensing machines in the Independence and Museum parking lots are not very user friendly. Diamond Parking told Commissioner Elder that they are aware of the user issues and are working to address the issues. Apparently the machines become an issue during high use times; i.e. a user volume issue. Diamond Parking also shared that anyone who received a ticket due a machine user interface problem was only charged for two hours of parking, and were not required to pay a fine.

- Commissioner Goodlander shared that as a customer herself, she can attest to the challenges of the ticket issuing machines. She has addressed the issue with city staff inquiring if adding more machines was an option. City staff replied that the machines are very expensive, so adding additional machines would not be cost effective. The answer lies with making the machine user interface more efficient.
- Commissioner Patzer proposed that the City work with Diamond Parking on developing a backup option to collect parking revenues should the user interface problems with the machines continue during high volume periods.
 - Commissioner Elder shared that he will have the Parking Commission work with Diamond Parking to evaluate backup options in the lots where automated machines are used.

❖ **Communication Committee – Commissioner Dave Patzer**

Communication Committee Chair Dave Patzer commented that he had no committee report to share.

6. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns reviewed and discussed the status of the Board's Fiscal Year 2011 (FY11) goals, and reviewed the Board's goals for Fiscal Year 2012 (FY12) as developed at this past April's LCDC Board strategic planning session (see goal sheets below). The LCDC Board uses a green, yellow, red indicator status technique to denote progress achieved on Board goals.

- A "green" status indicator = goal is progressing well or has been achieved,
- A "yellow" status indicator = goal requires attention,
- A "red" status indicator = goal was not achieved.

Overall, the LCDC Board did very well in achieving their FY11 goals, with two goals rolling over into FY12.

| FY11 LCDC Board Goals - Both Districts | | | |
|--|-------------------------|--|-------------|
| Theme | Committee Responsible | District / Success Measures | Status |
| Public Space | Ad hoc (BJ, DG, AH) | 1) Lake: new 2010 McEuen Field Plan: construction of improvements initiated | green |
| | Acquisition | 2) LCDC: acq. and planning re. abandoned RR r-o-ws from Ed. Corr. to Huetter Rd. | green |
| Communication | Communication | 1) LCDC: community leaders / stakeholders invited regularly to Board meetings | green |
| | | 2) LCDC: communication strategy: continued implementation | green |
| | | 3) LCDC: 1 (stretch 2) ULI-Idaho forums held in CDA in FY11 | green |
| Education Corridor | Ad hoc (CN, JE, SH, DD) | Lake: Ed. Corr. 2010 Infrastructure Plan: construction of improvements initiated | green |
| Finance | Finance | LCDC: continue frequent review of district economic forecasting models | green |
| Parking | Parking | 1) Lake: land assemblage for future mix-use parking structure continued | green |
| | | 2) Lake: parking needs rationalized for CBD, County campus and Ed. Corr. areas | roll to '12 |
| Work Force Housing | Housing | LCDC: workforce housing project opportunities identified (IHFA & private sector) | green |
| | | 2) Lake: Midtown Disposition & Development Agreement with IHFA completed | roll to '12 |

September, 2011 Status

| FY12 LCDC Board Goals - Both Districts | | | |
|--|------------------------|---|--------|
| Theme | Committee Responsible | District / Success Measures | Status |
| Public Space | Ad hoc: BJ, DD, JE, DP | 1) Lake: McEuen Park Plan: construction of city approved improvements initiated | green |
| | Acquisition | 2) LCDC: acq. and planning re. abandoned RR r-o-ws from Ed. Corr. to Huetter Rd. | green |
| | Ad hoc: JE, BJ, DP, AH | 3) Lake: Four Corners public space opportunities explored | green |
| Communication | Communication | 1) LCDC: community leaders / stakeholders invited regularly to Board meetings | green |
| | | 2) LCDC: communication strategy: continued implementation | green |
| | | 3) LCDC: 1 (stretch 2) ULI-Idaho programs held in CDA in FY12 | green |
| Education Corridor | Ad hoc: JE, SH, DD | Lake: Ed. Corr. Phase 1A infrastructure improvements completed | green |
| Finance | Finance | LCDC: continue frequent review of district economic forecasting models | green |
| Parking | Parking | 1) Lake: land assemblage for future mix-use parking structure continued | green |
| | | 2) Lake: parking needs rationalized for CBD, County campus and Ed. Corr. areas | green |
| Work Force Housing | Housing | 1) LCDC: workforce housing project opportunities identified (IHFA & private sector) | green |
| | | 2) Lake: Midtown Disposition & Development Agreement with IHFA completed | green |
| | | 3) Lake: Student housing opportunities identified in Ed. Corridor thru collaboration with NIC | green |
| Downtown | Ad hoc: BJ, DG, SH | Lake: Incent downtown development via building code review, including 'historic district' possibility | green |

October, 2011 Status

7. PUBLIC COMMENT

No public comment was given.

8. ADJOURN

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

The LCDC Board meeting adjourned at 4:28 p.m. Minutes prepared and submitted by Tony Berns.



BOARD MEETING MINUTES

WEDNESDAY NOVEMBER 16, 2011 4:00 P.M.

COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM

1. CALL TO ORDER

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

LCDC Board members present: Davis, Elder, Hassell, Jordan, Colwell, Hoskins, Goodlander, Patzer. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Frank Orzell, Susie Snedaker, Amber Copeland, Dan Gookin.

No public comment provided.

4. APPROVAL OF MINUTES

- October 17, 2011 Board Meeting Minutes

Motion by Commissioner Elder, seconded by Commissioner Hassell to approve the October 17, 2011 Board Meeting Minutes. Motion carried.

5. COMMITTEE REPORTS

❖ Education Corridor ad hoc Committee: Commissioner Scott Hoskins

Education Corridor Committee Chair Scott Hoskins shared that Phase 1A of the Education Corridor infrastructure project is 98%+ complete, with a few landscaping chores to be completed next spring. The project turned out very well. Commissioner Hoskins provided a summary of the ribbon cutting that occurred on November 15th, sharing that the event was well attended, and that the speakers (Mayor Bloem, Denny Davis, Mic Armon & Priscilla Bell from North Idaho College [NIC]) at the event truly captured the success of the

partnership that has been in place for the past 15 plus years. Commissioner Hoskins also shared that his committee is planning to bring forward to the Board the plans for Phase 1B in December. Phase 1B will be the next significant step in alleviating the ingress/egress issues associated with the NIC campus and Fort Grounds area in general.

- Commissioner Patzer asked if the RR tracks located in the old Lincoln Way entrance to the college will be left in place, or removed by the RR salvage crew?
 - Commissioner Hoskins and Ex. Director Berns shared that the plan is to have those remaining tracks located in the road crossing removed by the successful contractor of the Phase 1B project.
- Commissioner Patzer asked of the condition of the BNSF RR right of way following removal of the tracks and ties?
 - Commissioner Davis shared that from his observations, the area is clean, but did not benefit from a final grading operation at this time; still a bit bumpy in places.
- Commissioner Elder commented that Phase 1A of the infrastructure project was a great success, and that the ribbon cutting ceremony was very well attended. He also congratulated all of the speakers at the event for their remarks, especially Commissioner Davis, whom he thought did an excellent job of tying “everything” together; i.e. the history of the Education Corridor partnership, the time lines of the endeavor, the major hurdles surmounted, and the resulting wonderful benefit to the community.

In closing, Commissioner Hoskins thanked the NIC communications team, especially Stacy Hudson, for their fine job in facilitating communication efforts throughout the project’s timeline.

❖ **Finance Committee – Commissioner Rod Colwell**

Lake & River District Monthly Financials Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the October Lake and River District financial files, and the October/November account payables sheet, with the Board.

Motion by Commissioner Goodlander, seconded by Commissioner Elder, to approve the October financial packets and the October / November accounts payables for the Lake & River Districts as presented. Motion carried.

❖ **Housing Committee – Commissioner Jim Elder**

Idaho Housing & Finance Association (IHFA) Midtown WorkForce Housing Mix-Use Initiative

Housing Committee Chair Jim Elder asked Commissioner Patzer to provide an update to the Board re. the IHFA meeting that occurred on November 3rd with several Midtown stakeholders. Commissioner Patzer shared that Douglas Peterson of The Housing Company (THC) provided an update to the small group gathered on November 3rd re. the status of the project, and that the biggest change to the original concept involves moving from a condominium “for sale” affordable housing product to a “rental” affordable housing product. Mr. Peterson also discussed that the look and feel of the project has not changed, and that the building will be built to fit nicely into the Midtown area.

THC plans to apply for federal tax credits to help finance the residential component of the project, and plans to target the February 2012 tax credit application window. Mr. Peterson also shared that the commercial (office/retail) street level component of the project is still challenging, but doable. Local architects have been engaged for project design.

Commissioner Elder shared that Gerald Hunter (IHFA), Douglas Peterson (THC), and Kathryn Almberg (THC) were in town recently to further discuss the Midtown project. As Commissioner Patzer shared, THC is targeting the February application window for the federal tax credit program. Commissioner Elder shared that Miller-Stauffer Architects have been engaged by THC for the project design work. Both IHFA and THC are very excited about the Midtown project and feel that the project is viable if the federal tax credits can be secured for the residential component of the project. Commissioner Elder also shared that the THC will likely approach LCDC for additional funding to help offset some of the property acquisition costs incurred during the property assemblage efforts. The current plan is to have THC present their project overview and additional funding request to the LCDC Board at the December Board meeting.

- Commissioner Goodlander asked for clarification as to the type of housing product planned for the Midtown project.
 - Ex. Director Berns shared that the residential rental component of the Midtown project will be very similar to the rental product being developed by Whitewater Creek at the Riverstone West Family Apartments project. In other words, affordable rental units that people can rent if they income qualify.
- Commissioner Jordan shared that he sees no downside to the proposed Midtown rental units, especially since the units are located in town.

- Commissioner Elder shared that IHFA/THC stated that the market for affordable rental apartments is very strong in the CDA area.
- Commissioner Patzer shared that he is interested in hearing more about the additional funding overture that will be forthcoming from THC.

❖ **Parking Committee – Commissioner Jim Elder**

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City's Parking Commission, shared that the Parking Commission is working with Diamond Parking on the user issues associated with the automatic ticket dispensing machines located at the Independence Point and Museum parking lots. Commissioner Elder corrected the record by stating that each automatic ticket dispensing machine costs around \$15,000 each. He will keep the Board apprised of any new developments on the automatic ticket dispensing machine front.

- Commissioner Jordan asked if the automatic ticket dispensing machines are economically viable for the City?
 - Commissioner Elder shared that the Parking Commission is evaluating the cost effectiveness of the machines. Diamond Parking has shared that the machines are economically viable in high use / high turnover areas. The machines viability in the CDA market is still a topic of discussion.

❖ **Communication Committee – Commissioner Dave Patzer**

Communication Committee Chair Dave Patzer shared that one of the LCDC Board's annual goals is to continue to bring Urban Land Institute (ULI) programs to CDA. One such program just occurred on November 11th. Commissioner Patzer asked Ex. Director Berns to share a summary of the program.

Ex. Director Berns shared that the "2012 Emerging Trends" ULI program was very well attended, and that the national real estate trend for 2012 as shared by the PriceWaterhouseCooper (PWC) speaker was not overly encouraging. The nation is still in for some tough times next year. A local/regional panel of real estate experts concurred in general with the national trends, but shared that they are seeing a few bright lights on the commercial retail front, and on the rental apartment residential front. LCDC Commissioners Hassell, Jordan and Goodlander also attended the program.

- Commissioner Hassel shared that the PWC speaker providing the national perspective really liked what he saw and heard for the local/regional market. He felt that this community has a lot of forward momentum

which will serve the community well once the national economy turns around.

- Commissioner Jordan shared that he agrees with the local panel that the region's commercial retail market is leveling out. However, there are not many other bright spots in the overall market, and that the community will have to continue slogging its way through these lean times.
- Commissioner Goodlander shared that she was pleased to hear one of the Boise program attendees state that he was somewhat jealous of the state of the economy here in CDA; he wished that Boise was as upbeat as CDA.

6. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns commented that he had no report to share.

7. PUBLIC COMMENT

Susie Snedaker: Regarding the proposed Midtown IHFA/THC affordable housing mix use project, Ms. Snedaker shared that she would like to see the conversation broadened re. potential renters to include more of the community than just firefighters, police and school teachers; the CDA demographic is much larger than just those three components. Ms. Snedaker also shared that the Miller Stauffer design for the project that she has reviewed does not seem to provide sufficient design elements for families with small children. That design element, in her opinion, needs to be further addressed by the design team. Ms. Snedaker also commented that the parking solution for the Midtown project needs to further evaluate parking on the southern portion of the project site. In her opinion, there is insufficient parking for the businesses and property owners located near the intersection of Roosevelt & 4th.

Amber Copeland: Ms. Copeland asked numerous questions pertaining to the business model of the LCDC, and if LCDC has any plans to include the East Sherman area in an urban renewal district. Commissioners Jordan and Davis shared a history of the East Sherman area, and also discussed the need for an "economic engine" in that part of town that would generate tax increment revenues that could be used to help stimulate the economy of that area. There is no such economic engine on the horizon. Ms. Copeland shared that she sees a real need for an event center in the city. She feels an event center would add quite a bit of value to the community, and would also create much needed jobs.

8. ADJOURN

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

The LCDC Board meeting adjourned at 5:12 p.m. Minutes prepared and submitted by Tony Berns.



BOARD MEETING MINUTES

WEDNESDAY DECEMBER 21, 2011 4:00 P.M.

COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM

1. CALL TO ORDER

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

LCDC Board members present: Davis, Elder, Hassell, Jordan, Colwell, Hoskins.
LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley-Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Tom Hasslinger, Gordon Dobler, Brad Marshall, Dale Baune, Vince Hughes, Douglas Peterson, Kathryn Almberg, Dick Stauffer, Eric Soles, Frank Orzell, Skip Fuller, Alan Soderling, Greg Johnson, Mr. & Mrs. Gagnon.

Vince Hughes: Mr. Hughes, representing the KYRO team, shared a KYRO project update with the Board. Mr. Hughes shared that the overall KYRO project will cost \$2.8 million. The insurance settlement for the ice arena that collapsed a few years ago will cover all but \$800,000 of the re-construction costs. KYRO fund raising efforts, coupled with the LCDC grant of \$230,000 leaves just \$235,000 to raise in order to open the arena. The KYRO team has received a lot of good feedback on the LCDC funded public improvements associated with the arena project. The KYRO team hopes to have the arena open in 2012.

- Commissioners Davis and Elder thanked the KYRO team for their tenacity in moving this arena reconstruction project so close to fruition.
- Commissioner Davis asked when the rest of the parking lot will be paved?
 - Mr. Hughes shared that KYRO will have to wait until next spring when the asphalt plants reopen to complete the paving operations.

4. APPROVAL OF MINUTES

- November 16, 2011 Board Meeting Minutes

Motion by Commissioner Hoskins, seconded by Commissioner Elder to approve the November 16, 2011 Board Meeting Minutes. Motion carried.

5. PRESENTATION: THC/IHFA MIDTOWN MIX-USE WORKFORCE HOUSING INITIATIVE

Commissioner Davis welcomed Douglas Peterson (The Housing Company – THC), Kathryn Almberg (Idaho Housing & Finance Association – IHFA), and Dick Stauffer (Miller-Stauffer Architects) to the meeting. Mr. Peterson and Ms. Almberg shared a presentation with the Board which provided an overview of the proposed Midtown mix-use workforce housing project. Selected slides of the presentation follow:





Project Facts

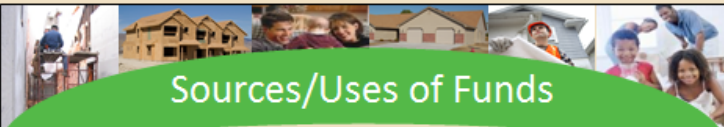
- Three Stories of Housing above First Floor Commercial/Office Space and Parking
- 45 Units of Rental Housing
 - Studio, One and Two Bedroom Units
- Approximately 9,000 square feet Commercial/Office Space
- Covered/Secured Parking for 45 Cars
- Open Parking for 44 Cars plus and additional 28 cars behind the alley

The Housing Company
integrating affordable housing into the mainstream

Current THC Investment


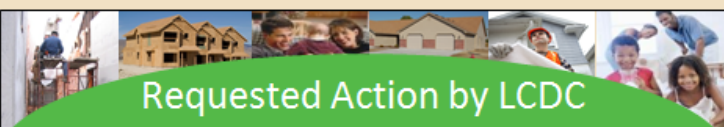
| | |
|---|------------------|
| THC Equity Investment 823 N 4 th | \$234,000 |
| THC Equity Investment 811 N 4 th | <u>\$526,231</u> |
| Total THC Investment to Date | \$760,231 |

The Housing Company
integrating affordable housing into the mainstream




Sources/Uses of Funds

| | |
|-------------------------|-------------------|
| Total Cost | \$9,075,821 |
| Permanent Loan | \$1,120,000 |
| HOME Loan | \$ 875,000 |
| Tax Credit Equity | \$5,307,284 |
| THC Equity | \$ 234,000 |
| Commercial (THC Equity) | \$1,092,440 |
| LCDC Grant Contribution | <u>\$ 447,097</u> |
| Total Sources of Funds | \$9,075,821 |

Requested Action by LCDC

The Housing Company requests that the LCDC fund a grant of \$447,097 to the Project to cover the cost of the two existing buildings and their demolition and additional land equity in the remaining lots needed for development of \$426,561.



In addition to the information covered in the previous slides, Mr. Peterson also shared that the facility will have a full time onsite manager, community & exercise rooms available to all of the residents, and storage lockers for all residential units.

Also shared was that this project is not subsidized housing, but rather housing for working families who income qualify based upon the area median income for Kootenai County. The federal tax credit funding sought can only be used for the residential element of the project, and not the street level commercial space.

- Commissioner Elder shared that he views THC/IHFA project as the capstone effort to the overall LCDC Midtown redevelopment effort. Commissioner Elder commented that the original residential product was a condominium, and now the proposed residential product is a rental – does this change the ownership model for THC?

- Mr. Peterson shared that the IRS requires that the limited managing partner of the project, which is THC for the Midtown project, manage the project for the long-term. THC will agree to manage the project, and keep the residential units affordable for 40 years. The affordability quotient is dictated by the IRS and relates to families who earn less than 60% of the area's median income. Annual audits of the asset will occur, as well as audits that will "income verify" the residents occupying the units.
- Commissioner Jordan asked for some additional clarity re. the relationship of the THC with the IHFA.
 - Mr. Peterson shared that THC was formed by the IHFA 18 years ago as a non-profit affordable housing development entity. THC is a separate entity, and is governed by a separate board of directors.
- Commissioner Davis asked how the federal tax credits will work in the Midtown project?
 - Ms. Almberg shared that THC must apply for the federal tax credits through the IHFA who manages the federal tax credits for the state of Idaho. If THC is successful and receives a federal tax credit award, THC will then sell those credits to investors for about \$0.84 cents on the dollar. That is how THC will raise the liquid assets to help construct the project. The investors utilize the credits they purchase for tax-related benefits, and usually remove themselves from the project after 15 years. Even though the investors exit the project at 15 years, THC remains as the project manager for the 40 year term.
- Commissioner Davis asked how the proposed rents for the Midtown project compare to rents associated with similar projects?
 - Mr. Peterson shared that the IRS establishes the rents for these types of affordable housing projects through a set process. Utility allowances are also provided for the residents. The IRS rent structure is based on the metric that a family should only spend 30% of their family income for housing related costs, and in Kootenai County, that 30% relates to the annual median family of four income of \$57,000.
- Commissioner Elder suggested that for area property owners, an affordable residential rental product is better than an affordable residential condominium product since the rentals will be managed by THC for the next 40 years, and regularly audited for performance. Correct assumption?
 - Mr. Peterson shared that he concurs with Commissioner Elder's logic in that there will be a consistent performance for the neighborhood over the long-term since THC will be an active manager of the project.
- Commissioner Colwell asked who will construct the Midtown project?
 - Mr. Peterson shared that THC will seek developers through a Request for Proposals (RFP) process. THC will look to the developer who offers the lowest, most complete and responsive bid package.

- Commissioner Colwell asked what if another affordable housing project is constructed in the area, how will that project compete with THC's Midtown project which has received some level of financial support from the public (i.e. LCDC)?
 - Mr. Peterson shared that THC can't charge less for rent than the next certified affordable housing project since the rents are set by the IRS based upon County income statistics. So, the rents for both projects, if they are serving the same customer, should be the same as determined through the IRS process.
- Commissioner Elder asked if the Midtown neighborhood supports the proposed project?
 - Mr. Peterson shared that yes, he believes the neighborhood supports the project, and that stakeholders from the neighborhood have been involved in the project's planning for quite some time. Additionally, neighborhood stakeholders will continue to provide input to the project design team as plans formalize.
- Commissioner Davis asked for the details of the revised LCDC funding request, seeking \$447,097 in additional LCDC funding.
 - Ms. Almberg shared that the original THC real estate investment made sense when the project was planned as a for-sale condominium project. However, with the change to a for-rent residential product, the financial model becomes more challenging. Basically the variance in the economic equation equates to THC's investment in existing Midtown real estate, plus the demolition cost of two buildings: The \$447,097 request breaks down as follows:
 - \$225,000 request of LCDC for existing THC equity in the Paris Flea Market building,
 - \$172,097 request of LCDC for existing THC equity in the old Idaho Youth Ranch building on the corner of 4th and Roosevelt,
 - \$50,000 request of LCDC to demolish the above two buildings.
- Commissioner Davis asked what happens if the LCDC Board agreed to increase partnership funding for this project somewhat, but does not meet the full request of THC?
 - Mr. Peterson shared that it depends upon the ultimate level of funding of the LCDC. THC may have to "value engineer" certain aspects of the project to save money if there is a shortage of funds.
- Commissioner Davis asked if the first floor (street level) of commercial space is developed as just a shell, how will tenant improvements be handled?
 - Mr. Peterson shared that THC already has one tenant interested in half of the proposed commercial space, and that THC is working on how to address tenant improvements for that space. So, no final resolution on the tenant improvement front at this time.

- Commissioner Jordan asked how much tax increment revenue will be generated by the project that will flow through to the LCDC?
 - Ms. Almberg shared that the project's overall estimated fully assessed valuation will be in the \$6.8 million range; residential comprising approximately \$5.5 million and commercial comprising approximately \$1.3 million. The annual tax increment revenue yield of the project, based upon current levy rates and property base valuations, would be the \$60,000 - \$70,000 range.
- Commissioner Elder asked if the construction bids come in lower than projected, will LCDC be able to realize some of those cost savings with regards to LCDC's potential enhanced grant to the project?
 - Mr. Peterson shared that yes, the funding level needed from LCDC would be reduced as a result of lower bids.

Commissioner Colwell suggested to the Board that the Finance Committee review the revised THC funding request and form a recommendation for Board consideration at the January Board meeting. Board members agreed with Commissioner Colwell's suggestion and will look forward to the Finance Committee's funding recommendation in January.

Commissioner Davis, on behalf of the entire Board, thanked Mr. Peterson, Ms. Almberg, and Mr. Stauffer for their visit and presentation.

6. COMMITTEE REPORTS

❖ **Education Corridor ad hoc Committee: Commissioner Scott Hoskins**

Education Corridor Committee Chair Scott Hoskins shared that Phase 1A of the Education Corridor infrastructure project has wrapped up for the winter, and that MDM Construction will be back in the spring to address the Phase 1A "punch list" of items still to be completed. JUB is working with MDM on a tight timeline to complete the punch list items next spring. Commissioner Hoskins also shared that JUB is predicting that Phase 1A will come in on budget, possibly under budget in the \$60,000 range once all change order items are finalized.

- Commissioner Elder shared that he thinks the Phase 1A project turned out wonderfully, and is a great investment in the community that will yield returns to the community for years to come.
- Commissioners Jordan and Elder both shared the acquisition of the old DeArmond mill site, plus the completion of Phase 1A and soon to be completed Phase 1B, positions the Education Corridor initiative as a huge economic engine for the community.

Education Corridor Phase 1B Infrastructure Bid Package

Commissioner Hoskins shared that the Committee plans to move forward with Phase 1B in early 2012. The funding structure for Phase 1B will consist of funding provided by LCDC, City of CDA and NIC. Negotiations are underway with JUB Engineering for bidding services and project management. Commissioner Hoskins will keep the Board apprised on progress and bring any action items forward requiring Board approval.

Sole Source Traffic Signal Expenditure for Phase 1B

Issue Background:

LCDC Board approval is sought for a sole source expenditure from Northwest Signal Supply related to the proposed traffic signal equipment required at Northwest Boulevard and River Avenue.

Phase 1B of the Education Corridor initiative is planned to be bid in early 2012. The traffic signal equipment needed for the Northwest Boulevard / River Avenue intersection is proposed to be purchased by the contractor as part of Phase 1B. Sole source procurement for signal equipment needs to be set forth in the contract documents to insure that the purchased signal equipment is compatible with existing signal equipment throughout the City.

Per City of CDA protocol, sole source expenditures can be approved when there is only one source reasonably available and “where the compatibility of equipment, components, accessories, computer software, replacement parts or service is the paramount consideration” (67-2808).

All of the City’s existing traffic signal equipment (poles, mast arms, lights, cabinet, controllers, detection, conflict monitors, etc.) is provided by the same manufacturers in order to maintain compatibility between the component parts, availability of service, and to reduce the expense necessary to stock replacement parts. Many of the component parts are configured to operate with other specific component parts of the signal, making it infeasible to accept substitutes that would inevitably occur through the bidding process. In addition, service for the controllers, detection, and related signal logic equipment is provided by the supplier. So, it is critical that the supplier be located close to Coeur d’Alene in order to provide timely response to equipment failures. Portland based Northwest Signal Supply is the closest supplier, in addition, all of the existing signal equipment is serviced by them. Finally, it is infeasible to stock replacement parts for multiple manufacturers of a single piece of equipment. When equipment fails it must be replaced immediately or the signals will not operate, so these parts must be kept on hand. Having one manufacturer means only one or two spare controllers, conflict monitors, load switches, etc., are needed instead of several of each. The cost of keeping an inventory like that would be substantial.

Commissioner Davis invited Gordon Dobler, City of CDA Engineer, to the meeting. Mr. Dobler discussed the rationale behind requesting a sole source provider for the proposed traffic signal at River Avenue & NW Boulevard.

Commissioner Davis summarized the discussion in that the City looks for this sole source designation to assure equipment consistency, and to facilitate repairs – correct? Mr. Dobler shared that yes that is correct.

Commissioner Elder asked if it costs more to have the sole source designation for the proposed traffic signal components? Mr. Dobler shared that no, there is no higher cost as a result of the sole source designation.

Motion by Commissioner Elder, seconded by Commissioner Hoskins, to approve the sole source designation for traffic signal equipment for the Northwest Boulevard / River Avenue intersection as planned for Phase 1B of the Education Corridor initiative. Motion carried.

❖ **Finance Committee – Commissioner Rod Colwell**

Lake & River District Monthly Financials
Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the November Lake and River District financial files, and the November/December account payables sheet, with the Board.

Motion by Commissioner Elder, seconded by Commissioner Hassell, to approve the November financial packets and the November / December accounts payables for the Lake & River Districts as presented. Motion carried.

❖ **Housing Committee – Commissioner Jim Elder**

Housing Committee Chair Jim Elder shared that THC/IHFA Midtown workforce housing initiative, as discussed earlier in the agenda, is the primary focus of the Committee, thus nothing additional to report.

❖ **Parking Committee – Commissioner Jim Elder**

Parking Committee Chair Jim Elder, who also serves as a member (and LCDC liaison) on the City's Parking Commission, shared that the City Council held a McEuen Park workshop recently where the proposed new parking solution for the Front Street/McEuen area was discussed with the Team McEuen design team, and the McEuen Park Steering Committee. The workshop went well, with council members obtaining a better understanding of how parking will look and work in that section of downtown. Also, the costs for redeveloping

parking in the area was broken out from just the park improvements giving council members a clear understanding of the scope and scale of the various elements of the park endeavor; and that the proposed parking solution is not an “underground garage”, but rather a one level on-grade parking area partially capped by a reconstructed Front Avenue. The hope is to move forward with construction drawings for McEuen Park early next year.

Commissioner Hassell, who also serves on the city council, concurred with Commissioner Elder that the workshop went well. Quite a few misperceptions were cleared up via the workshop venue. Reconstruction of Front Avenue, which has been languishing for quite a few years, is a big issue for downtown and the park area.

Commissioner Elder, in closing, recognized that Commissioner Hassell is retiring from his many years of City Council service. Commissioner Elder thanked Commissioner Hassell for his service to the community, and for being the lead person, as Mayor at the time, who established the LCDC back in 1997 – what a visionary stroke of leadership.

❖ **Communication Committee – Commissioner Dave Patzer**

Ex. Director Berns, in Communication Committee Chair Dave Patzer stead, shared that Commissioner Patzer is continuing to evaluate communication outreach strategies to better communicate the activities of the LCDC to interested community stakeholders, and the public in general. Commissioner Patzer plans to gather the Communication Committee in the near term to refine potential recommendations.

7. EXECUTIVE DIRECTOR’S REPORT

Annual Board Member Disclosure Forms

Executive Director Berns collected the 2011 LCDC Board member annual disclosure forms. The submitted forms disclose any Board member “personal interest, property or contract” associated with any LCDC projects, and disclose any real property ownership within an LCDC urban renewal district.

Education Corridor “Smart Growth” Award

Dale Baune, Brad Marshall, and Alan Soderling of JUB Engineers, presented a framed award certificate to the Board from the Idaho Smart Growth organization recognizing LCDC’s role in the award winning Phase 1A construction initiative. Mr. Baune shared that he accepted the Education Corridor Smart Growth award on behalf of the City, NIC and LCDC at a Boise award ceremony a few weeks ago. The Smart Growth organization has 10 state wide award categories, and the Education Corridor initiative was the winner of the Redevelopment category. Mr. Baune shared that this type of award recognizes that a project is exceptional in nature; i.e. well designed and well executed. Mr. Baune, on behalf of JUB Engineers (the Education Corridor

design team) congratulated the Board on their commitment to the community via this far reaching project.

Commissioner Davis thanked the JUB team for their pivotal role in project design and oversight. Commissioner Davis also congratulated all of the numerous stakeholders, both public and private, on successfully completing a complicated project.

Commissioner Elder shared that he remembered Mr. Baune commenting that this project held a lot of unknowns, in that a very old mill site was the center of the project. Commissioner Elder asked how did the “unknowns” turn out? Mr. Baune shared that there were quite a few unknowns uncovered, mainly involving utility issues. Mr. Baune shared that all of the project’s obstacles were effectively dealt with in a very collaborative fashion involving the contractor (MDM Construction), NIC, City of CDA, and JUB.

Commissioner Hoskins thanked JUB for taking on this project due to its unique set of circumstances, and for helping to bring a complicated project to completion on budget.

8. PUBLIC COMMENT

Eric Soles: Mr. Soles shared that he is a Midtown resident and stakeholder re. THC’s Midtown project. Mr. Soles lives on 3rd street behind the proposed project area. Mr. Soles thanked Mr. Peterson for his commitment to the outreach effort with the Midtown neighbors. Via this outreach effort, quite a few engaged property owners will be involved in providing input as to the final design of the project. Mr. Soles shared that he and others have embraced THC’s Midtown project and are supportive.

- Commissioner Elder asked Mr. Peterson what if THC was to go away, what would happen long-term with the project?
 - Mr. Peterson shared that THC has a strong balance sheet and is a strong organization that plans to be around for a long time. THC has been in operation for 18 years, and has had no problems with any of its projects across the state. Mr. Peterson shared that as everyone knows, there is no 100% guarantee of an organizations life term, but THC is very solid.
 - LCDC legal counsel Danielle Quade shared that the Midtown project, as proposed, would be deed restricted so that even if THC went away in the future, the project would still be encumbered for the 40 year time period.

9. ADJOURN

Motion by Commissioner Hassell, seconded by Commissioner Hoskins to adjourn. Motion carried.

The LCDC Board meeting adjourned at 5:47 p.m. Minutes prepared and submitted by Tony Berns.