



## **BOARD MEETING MINUTES**

**WEDNESDAY NOVEMBER 19, 2014 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: Hoskins, Armon, Patzer, Davis, Colwell, Jordan.

LCDC staff present: Berns      LCDC Legal Counsel present: Quade

#### **2. PLEDGE OF ALLEGIANCE**

#### **3. PUBLIC COMMENT**

Public Present: Candace Godwin, Frank Orzell, Gregg Johnson, Nicole Kahler, Jim Hammond, Phil Provost, Kiki Miller and others.

Gary Hurst (801 Pine St, CDA) – commented about the proposed Innovation Center that may be located on the LCDC property south of city hall. Mr. Hurst expressed concerns with the proposed project; concerns associated with increased traffic, increased lighting, and the scope/scale of the proposed building. Mr. Hurst supports the concept of such a center, but not located south of city hall.

Carl Wickman – lives near Mr. Hurst and shared similar concerns with the proposed Innovation Center: more noise and more traffic concerns. Mr. Wickman does not feel that this type of project would be compatible with the existing neighborhood area. Mr. Wickman supports the concept of such a center, but not located south of city hall.

Gregg Johnson – Midtown neighborhood association. Mr. Johnson commented on the Midtown walkabout with the LCDC Board scheduled for Thursday November 20<sup>th</sup>, and shared that a future Saturday walkabout might be desired.

- Commissioner Armon shared that he watched the public comment that Mr. Johnson provided to City Council on November 18<sup>th</sup>, indicating that the Midtown neighbors have a better plan that the LCDC was not considering. What plan – LCDC has not been provided a plan from the Midtown neighborhood association.

- Mr. Johnson shared that a plan technically does not exist, but there are some investors that are interested in possibly doing a different type of project on the Midtown site. These investors have contacted The Housing Company (THC) re. THC's investment to date in Midtown. THC's investment in Midtown appears to be too high for the interested investors to consider buying out.
- Commissioner Armon shared that if these interested investors plan to submit a project application package for LCDC to review/consider, they should submit such a package soon.

Amy Lyons – commented representing the 2<sup>nd</sup> Street Homeowners Inc. entity (a homeowners association for six townhomes located on 2<sup>nd</sup> Street, between Foster Avenue and Miller Avenue). Mrs. Lyons commented that she does not feel the Midtown neighbors/stakeholders are being listened to, and that too much deference is being given to The Housing Company re. the proposed Midtown project.

#### 4. APPROVAL OF MINUTES

- October 15, 2014 Board Meeting Minutes

**Motion by Commissioner Colwell, seconded by Commissioner Hoskins, to approve the October 15, 2014 Board meeting minutes. Motion carried.**

5. PROPERTY AUCTION BID OPENING: 728 Sherman Avenue Property Divestiture  
*Background: Please refer to the September 17, 2014 and October 15, 2014 LCDC Board meeting minutes for background on this issue.*

LCDC Chairman Davis acknowledged that the LCDC is in receipt of three (3) sealed bids for the 728 Sherman Avenue property. Chairman Davis opened the bids indicating the following bids were received:

- Tombstone Investment LLC: \$161,600 (cash offer)
- Miller Development Group LLC: \$161,250 (cash offer)
- Fifth Peak LLC: \$151,100 (non-qualifying bid due to lack of proof of funds)

Chairman Davis stated that the bid from Tombstone Investment LLC in the amount of \$161,600 is the high bid, and thus the successful bid for the property.

**Motion by Commissioner Hoskins, seconded by Commissioner Armon, to accept the bid offer of \$161,600 provided by Tombstone Investment LLC for the acquisition of the LCDC property located at 728 Sherman Avenue, Coeur d'Alene, Idaho contingent upon the terms and conditions as set forward in the sealed bid auction packet; also authorizing the LCDC Chairman and LCDC Ex. Director to execute the necessary property sale documents. Motion carried.**

6. BURLINGTON NORTHERN SANTA FE (BNSF) PURCHASE & SALE AGREEMENT (PSA)

*Background: On July 15, 2014 CDA City Council authorized the purchase of the BNSF Railroad property in Coeur d'Alene for \$2,500,000. Since that time representatives of BNSF, LCDC and the City have negotiated the terms of the PSA. If approved, the PSA will allow the City and LCDC fifty (50) days to review the title, survey and environmental reports concerning the property. If everything checks out as anticipated the City and LCDC would close on the purchase of the property on or before January 21, 2015. LCDC has agreed to pay \$1,483,727 of the purchase price for the land located within it's River and Lake Districts. The City will pay \$1,016,273 for the land located between the two LCDC districts. Please refer to the August 20, 2014 LCDC Board meeting minutes for further background on this issue.*

LCDC Ex. Director Berns and LCDC legal counsel Quade discussed the BNSF PSA with the Board. The PSA presented to the Board is a joint instrument between BNSF, the City of CDA and LCDC, that emanated in part from the Board's decision at the August 20, 2014 Board meeting to approve an amount not to exceed \$1,525,000 for acquisition of BNSF r-o-w property located in the LCDC's Lake and River districts, subject to the crafting of an acceptable PSA, with said acquisition amount broken down as follows: Lake District: \$750,000 (\$728,193 + closing/legal costs); River District: \$775,000 (\$755,534 + closing/legal costs). Upon signing of the PSA, a 10% (\$250,000) earnest money payment is required. The City will pay to BNSF earnest money in the amount of \$101,627; LCDC will pay BNSF earnest money in the amount of \$148,373 (Lake District: \$72,819; River District: \$75,554). The earnest money will be applied to the purchase price at the time of closing, or will be refunded if the purchase does not close.

**RESOLUTION 15-02:** A RESOLUTION OF THE COEUR D'ALENE URBAN RENEWAL AGENCY, dba THE LAKE CITY DEVELOPMENT CORPORATION ("LCDC"), KOOTENAI COUNTY, IDAHO AUTHORIZING THE REAL ESTATE PURCHASE AND SALE AGREEMENT BETWEEN LCDC, BNSF RAILWAY COMPANY ("BNSF") AND THE CITY OF COEUR D'ALENE, IDAHO RELATED TO THE PURCHASE OF CERTAIN REAL PROPERTY LOCATED IN COEUR D'ALENE, IDAHO.

**Motion by Commissioner Armon, seconded by Commissioner Hoskins, to approve Resolution 15-02 re. the acquisition of the specified segments as outlined in Resolution 15-02 of the Burlington Northern Santa Fe (BNSF) railroad right of way located in the LCDC's Lake and River districts.**

**Roll Call:**

<b>Goodlander</b>	<b>Absent</b>	<b>Davis</b>	<b>Yes</b>	<b>Druffel</b>	<b>Absent</b>
<b>Hassell</b>	<b>Absent</b>	<b>Colwell</b>	<b>Yes</b>	<b>Patzer</b>	<b>Yes</b>
<b>Jordan</b>	<b>Yes</b>	<b>Hoskins</b>	<b>Yes</b>	<b>Armon</b>	<b>Yes</b>

**Motion carried.**

7. A. PRESENTATION: North Idaho Family Group (NIFG): Pre-K Through Career Education Information Center – Candace Godwin

*Background: please refer to the October 15, 2014 LCDC Board meeting minutes for background on this initiative.*

Commissioner Davis welcomed Candace Godwin and Kiki Miller, NIFG Board of Directors members, to the board meeting. Mrs. Godwin thanked the LCDC Board for the opportunity to once again visit with the LCDC on the NIFG's Education Information Center ("Center") project, and to address questions posed at the October 15<sup>th</sup> board meeting by providing an additional information packet.

Mrs. Godwin shared that since she last met with the Board, North Idaho College, Lewis Clark State College and University of Idaho have joined the Center initiative as a collective visionary partner at a funding level of \$15,000. Three other area organizations also are seriously considering becoming Center visionary partners, but have yet to formally commit.

- Commissioner Patzer commented that he views this Center funding request as similar to LCDC's commitment to Jobs Plus. The benefits of this Center are hard to fully quantify, but the initiative has merit and will benefit the LCDC's two districts as well as the community in general; definitely worth the investment.
- Commissioner Armon shared that he feels the questions posed by the Board last month have been addressed, and he sees the Center initiative tying directly into helping grow jobs in the community. Great opportunity to get more people employable.
- Commissioner Colwell thanked Mrs. Godwin for the additional information; it helped him gain a better understanding of the initiative.
- Commissioner Davis shared that the NIFG funding request of LCDC is \$15,000; a two year commitment of \$7,500 / year. Can the second year commitment be conditioned on the success of the first year effort?
  - Mrs. Miller shared that the two year commitment by the visionary partners is designed to build the engine needed for the long-term sustainability of the initiative; so the visionary partners need to commit to the two year \$15,000 total funding request.
- Commissioner Jordan asked if NIFG is confident in the long-term sustainability of the Center initiative?
  - Mrs. Miller shared that yes, this will be a viable initiative for years to come.
- Commissioner Armon asked if this is a onetime funding request of LCDC?
  - Mrs. Miller shared that yes, it is a onetime funding request of \$15,000.

- Commissioner Patzer asked if NIFG was able to benchmark any other “Center” ideas that are already established and working?
  - Mrs. Miller shared that NIFG has looked around for a long time for a Center model to benchmark, but did not find a model that met the envisioned needs. So NIFG took components of several similar concepts to develop the Center idea as proposed.

**Motion by Commissioner Armon, seconded by Commissioner Colwell, to authorize a total of \$15,000 of LCDC partnership grant funding as a Visionary Partner for the “Education Information Center” initiative as proposed, payable in two equal \$7,500 installments over two fiscal years. Motion carried.**

7. B. PRESENTATION: CDA 2030 VISION UPDATE – Nicole Kahler

Commissioner Davis welcomed Nicole Kahler, CDA 2030 Project Manager, to the board meeting. Mrs. Kahler updated the Board on CDA 2030’s progress, sharing that Phase 1 of the 2030 initiative lasted 15 months, a little longer than the planned 12 month time horizon. Funds spent during Phase 1 totaled \$163,000 (see graphic below for cost details).

Phase 2 of the 2030 initiative is underway. One of the first actions underway is to seek 501(c)(3) tax status for the organization. Additionally, a new 19 member board of directors has been installed for the organization (see graphic below). The 2030 Board is comprised of a fine cross section of community leaders. Fundraising continues for Phase 2, with a significant portion of the Phase 2 donations already achieved. In closing, Mrs. Kahler shared that numerous organizations in the community are using elements of the CDA 2030 visioning process to help shape their short and long-term goals.

# JULY 2013-SEPTEMBER 2014

## Facts & Figures



Members of the Kootenai County Young Professionals pose before the 4th of July Parade.

### Accomplishments

- Established a project with a mission and brand
- Launched community outreach process with a variety of outreach tools
- Conducted two scientific telephone surveys to develop input for the vision and validate process outcomes
- Compiled visionary ideas and input from more than 2,000 citizens of greater Coeur d'Alene
- Conducted seven community visioning workshops half of which were open to the general public and the other half held during high school classes
- Conducted Project Launch event and Vision Summit community workshop
- Articulated and published an overarching vision statement for 2030
- Developed vision statements for six focus areas along with five to six priority strategies each to achieve these visions
- Developed and published 178 action implementation plan, complete with lead partners for each action from community input
- Secured endorsement of final vision, strategies, and implementation plan by Coeur d'Alene City Council

### Mission for Phase Two

The mission of phase two of CDA 2030 is to create a cohesive support structure that builds upon the community's foundational work from the first phase of the project. A dedicated, professional effort will raise awareness of our community vision, efficiently support implementation of project actions, and engage the community in support of this future vision.

### Donations

City of Coeur d'Alene	\$48,312.00
Avista Corporation	\$25,000.00
Kootenai Health	\$15,000.00
Lake City Development Corporation	\$15,000.00
Inland Northwest Community Foundation	\$10,000.00
Coeur d'Alene Association of REALTORS	\$5,000.00
Hecta Mining Company	\$5,000.00
Lewis-Clark State College	\$5,000.00
North Idaho College	\$5,000.00
Pita Pit USA	\$5,000.00
University of Idaho	\$5,000.00
Ednetics	\$2,500.00
Idaho Forest Group	\$2,500.00
North Idaho Centennial Trail Foundation	\$2,500.00
Kootenai County	\$1,500.00
Parkwood Business Properties	\$1,015.00
Coeur d'Alene Tribe	\$1,000.00
Contractors Northwest Inc.	\$1,000.00
FatBeam	\$1,000.00
Idaho Panhandle Kiwanis Club	\$1,000.00
Margaret Reed Foundation	\$1,000.00
Mort Construction	\$1,000.00
Parker Toyota	\$1,000.00
Time Warner Cable	\$1,000.00
WSR Properties	\$1,000.00
Panhandle Health District	\$250.00
Anonymous Donation	\$250.00
<b>Total</b>	<b>\$162,827.00</b>

### Expenses

Project Manager Salary	\$56,766.07
Research Assistant	\$5,310.50
Project Consultant Fee	\$35,154.16
Branding & Advertising	\$11,101.69
Community Surveys	\$26,091.00
Dissemination Materials	\$17,946.33
Food, Travel, Misc.	\$10,228.65
<b>Total</b>	<b>\$162,598.40</b>

## Board of Directors

Hilary Anderson  
Community Planning Director  
City of Coeur d'Alene

Sandi Bloem  
Owner  
Johannes & Co.

Dr. Charles Buck  
Associate Vice President, Northern Idaho  
University of Idaho - Coeur d'Alene

Greta Gissel  
Education Advocate

Mike Gridley  
Attorney  
City of Coeur d'Alene

Jim Hammond  
City Administrator  
City of Coeur d'Alene

Matthew Handelman  
Superintendent  
Coeur d'Alene School District

Laura Laumatia  
Environmental Specialist  
Coeur d'Alene Tribe

Alivia Metts  
Regional Economist  
Idaho Department of Labor

Kiki Miller  
City Councilwoman  
City of Coeur d'Alene

Ryan Nipp  
Partner  
Parkwood Business Properties

J.R. Norvell  
Project Engineer  
T-O Engineers

Ashley Piaskowski  
Patient Outreach & Enrollment Coordinator  
Heritage Health

Patty Shea  
North Idaho Regional Business Manager  
Avista Corporation

Mary Vehr  
Retired Colonel  
United States Air Force

Lora Whalen  
Director  
Panhandle Health District

Kerri Wilfong  
Manager  
Coeur d'Alene Arts & Culture Alliance

Lea Williams  
REALTOR® Representative  
Coeur d'Alene Association of REALTORS®  
Associate Broker  
Tomlinson Sotheby's International Realty

Steve Wilson  
President/CEO  
Coeur d'Alene Chamber of Commerce

## Staff

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## 8. COMMITTEE REPORTS

### A. 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 statements, and the October / November account payables sheet, with the Board.

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

#### 609 Sherman Avenue Lofts IRA: Assignment to Gringo Properties, LLC

LCDC Ex. Director Berns and LCDC legal counsel Quade shared that the owners of the 609 Sherman Avenue Lofts project (“Project”) have decided to refinance their interests in the Project with a third party: Gringo Properties LLC. Included in the Project’s refinancing matrix is the LCDC’s 609 Sherman Avenue Lofts Improvement Reimbursement Agreement (IRA) issued in 2011 with an original value of \$404,993. The LCDC’s IRA is assignable to other parties should the LCDC agree. Following are excerpts from the draft LCDC IRA “Assignment of Payment Rights” document that summarize the issue:



## ASSIGNMENT OF PAYMENT RIGHTS

THIS ASSIGNMENT OF PAYMENT RIGHTS ("**Assignment**") is made between LEDGER AND PATANO, LLC, an Idaho limited liability company ("**Assignor**") and GRINGO PROPERTIES, LLC, an Idaho limited liability company ("**Assignee**") effective as of October 10, 2014.

### RECITALS

WHEREAS, Assignor entered into that certain Improvement Reimbursement Agreement dated July 20, 2011 (the "**Reimbursement Agreement**"), with the Coeur d'Alene Urban Renewal Agency (dba Lake City Development Corporation), an Idaho urban renewal agency (the "**Agency**"), wherein, among other things, Assignor agreed to advance funds to construct the project described therein with the agreement of Agency to reimburse to Assignor a portion of the total amount of funds advanced;

WHEREAS, on July 20, 2011, the Agency resolved to reimburse to Assignor the total amount of \$404,993.00, to be paid from tax increment revenues generated solely from the Assignor's 609 Sherman Avenue Lofts project (the "**Project**") located in the Lake Urban Renewal District, as such revenues become available to the Agency and in accordance with Agency policies;

WHEREAS, as of the date of this Assignment, the total amount remaining to be paid by the Agency to Assignor under the Reimbursement Agreement is approximately \$394,506, which includes approximately \$28,000 which is currently being held in escrow by the Lake City Development Corporation (the "**Reimbursement Payments**");

WHEREAS, to comply with the terms of the Reimbursement Agreement, and in consideration of partial satisfaction of a loan from Assignee to 609 Sherman, L.L.C., which loan Assignor guaranteed the full payment and performance thereof, and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor desires to assign to Assignee all of Assignor's right, title and interest in the Reimbursement Payments, and Assignee desires to accept an assignment of all of Assignor's right, title and interest in the Reimbursement Payments;

THEREFORE, the parties agree as follows:

1. Assignor hereby assigns to Assignee, and to Assignee's successors and assigns, all of Assignor's estate, right, title and interest in and to the Reimbursement Payments under the Reimbursement Agreement.
2. Assignee hereby accepts said assignment of the Reimbursement Payments and acknowledges that, pursuant to the Reimbursement Agreement, the Agency shall pay Reimbursement Payments from tax increment revenues generated solely by the Project funded by the Assignor on a semi-annual basis as tax increment revenue becomes available and otherwise according to the terms of the Reimbursement Agreement.
3. Assignor warrants that it has not previously assigned or otherwise transferred to any person or entity other than Assignee any of the rights, title or interests to the Reimbursement Payments being assigned by this Assignment.

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Additionally, LCDC has received from Gringo Properties LLC a letter confirming that they are a sophisticated investor, and that they fully understand the 609 Sherman Avenue Lofts IRA financial instrument.

**Motion by Commissioner Colwell, seconded by Commissioner Armon, to approve the assignment of the 609 Sherman Avenue Lofts IRA as per the “Assignment of Payment Rights” document, inclusive of the confirmation received from Gringo Properties LLC acknowledging that they are a sophisticated investor and understand the 609 Sherman Avenue Lofts IRA financial instrument. Motion carried.**

**Recusal: Commissioner Davis recused himself from voting on this motion because he had assisted in the formation of 609 Sherman, LLC when this project was first proposed.**

- B. Housing Committee – Commissioner Deanna Goodlander  
Commissioner Davis, in Housing Committee Chair Deanna Goodlander’s stead, shared that board members will be meeting with Midtown stakeholders in Midtown on the 20<sup>th</sup> to continue conversations pertaining to their ideas/concerns for the Midtown area.
- C. Parking Committee – Commissioner Brad Jordan  
Parking Committee Chair Brad Jordan (who serves as the LCDC representative on the City’s Parking Commission), shared that the City’s Parking Commission is considering adjusting the parking rules associated with the public library parking lot. Apparently, the existing two hour parking limit is not working well for certain library patrons who desire to spend more time in the library. The Commission is also still evaluating the need for additional handicap parking stalls in the downtown core area.
- D. Communication Committee – Commissioner Dave Patzer  
Communication Committee Chair Dave Patzer shared that the LCDC sponsored Robinson Research scientific community “public perceptions and awareness” survey has been completed. The purpose of the Robinson survey was to gain a better understanding of citizen’s awareness of, and attitudes toward, LCDC.

The Robinson team conducted a 600 sample survey of adults 18 years and older in the CDA community from September 3, 2014 through October 7, 2014 with a margin of error of +/- 3.98%. A margin of error of +/- 3.98% means that results have a 95% chance of coming within +/- 3.98% of results that would have been obtained if all qualifying households had been included in the survey. The following was learned of those surveyed:

- 65% have no awareness of LCDC,
- 73% have no idea what the acronym LCDC means. LCDC is a vague acronym and sounds very “corporate” when explained,
- 49% would vote in favor of the City of CDA continuing its relationship with LCDC,
- The terms “urban renewal” and “TIF (tax increment financing)” are not understood,
- The term “Community Projects” is widely understood,
- A major benefit of LCDC is that LCDC projects beautify the city,

- The Kroc Center and CDA Public Library are well appreciated LCDC projects.

Commissioner Patzer shared that the committee plans to continue to work with Range NW on new communication initiatives based on the survey data, and will bring forward to the Board communication strategy recommendations at a future board meeting.

Commissioner Patzer also shared that the committee feels that the LCDC's 2013 video needs to be updated. The proposed update for 2014 involves just updating the video's interview sessions. The committee recommends working with Range NW to update the interview footage, including possibly multiple interviewees, with a budget for this exercise not to exceed \$2,500.

- Commissioner Colwell asked how often should the video be updated?
  - Commissioner Patzer shared that Range's coaching is to update the video as needed.

**Motion by Commissioner Jordan, seconded by Commissioner Hoskins, to approve an amount not to exceed \$2,500 for updating the LCDC video as proposed. Motion carried.**

- E. Jobs Committee – Commissioner Mic Armon  
Jobs Committee Chair Mic Armon shared that the committee had no report to provide.

## 9. EXECUTIVE DIRECTOR'S REPORT

### Four (4) Corner Project: Update

Ex. Director Berns and Commissioner Patzer, both who serve on the 4 Corner Project oversight team, shared that the Welch-Corner led planning effort is progressing, and that a public workshop to present/discuss initial plan concepts will be held on December 4<sup>th</sup> in the CDA Public Library; time still to be determined.

10. BOARD COMMISSIONER COMMENTS: No comments were provided.

11. PUBLIC COMMENT: No public comment provided.

12. ADJOURN

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

The LCDC Board meeting adjourned at 5:27 p.m. Minutes prepared and submitted by Ex. Director Berns.