



SPECIAL CALL BOARD MEETING

MONDAY JUNE 2, 2025 11:00 A.M.

CDA CHAMBER OF COMMERCE

105 N. 1st STREET, CDA, IDAHO

MINUTES

1. CALL TO ORDER

ignite cda Chair Hoskins called the board meeting to order at 11:00 a.m.

ignite cda board members present: Metts, Jester

ignite cda board members attending virtually: Hoskins, Miller, Evans, Armon, Meyer, Garcia

ignite cda staff present: Berns **ignite cda** legal counsel present: Quade

Note: Representatives from the Kootenai County Fire & Rescue District attended the special call board meeting in person.

Ex. Director Berns discussed the following staff report with the board that pertains to the two agenda items on the agenda:



STAFF REPORT

June 2, 2025

To: ignite cda board

From: Tony Berns, ignite cda Executive Director

Subject: Taxing District Requests to Withdrawal from ignite cda (“Agency”) Urban Renewal Districts

Background:

During the 2025 legislative session, the legislator passed HB436 that allows certain taxing districts (county fire districts and county ambulance districts) to petition for withdrawal from existing urban renewal districts under certain circumstances.

- Ignite cda was contacted on May 20 by the Kootenai County Fire & Rescue District requesting to withdrawal from ignite cda’s River District.
- Ignite cda was contacted on May 21 by the Kootenai County Ambulance District requesting to withdrawal from the following three ignite cda districts: River District, Atlas District and Health Corridor District.

HB436 allows for these withdrawal requests based upon the following conditions contained in the legislation:

(5) (a) Any fire protection district or ambulance service district may withdraw from being subject to an urban renewal revenue allocation financing provision under an urban renewal plan established by local governing body ordinance prior to July 1, 2025, if the urban renewal plan establishing the revenue allocation financing provision does not have any outstanding bonds, contractual obligations, or other indebtedness being funded by such revenue allocation financing provision greater than the amount of the revenue allocation proceeds that was attributable to the fire protection district or ambulance service district as of December 31 of the immediate prior tax year.

Per HB436, the two taxing districts supplied the following 2024 tax year increment revenue accounting data to the Agency; data was supplied to the taxing districts by Kootenai County staff:

TY2024 Increment Revenue Accounting

Kootenai County EMS

<u>CDA River</u>	<u>Hayden</u>	<u>Spirit Lake</u>	<u>Harrison</u>	<u>West Rathdrum</u>	<u>CDA Atlas</u>	<u>PF Tech</u>	<u>CDA Health</u>	<u>Silverado</u>	<u>PF Pleasant</u>	<u>PF Downtown</u>	
<u>URD</u>	<u>URD</u>	<u>URD</u>	<u>URD</u>	<u>URD</u>	<u>URD</u>	<u>URD</u>	<u>Corr. URD</u>	<u>URD</u>	<u>View URD</u>	<u>URD</u>	<u>Total</u>
32,309.95	25,801.34	7,140.05	80.68	228.19	9,277.48	17,232.19	11,148.42	871.43	370.11	13,321.21	117,781.05

TY2024 Increment Revenue Accounting

Kootenai County Fire & Rescue

<u>CDA River URD</u>	<u>PF Tech URD</u>	<u>PF Pleasant View URD</u>	<u>PF Downtown URD</u>	<u>Total</u>
20,877.94	211,597.11	2,864.45	163,590.92	398,930.42

Per HB436, the Agency has 10 business days following the receipt of the withdrawal requests to hold a special call board meeting to review the requests. The Agency has scheduled a special call board meeting for June 2, 2025.

Agency Debt Obligations

River District

Debt Obligations: Total: \$4,909,132

The Agency's River District has the following debt obligation with Washington Trust Bank. The following information is from the Agency's fiscal year 2024 audit:

Bond Payable – Washington Trust (2019 Series):

On January 11, 2019, the Agency entered into a Revenue Allocation Bond agreement with Washington Trust Bank (2019 Series). The Agency may borrow up to \$7,000,000. This financing is intended to fund eligible strategic capital expenditure projects within the Agency's River District. Maturity was set for August 1, 2028 and the interest rate was set at the fixed rate of 3.3% per annum.

Payments on the Note are due in semi-annual installments based on the aggregate principal amount drawn, plus accrued interest, pursuant to an amortization schedule. The first amortized payment is payable on the first February or August 1 following draws totaling \$1,000,000. As of September 30, 2024, the District has drawn a total of \$357,000 on the Note. Accordingly, a schedule of future payments for the Note has not been presented, as the amounts and timing of the District's remaining draws are still unknown. The Bond is secured by the River District's pledge of the tax increment revenue allocation proceeds, subject to prior liens as described in the Note Purchase and Security Agreement.

The following is a summary of all debt activity for the fiscal year ended September 30, 2024:

	<u>Beginning Balance</u>	<u>Principal Additions</u>	<u>Principal Payments</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Bond Payable - WA Trust 2019	\$ 357,000	\$ -	\$ -	\$ 357,000	\$ -
	<u>\$ 357,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,000</u>	<u>\$ -</u>

The Agency's River District has the following debt obligations with several development teams via Owner Participation Agreements (OPAs) and Improvement Reimbursement Agreements (IRAs). The following information is from the Agency's fiscal year 2024 audit:

Riverstone West Phase 1 OPA

On June 21, 2007, a certificate of completion was issued concerning the improvements made to the development known as Riverstone West Phase I. At that time, a Limited Recourse Promissory Note was entered into between the Agency and Riverstone West, LLC in the amount of \$6,682,237 at 5.0% simple interest per annum. In March 2016, Mortgage Investment Trust Corporation acquired the note. The note is to be repaid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Riverstone West Phase I. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$2,000,000. **The current outstanding balance is \$3,710,117.**

Mill River Seniors IRA

In May of 2013, a Limited Recourse Promissory Note was entered into between the Agency and Mill River Seniors in the amount of \$326,000 at 3.75% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Mill River Seniors affordable housing. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$97,800. **The current outstanding balance is \$309,547.**

Riverstone West Apartments IRA

In May of 2013, a Limited Recourse Promissory Note was entered into between the Agency and the Principals of Riverstone West Apartments in the amount of \$395,000 at 3.75% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Riverstone West Family Apartments. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$118,500. **The current outstanding balance is \$389,159.**

Circuit at Seltice IRA

In December of 2015, a Limited Recourse Promissory Note was entered into between the Agency and the principals of Active West, LLC in the amount of \$344,610 at 2.5% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Circuit at Seltice Project. Payments will continue until paid in full or by August 1, 2028. The total interest on the note cannot exceed \$103,383. **The current outstanding balance is \$105,660.**

Riverstone West Apartments III IRA

In December of 2015, a Limited Recourse Promissory Note was entered into between the Agency and the principals of Riverstone West Apartments III, LLC in the amount of \$280,000 at 2.5% simple interest per annum. The note is scheduled to be paid in semi-annual payments of 74% of the tax revenue allocation proceeds from the private development known as Riverstone West Apartments III Project. Payments will continue until paid in full or by August

1, 2028. The total interest on the note cannot exceed \$84,000. **The current outstanding balance is \$271,219.**

As of the end of fiscal year 2024 (9/30/24), the Agency's River District's existing debt obligations totaled **\$5,142,702.**

Due to scheduled debt obligation payments in fiscal year 2025, the Agency's River District's debt obligations as of April 30, 2025 are shown below as contained in the River District's balance sheet:

Long-Term Liabilities:				
Note-Revenue Allocation Note Series 2019				357,000
Tax increment payable:				
Tax increment financing-Circuit at Seltice IRA		\$	82,367	
Tax increment financing-Mill River Seniors IRA			309,700	
Tax increment financing-Riverstone West Family Apt III IRA			271,219	
Tax increment financing-Riverstone West Family Apt IRA			385,313	
Tax increment financing-Riverstone West Phase 1 OPA			3,503,533	
Total Long-Term Liabilities				4,552,132

As of the end of April 30, 2025, the Agency's River District's existing debt obligations total **\$4,909,132.**

Atlas District

Debt Obligations: Total \$5,016,000

The ignite cda Atlas District was formed in December of 2018 to reclaim and redevelop an industrial bare ground, former wood products manufacturing facility. At that time, the Atlas District did not possess a tax increment revenue stream to fund required master planning efforts, site remediation efforts and development of needed site infrastructure (i.e. sewer, water, roadways) for redevelopment purposes. Therefore, the ignite cda River District loaned the Atlas District funds to pay for the required master planning effort, site remediation efforts and site infrastructure improvements. The current debt obligation of the Atlas District to the River District as of April 30, 2025 is **\$5,016,000** as shown below in an excerpt from the Atlas District April 30, 2025 balance sheet:

LIABILITIES & FUND BALANCE (DEFICIT)				
Current Liabilities:				
Due to Arts				\$ 6,729
Due to River District				5,016,000
Total Current Liabilities				5,022,729

Health Corridor District

Debt Obligations: Total \$510,186

The ignite cda Health Corridor District was formed in December of 2019 to assist in economic development efforts surrounding the Kootenai Health medical campus. At that time, the Health Corridor District did not possess a tax increment revenue stream to fund

required master planning efforts and traffic / mobility analysis efforts. Therefore, the ignite cda River District loaned the Health Corridor District funds to pay for the required master planning effort and traffic / mobility analysis efforts. The current debt obligation of the Health Corridor District to the River District as of April 30, 2025 is **\$510,186** as shown below in an excerpt from the Health Corridor District April 30, 2025 balance sheet:

Current Liabilities:					
Due to Arts					\$ 17,615
Due to River District					510,186
Total Current Liabilities					527,801

Decision Point for ignite cda Board re. KCFR & KCEMS Withdrawal Requests:

As stated in HB436 (5) (a) below, taxing entity requests to withdraw from existing urban renewal districts can be granted if urban renewal districts **do not** have debt obligations greater than the amount of the revenue allocation proceeds that was attributable to the fire protection district or ambulance service district as of December 31 of the immediate prior tax year.

(5) (a) Any fire protection district or ambulance service district may withdraw from being subject to an urban renewal revenue allocation financing provision under an urban renewal plan established by local governing body ordinance prior to July 1, 2025, if the urban renewal plan establishing the revenue allocation financing provision does not have any outstanding bonds, contractual obligations, or other indebtedness being funded by such revenue allocation financing provision greater than the amount of the revenue allocation proceeds that was attributable to the fire protection district or ambulance service district as of December 31 of the immediate prior tax year.

As shared previously in this staff report, all three ignite cda urban renewal districts (River, Atlas, Health Corridor) **do possess** debt obligations greater than the amount of the revenue allocation proceeds that was attributable to the fire protection district or ambulance service district as of December 31 of the immediate prior tax year.

Decision point for the ignite cda board: do the three ignite cda urban renewal districts (River, Atlas, Health Corridor) possess debt obligations greater than the amount of the revenue allocation proceeds that was attributable to the fire protection district or ambulance service district as of December 31 of the immediate prior tax year?

- If yes, then a denial of the withdrawal requests can be issued.
 - The board will direct staff to draft a denial letter to the relevant taxing district, accompanied by supporting documentation, sharing the board's decision.
- If no, then an approval of the withdrawal requests can be issued.

- The board will direct staff to draft a resolution accepting the relevant taxing district's request to withdrawal from specific urban renewal districts.
 - The resolution will then be reviewed by the board at a future special call board meeting.
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2. KOOTENAI COUNTY FIRE & RESCUE DISTRICT'S REQUEST, PER HB436, TO WITHDRAWAL FROM THE **IGNITE CDA** RIVER URBAN RENEWAL DISTRICT

Board members discussed the Kootenai County Fire & Rescue District's request to withdrawal from the **ignite cda** River Urban Renewal District.

Motion by Commissioner Armon, seconded by Commissioner Meyer, directing the Executive Director and Legal Counsel to draft a letter to the Kootenai County Fire & Rescue District denying their request to withdrawal from the **ignite cda River Urban Renewal District.**

Motion carried.

3. KOOTENAI COUNTY EMS DISTRICT'S REQUEST, PER HB436, TO WITHDRAWAL FROM THE FOLLOWING THREE **IGNITE CDA** URBAN RENEWAL DISTRICTS: RIVER, ATLAS & HEALTH CORRIDOR

Board members discussed the Kootenai County EMS District's request to withdrawal from the following three **ignite cda** Urban Renewal Districts: River, Atlas & Health Corridor.

Motion by Commissioner Armon, seconded by Commissioner Metts, directing the Executive Director and Legal Counsel to draft a letter to the Kootenai County EMS District denying their request to withdrawal from the following **ignite cda Urban Renewal Districts: River, Atlas, Health Corridor.**

Motion carried.

3. ADJOURN

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

The **ignite cda** special call board meeting adjourned at 11:13 a.m. Minutes prepared and submitted by Ex. Director Berns.