

Eagle Urban Renewal Agency

Friday, March 25th, 2016
Special Meeting
Eagle City Hall
660 E. Civic Lane, Eagle, Idaho

1. CALL TO ORDER – The meeting was called to order at 6:03PM.
2. ROLL CALL: BASTIAN, KUNZ, PRESTON, RIDGEWAY, SOELBERG – Commissioners Jeff Kunz, Naomi Preston, Stan Ridgeway and Craig Soelberg were present. Commissioner Stan Bastian was temporarily absent. A quorum was present.
3. PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was recited.
4. ADDITIONS, DELETIONS OR MODIFICATIONS TO THE AGENDA – None
5. REPORTS BY BOARD MEMBERS, ATTORNEY AND SECRETARY
(Bastian arrived at the meeting at approximately 6:05PM.)
Commissioners Bastian, Preston, Ridgeway and Soelberg, Attorney Victor Villegas and Secretary Lindsey Pretty Weasel had no reports. Commissioner Kunz deferred his report until just before adjournment.
6. TREASURER’S REPORT – Treasurer Pretty Weasel gave the report.
 - A. Review of vouchers and checks.
 - B. Review of bank statement.
 - C. Review of profit and loss sheet and balance sheet.
7. APPROVAL OF MINUTES – March 1st, 2016 minutes
Preston made a motion, seconded by Ridgeway, to approve the minutes. A voice vote was taken. The motion passed unanimously.
8. UNFINISHED BUSINESS – None
9. NEW BUSINESS:
 - A. Consideration and action on the agency’s 2015 annual report and corresponding Resolution 16-003.
Public comment will be taken.
Kunz introduced the agency’s 2015 annual report and asked if anyone would like to offer public comment. No one offered public comment. The public comment session was closed.
Ridgeway made a motion, seconded by Preston, to accept and approve the agency’s 2015 annual report and corresponding Resolution 16-003. A voice vote was taken. The motion carried unanimously.
 - B. Consideration and possible action on a Memorandum of Agreement (MOA) and corresponding Resolution 16-004 for cost sharing of engineering services for a right-in, right-out access generally located on the north side of State Highway 44 halfway between N. Eagle Road and Edgewood Lane and a collector roadway connecting the right-in, right-out access to the Plaza Drive extension.
Kunz introduced the Memorandum of Agreement (MOA) and the revised Resolution 16-004. The resolution was revised to add the stakeholders’ names of “Eagle 26, LLC” (as property owner) and “Pacific West Communities, Inc” (as developer). He noted that during preliminary discussions, for purposes of determining the number of stakeholders, it was proposed that “Eagle 26, LLC” and “Pacific West Communities, Inc.” comprise one stakeholder rather than two stakeholders.

Kunz emphasized the agreement does not cover future development and construction costs, which will be covered by a separate agreement should the project proceed. He presented the Eagle Fire Protection District's request to be reimbursed for their share of the engineering services costs and said the fire district would look to the agency to cover their share of future development and construction costs because the agency receives the tax increment revenues from the property that the fire district would otherwise receive. Ridgeway opined that during preliminary discussions, the fire district indicated development and construction of the project would potentially save hundreds of thousands of dollars by postponing the need to construct a new fire station. He perceives the project as advantageous to the fire district and would like to revisit with the fire district concerning their reimbursement request for engineering services costs and their participation toward development and construction costs.

Kunz observed the engineering construction drawings covered by the agreement are a prerequisite to an access permit being approved by the Idaho Transportation Department (ITD). He noted that, if the project were to be approved, the goal would be to construct the right-in, right-out access and the collector roadway concurrently with the Plaza Drive extension. The proposed project schedule is tight.

Soelberg asked why Eagle 26, LLC and Pacific West Communities, Inc. would comprise one stakeholder rather than two stakeholders. Kunz explained that Eagle 26, LLC (as property owner) and Pacific West Communities, Inc. (as developer) proposed, during preliminary discussions, that these entities represent two halves of the same party, and therefore, should comprise one stakeholder for purposes of sharing the engineering services costs.

Ridgeway said he could support the agreement provided the Eagle Fire Protection District's reimbursement request for engineering services is not approved. Soelberg, Preston and Bastian concurred. Kunz noted the fire district commissioners will review the agreement at the meeting during the second week of April and said he would convey the agency's decision to Fire Chief Mike Winkle.

Bastian made a motion, seconded by Preston, to approve Resolution 16-004 and the Memorandum of Agreement (MOA) for cost sharing of engineering services, with an amendment that "Eagle 26, LLC" and "Pacific West Communities, Inc." comprise one stakeholder rather than two separate stakeholders. (The four stakeholders who will equally share the costs of the engineering services will be the City of Eagle, the Eagle Urban Renewal Agency, the Eagle Fire Protection Department and Eagle 26, LLC/Pacific West Communities, Inc.) A roll call vote was taken: Bastian: yes; Kunz: yes; Preston: yes; Ridgeway: yes; Soelberg: yes. All yeses. The motion passed unanimously.

Bastian requested an introduction of the members of the audience associated with the proposed project. Kunz introduced Eagle 26, LLC's Managing Member Greg McVay and Mr. John Rennison of Rennison Engineers, who is affiliated with engineering design of the property.

(Ridgeway departed the meeting at approximately 6:23PM.)

- C. Review and discussion of how the agency and its project (revitalization) plan could be affected by the draft urban renewal legislation, if enacted.

Kunz summarized the draft urban renewal legislation, including its amendments and status. Bastian noted amendments were made during the effort to get the legislation passed and one amendment would involve an existing agency's base allocation rolls not being reset upon amendment of its project plan. Kunz observed the draft legislation also provides an option for election of the board of commissioners of an urban renewal agency and allows the entire local governing body (i.e., the city council) to act as the board of commissioners of an urban renewal agency for one year; thereafter, the local governing body must comprise less than a majority of the board of commissioners of an urban renewal agency. Bastian asked whether the normal course of action would be to appoint rather than elect the board of commissioners of an urban renewal agency. Kunz responded that, under the draft legislation and presupposing the board of commissioners of an urban renewal agency is not elected, the mayor would appoint the board of commissioners of an urban renewal agency subject to the review and consent of the local governing body (i.e., the city council).

Kunz noted the draft urban renewal legislation includes provisions that would (a) protect an existing agency from being subject to a reset of its base allocation rolls upon amendment of its project plan (i.e., the grandfather clause); (b) require an urban renewal agency's project plan to include "with specificity" certain information; and (c) require an urban renewal agency, on an annual basis, to upload its project plan to the state's registry and attest whether or not the agency's project plan has been amended.

Attorney Villegas explained the grandfather clause of the draft urban renewal legislation would prevent amendments to an existing agency's project plan occurring before or after July 1, 2016 (the effective date of the legislation) from triggering a reset of the base allocation rolls. Bastian asked Villegas why the legislature would specify a deadline of July 1, 2016 and then say it's okay to amend an existing agency's project plan after the deadline. Villegas responded that July 1, 2016 is the effective date of the legislation and there may be situations where an urban renewal agency has no plans in place yet, and any project plan adopted after that date would be subject to a reset of the base allocation rolls. Preston sought clarification.

Soelberg asked about provisions in the draft legislation that would specify or limit the types of projects an urban renewal agency could undertake. Villegas said he was not aware of such language appearing in the engrossed bills. Kunz provided clarification through examples of certain amendments.

Because the engrossed legislation is subject to enactment and interpretation of certain provisions, Kunz proposed the agency's review and discussion focus on (a) how the agency and its membership should be restructured to conform to the draft urban renewal legislation, if enacted; and (b) identification of properties that should be considered for possible inclusion within the agency's district boundaries, provided said properties meet the requirements for inclusion.

Concerning how the agency and its membership should be restructured, Bastian opined it would be inappropriate to elect a board of commissioners of an urban renewal agency because the city council is the local governing body with respect to the urban renewal agency. He said either two of five commissioners or three of seven commissioners of an urban renewal agency should be city council members. He trusts the mayor would recommend appointees that would be interested in, and would further, the city's interests. Soelberg agreed with Bastian's comments, noting it would be difficult to garner participation for election of commissioners to an urban renewal agency board. He would prefer appointment by the mayor with only one city council member serving as a commissioner on the urban renewal agency (similar to one city official acting as liaison to certain of the city's voluntary boards). Preston and Kunz concurred with Bastian's comments, noting that having more than one city council member, but less than a majority of the city council members, serving on the board of commissioners of an urban renewal agency would provide a greater cross-section of participation.

Concerning identification of properties that should be considered for possible inclusion in the agency's district boundaries (provided said properties meet the requirements for inclusion), John Rennison (410 E. State Street, Eagle, ID) suggested the "Monroc, Inc." or "Idaho Concrete" property, located southeast of the agency's East End district boundaries, could be a potential candidate. Rennison noted the business entity is an on-going concern; however, including the property within the agency's district boundaries might provide flexibility and incentives should their future operating plans change. Bastian noted the business entity will eventually cease operations and inclusion of the property within the agency's district boundaries could provide redevelopment opportunities. The Board thanked Rennison for his comments.

Soelberg asked about the process for revising the agency's district boundaries. Attorney Villegas explained the process, noting although there is currently no requirement to do so, the agency has typically published notice and taken public comment on revisions to the agency's district boundaries. He noted the draft urban renewal legislation includes a provision requiring "any changes to an agency's project plan [...] shall be noticed and shall be completed in an open public meeting."

Kunz inquired about possible expansion of the agency's district boundaries to include parcels located adjacent to, and on both sides of, Eagle Road south of State Highway 44. Attorney Villegas said inter-governmental agreements could be required. Preston asked for an example. Preston, Bastian and

Soelberg questioned whether these properties immediately adjacent to Eagle Road would meet the requirements for inclusion.

Bastian asked about possible inclusion of the northern portions of N. Olde Park Place and N. 1st Street within the agency's district boundaries. He said these areas could potentially undergo future streetscape improvements and other changes. He noted the agency would need to ensure these areas meet the requirements for inclusion within the agency's district boundaries as set forth in statutes (e.g., properties within deteriorated areas or in need of rehabilitation).

Soelberg asked whether expansion of the agency's district boundaries either before or after July 1, 2016 would make a difference and whether such expansion would create zero base allocation rolls for the additional properties proposed for inclusion within the agency's district boundaries. Attorney Villegas responded the draft urban renewal legislation is rather ambiguous on whether project plan amendments (for an existing agency) occurring after July 1, 2016 would or would not trigger a reset of the base allocation rolls. Out of an abundance of caution, and to minimize the risk of potential legal challenges, Villegas indicated if the agency is going to amend its project plan and/or modify its district boundaries, it might be preferable to do so prior to July 1, 2016. Kunz noted "the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed valuation for the entire City."

The Idaho Transportation Department (ITD) owns an approximately 30-foot wide right-of-way generally located on the north side of State Highway 44 halfway between N. Eagle Road and Edgewood Drive (where the right-in, right-out access and collector roadway connecting to the Plaza Drive extension are proposed). Rennison asked about expansion of the agency's district boundaries to include this right-of-way to accommodate construction of acceleration and deceleration lanes. Inclusion of this right-of-way within the agency's district boundaries would necessitate execution of inter-governmental agreements and make the acceleration and deceleration lanes eligible for potential reimbursement by the agency. Attorney Villegas indicated that, according to the project plan, the agency's district boundaries represent a meets-and-bounds legal description and currently extend only to the southern private property line.

It was suggested the agency write a letter to the City of Eagle's elected officials (as the local governing body) to recommend that (a) the agency's district boundaries be expanded to include the "Monroc, Inc." or "Idaho Concrete" property located at the southeast corner of the agency's East End district boundaries, the northern portions of N. Olde Park Place and N. 1st Street and possibly the ITD-owned, 30-foot wide right-of-way along the north side of State Highway 44, provided these properties meet the requirements for inclusion within the agency's district boundaries; and (b) the agency and its membership be restructured to provide for mayoral appointment and council consent of the board of board of commissioners of the urban renewal agency, with the local governing body (i.e., the city council) comprising less than a majority of the board of commissioners of the urban renewal agency. These recommendations will require passage of an ordinance by the local governing body (i.e., the city council).

5. REPORTS BY BOARD MEMBERS (CONTINUED):

Kunz provided a projected financial analysis for calendar years 2016 and 2017, observing that the agency has taken on significant financial obligations that will affect its net financial position. Assuming all financial obligations will be honored and given a conservative, reasonable set of assumptions, he signposted that the agency will need to carefully evaluate its net financial position before taking on additional financial obligations to ensure the agency does not overextend itself. He noted the analysis excludes monthly operating expenses, but includes annual reserve fund payments owed by the agency under the terms of owner participation agreements and reimbursement agreements already executed as well as possible agreements that could be executed in the near future.

10. ADJOURNMENT. Bastian made a motion to adjourn. Kunz asked if there was any opposition to the motion. Hearing no objections, the meeting was adjourned by unanimous consent.