

Eagle Urban Renewal Agency

Thursday, November 5th, 2015
Special Meeting
Eagle City Hall
660 E. Civic Lane, Eagle, Idaho

1. CALL TO ORDER – The meeting was called to order at 5:04PM.
2. ROLL CALL: REYNOLDS, BUTLER, MCFARLAND, KUNZ, RIDGEWAY – All members are present. A quorum is present.
3. PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was recited.
4. ADDITIONS, DELETIONS OR MODIFICATIONS TO THE AGENDA – Mark Butler made a motion, seconded by Stan Ridgeway, to amend the agenda to add a 15-minute Executive Session as “Unfinished Business” agenda item 8B to discuss acquisition of an interest in real property. An Executive Session did not appear on the published agenda because issues concerning potential acquisition of an interest in real property became known after-the-fact. The motion passed unanimously.
5. REPORTS BY BOARD MEMBERS, ATTORNEY AND SECRETARY – Butler explained the withdrawal of his resignation request from the Board. He entered into a contract to purchase property near the Eagle Rd./State St. intersection. The resignation was not provided for under applicable law; however, the city council recently enacted an ordinance allowing an agency member to resign while retaining their city council position. The resignation request was not officially acted on by the Board because it was withdrawn before the next meeting. Soon after, he got out of the contract – neither he nor his companies will purchase the property. After consulting with the agency’s and city’s attorneys, he withdrew his resignation request.

Jeff Kunz reported on the plans for the parking lot on the former Tri-City Meats properties. He displayed one of the “Park at your own risk” signs that will be posted on the properties. The agency will hire a contractor to place railroad ties around the perimeter of the properties to prevent parking in certain areas.
6. TREASURER’S REPORT – Lindsey 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 – October 6th, 2015 minutes

Mary McFarland made a motion, seconded by Butler, to approve the minutes. A voice vote was taken. The motion passed unanimously. Kunz noted two minor typographical/grammatical errors that will be corrected.
8. UNFINISHED BUSINESS:
 - A. Consideration and possible action on a professional services agreement to hire Ashley Squyres as a public outreach consultant to assist with development of a prioritized project list.

Attorney Todd Lakey noted the professional services agreement includes the approved scope of work.

McFarland made a motion, seconded by Jim Reynolds, to postpone possible action on the professional services agreement until after the new Board members-elect take office. Lakey will advise Squyres that she will have to revise the current scope of work to re-schedule certain activities. Butler asked if it would be advantageous to start the process immediately (with the participation of the Board members-elect) or to wait until after the new Board members-elect take office. McFarland said there has been discussion of transitioning back to an independent Board with possible city representation. She does not desire to enter into a contract dealing with related expenditures and future plans until this issue has been resolved. A voice vote was taken. The motion passed unanimously.

B. EXECUTIVE SESSION. NO PUBLIC COMMENT WILL BE TAKEN ON THIS ITEM.

Butler made a motion, seconded by McFarland, to enter into a 15-minute Executive Session to consider acquisition of an interest in real property pursuant to Idaho Code §74-206(1)(c). A roll call vote was taken: Ridgeway: yes; Butler: yes; Kunz: yes; McFarland: yes; Reynolds: yes. All yeses. The motion passed unanimously.

(After the Executive Session, the meeting reconvened at 5:30PM.)

- ~~B.~~ C. Consideration and possible action on The Pacific Companies' proposed plan for their properties located in the East End, including a potential YMCA and construction of certain public improvements, and their proposal for reimbursement of costs regarding same from tax increment revenues related to their properties. The Pacific Companies' properties consist of approximately 100 acres of land at the corners of Edgewood Ln. and State Highway 44 and along E. Riverside Dr.

Board members disclosed ex parte communications and conflicts of interests.

Caleb Roope, President/CEO of The Pacific Companies, provided an update. His intentions have always been to facilitate the tennis center coming to Eagle, which he anticipates will be successful. The tennis center was always contemplated to include fitness components such as swimming, basketball and other sports. Through this process, he was introduced to the Treasure Valley Family YMCA executives and operations. His intuition was a YMCA would be a welcome addition to the Eagle community and would be supported for all the right reasons. After receiving feedback and listening to concerns expressed by constituents and affected businesses, it is unclear whether they want a YMCA in Eagle. He requested the Board proceed with the draft terms sheet and authorize the agency's attorney to draft an agreement. He withdrew the proposed YMCA from consideration until the issue related to transitioning back to an independent Board with possible city representation is resolved. Thereafter, the YMCA proposal could be reconsidered and public input could be taken. He also amended the proposal to remove potential acquisition of the tennis center. He would like the opportunity to come back to the Board to amend his companies' properties to include certain mobile home parks he is negotiating to purchase.

Lakey summarized the meeting held on October 22, 2015 to explore whether the proposal is workable, and if so, to identify possible next steps. Roope, John Rennison of Rennison Engineering, Caldwell Finance Director ElJay Waite, Reynolds, Kunz and Lakey participated. Lakey commented the agency could take an ownership interest in the proposed Eagle YMCA facility to address legal and constitutional issues. However, he emphasized the agency must determine whether undertaking construction of a YMCA is appropriate public policy for the agency.

Shaun Wardle, Chief Financial Officer of the Idaho Athletic Club (2239 E. Greiner St., Meridian, ID), commented on the Eagle YMCA proposal and responded to several questions from Board members. He observed the Caldwell Urban Renewal Agency's decision to use public funds to construct a YMCA has not been tested and that no judicial confirmation was obtained. After reading the agency's plan, he opined that spending public funds to construct a recreational facility controlled by a private entity does not constitute a public recreational facility. He said the Caldwell YMCA has significantly and negatively affected the operations of the Idaho Athletic Club in Caldwell, and continues to do so. He could not quantify the exact financial impact, but said the Idaho Athletic Club in Caldwell is no longer profitable. He noted that, if constructed, the Eagle YMCA would be very close to the Idaho Athletic Club in Eagle. He described as inaccurate the broad characterization that the Idaho Athletic Club primarily provides health and fitness services to adults, whereas the YMCA primarily provides health and fitness services to youth. He said the Idaho Athletic Club and the YMCA offer exactly the same health and fitness services. He perceives no differentiation in the health and fitness services offered. When asked whether the Idaho Athletic Club would have a problem with the agency constructing a swimming pool and hiring a management company to manage it, he said it would depend on what the relationship looked like and provided an example. He said the Idaho Athletic Club supports but does not offer much youth programming; nevertheless, it is the adult programming at exactly the same level that causes concern.

Ridgeway asked Roope what public improvements (shown under the expenditure projections) are currently under construction. Roope responded the only public improvement currently under construction is the E. Riverside Dr. extension totaling \$134,000 (scheduled for completion in 2015). Roope clarified there are no additional public improvements associated with the Cottonwood Senior Apartments beyond the E. Riverside Dr. extension improvements shown under the “Eagle Lakes” project. The letter of intent previously approved by the agency allowed The Pacific Companies to classify the public improvements as necessary and to seek additional funding for the Cottonwood Senior Apartments.

McFarland asked Roope if the public restrooms and parking facilities shown under the “Eagle Lakes” project would be in addition to similar facilities already being planned by the City of Eagle. Roope responded these additional facilities are contemplated for the 75-acres adjacent to the two lakes.

For eligible projects, Ridgeway suggested the Board consider approving shovel-ready projects and providing letters of intent for non-shovel-ready projects. Roope explained these properties will be very difficult to develop due to certain issues (e.g., infrastructure needs, floodplain requirements and underground relocation of utilities). Roope is seeking a “blanket” reimbursement agreement from the agency for actual development costs of eligible public improvements from the tax increment revenues generated from the projects. These tax increment revenues would be split on a 75%/25% basis.

Ridgeway asked legal counsel about committing future Boards to speculative projects. Lakey said specificity is desirable and standard public improvements could be subject to submission of plans prior to approval. Lakey advised caution about approving public improvements that are highly conceptual in nature. Roope said he wants enough strength and clarity in the agreement to ensure that once he and his companies undertake these public improvements according to specifications, their reimbursements will not be debated or rejected by future Boards. Kunz said it is equally important for the agency to continually know which public improvements are and are not eligible for reimbursement and how such expenditures are changing. Roope responded he can provide specificity on “known” public improvements. If he runs into “unknown” or “unanticipated” public improvements, he can come back to the Board for further discussions. As the property owner, he is trying to align interests and generate revenue streams on these properties to help the urban renewal district and the city. He proposed adding language to the agreement that allows the agency an “out” should “unknown” or “unanticipated” public improvements emerge. Lakey noted an agreement typically identifies what public improvements will be constructed, by whom and attaches the concept plans. Lakey asked Roope whether such an agreement could be executed before he pulls a major trigger for construction of public improvements versus creating a blanket-approval agreement for a broad spectrum of public improvements. Roope responded he could provide specificity for “known” public improvements, but not for “unknown” public improvements. Ridgeway is concerned about the open-endedness of the proposal.

Butler noted the subject properties are agricultural lands included in the urban renewal district for the purpose of generating tax increment revenues that could be used to improve other areas of the district.

McFarland was confused by Ridgeway’s statement because the proposal does not cost the agency anything. She said if the agency doesn’t get the district developed, the tax increment revenues will not be available to fund other public improvements.

Reynolds asked how firm the expenditure projections are. Roope responded the expenditure projections are conservative and good-faith best estimates. He is not asking for a premium above-and-beyond the actual development costs.

Butler asked whether an agreement could be drafted that requires the developer to document actual development costs and stipulates that only actual development costs will be reimbursed. Doing so would identify the public improvements, solidify understanding of the developer’s performance and cap the level of reimbursement. Lakey responded that, in an optimal world, each individual project would be reviewed and approved. If the Board wants to move forward without specific plans, Lakey will endeavor to provide as much specificity in the reimbursement agreement as possible. The agreement could

stipulate the reimbursement would come only from the tax increment revenues generated from the projects. The agreement could include additional safeguards. Butler asked why a developer would spend tens of thousands of dollars going through platting, rezoning and annexation processes and hundreds of thousands of dollars constructing public improvements, only to bring their construction plans into the agency to ascertain whether they would be reimbursed. Lakey said that wasn't the scenario he had in mind. He suggested concept plans would be part of an agreement that was approved and that the project engineer's or architect's plan submissions would be available for agency review prior to construction.

Kunz asked Roope whether the "Edgewood Crossing," "East End Marketplace" and "Eagle Lakes" projects would occur without reimbursement for public improvements and whether conceptual design plans could be made available concurrently with, or just-in-time for, approval of the reimbursement. Roope responded these projects would not occur without reimbursement for public improvements and that so much work goes into making a project shovel-ready that a concurrent or just-in-time approach might not work, depending on what is meant by "conceptual design plans."

Reynolds said he believes Roope is taking a big risk with this proposal. If these public improvements would typically be approved for reimbursement, he believes this is a great project since the potential Eagle YMCA has been withdrawn from consideration until after the issue of transitioning back to an independent Board with possible city representation is resolved. General discussion followed.

Butler made a motion, seconded by Reynolds and McFarland, to authorize the agency's attorney to draft a contract approving reimbursements by the agency for the following public improvements, as identified in the "Estimated Revenues and Expenses by Project/Year" (revised October 1, 2015) as submitted by The Pacific Companies:

- (a) Under the "Edgewood Crossing" project, the E. Riverside Dr. extension totaling \$134,000 (scheduled for completion in 2015);
- (b) Under the "East End Marketplace" project, the five public improvements totaling \$575,000 (scheduled for completion in 2016);
- (c) Under the "Eagle Lakes" project, the E. Riverside Dr. extension improvements totaling \$589,000 (scheduled for completion in 2016);

and that a separate letter of intent be drafted approving the following "conceptual" public improvements:

- (d) Under the "Eagle Lakes" project, the concepts for the public restrooms and parking facilities and public park and pathway improvements totaling \$702,000 (scheduled for completion in 2017), with the condition that this letter of intent is subject to working with the City of Eagle on the design concepts and approvals.

(During the deliberations, Reynolds requested that Butler amend his motion from "Eagle Marketplace" to "East End Marketplace." The motion was amended and re-seconded accordingly.) A roll call vote was taken: Ridgeway: yes; Butler: yes; Kunz: yes; McFarland: yes; Reynolds: yes. All yeses. The motion passed unanimously.

- €- D. Consideration and possible action on items and expenditures related to notifying the public and taking public input on The Pacific Companies' proposal.

Butler made a motion, seconded by Reynolds, to remove this item from the agenda. A voice vote was taken. The motion passed unanimously.

9. NEW BUSINESS – None

- 10. ADJOURNMENT. McFarland made a motion, seconded by Butler and Reynolds, to adjourn. A voice vote was taken. The motion passed.