

Eagle Urban Renewal Agency

Tuesday February 3rd, 2015

6:00 p.m.

Eagle City Hall

660 E. Civic Lane, Eagle, Idaho

1. Call to Order: Chairman Mark Butler called the meeting to order at 6:05PM.
2. Roll Call – Present: Butler, McFarland, Kunz, Ridgeway. (Reynolds is on his way.) A quorum is present.
3. Pledge of Allegiance.
4. Amendments to agenda. Butler made a motion to add the selection of chairman, vice-chairman and secretary/treasurer to the agenda as item 4A. Mary McFarland seconded the motion. Stan Ridgeway asked to have the item added to the agenda as item 8D and to move the current item 8D to new item 16 to move current item 16 to new item 17. McFarland seconded the motion. All ayes – motion carried.
5. Reports by Board Members, Attorney and Secretary. Butler reported that he will be at the first meeting of the Redevelopment Association of Idaho (RAI) this Thursday at the Idaho State Capitol Building at 3PM, if anyone would like to attend.
6. Public comment on matters not on the agenda. (Please limit comments to 3 minutes maximum.): None
7. Approval of January 6th, 2015 and January 22nd, 2015 meeting minutes. Jeff Kunz made a motion to approve the January 6th, 2015 and January 22nd, 2015 meeting minutes with one amendment to the January 6th, 2015 meeting minutes: On page 3, in the eighth sentence of the last paragraph, the phrase “NWTI bid” should be changed to “MTI report,” which stands for “Materials Testing, Inc.” McFarland seconded the motion. All ayes - motion carried.
8. Treasurer’s Report – Lindsey Pretty Weasel gave the report, no questions.
 - a. Review of vouchers and checks
 - b. Bank statement review
 - c. Review Profit and Loss and Balance Sheet
 - d. Selection of chairman, vice-chairman and secretary/treasurer.

** Jim Reynolds arrives. All commissioners are present. A quorum is present. **

Selection of chairman, vice-chairman and secretary/treasurer. McFarland nominated Butler to continue as chairman. Butler asked if there are any other nominations and stated that he would like to finish out the year as he has been very involved with the different properties

that the EURA has been working on. Ridgeway stated that he thought we should rotate the position and nominated Kunz for chairman. Butler asked Kunz if he would be interested in the position. Kunz stated that there were some things that he would like to accomplish and had an interest. McFarland stated that she would possibly nominate Kunz for vice-chairman if Butler is selected as chairman. Butler called for a roll call vote on the nomination of Butler for chairman: Reynolds: no; Butler: yes; McFarland: yes; Kunz: no; Ridgeway: no. Nomination died. Butler called for a roll call vote on the nomination of Kunz for chairman: All yeses, motion carried. Kunz nominated Reynolds for vice-chairman. A roll call vote was taken: all yeses, motion carried. Butler nominated Lindsey Pretty Weasel for secretary/treasurer. A roll call vote was taken. All yeses, motion carried. (Butler will continue chairing the meeting.)

(Reports continued.) The Tri-City Meats Phase 1 environmental site assessment came in with a good price. The property is clean, so the EURA will not have to move forward with a Phase 2. The EURA attorney is in communication with the demolition crew. Demolition will start on March 2nd, 2015; however, they can move forward earlier on demolition of the commercial section. Butler also stated that he had mistakenly said that Mayor Reynolds favored a five-lane section on Beacon Light Road. This was in total error and Butler stated that it was not the mayor's position and apologized.

Reynolds reported that he attended Mayor Nancolas' State of the City address. Caldwell's fire district spends approximately \$1 million less annually than the City of Eagle's fire district.

9. Discussion and possible approval of the contract with Magnum Demolition for the Tri-City Meats properties. The EURA approved the bid received from Magnum Demolition, but needs to approve the contract. District Attorney Todd Lakey went over the minor corrections that he will have initialed: In the second "WHEREAS," add the phrase "the old buildings"; in the third "WHEREAS", add "EURA" to the "desires" line; and on page 9 of the standard form of the agreement, upon completion of the work, contractors shall submit an application for payment. The demolition contractors cannot start until March 2nd, 2015; however, they can start earlier on the commercial section. Demolition of the residential buildings cannot begin until building walkthroughs occur and the residences are confirmed empty. McFarland asked if Butler would finish with the contractors; Butler stated he did not want to. Lakey stated that if his designee was to take over, the EURA will need to send that information in writing. Kunz asked Butler if he was interested in finishing the work with the contractors. Butler stated that he wasn't. McFarland made the motion to approve the contract as amended. Reynolds seconded the motion. A roll call vote was taken. All yes, motion carried.
10. Discuss the proposed Cottonwood Meadows Senior Apartment project, presentation by John Rennison. John Rennison of Rennison Engineering presented the project and explained what the developer is requesting of the EURA. The Pacific Companies have proposed a 48-unit Cottonwood Meadows Senior Apartments project on the southeast corner of State Highway 44 and S. Ancona Ave. The apartment complex would contain a mix of one- and two-bedroom units and would be age-restricted (for seniors only) and rent-controlled. The developer plans to spend approximately \$512,000 on public improvements including a one-quarter mile extension of E. Riverside Dr., sewer, water and utility extensions and street

lights, sidewalks and landscaping. Upon acceptance, the developer is requesting that the EURA reimburse up to \$380,000 of these public improvement costs through annual, no-interest payments. The project has an estimated assessed value of \$5.5 million and would generate an estimated \$40,000 annually in tax increment revenue for the agency. The agency would reimburse 75% of this tax increment revenue, or \$30,000 annually, to the developer for 12.5 years. The surplus tax increment revenue to the EURA would equal approximately \$220,000. The project has an estimated completion date of 2016 subject to a financing award and would be located in the East End Area of the City of Eagle's urban renewal district. The developer is seeking a contingent commitment letter from the agency for reimbursement of the public improvements.

Rennison noted that all numbers will be refined. This project is a work-in-progress. But for now, the developer needs a submission for tax credit financing. One of the financing requirements is sponsorships covering about 5% of the project costs. The developer is asking the EURA to reimburse the developer for \$380,000 for the public improvements.

Rennison stood for questions. Kunz asked what the current assessed value of the property is. Rennison stated that the property's current assessed value is around \$12,000, the estimated value of the finished project is \$5.5 million. McFarland stated that the EURA would make money on the project. Ridgeway stated that he was struggling over this being a true urban renewal project since it is open ground and not a blighted property. Ridgeway doesn't see the EURA as being a supplemental funding agency for developers and looks at the revenue surplus of \$220,000 that could be \$600,000 (if the public improvement costs were not reimbursed to the developer), and the difference is significant. Ridgeway said he would like to think about it more, he would not be willing to commit tonight. Butler asked if this project is within the EURA guidelines to fund. Lakey replied it is; however, he would like to look at the plan further. Lakey noted the EURA doesn't have to do the project; however, the project includes public improvements in a public right-of-way. If the board is inclined to do it, Lakey would like to make a few changes - including changing from a letter of commitment to a letter of intent with the understanding that it's non-binding until an agreement is in place.

Rennison noted that the developer must meet a February 13th, 2015 deadline associated with tax credit financing. The contingent commitment letter is laid out and the developers are aware of necessary changes. Rennison stated that without this letter, this project will not move forward and will not be built. The Idaho Housing and Finance Association (IHFA) wants to see city commitment for affordable senior housing and makes it a condition of the application process. Kunz asked if the IHFA requires a "financial" or "consent" commitment. Mr. Tim Mannschreck (of Thomas Development Co.) responded to the question, stating that the IHFA seeks to stretch its dollars with contributions from other entities. There is no obligation for the EURA to come up with a specific dollar amount. McFarland asked if there was a way to state in the letter that the EURA will not be responsible for reimbursing above the \$380,000. Kunz asked again if the IHFA is requiring a reimbursement from the EURA in order to get the affordable senior housing project application approved. Mannschreck replied no. Reynolds clarified the proposed project location and EURA area - the project would be located in the East End Area of the agency's urban renewal district. Discussion followed. Ridgeway stated he is more interested in renewing blighted property and not raw land.

Discussion followed. Lakey stated that he wanted to confirm, but believes affordable senior housing is in the urban renewal plan. If the EURA decides to do this project, he would like to add wording related to the requirement to negotiate a future agreement. Discussion followed.

Kunz asked Mannschreck which organizations or entities are able to provide sponsorships. For this project, the developer always asks cities for waivers and reduction in permits and fees, land donations and grants. These sources and charitable contributions are the only forms of contribution the IHFA will accept. Ridgeway asked how long the project has been in the planning stages. Rennison stated that he brought the project forward in December with an overview of the master plan. The project happened quickly. Kunz asked about the funding of the E. Riverside Dr. extension. The Pacific Companies paid for the section shown in “green.” Rennison was not sure who paid for the section shown in “black” (directly behind the Ancona Business Park) and one-third of the southern section is not finished. Kunz asked why the street section shown in “red” is being extended until it abuts the Idaho Concrete Company property. Rennison stated doing so would open up the area for development. Discussion followed. There are no current plans for the development of the other property that the developer owns.

Butler asked Mannschreck if he was familiar with the construction at Veterans Parkway and Adams. Pam Beaumont (Garden City’s URA Chairwoman) was happy that her city was able to help with fees and TIFF funding. Mannschreck stated that the TIFF funding was materially beneficial and said he wasn’t aware of the help with the fees.

Reynolds stated he also wanted more time to look at the affordable senior housing project. Ridgeway asked that when the E. Riverside Dr. extension is finished, would the developer upgrade the road (behind the Ancona Business Park) in-between the two roads. Rennison stated that only half of S. Ancona Ave. is built. That will be part of this project. The south side of E. Riverside Dr. will need to get improved as well. Those types of improvements can also be worked into this project. Many things are possible. Rennison was happy to see all the work the EURA does and stated this would be a good community project.

Butler asked “what if” the Board signed a letter of intent to help fund this facility, but recommended the developer work toward locating it on the north property across State Highway 44. Doing so may help with spinoff when the developer builds next to blighted property. Rennison asked if the developer could work with Lakey to explore all options and look at the north side at another time. Discussion followed. Butler opened this up for public comment. No public comments were made. Butler is also concerned that the EURA isn’t helping a blighted area; however, senior housing is important and creates spinoff. Butler does think the EURA should sign the letter of intent. Lakey stated that in a letter of intent, you state that it is not binding. Lakey wasn’t sure what the developer needed for the process they are going through.

Caleb Roope (President and CEO of The Pacific Companies), 430 E. State St., Eagle, ID. Roope stated that IHFA wants to see a commitment from the local agency for this source of capital. The letter has multiple contingencies to give enough “outs” for the EURA to revoke its commitment if necessary. IHFA is looking for a letter stating that if the developer gets the

financing they need, the EURA will make a financial commitment. Other things can be added to the letter by our attorney. Roope said that there is a possibility they may move the senior housing project to the developer's adjacent property on the north side of State Highway 44. The developer would rather be over there, but the current zoning doesn't permit multi-family. Discussion followed.

John Sayer, 2151 W. Forestdale Ct., Eagle, ID. Sayer asked for location verification. A map was shown.

Kunz also stated he would like to see the senior housing project moved to the north side as well and asked when the eastern property may be developed. Continuing E Riverside Dr. is in the plans to be finished and to provide connectivity.

Butler made a motion to approve the letter of intent that was provided, that Lakey look over the letter intent to make sure that it fits the needs of the EURA and with the understanding that the EURA would encourage the developer to move the apartment complex to the north side. McFarland seconded the motion. Open for discussion. Kunz stated that the project proposal would have the EURA reimbursing \$30,000 annually to the developer for almost the remaining duration of the EURA. If the project is modified and the associated costs to be reimbursed were to increase, these reimbursements could equal the remaining duration of the EURA. Kunz asked for more time, but respects the critical timeline. Roope stated the tax credit financing application deadline is February 13th, 2015. Discussion followed. Ridgeway asked that if the location changed, the letter would also have to change; a new approval would be needed.

Ridgeway asked that a meeting on February 10th, 2015 at 5PM be considered to take a look at the letter that Lakey puts together for the Board. This would enable the developer to meet their application deadline. Butler removed his motion for the meeting on February 10th at 5PM. The Board agreed. Butler made a motion that the letter of intent be given to Lakey and applicant to work on language. The vote is subject to the Board and the item will be put on the agenda of a special February 10th, 2015 meeting at 5PM. McFarland seconded the motion. All ayes – motion carried.

11. Consideration and possible action for proceeding with bond election for funds. Amount possible is about \$1.2 million, but Agency may consider an amount closer to \$400,000. If the EURA moves forward with a purchase offer on the former Chevron property, the agency will need to move forward with funding. Butler spoke with Cameron Ariel and Stephanie Bonney, the bond attorney. Butler feels like the EURA doesn't know what is going to happen yet. This agenda item plays into agenda number 12 - the discussion and possible setting of a special meeting after February 24th, 2015 and before the regular meeting of March 3rd, 2015. This item needs to be moved to this timeframe. The 30-day timeframe will be up, and a possible counteroffer may be possible. McFarland asked about a possible meeting on February 25th, 2015 at 5PM. All Board members were in favor. Butler made a motion to have a special meeting on February 25th, 2015 at 5PM and to have on the agenda item number 11, an executive session to discuss purchase of private property and an open meeting to discuss

issues related to private property purchase. Ridgeway seconded the motion. All ayes – motion carried.

12. Discussion and possible setting of a special meeting after February 24th, 2015 and before regular meeting of March 3rd, 2015. (Covered as part of the previous agenda item.)
13. Discussion of previously reviewed reimbursement agreement for the project at 221 S. Eagle Rd. (Downs Realty) and details of what was actually constructed as public improvements qualifying for reimburse by the URA and possible amendments thereto. Butler asked where the EURA was at with regard to the contract. Lakey stated the contract has been approved with the concept that we need to clarify the exhibit as to the exact amount that will be reimbursed. Once both sides are in agreement, we can attach that to the agreement and await their request for reimbursement. Butler spoke to Planning & Zoning Bill Vaughan with the questions about the stamped part of the sidewalk. All the stamping is on one side, but doesn't exceed the requirements. The property owners did have to dedicate 15 feet for public right-of-way for the future five-lane section of Eagle Rd.; Butler didn't think that was included in the reimbursement. There was no driveway before; Butler isn't sure where the Board would like to go. Ridgeway stated that this has been on the table for a few months. In the future, Ridgeway would like the EURA to have a plan. Ridgeway would like to get this off of our plate and that we need to move forward. Discussion followed. Butler asked what the initial contract amount was. Lakey was unsure. Butler made a motion to approve the contract with the number \$8,993.75. Ridgeway verified the dollar amount – the \$5,500 was an amount to be broken down, and that was just a portion of the overall amount to be reimbursed. McFarland seconded the motion. A roll call vote was taken. Reynolds: aye; Butler: aye; McFarland: aye; Kunz: nay; Ridgeway: nay. The motion passed 3 to 2.
14. Work on project prioritization list. Butler put together all projects that have been discussed over the last several years. This is just a general list that he put together – it is neither the EURA's list nor Butler's specific list.
 - a. Clean up old Tri-City Meats property
 - b. Purchase old Chevron property
 - c. Clean up old Chevron property
 - d. Sidewalk and other public improvements for future new development at Tri-City Meats/Chevron property
 - e. Temporary public parking downtown
 - f. Permanent public parking downtown
 - g. Upgrade area of older mobile homes between the alternate route and old State Street at east end of town
 - h. Upgrade area north of older mobile homes
 - i. First St. sidewalk improvements from Idaho to Aiken shown as a pedestrian gathering area/corridor in comprehensive plan
 - j. Transitional Development Area (TDA) sidewalk improvements (case-by-case basis)
 - k. Downtown Development Area (DDA) sidewalk improvements (case-by-case basis)

- l. Eagle Road/Old State Street intersection improvements in coordination with ACHD
- m. Plaza Dr. extension improvements in coordination with ACHD
- n. Cooperative signage plan for downtown businesses
- o. Federal aid housing for seniors
- p. Federal aid housing
- q. Art projects
- r. YMCA

McFarland suggested putting the projects in order of cost and revenue, revenue-neutral and/or revenue positive projects would be toward the top. Kunz suggested looking not only at cost criterion, but also other criterion such as location and level of public benefit and utilization. Butler asked if one or two members would take on this project or if a third-party public outreach firm could to take a look at this. Discussion followed. Lakey shared an observation: The Meridian URA hired Ashley Ford (Squyres), who puts together a list every year and the Board meets to go over the list prior to their budget meeting. McFarland would like to add the criteria of having a willing developer. Butler suggested having Ashley Ford (Squyres) and Rosemary Curtain put together a proposal to bring to the Board. Lakey will reach out to them as well as the Meridian URA for the proper wording.

15. Discuss co-op signs for the business owners in Eagle. McFarland Googled some option. She wanted to help small Eagle businesses with exposure, and wants to include the Arts Commission. If the EURA helps with funding, the Arts Commission is interested and would take this on as a joint project with the EURA. Possible co-op signs with the businesses themselves. Ridgeway noted that people are complaining they can't have signs as well as items blocking the sidewalks. McFarland thought about having maybe five co-op signs total.
16. Approve meeting schedule for 2015. (Formerly agenda item 8D.)
17. Adjourn. McFarland made a motion to adjourn, Ridgeway seconded the motion. All ayes – motion carried.