

# **Eagle Urban Renewal Agency**

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**Tuesday, October 6<sup>th</sup>, 2015**  
**Regular Meeting**  
**Eagle City Hall**  
**660 E. Civic Lane, Eagle, Idaho**

1. CALL TO ORDER – The meeting was called to order at 6:00PM.
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 – Caleb Roope, President/CEO of The Pacific Companies and John Rennison of Rennison Engineering indicated they have commitments later this evening. Mark Butler made a motion, seconded by Jim Reynolds, to reverse the order of “Unfinished Business” agenda items 7A and 7B. A voice vote was taken. The motion passed unanimously.
5. REPORTS BY BOARD MEMBERS, ATTORNEY AND SECRETARY – Butler mentioned he would depart the meeting early due to another commitment. There were no other reports.
6. APPROVAL OF MINUTES – September 1<sup>st</sup>, 2015 minutes

Butler made a motion, seconded by Mary McFarland, to approve the minutes. A voice vote was taken. The motion passed unanimously.

(The Treasure’s Report was inadvertently omitted from the agenda. Stan Ridgeway made a motion, seconded by Butler, to amend the agenda to add the report. A voice vote was taken. The motion passed unanimously.)

7. 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.
8. UNFINISHED BUSINESS:
  - A. Consideration and possible action on The Pacific Companies’ plans for their properties located in the East End, a potential YMCA and their proposal regarding same.

Board members disclosed ex parte communications and conflicts of interests.

John Rennison of Rennison Engineering (410 E. State St., Eagle, ID), representing The Pacific Companies (hereinafter abbreviated as “TPC”), presented a proposal to construct a YMCA and various public improvements on 100 acres of undeveloped land at the corners of S. Edgewood Ln. and State Highway 44 and along E. Riverside Dr. TPC would donate the land for the YMCA building and fund the total construction costs of all public improvements, estimated at \$8.8 million. After performing, TPC would seek reimbursement from the agency through the annual tax increment revenues generated from the project. The annual tax increment revenues would be split between TPC and the agency on a 75%/25% basis. The reimbursement would not exceed the actual construction and financing costs of the public improvements. The proposal could include acquisition of the tennis center.

Jim Everett (10945 W. Janie Rd., Boise, ID), Treasure Valley Family YMCA CEO, expressed support for the proposal. He said the model is not new – a similar model has been used to construct YMCAs in Caldwell and elsewhere. The Treasure Valley Family YMCA is not concerned about building ownership. An extensive community fund-raising campaign would be undertaken.

Rennison asked the Board to consider their proposal and to authorize Attorney Todd Lakey to draft documents to formalize the agreement. He reviewed the expense projections for Edgewood Crossing (Eagle YMCA and E. Riverside Dr. extension: \$6.934 million), East End Marketplace (State Highway 44 overhead power line relocation to underground and downtown directional signage, Old State St. and S. Edgewood Ln. improvements and McGrath Rd. realignment: \$0.575 million) and Eagle Lakes (public restroom and parking facilities, public park and pathway improvements and E. Riverside Dr. extension: \$1.291 million). (The estimated total cost of the public improvements is \$8.8 million.) He said TPC would work with the representatives to define the appropriate scope of improvements. He suggested the topic of possible bond issuance by the agency be revisited later.

Butler said he could envision using agency funds for certain public improvements; however, using agency funds to construct a YMCA building could be an issue. He asked Lakey whether he was confident the details could be worked out. Lakey indicated agency funding for public improvements (e.g., parks) is relatively straightforward. However, the challenge comes when spending public tax dollars for the benefit of a private entity, for which constitutional limitations exist. The agency would have to find that the public benefit is the primary, overriding purpose of the expenditure and that the benefit to the private entity is ancillary. Lakey expressed concerns about spending public monies for construction of a YMCA building. Butler cautioned against using creative legal interpretations to “skirt around” state urban renewal laws. Rennison agreed and said he is confident that representatives can demonstrate how Caldwell was able to use agency funds to construct the YMCA. Rennison noted TPC does not anticipate owning the recreational facility long-term; ultimately, another entity (perhaps the City of Eagle?) could own the facility, with the Treasure Valley Family YMCA managing its operations. If problems are encountered, Rennison said the YMCA could slide out of the proposal.

McFarland said the proposal is worth delving into deeper. She noted if construction of a YMCA building becomes an issue, other public improvements such as landscaping, curbs, gutters, sidewalks, trees, lights, public restrooms and park and pathway improvements could still be valuable to the district and city. She proposed exploring how these public improvements could move forward through collaboration with representatives. She proposed the agency’s November meeting be re-scheduled.

Reynolds asked if the Caldwell YMCA is close to and/or competes with private athletic clubs. Everett responded it is relatively close to a private athletic club, but does not necessarily compete due to the differences in health and fitness services provided. Everett noted the Caldwell YMCA currently loses approximately \$0.5 million per year; however, the community benefits include a significant crime rate reduction. Everett acknowledged the Treasure Valley Family YMCA’s tax-exempt status was challenged last year; however, after the facts were presented, their tax-exempt status was unanimously upheld. Reynolds asked whether a YMCA would come off the tax rolls. Everett responded that the Treasure Valley Family YMCA only receives a property tax exemption.

McFarland made a motion, seconded by Butler, that the agency move forward by working with the applicant’s, agency’s and city’s representatives to explore if the proposal is workable and, if so, to identify possible next steps. These details will be brought forth at future agency meetings.

(Butler departed the meeting at approximately 6:45PM.)

Ridgeway is concerned none of the properties identified in the proposal are blighted, which runs counter to the agency’s mission. He asked who would own the land and building. Rennison acknowledged the agency cannot reimburse TPC, as a private entity, for the building construction costs. Ridgeway understood the reimbursement would cover public improvements, not the building, and that the building would come off the tax rolls. He expressed concern that the city and its residents have not determined if more recreational facilities are needed in the East End. He noted a master plan has been commissioned, but has not been made public. Do property tax payers within the urban renewal district realize they would pay if facilities come off the tax rolls? What is the priority of an east-end YMCA versus a west-side Sports Complex? Reynolds agreed the proposal poses many questions, including about its legality.

Citing the draft term sheet, Jeff Kunz noted all public improvements must qualify for reimbursement under state urban renewal laws. Rennison explained that build-out could occur by the year 2022 (when tax incremental revenues could be maximized) and that bond issuance could accelerate reimbursement. Kunz noted the estimated total cost of the public improvements (of \$8.8 million) would not be fully reimbursed (on a 75%/25% basis) until the year 2028. He sought clarifications and corrections on the inclusion and exclusion of the public improvements associated with the Cottonwood Senior Apartments in the revenue and expenditure projections, respectively. (The agency approved a letter of intent for these apartment-related public improvements.) He said it is important for the agency to conduct due diligence and that it would be inappropriate to “blur the lines” on what projects are and are not permissible under state urban renewal laws. Ridgeway asked about the location of the Cottonwood Senior Apartments. Rennison said the apartments would be located in the East End Marketplace close to grocery stores, retail, banking and other services. Kunz requested a copy of the YMCA-related studies.

After deliberations, a voice vote on the pending motion was taken. The motion passed unanimously.

- B. Consideration and possible action on scope of work and hiring of a public outreach consultant to assist with development of a prioritized project list.

Consultant Ashley (Ford) Squyres could not attend this meeting. Kunz provided a brief overview.

McFarland and Kunz thought the scope of work was excellent, especially the education of new agency members and the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.

McFarland made a motion, seconded by Ridgeway, to approve the scope of work and to hire Squyres. Lakey clarified that, if the motion is approved, he would bring back a professional services agreement (with attached scope of work) for execution at the next meeting. A roll call vote was taken: Ridgeway: yes; Kunz: yes; McFarland: yes; Reynolds: yes; Butler: absent. The motion passed.

## 9. NEW BUSINESS

- A. Consideration and possible action on drafting a letter to the Ada County Highway District (ACHD) to request preservation of right-of-way around the Eagle Rd./Old State St. intersection (on Eagle Rd. between State Highway 44 and Eagle Elementary School of the Arts and on Old State St. between 2<sup>nd</sup> St. and Olde Park Pl.).

Reynolds’ understanding is that when the city council rejected the roundabout alternative, ACHD halted right-of-way preservation. He noted the Stakeholders’ Committee will meet on October 10, 2015.

McFarland asked Lakey about the legality of taking action on private property without a plan in place. Lakey said the letter’s content must conform to the plan and justify the recommendations. McFarland asked whether any possible action should instead be taken by the city council.

The Board decided to take no action on this agenda item.

- B. Consideration and possible action on signage for former Tri-City Meats properties.

Kunz said the former Tri-City Meats properties were recently graded. He suggested replacing the “No Parking” signs with “Park at Your Own Risk” signs. Lakey and Kunz will work on appropriate sign content. McFarland proposed asking the city’s police department to enforce the on-site parking rules.

McFarland made a motion, seconded by Ridgeway, to approve a not-to-exceed \$250 expenditure for signage. A roll call vote was taken: Ridgeway: yes; Kunz: yes; McFarland: yes; Reynolds: yes; Butler: absent. The motion passed.

McFarland made a motion, seconded by Ridgeway, to purchase and erect barriers to prevent parking in certain areas at a not-to-exceed cost of \$1,000 and amended to not exceed \$5,000. A roll call vote was taken: Ridgeway: yes; Kunz: yes; McFarland: yes; Reynolds: yes; Butler: absent. The motion passed.

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