



City of Moscow Council Chambers • 206 E 3<sup>rd</sup> Street • Moscow, ID 83843

McGeehan called the meeting to order at 7:00 a.m.

Attendance:

Commission Members	Staff Present	Others
Steve McGeehan, Chair	Gary Riedner, City Supervisor	Gina Taruscio
Art Bettge	Bill Belknap, Executive Director	Justin Rasmussen
Dave McGraw	Don Palmer, Treasurer	
Ron Smith	Anne Peterson, Deputy City Clerk	
Brandy Sullivan		
John Weber		

Absent: Steve Drown

1. **Consent Agenda** - Any item will be removed from the consent agenda at the request of any member of the Board and that item will be considered separately later.
  - A. Minutes from November 5<sup>th</sup>, 2015

**ACTION:** Approve the consent agenda or take such other action deemed appropriate.  
Sullivan moved approval of the consent agenda as presented, seconded by Smith. Motion carried.
2. **Public Comment for items *not on agenda*:** None.
3. **Announcements:** None.
4. **Potential Project Assistance for 1014 S. Main Street – Bill Belknap**  
Staff have been in contact with the new owner of a 5.5 acre property currently addressed as 1014 S. Main Street, and generally located directly south of Paradise Creek and East of U.S. Highway 95 near the intersection of U.S. Highway 95 and State Highway 8. The property has limited access to facilitate the development of a residential housing project that the owner desires to construct. The owner is in negotiations to acquire the adjacent property addressed as 1104 S. Main, which was most recently the location of Dominos Pizza, to facilitate better access to the property through the Sweet Avenue signalized intersection. The 1104 S. Main property (Sharpe property) is heavily contaminated from prior petroleum tanks and associated petroleum releases that occurred upon the property that have resulted in significant contamination to the soils on the site and groundwater under the site and other adjacent properties. The Owner has inquired regarding potential assistance from the Agency with environmental remediation and intersection improvement expenses to clean up the contamination

and facilitate the redevelopment of the property. Staff is seeking Board direction regarding entering into a potential owner participation agreement with the owner to assist with the project.

**ACTION:** Review the proposed assistance request and provide Staff direction; or take such other action deemed appropriate.

Belknap said draft conceptual designs presented in the meeting packet have changed slightly; Building F now incorporates mixed-use development and the ingress/egress lane has moved from the existing driveway to line up with the Sweet Avenue intersection as recommended by City Public Works staff and ITD. The developer is requesting \$330,000 in Agency assistance for the Sharp property: \$250,000 for environmental remediation and \$80,000 for left turn lane adjustments on US95. Belknap said site contamination presents a public health and safety concern, and assistance with remediation is needed to make the project financially viable. Construction costs are estimated at \$23 million; finished assessed value is expected to be around \$15 million, creating an annual increment of \$275,000 after the three-year repayment period. Developer plans to enter into the DEQ's Voluntary Clean-up Effort for environmental remediation in Summer 2016, construction during Summer 2017 and occupancy in Summer 2018.

McGeehan thought this presented a good opportunity to develop a key Moscow location and address the long-standing environmental contamination at the same time. Belknap said the development group is from California, has done this type of project in multiple markets across the country, and has sound funding. Sullivan asked about the remediation estimates and Belknap said they were based off unit costs for the Sixth & Jackson remediation and said total costs might be less depending on where the soils can be deposited. Sullivan asked whether there was any value in separating the Sharpe property from the rest of the project in terms of the increment. Belknap said once the project is underway on both parcels it would be difficult to assess the value of just that portion, plus it would prolong repayment. Palmer asked if the cap was \$250,000. Belknap said it would be like all Owner Participation Agreements which specify the work based on certified cost up to a set amount.

McGeehan asked about the Agency's long-term commitment. Belknap recommended it be clearly defined for the Agency to have responsibility only for current remediation and construction costs prior to certificate of occupancy. Developer would be responsible for any ongoing or new remediation. Riedner added that the VCE program would give the developer and the agency protection from suit by DEQ. He added it's in the public's best interest to clean up this highly visible intersection which would otherwise not likely be developed anytime soon. Development would make the entire area viable, and is exactly the type of situation that urban renewal agencies are designed for.

McGraw moved to direct staff proceed in notifying the developer of the Agency's desire to support the project. Weber seconded the motion. Belknap explained the next steps would be to communicate the Agency's support to the developer so they can proceed with purchase of the Sharpe property. Staff will work with them to adjust the design, refine the project, and redesign of the intersection. Belknap reiterated that ITD is very supportive of the project if it utilizes the signalized intersection. Sullivan said the Owner Participation Agreement will provide a low-risk situation for the agency. Motion carried.

## 5. Sixth and Jackson Brownfield Remediation Project Update – Bill Belknap

In 2013 the MURA applied for and received an EPA Brownfield cleanup grant to assist in funding the environmental remediation of the 6<sup>th</sup> and Jackson property. The remediation work has been separated into two Phases. Phase I will address the excavation of contaminated soils from the site and Phase II will include groundwater remediation activities. Staff will provide an update on the status of the remediation work.

**ACTION:** Accept Report

Belknap reported that Phase I soil remediation was completed several weeks ago. Phase II groundwater remediation began November 25, the pump system is now being designed and groundwater injections are anticipated to be complete before the end of the year. Bettge inquired about the intersection work and undergrounding of utilities. Belknap said intersection realignment is on schedule for 2016 and utilities and service poles will be revised at that same time. Bettge moved acceptance of the report, seconded by Smith. Motion carried.

## 6. Redevelopment Association of Idaho Report – Gary Riedner

Riedner reported the Interim Committee continues to meet but he predicted recodification of URA is probably not going forward this year, but the conflict between two statutes will likely be litigated or addressed through the legislature: one allows 10% expansion as of the date of original plan approval; another statute says the expansion changes the base year. Riedner said when Alturas was expanded the date did not change and no one challenged it, but he urged caution if the Legacy Crossing district is expanded in the future.

Riedner also reported that Rep. Clow (Twin Falls) and Senator Souza (Coeur d'Alene) have proposed URA board members be elected rather than appointed; that board member terms be limited to two, three-year terms; and limitations be placed on increments which will impair URA's abilities. Legislation is also anticipated that will address use of increments to fund public buildings.

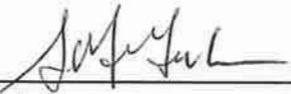
The RAI will hold a joint conference with the Urban Land Institute on January 26. Riedner encouraged agency members to use this opportunity to meet with other land use people and legislators. McGeehan said it sounded like an excellent opportunity to share some of MURAs successes. Smith and McGraw expressed their probable ability to attend.

## 7. General District Updates – Bill Belknap

- Legacy Crossing District
  - Gritman project is progressing.
  - Stubbs Seed Warehouse is under demolition and clean-up.
  - Staff are working with Dumas property owner to do additional soil sampling.
  - Increased interest from external private developers and UI regarding projects within the district. Belknap suggested a strategic planning session would be timely in the spring.
  - Partial submission received from the Sangria Group and more details will be on the Dec 17 agenda.

- Alturas District
  - Attended another Association meeting continuing dialogue of RTO district and future for Alturas. They supported the proposed changes of use recommended by staff with the exception of allowing patient service to occur within the district.
  - Beginning in January, increment tax receipts will be reviewed to discuss disbursement to the taxing districts.

The meeting concluded at 8:12 a.m.



Steve McGeehan, Agency Chair

1.7-16

Date