



City of Moscow Council Chambers • 206 E 3rd Street • Moscow, ID 83843

McGeehan called the meeting to order at 7:02 a.m.

Attendance:

Commission Members	Staff Present	Others
Steve McGeehan, Chair	Gary Riedner, City Supervisor	Gina Taruscio
Steve Drown	Bill Belknap, Executive Director	Victoria Seever
Art Bettge	Anne Peterson, Deputy City Clerk	George Skandalos
Dave McGraw		Carly Lilly
Ron Smith		Terri Harber, Daily News
Brandy Sullivan		Pat Vaughan, Latah Assessor
John Weber		

Absent: None

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 December 3rd, 2015
- B. November 2015 Payables
- C. November 2015 Financials

ACTION: Approve the consent agenda or take such other action deemed appropriate.

Smith moved approval of the Consent Agenda, seconded by Bettge. Motion passed unanimously.

2. Public Comment for items *not on agenda*: Three minute limit
None

3. Announcements

Belknap reminded Commissioners of the RAI/Urban Land Institute conference in Boise on January 26 and offered registration and travel cost assistance to anyone interested in attending.

4. Election of Officers for 2016 – Chairperson McGeehan

Per the Agency's bylaws, elections for officers for the year are to be held at the first meeting in January. The Agency will need to elect and appoint officers for the positions of Chairperson, Vice Chairperson and Secretary.

ACTION: Elect and appoint of the 2016 officers for the positions of Chairperson, Vice Chairperson and Secretary.

Smith moved that all current officers be retained (Chair: McGeehan; Vice Chair: Sullivan; Secretary: Bettge). McGraw seconded the motion which passed unanimously.

5. Redevelopment Association of Idaho Report – Gary Riedner

The Interim committee appointed to look at urban renewal issues has been discussing the base valuation of amended districts. The Idaho Attorney General has identified a conflict between two statutes and his opinion differs from the State Tax Commission regarding whether the base valuation changes. If determined that the based valuation must reset upon amendment, it will essentially eliminate district expansions. This could be very detrimental to districts such as Legacy Crossing. The banking industry is advising legislators that continual tinkering with URAs makes them riskier to fund. The other hot topic with the interim committee is discussion of urban renewal monies being used for public buildings.

6. Sangria Downtown LLC Project Update – Bill Belknap

On February 26, 2015, the Board selected Sangria Downtown LLC as the successful respondent to a request for proposals for development of the MURA's 6th and Jackson property. On April 8, 2015, the Board Approved an Exclusive Negotiation Agreement (ENA) to enter into negotiations regarding the property development which was executed on April 24, 2015. The ENA included a schedule of performance which specified specific dates for certain actions by both parties including the submission of development plans from Sangria Downtown LLC by July 1, 2015 which was subsequently extended to October 1, 2015, and then extended to December 1, 2015. Representatives of Sangria Downtown LLC will provide a report on the status of their proposal.

ACTION: Receive report and provide direction as deemed appropriate.

George Skandalos and Carly Lilly explained that after entering into the Exclusive Negotiation Agreement with the URA they became concerned the project was not financially viable as proposed, because rental income from the residential units wouldn't support the project. They determined the project needed to be larger but their limitation was securing enough owner equity to achieve financing. They are now working on qualifying for New Market Tax Credits and are considered a strong candidate for funding by June. He hoped the Board would balance the bumps and setbacks they've had through this learning process with their proven track record with Sangria and Maialina.

Weber asked what the new timeline will be. Skandalos said they still hope to start construction this summer and said they would know within the next two to three months, but definitely by June. Lilly explained their decision making has been slow because they are cautious about impacting the livelihoods of their 110 current employees. She said getting the New Market Tax Credits is the solution for making the project work by infusing the working capital needed up front. Weber asked if the originally proposed footprint will remain the same and Skandalos said it will change just slightly to accommodate more parking. The building

changes from two stories to four, and from 18 apartment units to 40. The look of the finished building will remain mostly the same, perhaps with different outside finish materials on the upper floors. Bettge was concerned about losing this year's construction season. Belknap responded that the critical next steps before setting a construction calendar are modifying the project design, securing conventional financing, and then allocation of New Market Tax Credits. He thought they could still possibly get a fall construction start. Belknap added the Agency will need to evaluate how long they are willing to negotiate without putting the 2017 construction season at risk. Bettge suggested a fall start date might be advantageous considering the City's plan for Sixth Street realignment and utility undergrounding. Belknap added that the environmental remediation isn't complete yet and financing can't happen until DEQ signs off. Smith asked if a four-story building meets City codes and Belknap said yes. Drown asked for more detail on the low-income housing portion of the project. Skandalos said the market indicates rents will be around \$600 per unit but the project can still work if 20-25% of the units are rented at \$520, and doing so makes the project more competitive for the New Markets money. McGraw asked when the remediation will be complete to make the property construction ready. Belknap said the work itself will be done by the end of January but it may take up to three months to close out the grant and get full approval from DEQ before property ownership can be conveyed. Sullivan asked if the New Markets money could be available sooner than June. Lilly said once their design plans are finalized and the bank conducts its appraisal and provides approval, the New Markets money comes in at the last moment. McGeehan asked if the original proposal has changed other than the building height and additional residential units. Skandalos said they chose to add more residential space rather than commercial because that's the need in this market. They are hoping to keep the roof-top garden/event space, and an elevator will be required. McGeehan asked if it would be three to four months before the Agency will know a project timeline. Belknap thought a tentative schedule could be developed after meeting with the architect tomorrow. He suggested prior to bank approval, the Agency should review the revised design and confirm that it meets substantial conformance with the original proposal, and that the Agency is comfortable with the tentative timelines and milestone dates.

7. MURA Strategic Plan Discussion – Bill Belknap

At the Agency's July 22, 2015 meeting the Board reviewed the past strategic planning efforts conducted by the Board in 2008 and 2009. These past strategic planning efforts concluded with a draft outline of goals and priorities with the departure of the then Executive Director Travis Cary in 2009. Staff will propose a project process and final plan framework.

ACTION: Receive report and provide direction as deemed appropriate

Belknap suggested since this was not a time-sensitive topic that this agenda item be postponed to the next meeting. The Board concurred.

8. General District Updates – Bill Belknap

- Legacy Crossing District
 - 6th & Jackson—The pump and treat remediation work should be complete by end of January, followed by negotiations with DEQ for the Certificate of Completion and Covenant Not To Sue.
 - Sharpe Property—Conversations are continuing with the developer and documents may be available for Agency review at the next meeting.
 - Dumas Site—Staff have had conversations with the potential new owner regarding possible row house-type development for families and some multi-family and perhaps commercial use. Consideration has been given to leaving a small concrete building and the smokestack onsite as

historic landmarks. Opportunities for Agency involvement include frontage improvements, a left turn lane eastbound on A to Almon, and a pedestrian pathway to provide connectivity from downtown to Ottness Park. The current owner has some remediation to finish prior to conveyance so construction is not anticipated until 2017.

- Gritman project: Slab work is complete and the steel structure should start to rise in February.
- Alturas District
 - Staff received formal written recommendations from the Association regarding zoning changes in the RTO and it will be included in the zoning amendment process.
 - The current listing agreement with Palouse Commercial for the Agency's Alturas properties will end January 22 so consideration of continuing that agreement will be on the next meeting's agenda.

McGeehan declared the meeting adjourned at 8:07am.



Steve McGeehan, Agency Chair

1-21-16

Date