



Minutes: Thursday, February 1, 7:00 a.m.

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

| Commissioners Present | Commissioners Absent | Also in Attendance                    |
|-----------------------|----------------------|---------------------------------------|
| Steve McGeehan, Chair |                      | Bill Belknap, MURA Executive Director |
| Art Bettge            |                      | Anne Peterson, MURA Clerk             |
| Trent Bice            |                      | Gary Riedner, Interim Treasurer       |
| Steve Drown           |                      | Brittany Gunderson, New Treasurer     |
| Dave McGraw           |                      |                                       |
| Ron Smith             |                      |                                       |
| Brandy Sullivan       |                      |                                       |

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

- 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 January 18, 2018**

Smith moved approval, seconded by Bettge. Motion carried.

- Public Comment for items *not on agenda*:** Three minute limit.

BJ Swanson announced the League of Women Voters has created an Observer Corp so someone will be attending all public meetings. McGeehan and McGraw both thanked Swanson and the League of Women Votes for helping to promote community involvement and transparency in public meetings.

- Announcements**

None.

- Commissioner Conflict of Interest Disclosure – Bill Belknap**

*Under State Law, if a Commissioner has a direct or indirect interest in property that is located within an existing district, or an area under consideration to be included within a district, the Commissioner is required to disclose the conflict in writing, it is to be entered into the minutes of the Agency, and the Commissioner shall not participate in any action by the agency affecting such property. Commissioner Bice has a long-standing ownership interest in two properties located in downtown Moscow and Commissioner Sullivan has a leasehold interest in the property where the One World Café is currently located. The subject properties are in an area under consideration for inclusion within the Legacy Crossing District. Agency's legal counsel has advised that both Commissioner Bice and Sullivan provide written disclosures, that such disclosures be recorded in the minutes, and the Commissioners recuse themselves from any action by the Agency affecting the subject properties.*

Written disclosures from Bice and Sullivan were provided to all Board members. No one had questions. McGeehan thanked Bice and Sullivan for their transparency. Smith moved to accept the disclosures, seconded by Bettge. Motion carried.

**5. Appointment of MURA Treasurer – Bill Belknap**

*Since the departure of the prior Treasurer Don Palmer, City Supervisor Gary Riedner has served as Acting Treasurer in his capacity as Acting Finance Director. Recently the City Finance Department hired Brittany Gunderson for the position of Treasury Management – Internal Auditor within the Finance Department. The City is proposing that Ms. Gunderson be appointed and serve as the MURA Treasurer. Per the Agency's Bylaws the Treasurer is an appointed Officer that may be filled by a member of the Board or by appointing a City staff member. Ms. Gunderson is well qualified for the position with significant financial management experience in both the public and private sector and is a Certified Public Accountant. Staff is presenting Ms. Gunderson for the Board's consideration for appointment to the position of Agency Treasurer.*

Bettge moved approval of the appointment of Gunderson as MURA Treasurer, seconded by Smith. Motion carried and Riedner was thanked for his interim service.

**6. Sangria Downtown LLC Disposition and Development Agreement Amendment Request – Bill Belknap**

*On October 26<sup>th</sup> the Board approved both the Development and Disposition Agreement (DDA) and associated Owner Participation Agreement with Sangria Downtown LLC. Under the prior Exclusive Negotiation Agreement schedule of performance, Sangria Downtown had until November 10<sup>th</sup>, 2017 to execute the DDA. On November 9<sup>th</sup>, Staff received a letter from Sangria stating that their attorney had reviewed the DDA and had concerns regarding some aspects of the document. Since that time, Sangria and the Agency's attorneys and Staff have discussed various amendments that Sangria desired to make to the DDA. That process has been concluded and a revised DDA is being presented for the Board's consideration.*

Four primary areas of concern were: clarification of the obligations under the Covenant Not to Sue; request for slight adjustment to the property boundaries to connect the two triangles with a narrow strip of property along with a pedestrian easement across the connecting strip; revision of the form of deed to a Warranty Deed; and, the necessary adjustment to the schedule of performance due to the delay while these changes were negotiated. Belknap requested Board approval of the revised DDA and the amended Schedule of Performance. McGraw inquired whether there were any additional foreseeable delays. Belknap responded as soon as Sangria executes the DDA it will be upon them to meet all funding, construction and completion deadlines. Bettge moved approval of the amended Schedule of Performance. McGraw seconded the motion which carried unanimously. McGraw moved approval of the revised DDA, seconded by Bettge. Motion carried unanimously.

**7. Draft 2017 MURA Annual Report – Bill Belknap**

*In Accordance with State Statute, all urban renewal agencies are required to file an annual report describing the activities of the agency for the preceding year with the local governing body by March 31<sup>st</sup> of each year. Agencies are required to hold a public meeting to report the findings of the annual report and to take comments from the public prior to filing the report with the governing body. Staff has prepared the initial draft of the annual report and are awaiting the FY2017 financial statements from the Agency's auditor which are expected to be received by February 15<sup>th</sup> for inclusion in report. The complete 2017 Annual Report would then be available for public review from February 15<sup>th</sup> through February 28<sup>th</sup>. The Board would conduct the formal public meeting upon the annual report at the Agency's March 1<sup>st</sup> meeting where public comment can be received. After approval of the Annual Report it will be presented to the City Council at their March 19<sup>th</sup> meeting.*

Sullivan asked why the Legacy Crossing closure year was more than 20 years after its establishment and Belknap said 24 years was allowed by statute at the time the District was created. Sullivan suggested an explanatory reference to that effect be added to the history section. She also pointed out a discrepancy with the Alturas closing value, which Staff will address. McGeehan suggested adding some narrative regarding the formalization of the Finance Committee's duties. The Board conceded to finalization of the draft report.

## 8. FY2017 General Fund Operating Transfer Direction – Bill Belknap

*Previously general agency operation expenses were addressed through an ending fund balance adjustment between District Funds and the General Fund to account for the approximately \$60,000 in annual general agency operating expenditures. In the FY2018 Budget development process, Staff recommended the inclusion of an operating transfer between the General Fund and District Funds in the Agency's budget in order to account for that transfer more clearly. Historically, the transfer from the District Funds to the General Fund was equal to the total General Fund operating expenses for the year. As a result, the General Fund's fund balance has grown over the last decade and now exceeds common governmental account standards for fund balances which range from 2-4 months of fund expenditures. Staff is recommending that for the FY2017 Fiscal year that ended on September 30, 2017, that the Agency reduce the operating transfer from the Legacy Crossing District Fund to the General Fund to \$35,000. This would result in a General Fund Balance to \$27,463 or just under 5 months of operating expenditures. This in turn would result in a corresponding increase in the Legacy Crossing Fund Balance that is anticipated to be required to fund upcoming projects identified within the Agency's Capital Improvement Plan.*

Belknap explained the above and stated this is a minor departure from past practice but there are no Agency policies that address the specific element of General Fund operating expenditure funding. Gunderson was comfortable with the proposal from a general accounting perspective. Smith suggested the Finance Committee be tasked with establishing a policy for future reference. Sullivan moved approval of reducing the operating transfer from the Legacy Crossing Fund to the General Fund in the amount of \$35,000. Drown seconded the motion which carried unanimously.

## 9. General Agency Updates – Bill Belknap

- Legacy Crossing District
  - Belknap reported the request for a City contribution to the floodplain study is on next Monday's City Council agenda, and staff have identified available funds.
- Alturas District
  - None.
- General Agency Business
  - Meetings are being scheduled with Palouse River Drive area property owners for continuing discussions regarding the potential South Moscow District.

McGraw suggested that since the County Assessor is retiring it was important that Board members reach out to anyone who ends up running for election to ensure they understand what the Agency does and the importance of its link to the Assessor's office.

The meeting adjourned at 7:41 AM.

  
\_\_\_\_\_  
Steve McGeehan, Agency Chair

3-1-18  
\_\_\_\_\_  
Date

D. Brandy Sullivan  
121 N Polk St  
Moscow ID 83843

Moscow Urban Renewal Agency  
221 E. Second Street  
Moscow, ID 83843

01/26/18

Dear Mr. Belknap, Chair McGeehan, and MURA Commissioners,

I am writing to disclose my interest in a property located in an area under consideration for inclusion in expansion of the existing Legacy Crossing urban renewal district. My husband and I are 50% owners of One World Café, a retail business located at 533 S. Main Street, Moscow ID. While we do not own the building, we have been lessees since 2005.

A handwritten signature in black ink, appearing to read 'D. Brandy Sullivan', with a stylized flourish at the end.

D. Brandy Sullivan  
MURA Commissioner

TO: Bill Belknap  
C/O: Urban Renewal Agency

From: Trent R Bice  
313 N. Hayes Street  
Moscow, ID 83843

Dear Bill and Members of the Urban Renewal Agency,

This letter addresses a conflict of interest in regard to the expansion of the upcoming urban renewal district. I currently own two properties in the proposed expansion area; 507 South Main Street and 408 S. Main Street. As a voting member of the urban renewal agency, This letter acts as notice to recuse myself from vote(s) pertaining to the urban renewal expansion project.

Sincerely,

Trent R. Bice



# Sangria Downtown Development

Corner of 6<sup>th</sup> and Jackson Street • Moscow • Idaho • 83843

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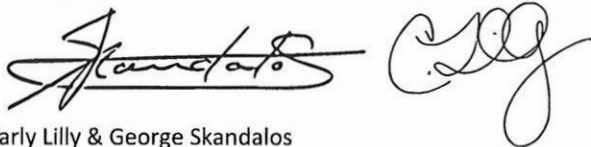
11/9/2017

URA Board  
City of Moscow  
Washington Street  
Moscow, Idaho 83843

Dear Board Members of the Moscow Urban Renewal Agency,

Our legal counsel has raised some concerns with certain parts of the DDA document and we are requesting an extension of the ENA while the MURA attorney reviews our requested edits. The next MURA meeting date is December 7th, and we have expressed to the attorneys that we would like revision discussions to be wrapped up before then.

Thank you,

Two handwritten signatures in black ink. The signature on the left is 'Skandalos' with a stylized flourish. The signature on the right is 'Carly Lilly' with a stylized flourish.

Carly Lilly & George Skandalos  
Sangria Downtown Development

# LANDECK · FORSETH · LUNA

## ATTORNEYS AT LAW

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December 8, 2017

Sent via email to: [bbelknap@ci.moscow.id.us](mailto:bbelknap@ci.moscow.id.us)

Bill Belknap

Executive Director

Moscow Urban Renewal Agency

221 E. Second Street

Moscow, ID 83843

Re: Sangria – Legacy Crossing

Dear Bill:

Thank you for your December 5, 2017 email. In response, we have identified and are providing you with Sangria's remaining environmental liability concerns for presentation to MURA for its consideration and determination. We have reviewed the Environmental Covenant, Covenant Not to Sue, Completion Report for the W. 6<sup>th</sup> Street and Jackson Street site in Moscow, Idaho and the Certificate of Completion. Based on our review there are significant ongoing obligations for which MURA must, as part of the terms and provisions of the DDA, accept responsibility and from which responsibilities agree to defend and hold Sangria harmless.

Pursuant to the Environmental Covenant: (i) MURA shall be responsible for the continued operation and maintenance of the administrative control (pump and discharge system) in perpetuity until such a time as the compliance well samples meet the compliance criteria specified in the Voluntary Remediation Work Plan; (ii) MURA shall also comply with the Operation and Maintenance Plan; (iii) MURA shall maintain an escrow account in the amount of \$5,260.00; and (iv) MURA shall submit to the Department on an annual basis written documentation verifying that the activity and use limitations remain in place and their compliance with the activity and use limitations.

Pursuant to the Operation and Maintenance Manual portion of the Environmental Covenant, MURA has continuing obligations related to the Groundwater Extraction System Inspection, Groundwater Monitoring, and Reporting.

With respect to the Groundwater Extraction System, MURA must conduct routine inspections of the three pumps and repair or replace the pumps if necessary. MURA must also (i) conduct routine inspection of the discharge tubing, (ii) measure discharged flow from well(s) noting day/time/flow rate and (iii) perform monthly inspection of the electrical control box.

With respect to Groundwater Monitoring, MURA must, in accordance with Site-specific Quality Assurance Project Plan (QAPP) (Terragraphics 2015c), monitor, at least annually, and (i) measure groundwater levels, (ii) purge wells and measure groundwater quality parameters, (iii) collect groundwater samples and (iv) chemically analyze groundwater samples. Finally, MURA must generate and deliver one annual report to IDEQ.

The Covenant Not to Sue is conditioned upon compliance with the Environmental Covenant. IDEQ may rescind the Covenant Not to Sue if MURA does not remain compliant.

There are remaining easement issues/siting/construction issues related to the wells/well system about which Sangria needs more information to evaluate. That is, how can the Sangria building be constructed over an existing well system? In addition, the Environmental Covenant provides that IDEQ shall have a right of access to the property at reasonable times for the purposes of evaluating compliance. Has IDEQ been provided a recorded easement for such access? If not, how will that occur? Will you please provide us with the easement MURA has requested for the well system? What construction limitations or boundaries are necessary to retain the well system?

As we have not had sufficient time to review all documentation available to us much less additional remediation information not yet available to us, and have not yet been able to address any concerns or questions to MURA's and/or the City's consultants, additional items may need to be included in the DDA. We will make every effort to provide you with any such additional items prior to the MURA meeting next Thursday.

Thank you.

Sincerely,  
Landeck • Forseth • Luna  
Attorneys at Law

A handwritten signature in black ink, appearing to read "Ronald J. Landeck", with a long horizontal flourish extending to the right.

Ronald J. Landeck