



Special Meeting Minutes: TUESDAY, June 26, 2018, 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	Brandy Sullivan	Bill Belknap, MURA Executive Director
Art Bettge		Anne Peterson, MURA Clerk
Trent Bice		Brittany Gunderson, Treasurer
Steve Drown		
Dave McGraw		
Ron Smith		

Chair McGeehan called the meeting to order at 7:10 a.m.

- 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 June 7, 2018*

*B. May 2018 Financials*

*C. May 2018 Payables*

Bettge moved approval, seconded by Smith. Motion carried.

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

None.

- 3. Announcements**

None.

- 4. Draft FY2019 Capital Improvement Plan and Draft FY2019 Budget – Bill Belknap**

*During the Agency's strategic planning process that occurred last year, a 5-year capital improvement plan (CIP) was developed that was intended to set a framework for long-term financial planning related to capital public investments within the Legacy Crossing District. The CIP is updated each year to reflect new and projects that have been identified and to keep the CIP current. Staff has prepared an update to the CIP for the 2018-2022 fiscal years along with the draft FY2019 budget document for the Board's review and direction. The public hearing on the Agency's FY2019 budget has been set for the Agency's upcoming August 2<sup>nd</sup> meeting.*

Belknap reviewed capital projects completed in FY2017, completed/planned projects for FY2018, and projects anticipated at this time for FY2019-2022. Discussion regarding the Draft FY2019 budget included that proceeds from the sale of Alturas property will go to the Agency, and that the City holds the escrow account on 6<sup>th</sup> & Jackson. The Finance Committee recommended approval of both documents and the Agency Board concurred.

- 5. Discussion Regarding Agency Alturas Lots – Bill Belknap**

*As staff reported previously, the Agency has received recent interest in a potential lot sale within Alturas. In addition, the City recently amended the Zoning Code to broaden the uses allowed within Alturas and remove some ambiguous language that existed previously, and the current private restrictive covenants*

*will be available for potential amendment beginning in January of 2019. In light of these recent activities and events, Staff wishes to seek direction from the Board regarding the lot sale process and the allocation of lot sale proceeds for the Agency-owned lots located within the Alturas Technology Park.*

Belknap provided a very brief overview of the Alturas District history and the current status of Phase II properties (Alturas Analytics bought one and the Agency owns six). The most recent (2009) fair use value of the lots is \$2.34/sf which takes into account the zoning and covenant restrictions. In 2015, the District closed and excess tax increment revenues were disbursed to the taxing districts, less \$45,000 for on-going marketing and maintenance of the six remaining lots. A zoning code amendment approved in May broadened the definition of allowable uses in the RTO. In addition, the private covenants in Phase II become eligible for amendment in January 2019, so Belknap advised it was a good time to negotiate with the other Phase II owner what changes might be prudent. If the current covenant restrictions are removed, a new fair use appraisal will be required to account for the increased land value in response to the restriction removal. Belknap expects the rate to move much closer to regular market rates.

Belknap discussed the disposition of lots with Agency counsel and determined it should follow the same process as if the District was still in effect (i.e., publish an RFP, negotiate with the selected respondent, enter into a DDA, etc.) What is unclear is the fate of those proceeds. Idaho Code authorizes proceeds from the sale of assets remaining beyond the District termination to remain with the Agency, but the 2005 Amended and Restated Alturas Plan stated that any money remaining in the District at the time of its termination would be distributed to the taxing districts. Belknap noted it was likely not anticipated at the time the Plan was written that unsold lots would remain when the District closed. Belknap thought it would be in the Agency's best interest to return the proceeds to the taxing districts to avoid the appearance of holding onto the property until after District closure and removal of the restrictions in order to sell at a higher price. Smith suggested the sale proceeds could pay off the 6<sup>th</sup> & Jackson debt. Belknap said a transfer of funds between districts is not allowed (except for loans), and he thought it was important to consider the origin of those funds. McGraw said the lots were purchased with tax money so he thought the proceeds needed to go back to the taxing districts. Smith thought it prudent to keep some of it to remain solvent in case 6<sup>th</sup> & Jackson doesn't sell. Bettge agreed in principle with McGraw's point, but he thought the sale of lots with restrictions should go to the Agency, but those without restrictions should definitely go back to taxing districts because it would be more of a free-market approach. McGraw pointed out if the remaining lots had sold prior to closure the proceeds would have been in the Alturas fund balance and disbursed to the taxing districts. Belknap thought it important for the Agency to hold a consistent position for all lots. McGeehan thought the Plan contained the most compelling language supporting the proceeds going back to the taxing districts. Smith pointed out this will mean the Agency will not be able to help with some direct-expense projects while the fund balance is low. Staff was directed to prepare a Resolution outlining this Agency policy decision.

#### **6. Agency Policy Development Discussion – Bill Belknap**

*Staff will lead the continuing discussion regarding the development of more formal Agency policies related to administrative matters, financial management and development participation.*

Belknap introduced the draft policy document and presented the administrative and development participation sections of the policy document. The Board agreed with the overall direction of the policy document. Belknap stated that the financial management section will be presented for review at the next meeting.

#### **7. Turnstone Flats Streetscape Improvement Request – Bill Belknap**

*Over the last year, the City of Moscow and the owners of the Turnstone Flats Building have been working toward a joint project to a current non-compliant ADA access condition existing at the southeast corner of Third and Jackson as well as replacement of deficient sidewalk adjacent to the property. The project has been broken into two phases. Phase I of the project includes replacement of the existing deteriorated sidewalk with new walk, brick pavers, tree wells and decorative light fixtures. Phase II will include the replacement of the existing pedestrian drop and curb bulb construction to address ADA access at the*



intersection corner. The City and owner of the Turnstone Flats Building desire to construct Phase I this summer to address the significant deteriorated sidewalk conditions. Phase II will be funded by a grant from the Idaho Transportation Department for construction in 2019. The total project cost for Phase I is estimated at \$73,365 and the City and owners have requested the Agency to assist with the installation of the historic decorative lights, decorative brick pavers and tree wells. The requested elements are consistent with the current streetscape themes and anticipated future brick paver installations within downtown. Staff is recommending a project contribution in the amount of \$33,500. The Agency budgeted \$15,000 for streetscape improvements and \$40,000 in placemaking improvements (\$7,000 of which is being utilized to fund the South Main Pedestrian Underpass Study) within the current fiscal year which could be available to fund the requested participation.

Drown moved approval of the project contribution in the amount of \$33,500. Bice seconded the motion which carried unanimously.

#### **8. Northwest River Supply Tax Exemption Request – Bill Belknap**

Northwest River Supply (NRS) is proposing a significant renovation and expansion of the prior Tidyman's building located at 1638 S. Blain Street to meet their growing needs and centralize their operations. The project is estimated as a \$13 Million dollar investment, and NRS has requested a property tax exemption from the Latah County Board of Commissioners as authorized under Idaho Code for certain eligible economic development projects to assist and support their expansion project. Under the proposed tax exemption agreement, the County would exempt 75% of the increased property value resulting from the project from property taxes for a period of five years and NRS is obligated to make the \$13 Million dollar investment and create 20 new jobs. After the initial five-year exemption period, the exemption would be removed and the full value would become taxable. The Agency received notice of a public meeting of the Latah County Board of County Commissioners that will occur on Wednesday, June 27<sup>th</sup> at 11:00 AM to discuss the proposed property tax exemption agreement. The proposed project is outside of the Legacy Crossing District boundary and therefore is not anticipated to have a direct impact upon the Agency or increment tax reviews received by the Agency. Staff is seeking direction from the Board regarding whether the Board wishes to provide any comment upon the proposed request to the Latah County Board of County Commissioners.

Smith said he considered it appropriate for the MURA to support NRS and its contribution to the community. McGraw said there shouldn't be much, if any, City infrastructure costs and he had no concern that NRS would take advantage of the tax reduction and then leave the community. Bettge said the retail enhancement would be great for the community. Belknap will draft a letter of support for the Chair's signature.

#### **9. South District Update – Bill Belknap**

Item deferred to next meeting.

#### **10. General Agency Updates – Bill Belknap**

Item deferred to next meeting.

The meeting adjourned at 8:32 AM.

  
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Steve McGeehan, Agency Chair

7-20-18  
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Date