

POST FALLS URBAN RENEWAL MINUTES

April 15, 2010

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Chairman Bobbi Rollins called the meeting to order at 7:00 a.m. Executive Director Tom Lien called the roll. Present, in addition to Chairman Rollins were Commissioners Larry Carstensen, Jerry Baltzell, David Holloway, Peter Smith, Tim Short and Hilde Shetler.

Chairman Rollins asked Commissioner Carstensen to lead the Pledge of Allegiance.

CEREMONIES, APPOINTMENTS AND ANNOUNCEMENTS

None

CONFLICT DISCLOSURE

None

CONSENT CALENDAR

Lien introduced the Consent Calendar. All Commissioners had been given a packet of information for the meeting including the reviewed and edited March 18, 2010 minutes. Provided also were the payables for the month totaling \$27,095.60. In addition to the operating payables there is the quarterly payment for \$15,823.30 to Washington Trust for the water tower loan.

The financial statements as of March 31 are as printed from the in-house QuickBooks accounting system. The financial information also includes a year to date budget to actual comparison and a fund reconciliation sheet which is used internally for cash management. The Bank Activity Report shows total funds in all accounts of \$3,513,431.39 with accrued interest for the month of \$342.49. Approval of the Consent Calendar will also authorize the transfer of accrued interest to the General Fund and transfer of \$27,095.60 to the INB Checking Account to pay the payables.

Baltzell made a motion to accept the Consent Calendar as presented, seconded by Holloway. Roll call vote: Carstensen – Aye, Baltzell – Aye, Holloway – Aye, Rollins – Aye, Smith – Aye, Short – Aye, Shetler – Aye. Motion carried.

CITIZEN COMMENTS

None

UNFINISHED BUSINESS

Access 90 Interchange Status. Executive Director Lien stated that an April status update report was included in the commissioner packets from CH2MHill and ITD indicating the progress in the tasks and showing an increase in the percentage of completion on the several tasks. There was a question last month regarding the Agency prepayment of \$500,000 to ITD for the CH2MHill contract work. On Federal highway projects it is required to prepay these types of contract expenses. In discussing this with ITD, the funds are put into an interest bearing suspense account until they are withdrawn to pay

the vendor doing the work, which in this case is CH2MHill. The interest earned on the account is credited back to the deposited funds balance.

Baltzell asked if we can get a quarterly report in addition to the monthly status report from the Transportation Department as he has received conflicting information in the last month relative to the presentation from Damon Allen and Scott Ellsworth at the March Commission meeting. He would like more opportunity to talk to them about the project to help keep it on track and understand if there are delays. Chairman Rollins confirmed that we will be receiving a monthly status report.

FYE 2009 Final Audit. At the last Commission meeting it was noted that the bound final audit of the Agency contained a few minor scribner errors, or misstatements. These items are not considered to be material weaknesses and it was brought to the attention of the Magnuson McHugh audit firm. They responded with an email affirming that the items are not considered to be material to the financial statements. Attorney Mr. Bredeson has suggested that the Commission adopt this email response as a supplement to the audit for FY 2009. Commissioner Shetler made a motion to adopt the FY 2009 Audit email from Magnuson, McHugh as presented, seconded by Smith. Motion carried by voice vote.

Security Cameras at Centennial Trailhead Parking Lot. Chief Haug made a presentation to the Commission last June to include the installation of security cameras on the light poles in the parking lot. Both the 3 on 3 Committee and the Commission were in favor of this addition at the time but put off getting firm bids until the project was actually underway. ED Lien asked the Commission for a reaffirmation of the desire to add this security enhancement to the project cost as previously discussed and that Lien work with Chief Haug in getting firm pricing at this time in an amount not to exceed \$33,050.

Carstensen asked if the price included everything as well as installation. Lien confirmed that the price includes installation and a minimum of two (2) bids will be obtained. They are installing underground conduit for the wiring now, which was included in the current project.

Rollins inquired as to the timing of this project, Lien stated that it is anticipated to be completed within 90 days depending on the vendor's schedule. A status report along with a final price will be presented at the May Commission meeting.

Shetler asked if this estimate, received almost a year ago was sufficient and the numbers will not change substantially. Lien stated that the costs will most likely be lower due to the fact that the price of technology typically goes down on an annual basis.

Baltzell would like to see two or three bids to ensure that they are compatible with the system that the City currently has.

Smith inquired as to whether or not we will still be under budget on this project. Lien stated we are approximately \$150,000 below the original approval, the additional \$33,000 will allow the project to remain under budget.

Commissioner Short made a motion to accept the security camera purchase for the Centennial Trail parking lot at a price not to exceed \$33,050., seconded by Smith. Roll call vote: Carstensen – Aye, Baltzell – Aye, Holloway – Aye, Rollins – Aye, Smith – Aye, Short – Aye, Shetler – Aye. Motion carried.

The Landing – Project Specific OPA Approval. Lien presented The Point at Post Falls Landing Project Specific Owner Participation and Reimbursement Agreement. The document comes under the Master OPA which was approved by Commission on December 17th, 2009 and is attached as an exhibit to the Project Specific OPA. This PSOPA comprises the first phase of The Landing development and is limited as shown on Exhibit C1, to the Joseph Blvd. entry off Spokane Street to the roundabout, thence north on McReynolds Drive winding to the west to Meghann Lane, then north on Meghann Lane to the existing 4th Avenue. It will provide access for construction of the first facility to the north of Meghann Lane. The first phase engineer estimate of Total Project Budget is \$2,000,000, with construction anticipated to begin in May and concluding in early September and total reimbursement for this phase by early 2012. At a recent City Council meeting the Smart Code Infill Plan was unanimously approved for this 34 acre project. The project developer Mr. Harry Green has indicated that upon completion of these initial road structures he will embark on construction of the first buildings.

There have been concerns regarding the continued funding of public infrastructure improvements without any progress of business development on site. The language in the OPA provides for Agency review of performance in the Plan and the District. If other projects are brought to the Agency prior to starting the next phase of development under a second Project Specific OPA, and there has been little or no performance in site development, the Agency could then approve other projects which would take funding priority over a subsequent phased OPA in The Landing.

Baltzell confirmed there has been discussion on the flexibility of the Urban Renewal Agency relative to doing future phases beyond the first phase of this PSOPA, should there not be adequate performance on the part of the developer. As he understands it, once the first OPA is completed and prior to the next phase there will be a review by the Agency to ensure that it is being performed properly. This gives the Agency flexibility to move to another project temporarily if it is not being performed properly. Lien confirmed that is correct.

Rollins pointed out that the PSOPA includes the language that there will be an annual review of the performance of both the plan and the district and we reserve the right in the sole discretion of the Agency to make adjustments to the plan.

Smith asked when the groundbreaking would take place on this project. Lien stated that it should be sometime in May, with the first phase being completed by August 31, 2010.

Holloway stated that this project is critical to making the downtown core of Post Falls. However, he is concerned that the Commission has no ability to make some kind of intermediate measure of the proponents other development performance outside of the PSOPA and also the inability for the Agency to discontinue reimbursement if the proponent's performance was not as he had envisioned. After discussion Commissioner Short made the motion to adopt and approve the PSOPA for The Point at Post Falls Landing as submitted, seconded by Baltzell. Roll call vote: Carstensen – Aye, Baltzell – Aye, Holloway – Nay, Rollins - Aye, Smith – Aye, Short – Aye, Shetler – aye. Motion carried.

NEW BUSINESS

Spencer Street MOU. Lien presented the Spencer Street project located within the East Post Falls District which has been in preliminary planning for the last few months. The project comprises

constructing a roadway connection from Seltice Way to Second Avenue to include a full urban improvement roadway, an at-grade crossing of the BNSF Railway spur line, a traffic signal at Spencer and Seltice Way and other urban roadway improvements to Third Avenue east of Spencer. The project will provide for easier residential access to Seltice for numerous residents living between Seltice and the River which will lighten the traffic load at Ross Point and Seltice intersection and provide for enhanced commercial property development opportunities and jobs creation in the large properties adjacent to Spencer. The MOU document is very similar to those entered into previously between the City and Agency for projects in the City Center District including the current William/Frederick/Centennial Trail Parking Lot project.

Erik Keck approached the Commission stating that they now have an agreement for a crossing at Spencer Street with merely using cross bucks. That particular area is just west of where the BNSF is abandoning the tracks. The area east of Spencer Street just beyond Herborn Place will now be called industry track, which means they can store their cars for future industrial usage. Keck stated that the MOU is very important from the City's standpoint; it delineates the responsibility of who is going to move forward with what aspect of the project.

After discussion, Commissioner Smith moved to approve the Spencer Street MOU, Short seconded the motion. Roll call vote: Carstensen – Aye, Baltzell – Nay, Holloway – Aye, Rollins - Aye, Smith – Aye, Short – Aye, Shetler – Nay. Motion carried.

Hwy 41 Trail – JUB Contract. Lien presented the Hwy 41 Trail contract with JUB Engineering. This project is also located in the East Post Falls District that has been the subject of several committee meetings, including the 3 on 3 Committee with both City and Agency members. The project would provide for a Centennial Trail type facility extending from Seltice north along the east side of Hwy 41 to a point close to the Sonic Burger business. The site has been walked with City and ITD staff and they are all in support of the need. In looking at feasibility issues it was determined that in order to provide a preliminary cost estimate, we would have to contract an engineering firm to do some preliminary site analysis due to existing underground utilities and right of way questions. JUB Engineering was selected for this and they have submitted a proposal of \$4,000 to provide this work. Their work product will be used as a portion of the necessary full engineering scope on the project.

After discussion, Commissioner Baltzell made a motion to accept the JUB letter of intent to provide preliminary engineering services for the Hwy 41 Trail, seconded by Shetler. Roll call vote: Carstensen – Aye, Baltzell – Aye, Holloway – Aye, Rollins - Aye, Smith – Aye, Short – Aye, Shetler – Aye. Motion carried.

Post Falls Chamber Building Office Lease. The Post Falls Chamber of Commerce building is almost complete and ready for move in. The Agency made an offer over a year ago to lease office space in the new facility. The new office space will be 370 square feet plus 60 feet of common area at a lease rate of \$1.50 per square foot and \$645 per month, which includes all utilities except phone service. The arrangements made with the Chamber were that the Agency would prepay the lease costs for each fiscal year. One addition we asked for in one of the offices was an eight by three foot enclosed closet space to put our boxes of archive records and office supplies which cost \$300. Lien requested approval of the lease document and terms for the lease of office space in the Chamber building, including pre-payment for five months including the closet cost totaling \$3,525.00 and approval of

\$1,300.00 to Construction Management, Inc. for office furniture. In August we will renew the lease and process a payment of \$7,740 for the next 12 month fiscal year.

Commissioner Smith made a motion to approve the Lease for new offices in the Post Falls Chamber Building, Carstensen seconded the motion. Roll call vote: Carstensen – Aye, Baltzell – Aye, Holloway – Aye, Rollins – Aye, Smith – Aye, Short – Aye, Shetler – Aye. Motion carried.

Riverbend Reimbursement Request for Engineer Fee. Lien presented a letter of request from Jacklin Land Company for reimbursement of expenses incurred in the Riverbend District covering two items. The first is for engineering support from February 2009 to December 2009 for submittal preparation and meetings to support construction close out, warranty period inspections, and certification as required by the City of Post Falls. Lien reviewed all of the detail of billings that were presented by Frame & Smetana engineers and agree with payment of the \$4,472.40 amount as submitted. The amount will be added to the total remaining obligation of Riverbend District and included in later reimbursements. The second item was in the amount of \$8,748.50 for repair of a sewer service located in a public street in the Riverbend district. The repairs were paid for by Jacklin Land Company and they asked for reimbursement. Lien spoke to Bruce Cyr and declined to process payment for this amount, indicating that we had recently refunded amounts to the district that were previously held as a district wide reserve with the intent of paying for warranty items and that any damage or warranty work should be worked out between Jacklin, the tenant and the City. Additionally, the payment amount requested could be taken out of the reserve amount we returned to them earlier.

Carstensen inquired as to why this request comes after the final reimbursement that was submitted in December, 2009. Smith added that this submittal is for the costs that the proponent incurred to submit the request for reimbursement and questioned whether it qualifies for reimbursement under Agency Policy. After discussion, Smith made a motion to table the request for \$4,472.40 to Jacklin Land Company until the next meeting, and directed staff to review Agency Policy to determine if this is an actual reimbursable cost. Motion seconded by Carstensen. Short moved to amend the motion to allow the finance committee to review prior to bringing back before the Commission for approval, seconded by Smith. Motion as amended was carried by voice vote.

STAFF REPORT

Lien contacted Mike McDowell, Kootenai County Assessor, to provide a presentation at the May Commissioner meeting on the impact on urban renewal tax increment and taxing entities in the event of closing an entire district or portion thereof.

Lien is also in the process of structuring a meeting with Representative Frank Henderson the chair of State Transportation Department, Senator Jim Hammond, Jim Coleman an ITD Board member, Damon Allen an ITD Region 1 supervisor, Dick Jacobson from CH2MHill, City Administrator Eric Keck, Rob Elder, the Chairman of Chamber Transportation Committee and Commissioner Smith. The purpose is to attain an equal awareness of the Access 90 project relative to timeline, progress, funding and communications. This meeting is scheduled for Monday, April 19 following the 3 on 3 meeting.

COMMITTEE UPDATE

Finance - Holloway – nothing to report.

District Review – Rollins – nothing to report.

City Center - Carstensen stated that Fredrick and William Street will be complete by the end of April.

Personnel – Smith – The committee has met regarding the Video. The story board is being developed, an outline has been submitted to Jeff Boyer and they will meet again on April 21st to continue their work on the project. Smith reiterated that the focus of the project is on the City of Post Falls and the opportunity for businesses to come here.

COMMISSIONER COMMENTS

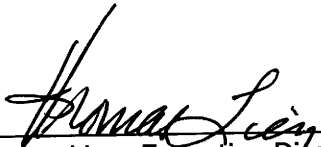
Commissioner Smith moved to adjourn to Executive Session pursuant to Idaho Code 67-2345 (1), (b). Short seconded the motion. Executive Director Lien then called the roll with Commissioners voting as follows: Carstensen – Aye, Baltzell – Aye, Holloway – Aye, Rollins – Aye, Smith – Aye, Short – Aye, Shetler – Aye.

Upon reconvening to regular session, Rollins stated that the Personnel Committee conducted a performance review of Executive Director Lien's contract and reported that he is doing an excellent job in all aspects of his contract.

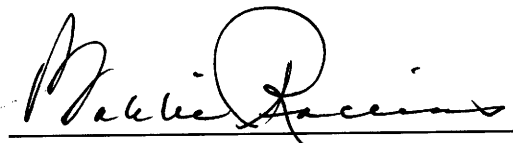
ADJOURNMENT

Rollins asked for a motion to adjourn. Smith made a motion to adjourn, seconded by Short. All in favor by voice vote.

Respectfully submitted,



Thomas Lien, Executive Director



Bobbi Rollins, Chairman