

MINUTES OF A CONTINUED MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM

March 23, 2026

The Mayor and Council of the City of Coeur d'Alene met in a continued session with ignite cda at the Coeur d'Alene City Library Community Room on March 23, 2026, at 12:00 p.m., there being present the following members:

Dan Gookin, Mayor

Amy Evans) Members of Council Present
Dan Sheckler)
Dan English)
Kiki Miller)
Christie Wood) Left at 12:40 p.m.
Kenny Gabriel) Member of Council Absent

Scott Hoskins) Members of ignite cda Present
Alivia Metts)
Kevin Jester)
Sarah Garcia)
Brinnon Garrett Mandel)
Will Osborne)
Danielle Quade)
Phil Boyd)
Chris Meyer) Members of ignite cda Absent
Mic Armon)

STAFF PRESENT: Randy Adams, City Attorney; Renata McLeod, City Clerk/ Municipal Services Director; Katie Ebner, Finance Director; Todd Feusier, Streets and Engineering Director; Chris Bosley, City Engineer; and Adam Rouse, Interim Parks and Recreation Director.

CALL TO ORDER: Mayor Gookin called the meeting to order.

Mayor Gookin noted that the purpose of the meeting was for ignite cda to present on the status of the urban renewal districts and future goals. He noted that Councilmember Wood will be leaving early and asked her to raise her questions. Councilmember Wood asked about the statement under financial analysis on the packet that the “loan to CDA Wastewater is not stated on ignite’s financial statements, as it is not considered an official debt for ignite as an entity. The City calculates the loan repayment as being covered by the onetime payment at the close of the district.” She expressed concern that the statement implied the City would wait until the district closed to make a large lump-sum payment, rather than continuing the ongoing payments that had been previously understood. She requested that Council receive a copy of the original pro forma or agreement for clarity. Legal Counsel Danielle Quade responded that she had shared the 2020 agreement with the City to Ms. McLeod, clarifying that payments are not pro forma but made as funds become

available per district, and noting that the River and Lake Districts have fully repaid their obligations.

Mayor Gookin noted that Interim City Administrator Ron Jacobson could not attend because he is traveling to an official event in Boise. He added that Finance Director Katie Ebner would be available to address any financial questions.

IGNITE CDA PRESENTATION ON STATUS AND FUTURE GOALS: Will Osborne, ignite cda Executive Director, presented on the Urban Renewal Agency Fundamentals and the status of the River District, and Health Corridor District. He emphasized the strong partnership between ignite cda and the City. He highlighted the agency's nationally recognized achievements in leveraging urban renewal to support both private and public development. He briefly reviewed the organization's vision to be a catalyst for positive change and its mission to help build a diverse, sustainable community with strong economic, housing, and public space opportunities. He stated that urban renewal does not raise taxes but uses growth-based tax increment funding temporarily to support renewal efforts.

Mayor Gookin mentioned that although urban renewal itself does not raise taxes, it does impact the levy rate, because the growth in property value within an urban renewal district is temporarily redirected. He added that due to changes implemented under House Bill 389, the City no longer collect 100% of the new property value growth from these districts.

Councilmember English stated that he would like to hear about the Health Corridor District and expressed interest in understanding whether it should continue.

Mr. Osborne explained that a key element of urban renewal is leveraging future tax increment through borrowing tools such as Owner Participation Agreements (OPAs) and Improvement Reimbursement Agreements (IRAs), which allow the agency to access capital for economic growth while placing all financial risks on the developer. Using the River District as an example, he noted that its 363-acre area was reduced by 56 acres through de-annexation, it is scheduled to sunset on September 30, 2027, and it currently has one active OPA and three active IRAs with about \$3.6 million outstanding. He emphasized that if the district were closed today, that amount would be due in full, but under existing contract language, payments continue only until they are fully paid or until one year after the district's sunset, meaning any balance remaining after August 1, 2028 would no longer be owed to the investors. Mr. Osborne explained that OPA and IRA are debt instruments used by the agency and typically funded by developers. Councilmember Wood noted that developers take on the risk because they may or may not be repaid through tax increment. Mr. Osborne added that the agreement explicitly state repayment is conditional on receiving tax increments, which is why they are not included in the agency's financial statements. He then explained that based on the River District's payment schedule, approximately \$2 million of the OPA obligation will remain unpaid at the district's close, representing savings for taxpayers, with all OPA and IRA obligations totaling about \$2.5 million. Councilmember Wood asked whether that \$2 million would return to taxing entities, Mr. Osborne said it represents debt the agency will not pay, and any redistribution would depend on the district's overall financial balance.

On the Health Corridor District, Mr. Osborne noted its unique challenge: Kootenai Health is the largest property owner but is exempt from property taxes. Because of this, the district's success depends on Kootenai Health participating through a Payment in Lieu of Tax (PILOT) agreement,

which could generate significant revenue. He noted that the district has remained mostly inactive because Kootenai Health's finances were strained during COVID limiting PILOT payments to date, and because turnover in leadership caused a loss of institutional knowledge about the agreement. After meeting with new leadership, Mr. Osborne reported renewed interest, with Kootenai Health designating the Coeur d'Alene campus as its primary future trauma and procedural center and launching an internal assessment of its needs and growth potential. He noted that the Health Corridor District holds the greatest potential for job creation among the city's urban renewal districts due to Kootenai Health's role as the county's largest employer. When asked by Mayor Gookin whether job growth would occur without district participation, Mr. Osborne said he did not yet have data but could research it, noting Kootenai Health's estimate of more than 1,000 jobs created via a similar project in Post Falls. Ignite Vice Chair Metts explained that health-sector jobs have a jobs multiplier of about 1.59 — lower than manufacturing, which is closer to 2.5, but higher than restaurants and similar service industries. She noted that the health-sector multiplier is roughly comparable to education and slightly higher than general government jobs. Councilmember English stated that the City is approaching a critical decision point for the Health Corridor District. He expressed openness but said he wanted to see that the district will yield a net positive benefit. Mr. Osborne agreed, noting that because the district is already five years in its lifespan, meaningful action must happen soon. Councilmember Sheckler asked about voluntarily taxes, and Mr. Osborne explained that in Post Falls, Kootenai Health voluntarily chose to become a taxable entity so it could participate in that city's urban renewal program. In Coeur d'Alene, however, the Health Corridor District is already established, so Kootenai Health would not need to change its nonprofit status; instead, it can participate through a PILOT agreement. Chairman Hoskins explained that PILOT payout represents what would be paid in property tax. Mayor Gookin noted the unusual nature of using tax-increment financing for a property that normally does not pay taxes. Ms. Quade explained that the district supports thousands of jobs and that infrastructure improvements within it help drive taxable growth. She emphasized that one of the biggest constraints in the Health Corridor is the inadequate road system, which is hindering development. By using PILOT tools to address those transportation issues, the City could stimulate development and expand the tax base. She also noted that many properties in the area are older, limited-use medical offices that have not redeveloped, in part because of existing traffic patterns. Mr. Osborne mentioned that Kootenai Health's new leadership shows stronger awareness and interest in urban renewal, though education is still needed.

ATLAS UPDATE: Phil Boyd, Welch Comer President, reviewed the history of the Atlas project and ignite's role in guiding its development alongside the City. He highlighted key accomplishments since 2017, including innovative actions such as securing water rights, and reflected that while some decisions might be reconsidered in hindsight, the overall outcome offers much to be proud of. He then shared project metrics, projecting 523 total housing units comprised of 225 multifamily buildings, 126 townhomes, 90 twin homes, and 82 single-family homes. He noted that the final development ended up with higher density than originally envisioned in the 2018 master plan, driven largely by multifamily proposals that were selected because they offered higher land value.

Vice Chair Metts asked about the original plan for more commercial development in the Atlas project. Mr. Boyd confirmed that early plans did include commercial areas; however, that proposal offered only about half the land value of competing multifamily proposals. He pointed out the portions of commercial that remain in the current plan, including several small commercial parcels. Councilmember Wood added that prioritizing the highest dirt value was essential because the City

and ignite had to recover the significant cost of acquiring and preserving the waterfront, about \$9 million expense, so maximizing “dirt value” was necessary to ensure the long-term protection of the public shoreline. Mr. Boyd explained that preserving the waterfront was a central goal identified by the Steering Committee and the public during the Atlas site master-planning process, and that achieving this required accepting higher residential density to help fund redevelopment. He reviewed the site’s long history, noting it sat vacant for more than a decade due to high purchase costs, difficult soil conditions, steep topography, and shoreline erosion. He described the property’s transformation from an abandoned mill site to a mixed-use neighborhood with diverse housing types, including single-family homes, twin homes, and townhomes, built largely by local developers. He highlighted significant public investments such as the waterfront park, accessible shoreline features, restored log booms, and trails that resulted from broad community engagement. Mr. Boyd also outlined the City and ignite cda’s partnership, the complex land acquisition timeline, and the unique RFP-based land disposition process used by urban renewal agencies, which evaluates proposals not only on price but also on projected tax-increment benefits and development pace.

Commissioner Mandel asked about the challenges ignite faced in attracting commercial development for designated commercial areas, pointing out that this influenced both the project’s financial outcomes and its overall land-use vision. Mr. Boyd explained that the commercial market, especially office and retail, was very weak in the post-COVID period, making it difficult for developers to justify competitive land offers or launch commercial projects before enough housing was built to support them. Because of this, early phases failed to generate viable commercial proposals. To preserve the long-term vision for neighborhood-serving businesses, ignite required certain multifamily projects to include commercial space, ensuring future opportunities for cafés or small eateries. Vice Chair Metts and Commissioner Mandel agreed that market conditions ultimately reshaped the commercial component, despite multiple attempts to solicit strong bids.

Mayor Gookin asked about the status of development in Area 13, noting prior adjustments that shifted part of the site closer to the park. Mr. Boyd stated that the developer is required to have construction underway by this fall, confirming that the project is still moving forward. He explained that once ignite sells property to a developer, the developer must meet milestone deadlines in the Disposition and Development Agreement, and if milestones are missed, ignite can reclaim the tax increment the developer would have generated.

Mr. Boyd noted how the Atlas Phase 3 site evolved from a deep, 40-foot pit into its current form, explaining that then Mayor Widmyer once proposed filling the nearby ITD pit to create future sports fields for the Kroc Center—an idea that required ITD approval and significant funding but helped shape early conceptual planning. He detailed how unsuitable soils from the waterfront area were moved to what is now Mount Hink, and how remaining unusable material led to designing a small park and cottage-court neighborhood that blends necessity with livability. Mr. Boyd then reviewed the current development concept, which includes a mix of townhomes, twin homes, single-family homes, and cottage units organized around shared green space and alleys, noting that the layout was refined through multiple iterations to address topography challenges. He also discussed ignite’s exploration of attainable housing beginning in 2022, emphasizing collaboration with city leaders, developers, and neighbors to ensure the project meets community needs, supports housing demand, protects the quality of the surrounding neighborhood, and leverages the rare opportunity for potential long-term affordable housing.

Councilmember Sheckler asked whether any zoning or Planned Unit Development (PUD) changes on the city's side could help create more value for the Atlas Phase 3 project. Mr. Boyd explained that the area is already covered by a PUD, and while the current attainable-housing concept appears to fit within existing PUD standards, ignite may seek an amendment if setbacks, lot coverage, or similar requirements that need adjustment. He added that the team is still completing detailed analysis to ensure compliance but emphasized the broader economic pressures driving the project: rising housing costs far outpacing wage growth, difficulty for employers to recruit workers who must live in cheaper communities and commute, and regional congestion caused by job-related migration patterns. He explained that attainable housing at Atlas aims to support middle-income workers such as teachers, nurses, firefighters, and technicians, while preserving neighborhood quality and responding to community and employer input gathered during the study process.

Councilmember Miller noted that the housing portion of the presentation was excellent and asked whether a standalone information package would be available on the Atlas attainable housing project. Mr. Boyd confirmed that ignite is preparing a dedicated piece that will consolidate the housing concept, supporting data, design details, financial impacts, and metrics reviewed by the board at its recent workshop. He explained that this material will be refined into a formal board action item, published on the ignite website or separate website, and incorporated into a broader communication strategy aimed at key stakeholders, builders, and potential long-term affordability partners. He added that an RFP process will follow to select builders and an affordability manager once the board formally acts on the plan.

Councilmember Evans thanked the ad hoc committee for dedicating many hours to evaluating the feasibility of the Atlas attainable housing project and emphasized the substantial, behind-the-scenes work that brought the group to this stage.

Ignite Chair Hoskins asked about the homeowners' association (HOA), Mr. Boyd explained that the committee prioritized maintaining neighborhood quality and is developing stronger architectural standards and a more robust HOA to ensure consistent enforcement in a higher-density environment, which relied more on market-driven design. Vice Chair Metts raised concerns about the tension between attainable housing and rising HOA costs, observing that HOA costs in Atlas continue to increase. Mr. Boyd acknowledged this challenge, calling it an important consideration that will require further analysis once designs are finalized, since costs such as maintaining a private park or plowing multiple alleys must be factored into the total monthly burden for future attainable-housing residents.

Mr. Boyd explained that the financial projections for the Atlas project include both completed and anticipated land-sale revenues from Phase 3 and Area 5A, as well as the estimated tax increment expected over the remaining life of the two active districts. He reviewed major expenses and noted that the projected net at district closure is based on the latest version of ignite's continually updated financial model. He clarified that the performance schedules shown in the model reflect when reimbursements could be paid off, not mandatory due dates, and emphasized that all of the figures represent projections through the district's planned closure in 2038, not the current financial standing.

City Finance Director Katie Ebner reviewed financial scenarios showing what would happen if each urban renewal district were closed today, emphasizing that this was for Council information and not as recommendations. She explained that the City benefits in two ways when a district

closes: ongoing new property tax revenue from increment value returning to the tax rolls, and a one-time distribution of the district's remaining liquid assets after debts are settled. For the Health Corridor District, the increment would add \$257,623 annually, with the City receiving \$552,340 as its share of existing liquid assets. She then highlighted significant concerns with closing the Atlas District now, as it has very low increment, holds \$5.85 million in liquid assets largely consisting of borrowed funds from the River District, and still carries a wastewater loan that would leave the City owing approximately \$5.72 million if the district closed prematurely. For the River District, closing today would yield about \$836,351 in annual revenue and roughly \$2.3 million in one-time funds. She noted major differences if the district remained open until its obligations end on August 1, 2028. By waiting, when outstanding reimbursement agreements would no longer need repayment, the City could see far greater increment growth (\$919,986 annually) full repayment of inter-district loans, and significantly higher onetime payout to the City at \$3.9 million. She concluded that waiting is the most financially prudent option because the City has been running budget deficits, and the additional future revenue would better support capital needs and long-term fiscal stability.

DISCUSSION: Ms. Quade explained that while the City typically receives 42% of remaining revenues when an urban-renewal district closes, ignite has historically partnered with the City to fund capital projects within the district before closure, allowing the City to benefit from 100% of the project value rather than just its proportional share. She noted that this approach was used successfully in the Lake District to complete projects like the Fire Department boathouse and intersection improvements and could similarly be applied in the River District if the City identifies priority projects. Vice Chair Metts added that in past cycles, the City had provided ignite with project lists to guide this collaboration. Mayor Gookin said he would work with the Interim City Administrator to develop the list.

Councilmember English shared that, after hearing the financial scenarios, waiting to close the River District makes sense because it is not far off and provides meaningful long-term revenue for the City. However, he said that if a decision on the Health Corridor District must be made today, he would recommend closing it, noting that even the modest one-time revenue could still help the City. Mayor Gookin then asked about the feasibility and impact of closing the Health Corridor District. Mr. Osborne responded that doing so would forfeit a major economic and employment opportunity tied to the PILOT program, and Chair Hoskins noted the PILOT could generate far more revenue annually than the City would gain from closure. Councilmember Evans added that closing the district now would be short-sighted, emphasizing that while the district had a difficult start due to COVID and leadership turnover at the hospital, recent meetings show progress and renewed cooperation that could lead to substantial community benefits. Mayor Gookin noted that the \$552,340 figure is a one-time payout, the ongoing revenue would only be \$257,623, and the Interim City Administrator will soon meet with the hospital director, after which the Council can make a decision.

Mayor Gookin noted that although immediate revenue from closing certain districts could help ease the City's budget challenges, both he and city staff believe waiting is the more prudent financial approach, and he encouraged Councilmembers to offer directions during next month's financial presentation. Councilmember Miller added that while reviewing numbers for the Health Corridor District is appropriate, closing it now would mean walking away from a major long-term opportunity, especially given the district's potential for growth if traffic issues are addressed and healthcare demand continues to rise. Chair Hoskins agreed, emphasizing that Kootenai Health's

new leadership has expressed strong interest in using urban renewal tools and is about to begin a new master plan for the Coeur d'Alene campus, making it wise to give the process a little more time. Vice Chair Metts suggested that a joint conversation between ignite, the City, and Kootenai Health would be beneficial. Mayor Gookin concluded that upcoming discussions with hospital leadership will help determine whether the district continues to be a viable opportunity or whether the concerns raised by Councilmember English warrant reconsideration.

Mr. Osborne asked Ms. Quade for clarification on whether the Health Corridor District could be recreated if it were closed. Ms. Quade explained that while the law is not entirely clear, the district could not be reopened on the same footprint, meaning a full reinstatement would not be possible even though some of the area could potentially be included in a new district. Mayor Gookin added that there were several options presented, other financing tools such as a business improvement district or a local improvement district would still be available.

Chair Hoskins noted that, with the former City Administrator's departure, ignite would need a city representative appointed to the RFP Review Committee and the Atlas Ad Hoc Committee. Mayor Gookin suggested waiting for Interim City Administrator Ron Jacobson's return from his trip for a discussion on who will be appointed as city representative.

ADJOURNMENT:

Ignite cda Board: Motion by Garcia, seconded by Mandel, that there being no further business, this meeting be adjourned. **Motion carried.**

City Council: Motion by Miller, seconded by Evans that there being no other business, this meeting be adjourned. **Motion carried.**

The meeting adjourned at 1:32 p.m.



Daniel K. Gookin, Mayor

ATTEST:



Jo Anne Mateski
Executive Assistant