



SPECIAL CALL BOARD MEETING AGENDA

FRIDAY OCTOBER 28, 2016 12:00 P.M.

CDA PUBLIC LIBRARY COMMUNITY ROOM

IGNITE CDA / CITY COUNCIL WORKSHOP

A. CALL TO ORDER

B. WORKSHOP

1. LAKE DISTRICT (SUNSETS 2021)

- a. Financial Forecast/Plan
- b. Projects
 - Parking facility located on the old federal building block (4th & CDA Ave.)
 - North Idaho Collaborative Education Facility (Higher Education Campus)
 - Four Corner Master Plan – funding of additional plan elements
 - Midtown – The Modern Theater initiative
- c. Disposition of Property

2. RIVER DISTRICT (SUNSETS 2027)

- a. Financial Forecast/Plan
- b. Projects
 - Seltice Way revitalization project
 - KMPO Transit Center
 - Mill River – Johnson Park expansion
 - Mill River – RR R-O-W improvements
 - Area north of Seltice Way (YJ area) – potential project area?
- c. Potential District Expansion (River 47 Project)

C. ADJOURNMENT

Ignite cda's Vision is to be a catalyst for positive change in the creation of an exemplary 21st Century city; a city in which economic prosperity, quality housing and employment opportunities are available to all.

Our Mission is to bring together resources to achieve Coeur d'Alene's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant central city, a strong regional economy, sustainable, superior public open spaces, and quality jobs and housing for all.

Ignite cda / City Council Workshop

October 28, 2016

Agenda Packet

Urban Renewal Overview

As background for the workshop, included in the packet is a brief overview of how urban renewal works in Idaho.

LAKE DISTRICT

Agenda Item: Financial Forecast / Plan Scenario

This financial strategic plan scenario highlights the strategic projects that the ignite cda board intends to complete prior to the Lake District's sunset in 2021. As noted on the financial sheet, the spending values for the proposed projects are potential values at this time, and are shared to illustrate the funding capacity of the agency; i.e. the agency can potentially construct a \$5 million parking facility and still possess the funding capacity to assist with \$5 million in additional public improvements per the 4 Corner Master plan.

Agenda Item: Projects

- ***Downtown Parking Facility (4th and CDA Avenue).*** This is a strategic initiative that the agency and city have been working on for several years. The recently completed downtown parking study has identified the need for 221 additional parking spaces in the downtown core. The proposed \$5 million parking facility project contained in the Lake District forecast plan meets the identified near term parking needs, as well as provides parking capacity for future downtown growth.
- ***North Idaho Collaborative Education Facility (NICE).*** The ignite cda board has approved \$2.5 million for the NICE Facility in partnership with North Idaho College, University of Idaho, Lewis Clark State College, Boise State, Idaho State University and the State of Idaho Permanent Building Fund. The NICE facility will serve as a front door to CDA's Higher Education Campus, creating a one-stop venue for students who plan to attend one of the partner institutions.
- ***Midtown.*** The strategic plan scenario presented contains no funds targeted for Midtown initiatives due to the pending opportunity posed by the proposed Modern Theater Performing Arts Center in Midtown on the properties owned by the agency and IHFA/THC. As noted on the strategic plan scenario, funds from other project initiatives could be moved to Midtown initiatives if desired.
- ***4 Corner Master Plan.*** As noted above, this plan scenario captures the potential spending of \$5 million for further elements of the master plan.

Agenda Item: Disposition of Property

This financial strategic plan scenario calls for the disposition of all agency owned property assets prior to the Lake District's sunset in 2021. Following is the proposed disposition plan for strategic areas within the district per this plan scenario:

- ***Front Avenue (CDA Public Library) Property*** – this property will be transferred to the City following retirement of the debt obligation in 2018.
- ***Young Avenue Properties*** – dispose of these properties through the Disposition and Development Agreement (DDA) process whereby the agency partners with a development team to construct an agency desired project on the agency owned property. The agency owned land asset is sold to the developer at a fair reuse value that is determined through a fair reuse appraisal process. Basically, the developer acquires the land asset at a cost that “pencils”, enabling the developer to build the agency desired development.
- ***North Park Drive Properties*** – following a possible property trade with the City, dispose of the resulting agency owned properties through the Disposition and Development Agreement (DDA) process whereby the agency partners with a development team to construct an agency desired project on the agency owned property. The agency owned land asset is sold to the developer at a fair reuse value that is determined through a fair reuse appraisal process. Basically, the developer acquires the land asset at a cost that “pencils”, enabling the developer to build the agency desired development.
- ***301 Lakeside Avenue (Olympia restaurant building) & 311 Lakeside Avenue (old Doug's Muffler shop) Properties*** – these two properties are targeted to be sold in fiscal year 2018 to generate funds for other district initiatives.
- ***213 4th Street (old Password building) and 308 CDA Avenue (old Vertical Earth building) Properties*** - these two properties are targeted to be part of the proposed downtown parking facility footprint.
- ***813-821 N. 4th Street (bare lots) and 823 N. 4th Street (Paris Flea Market building) Properties*** - these properties are targeted to be part of the proposed Modern Theater Performing Arts Center footprint in Midtown.
- ***839 N. 3rd Street and 845 N. 4th Street (public parking lots) Properties*** - these properties are targeted to remain as public parking lots for the Midtown area through 2021, and may become part of the Modern Theater Performing Arts Center footprint in Midtown. If these lots do not become part of the Performing Arts Center initiative, the lots will be transferred to the City.
- ***BNSF Railroad r-o-w Property*** – the ultimate use of this Riverstone area railroad r-o-w property, that extends from the old Atlas mill site east to the BLM's ownership, is still under analysis.

RIVER DISTRICT

Agenda Item: Financial Forecast / Plan Scenario

This financial strategic plan scenario highlights the strategic projects that the ignite cda board intends to complete prior to the River District's sunset in 2027. As noted on the financial sheet, the spending values for the proposed projects are potential values at this time, and are shared to illustrate the funding capacity of the agency; i.e. the agency could potentially borrow \$5.5 million in the form of a River District tax anticipation note.

Agenda Item: Projects

- ***Seltice Way Revitalization Project.*** The ignite cda board has approved \$3.5 million for this roadway revitalization effort that will enhance the functionality of the portion of Seltice Way located within the agency's River District. An enhanced Seltice Way corridor will help facilitate continued economic development in this area of the community.
- ***KMPO / City Link Transit Center.*** This is a proposed strategic initiative that the agency may choose to partner on with the Kootenai Metropolitan Planning Organization (KMPO), City Link, CDA Tribe, City of CDA and Kootenai County. The proposal calls for the construction of capital improvements (e.g. buildings, paving, utilities) on the site for City Link operations. The site for the proposed transit center is located in the northwest corner of the Riverstone development adjacent to Seltice Way.
- ***Mill River – Johnson Park Expansion & Railroad r-o-w Improvements.*** This is a proposed strategic initiative that the agency may choose to partner on with the City and Mill River stakeholders. Early conceptual plans call for increasing the area of the park, an improved parking solution for the park, and a new ped/bike trail constructed on the railroad r-o-w that runs through the Mill River development.
- ***Area North of Seltice Way (old Y-J Meats Area).*** This area north of Seltice Way is one of the last areas in need of re-development in the River District, and may be a potential project area since a new sewer line has been installed on the north side of Seltice Way via the Circuit @ Seltice project.

Agenda Item: Potential District Expansion

The agency welcomes the conversation re. a possible River District boundary expansion to include a portion of the old Atlas mill site property. The River District Bond element in the strategic plan scenario could generate funds to assist with site remediation and capital improvements in this area that would help facilitate the area's redevelopment and value creating potential.

URBAN RENEWAL IN IDAHO

AN OVERVIEW

Urban Renewal Agency (URA) Authority

- Local Economic Development Act, Title 50, Chapter 29, Idaho Code
- Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code
- Idaho Constitution—Article VIII, § 4, Art. XII, § 4
- Separate and distinct legal entity with independent authority—*Yick Kong v. BRA*, (entirely lay person board) *Hart v. Rexburg URA* (mix of lay persons and council members). These two Idaho Supreme Court decisions also authorize urban renewal agencies to incur long term debt without the necessity of a public vote (2/3 majority) as required of other public entities; Article VIII, § 3 of the Idaho Constitution.

What Powers Do URA's Have?

- Construct/reconstruct streets, utilities, parks, recreation facilities, off-street parking and public facilities, public buildings and other improvements.
- Acquire and dispose of property or buildings.
- Improve, renovate, clear and prepare for redevelopment properties or buildings.
- Acquire property to eliminate unsanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to public welfare.
 - The Agency may acquire property by negotiation or condemnation per Idaho Code § 50-2010. The Agency has the authority to exercise the power of eminent domain subject to the limitations set forth in Title 7, Chapter 7, Idaho Code, specifically I.C. § 7-701A.
- Invest and borrow money, issue bonds, and accept loans and grants.
- Work cooperatively with other public entities.
- Facilitate Local Improvement Districts (LIDs) and Business Improvement Districts (BIDs).
- Potential lease conduit financing in appropriate circumstances.

Project Financing Options

- Pay-as-you-go
- Developer reimbursement agreements (IRAs)
- Owner participation agreements (OPAs)
- Conventional bank loans
- Bonds
- Note: Often no tax increment available to fund projects on a pay-as-you-go method until at least two years after plan creation. Many projects require infrastructure immediately in order for a project to go – requiring financing of improvements.

How Does Revenue Allocation Financing Work?

(Local Economic Development Act)

- When a revenue allocation area is formed, property valuation is calculated. This is ***base line value*** or base assessment roll of the revenue allocation area. Base assessment roll for the geographic area under consideration (or collectively if more than one district) cannot exceed 10% of the assessed value for the entire city. Due to redevelopment, it is anticipated the property values will rise. If property values increase above this base line, the added value is called the ***increment***.

Revenue Allocation Financing, Continued

- Budget for City, County, and other non-school taxing districts limited to previous year's budget plus 3% and credit for value of new construction. By virtue of amendments in 2007, value of new construction within a revenue allocation area is not included in that credit amount.
- County Assessor sets property values.
- County determines tax rate needed to produce budget submitted by City, County, School District, and other taxing districts.
- Tax rates applied to full value of property outside revenue allocation areas; tax rates applied to **base line** value of property inside revenue allocation areas.
- Taxes from base line value go to City, County, School District (impact to School Districts negligible), and other taxing districts.
- Property tax revenue from the incremental value, if any, goes to the urban renewal agency for a limited period of time (20 year max, except for "grandfathered" projects primarily 24 years).

Revenue Allocation Financing, Continued

- The increment or revenue allocation that goes to the urban renewal agency is used to pay for improvements within the urban renewal area.
- An urban renewal agency does not determine property valuation or tax rates.
- Funds received by an urban renewal agency for a given revenue allocation area must be spent in that revenue allocation area with limited exception.
- Funds are invested in activities that are intended to increase prosperity of the revenue allocation area.
- Result is often an increase in property values which would not have otherwise occurred but for redevelopment.
- For project areas established after 2008 and voter approvals after 2008, the urban renewal agency will not receive taxes generated by voter approved levies, such as general obligation bonds, school district plant facilities levies, and supplemental levies.
- Also, no school district emergency levy available to urban renewal agency.

Board Composition And Limitations

- The agency's Board of Commissioners may have 3 to 9 members, who are appointed by the Mayor and confirmed by the City Council or by County Commission for County urban renewal agencies.
- Currently more than 40 Idaho cities have urban renewal agencies. Most of these agencies have one or more City Council members on the Board of Commissioners, but members of the local governing body shall constitute less than a majority of the agency board members.

How Are Urban Renewal Areas Formed?

- Idaho Urban Renewal Law first adopted in 1965 states there exists in municipalities deteriorating areas which justify the powers conferred by the Act and use of public funds for that purpose.
- City Council or County Commission must make preliminary finding there are one or more deteriorating areas within city or county (or competitively disadvantaged border community) in order to activate an urban renewal agency.
- Mayor and City Council or County Commission appoint urban renewal agency board members.

Steps to Create a New Revenue Allocation Area (RAA)

- Designate a study area for potential creation of an urban renewal district
- Determine whether conditions within the study area meet the criteria established in State Law and make the requisite findings in an eligibility report

Steps, Continued

- Agency Board concurs with the conclusions of the eligibility report and forwards it to the City Council
- If the City Council concurs with Agency Board, then the City Council directs the preparation of an urban renewal plan for the area; plan must include certain information with specificity
- Agency prepares and approves the plan and forwards it to the City Council
- City Council receives the plan and refers it to the Planning and Zoning Commission for a determination that the plan is consistent with the City's Comprehensive Plan

Steps, Continued

- City Council refers the plan to the affected taxing entities and provides notice of the public hearing
- Planning and Zoning Commission determines that the plan is consistent with the City's Comprehensive Plan
- City Council holds public hearing; determines whether to adopt plan and form urban renewal area
- City Council adopts the plan, including a revenue allocation financing provision, by ordinance
- Those cities/counties that did not already have an urban renewal agency established prior to July 1, 2011, must seek voter approval to establish the agency
- Generally, the plan approval process takes about 6 months

Additional Considerations

- Must demonstrate that the proposed area and plan of work is financially feasible
- Must determine that the combined base assessment value of all existing urban renewal districts and any proposed urban renewal districts does not exceed 10% of the total city assessed value
- Owners of “agricultural lands” and “forest lands” must provide written consent

Urban Renewal Plan - Generally

- A revenue allocation area exists for 20 years (pre-2011 plans grandfathered for longer term of 24 years)
- The urban renewal plan provides the Agency with a process and a basic framework within which to consider and proceed with specific projects
- Due to the length of time a plan is in existence, the plan maintains some flexibility to allow the Agency to respond to changing market and economic conditions.
- Amendments are limited by I.C. § 50-2033
 - Cannot amend plan to extend term beyond max term allowed by law
 - Can amend plan one time to add geographic area – limited to 10% of existing RAA
 - Permissible to amend plan to add new projects

LAKE DISTRICT: (Terminates in 2021) - A Strategic Plan Scenario

ASSUMPTIONS:

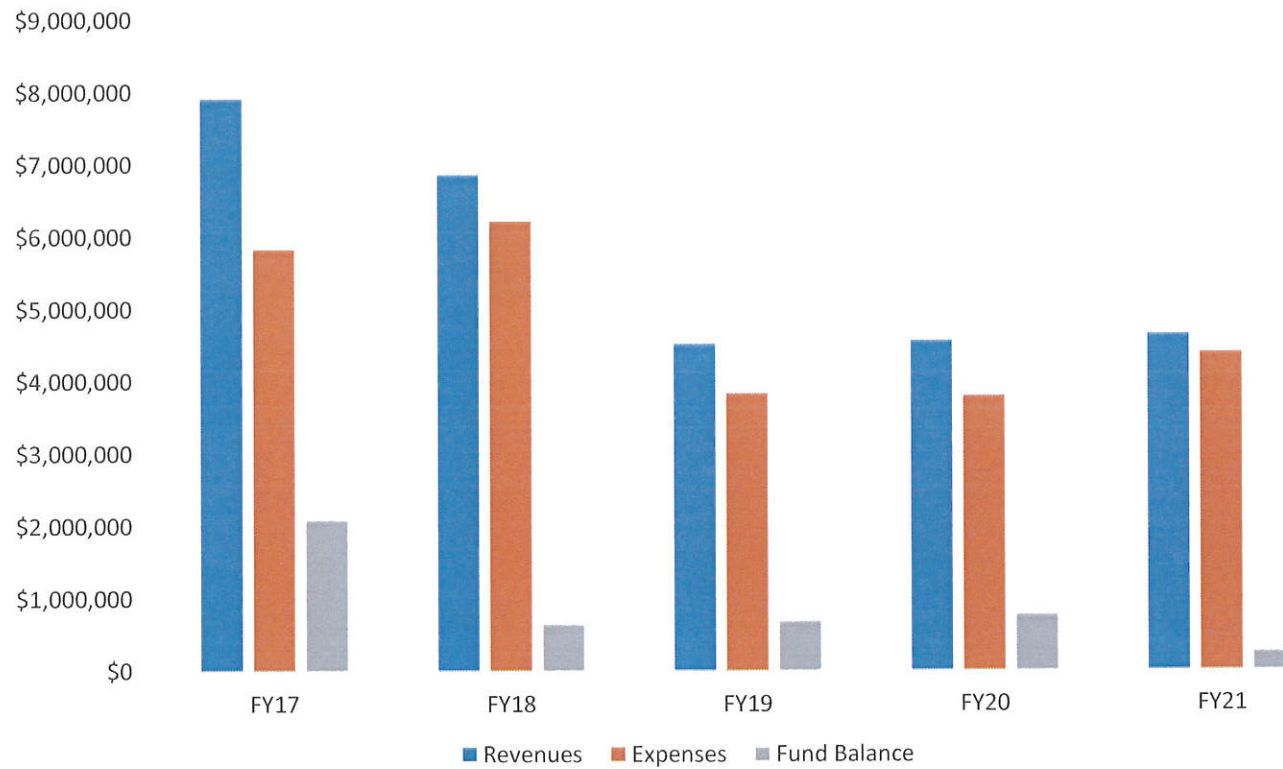
| Fiscal Year (FY) | | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|------------------|--|--------------------|------------------|------------------|------------------|------------------|
| 1 | Tax Increment (TI) Valuation | 349,049,048 | 0 | 0 | 0 | 0 |
| 2 | TI Revenue Net Amount via De-annex. | 3,946,536 | 3,946,536 | 3,946,536 | 3,946,536 | 3,946,536 |
| | Less: Public Art % | 78,931 | 78,931 | 78,931 | 78,931 | 78,931 |
| | Equals: net TI revenue to ignite cda | 3,867,605 | 3,867,605 | 3,867,605 | 3,867,605 | 3,867,605 |
| | FY Beginning Balance | 3,960,000 | 2,086,597 | 644,298 | 684,954 | 766,975 |
| | TI Revenue Collected | 3,867,605 | 3,867,605 | 3,867,605 | 3,867,605 | 3,867,605 |
| 3 | Other ignite cda Revenue Sources | 81,700 | 903,000 | 4,500 | 4,500 | 4,500 |
| | Total Lake District Revenue | 7,909,305 | 6,857,203 | 4,516,403 | 4,557,059 | 4,639,080 |
| | Expense, Capital & Debt Service | | | | | |
| | Expense - Administration | 99,453 | 102,436 | 105,509 | 108,674 | 111,935 |
| | Expense - Ann. Oper. Budget | 856,500 | 272,750 | 243,350 | 213,950 | 159,550 |
| 4 | Expense - Capital Acquisitions | 550,000 | | | | |
| | O&M & Capital Exp.: Sub-Total | 1,505,953 | 375,186 | 348,859 | 322,624 | 271,485 |
| 5 | Lake District Note w/ WTB | 1,814,404 | 1,814,404 | 1,814,404 | 1,814,404 | 0 |
| 6 | Parking Facility: \$5M Option | 1,078,116 | 1,078,116 | 1,078,116 | 1,078,116 | 1,078,116 |
| 7 | Collaborative Education Facility | 1,250,000 | 1,250,000 | | | |
| 8 | Midtown | 0 | 0 | 0 | 0 | 0 |
| 9 | 4-Corner Master Plan Projects | 0 | 1,000,000 | 500,000 | 500,000 | 3,000,000 |
| | Current OPAs, IRAs: Sub-Total | 86,572 | 88,304 | 90,070 | 74,940 | 34,619 |
| | ignite cda Property Debt: Sub-Total | 87,663 | 606,895 | 0 | 0 | 0 |
| 10 | FY Ending Balance | 2,086,597 | 644,298 | 684,954 | 766,975 | 254,860 |

Orange font values represent POTENTIAL spending amounts for initiatives per this strategic plan scenario.

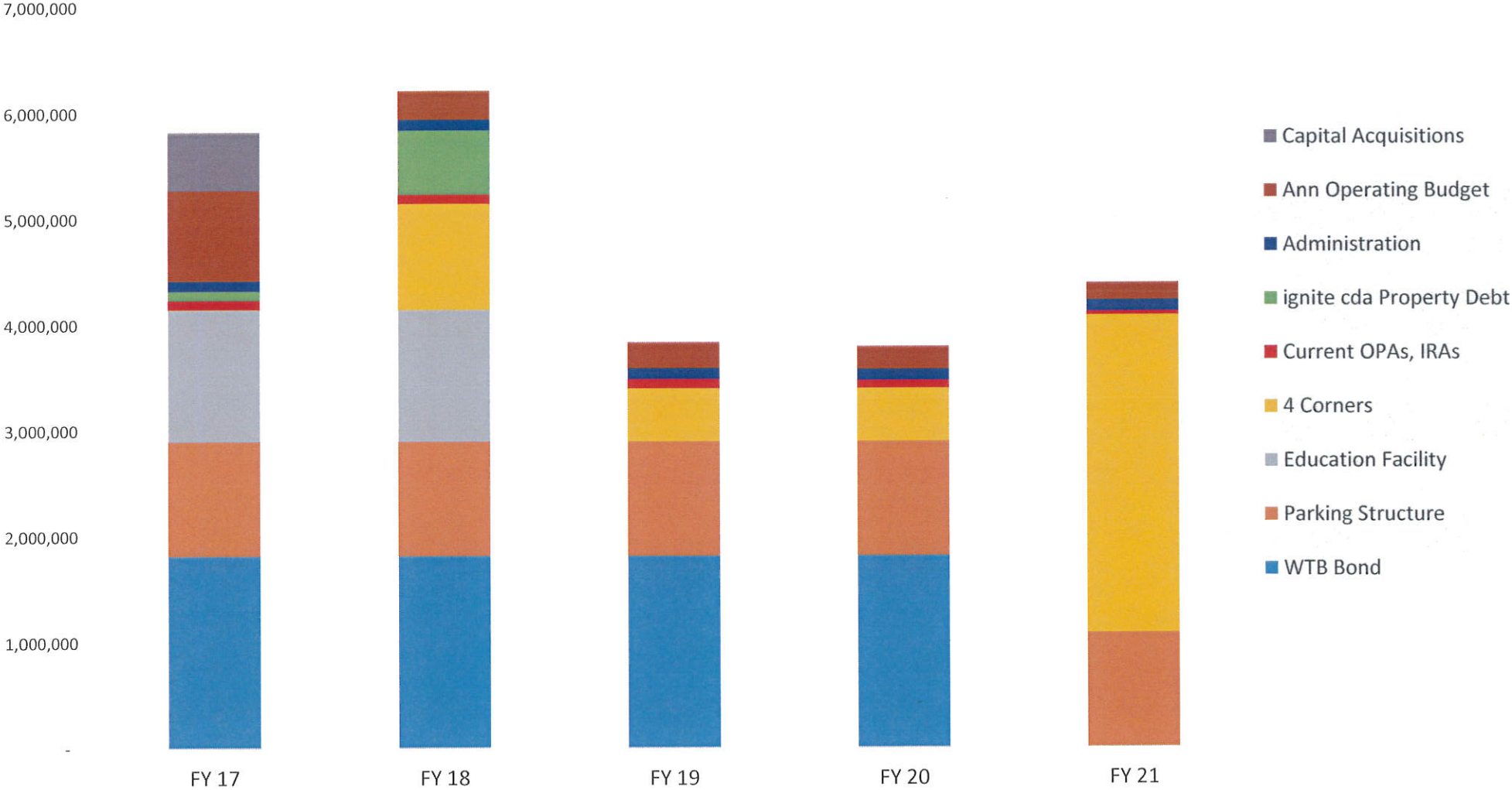
Notes for Numbered Rows in Shaded Column (refer to accompanying summary document for more project specific information)

- 1** Panhandle Area Council (PAC) value per de-annexation analysis.
- 2** Panhandle Area Council (PAC) values per de-annexation analysis, TI revenue value held constant over remaining years of district.
- 3** \$903,000 value in FY2018 column contains net sale proceeds of \$900,000 from the sale of ignite cda's 301 & 311 Lakeside properties.
- 4** \$550,000 value represents funds targeted for property acquisition associated with the proposed parking facility.
- 5** Lake District Note - updated payment stream following refunding of bank note.
- 6** Parking Facility: a potential \$5 million facility concept that results in 286 parking stalls located on 4 levels, with one level located below grade.
- 7** ignite cda board approved \$2.5 million funding for Collaborative Education Facility.
- 8** Midtown: no potential funding for Midtown in this scenario. Funds from the 4 Corner line item, for example, could be moved into a Midtown initiative if desired.
- 9** 4 Corner Master Plan: a potential funding scenario for developing additional master plan elements; this \$5 million funding stream can be financed if needed sooner.
- 10** Ending fund balance amount for each fiscal year based upon this potential project spending scenario.

LAKE DISTRICT – REVENUES/EXPENSES PER STRATEGIC PLAN SCENARIO



Lake District Expenses per Strategic Plan Scenario



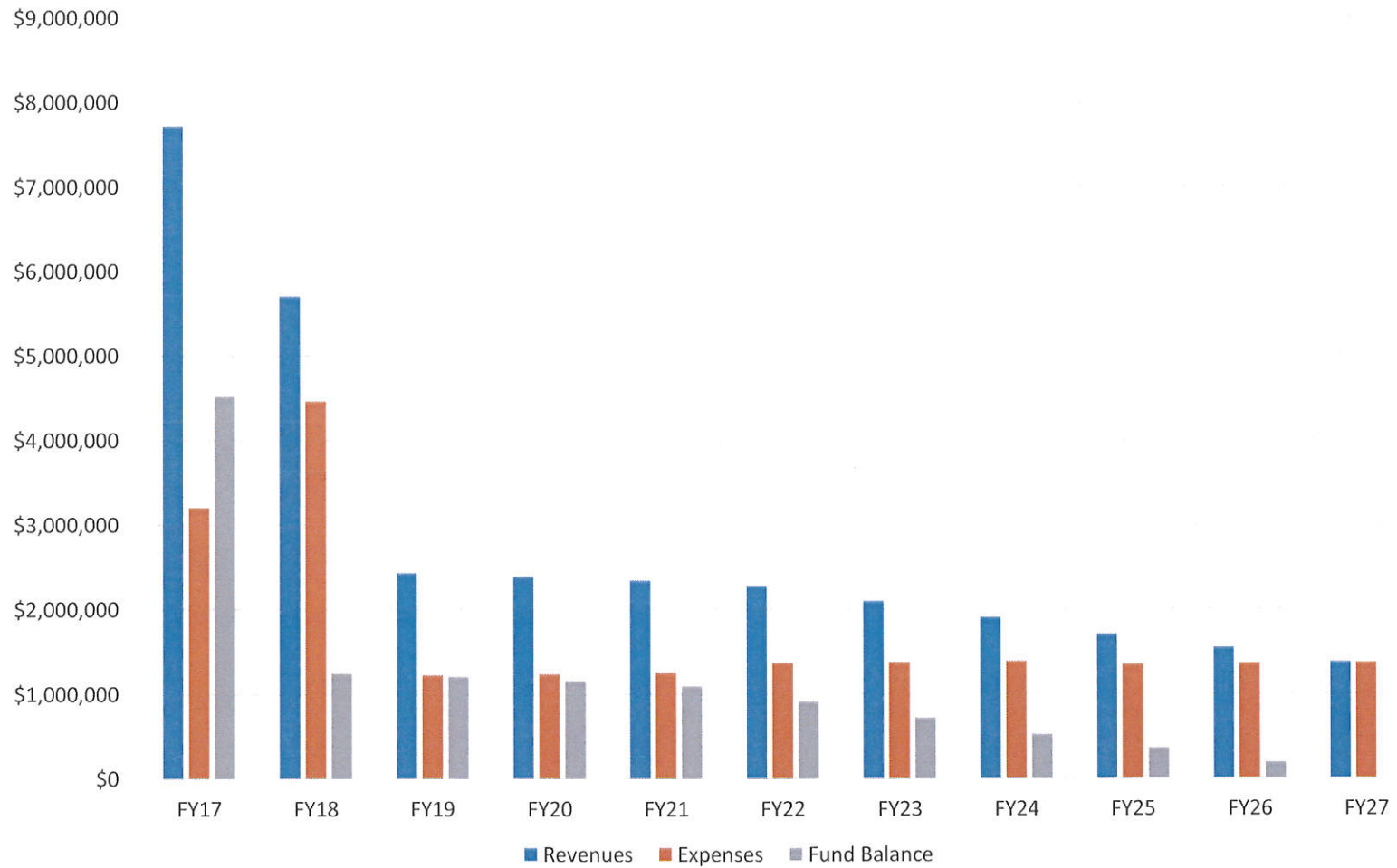
| RIVER DISTRICT: (Terminates in 2027) - A Strategic Plan Scenario | | | | | | | | | | | | | |
|--|--|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| ASSUMPTIONS: | | | | | | | | | | | | | |
| Fiscal Year (FY) | | | | | | | | | | | | | |
| Tax Increment (TI) Valuation | | 1 | | | | | | | | | | | |
| | | | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 |
| | | | 107,576,167 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TI Revenue Net Amount via De-annex. | | 2 | 1,204,418 | 1,204,418 | 1,204,418 | 1,204,418 | 1,204,418 | 1,204,418 | 1,204,418 | 1,204,418 | 1,204,418 | 1,204,418 | 1,204,418 |
| LESS: Public Art 2.0% | | | 24,088 | 24,088 | 24,088 | 24,088 | 24,088 | 24,088 | 24,088 | 24,088 | 24,088 | 24,088 | 24,088 |
| EQUALS: net TI revenue to ignite cda | | | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 |
| FUND BEGINNING BALANCE: | | | 6,534,309 | 4,520,762 | 1,245,884 | 1,207,612 | 1,157,747 | 1,096,035 | 913,642 | 722,336 | 521,952 | 360,219 | 189,062 |
| TI Revenue Collected | | | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 | 1,180,329 |
| Other ignite cda Revenue Sources 2% | | | 4,680 | 4,500 | 2,500 | 2,550 | 2,601 | 2,653 | 2,706 | 2,760 | 2,815 | 2,872 | 2,929 |
| Total River District Revenue | | | 7,719,318 | 5,705,591 | 2,428,713 | 2,390,491 | 2,340,677 | 2,279,018 | 2,096,677 | 1,905,426 | 1,705,097 | 1,543,420 | 1,372,320 |
| EXPENSES & DEBT SERVICE | | | | | | | | | | | | | |
| Expense - Administration | | | 99,453 | 102,436 | 105,509 | 108,674 | 111,935 | 223,870 | 223,870 | 223,870 | 223,870 | 223,870 | 223,870 |
| Expense - Ann. Oper. Budget 1% | | | 350,971 | 101,981 | 103,001 | 104,031 | 105,071 | 106,122 | 107,183 | 108,255 | 109,337 | 110,430 | 111,535 |
| Expense - Capital Acquisitions | | | | | | | | | | | | | |
| Subtotal: OPAs/IRAs | | | 410,480 | 417,639 | 424,940 | 432,388 | 439,984 | 447,732 | 455,636 | 463,697 | 424,019 | 432,406 | 440,961 |
| Mill River: RR r-o-w & Johnson Park improvements | | 3 | 0 | 1,000,000 | | | | | | | | | |
| Seltice Way Project: capital improvement \$\$ | | 4 | 1,750,000 | 1,750,000 | | | | | | | | | |
| KMPO/County Transit Center: capital improvements | | 5 | | 500,000 | | | | | | | | | |
| River District Bond (\$5.5M cost over 11 years @ 3.0%, no balloon) | | 6 | 587,652 | 587,652 | 587,652 | 587,652 | 587,652 | 587,652 | 587,652 | 587,652 | 587,652 | 587,652 | 587,652 |
| FUND ENDING BALANCE | | 7 | 4,520,762 | 1,245,884 | 1,207,612 | 1,157,747 | 1,096,035 | 913,642 | 722,336 | 521,952 | 360,219 | 189,062 | 8,302 |
| | | 8 | Note: \$4.2 million of exisitng OPAs/IRAs is projected to be unpaid by 2027 (potential impact of closing certain portions of the distirct early; i.e. prior to 2027) | | | | | | | | | | |

Orange font values represent POTENTIAL spending amounts for initiatives per this strategic plan scenario.

Notes for Numbered Rows in Shaded Column (refer to accompanying summary document for more project specific information)

- 1
- Panhandle Area Council (PAC) value per de-annexation analysis.
- 2
- Panhandle Area Council (PAC) values per de-annexation analysis, TI revenue value held constant over remaining years of district.
- 3
- Mill River: a potential \$1 million for capital improvements associated with the expansion of Johnson Park, and improvements to the abandoned BNSF railroad right of way.
- 4
- Seltice Way: ignite cda board approved \$3.5 million funding for capital improvements to Seltice Way.
- 5
- KMPO/Transit Center: a potential funding scenario assisting the development of capital improvements associated with the envisioned transit center location in the Riverstone development.
- 6
- River District Bond (\$5.5 million): a potential funding scenario for creating a funding source for district related projects, including possible funding for projects in a potential expanded district footprint.
- 7
- Ending fund balance amount for each fiscal year based upon this potential project spending scenario.
- 8
- Note depicting that certain existing project reimbursement agreements may not be fully funded by the sunset of the district in 2027 because the projects did not create sufficient funds to payoff the debt obligations.

RIVER DISTRICT – REVENUES/EXPENSES PER STRATEGIC PLAN SCENARIO



River District: Expenses per Strategic Plan Scenario

