



BOARD MEETING MINUTES

WEDNESDAY JANUARY 16, 2013 4:00 P.M.

COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM

1. CALL TO ORDER

Chairman Denny Davis called the LCDC Board meeting to order at 4:00 p.m.

LCDC Board members present: Davis, Hoskins, Colwell, Patzer, Jordan, Goodlander, Druffel. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley-Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Keith Erickson, Eden Irgens, Wendy Gabriel, Mayor Sandi Bloem, Phil Boyd, Dick Stauffer, Frank Orzell, Ben Johnston, Terry Cooper, Doug Eastwood, Troy Tymesen, Dell Hatch, Gordon Dobler, Dennis Grant, and others.

Linda Balovich: comments regarding McEuen Park's mid-point estimated project cost of \$14.2 million, encouraging LCDC to hold to their original funding contribution level for the park project. Shared that she worked on the McEuen Park advisory vote petition drive, and is passionate about McEuen Park and the community in general. Commented that public parking should still be a focus on Lakeside Avenue in addition to the focus on parking at McEuen Park.

4. APPROVAL OF MINUTES

- December 19, 2012 Board Meeting Minutes
- January 10, 2013 Special Call Board Meeting Minutes

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins, to approve the December 19, 2012 Board meeting minutes. Motion carried.

Motion by Commissioner Goodlander, seconded by Commissioner Colwell, to approve the January 10, 2013 Special Call Board meeting minutes. Motion carried.

5. 2012 LCDC ANNUAL REPORT – Public Comment

LCDC Executive Director Berns shared that there was a change to the urban renewal statutes in the summer of 2011 that now requires an urban renewal agency to accept public comment on their annual report prior to submittal to City Council. The following LCDC process has been established to meet the new statute requirements:

- The "draft" 2012 annual report to council was posted on the LCDC website's home page a week prior to the January, 2013 LCDC Board meeting,
- A public notice ran in the CDA Press a week prior to the January, 2013 LCDC Board meeting indicating that the LCDC Board will accept public comment on the annual report at the January, 2013 LCDC Board meeting. The notice states that the draft report is posted on line, and also states that written public comments are welcome and can be submitted via mail or email,
- Public comment on the LCDC annual report will be a discrete agenda item at the January, 2013 LCDC Board meeting. When this agenda item is addressed, an overview of the annual report will be provided by the Ex. Director. The LCDC Chairman will then ask if there is any public comment on the annual report. The Board will then listen to public comment, and then review any written public comments received. The Board can then choose to discuss any issues as they wish, directing the Ex. Director to work with the Chairman on making any modifications to the draft annual report prior to submission to City Council. The Board will then approve the draft annual report, via motion, with any proposed modifications as noted.

Ex. Director Berns then proceeded to provide an overview of the draft 2012 LCDC annual report (audience members and television viewers were also able to view the draft annual report).

Public Comment Re. Annual Report

No public comment was provided at the Board meeting. Also, no written public comment was received re. the annual report.

Motion by Commissioner Patzer, seconded by Commissioner Goodlander, to approve the 2012 LCDC Annual Report as drafted, authorizing the LCDC Executive Director to submit the 2012 LCDC Annual Report to the CDA City Council as required by Idaho statute. Motion carried.

6. McEUEEN PARK INITIATIVE – Financial Commitment Modification Discussion

Background: refer to the January 10, 2013 LCDC Special Call board meeting minutes for background on this initiative.

Chairman Davis welcomed City of CDA Administrator Wendy Gabriel, CDA Mayor Sandi Bloem and Team McEuen representatives Phil Boyd, Dell Hatch, and Dick Stauffer to the meeting.

Mrs. Gabriel provided a background to the McEuen Park planning effort to date, starting with the Hyett/Palma study, and ending with the current design proposal of Team McEuen. Excerpts from her presentation are included below:

November 3, 1997: Hyett/Palma Economic Enhancement Strategy: “A master plan of world class design is needed....This highly valuable public asset should be afforded the greatest access to the widest cross-section of Coeur d’Alene residents and visitors alike.” The strategy suggested the park include a pavilion, sub-surface parking, public art, amphitheater, open plaza and multi-purpose open space for picnics, festivals, and walking, all these amenities included in the plan you see today. This strategy suggested using tax increment financing to fund the work.

December 16, 1997: Headline: Renewing Coeur d’Alene: plan goes before City Council tonight. “What happens (at McEuen) is going to impact the quality of life in CDA for centuries to come,” “Put that land on a pedestal” said economic advisor Doyle Hyett. City Council’s decision was unanimous. The urban renewal plan and tax increment financing was approved to redevelop the park.

Fast forward to 2010: The Lake City Development Corp has been hugely successful, and approached the City re. the redevelopment of McEuen Park.

August 2010: An ad-hoc steering committee was appointed and convened a workshop with the City Council on March 3, 2011.

March 6, 2012: This was a turning point. Based upon a concept, the construction cost estimate of \$14.2 million was provided which included architecture and engineering (A/E) design fees of \$1.9 million. At this point, decisions to leave the boat launch had been made, and any work on Tubbs Hill was off limits. This project changed from a scope driven project to a budget driven project. The Design Team went to work.

October 4, 2012: 60% design complete: presented a picture, figuratively and literally, that was bleak. We were now far enough into design and construction drawings that we knew we could not build the world class park worthy of this valuable public asset for the budget we had. And we worked hard, every week for months and months and months.

At 60% design:

- *No sport courts*
- *No Harbor House or restrooms at the seawall*
- *The grand plaza/waterfront promenade was fondly referred to by the team as the “not so grand plaza”*
- *There was no covered shelter of any kind for picnics*
- *Veteran’s Memorial was reduced and less prominent*
- *The splash pad was mediocre*
- *The playground was mediocre*

This was unacceptable. And those on the design team believed our governing boards would agree, and the community would agree, that this is unacceptable.

December 27, 2012: At the 90% design completion milestone, we presented the design detail closely matching the concept adopted last March, the estimated cost, and proposed funding. In this presentation, we restored the park amenities that were lost at the 60% design point. There are no amenities in the park that have been added that were not in the concept.

- *The harbor house and restrooms were restored*
- *Sports courts, tennis, basketball, pickle ball are back*
- *The grand plaza/waterfront promenade is grand again*
- *There are two locations for covered shelter*
- *Playground and splash pad are no longer mediocre, they are excellent*

The LCDC Board has seen the new McEuen Park 90% project costs and proposed funding summary. The new cost estimate including A/E fees to build the project worthy of the vision and hard work contemplated in 1997 and fostered over the last 15 years is \$20.8 million.

There are no cost over-runs whatsoever in this value. As you recall, the 2012 McEuen Park project bid came in \$310,000 under the engineer's estimate. There is \$1.34 million of work that was added by the City to the McEuen Park project, some in order to create efficiencies resulting in cost savings and to minimize inconvenience, and some in order to achieve design compromises (e.g. boat trailer parking). But the City is willing to fund those additions and then some.

In order to make this project worthy of the public's most valuable asset in the heart of our City, the City Council will increase its funding commitment by \$1.52 million and has approved an LID in the amount of \$845,100.

The City respectfully requests that the Lake City Development Corporation fund the remaining \$4.27 million necessary to make this park a park that this community deserves, and a park that we have been waiting 15 years to realize.

Note: the attached link provides a graphic illustration of McEuen Park as currently proposed at the 90% design stage: <http://www.cdavidparks.org/index.php/mceuen-currents>

Mayor Bloem addressed the Board sharing that we all have worked hard over the years on the McEuen Park effort. Originally designed as a park concept, the design of the park became budget driven midway through the design effort which was unacceptable; at the current 90% design point, we are now back to a world class park design again.

Mayor Bloem reminded the LCDC Board that the redevelopment of the McEuen Park area was a primary focus of the Lake District urban renewal plan. LCDC has a great track record of helping the community with first class amenities, e.g. the Kroc Community Center, CDA Public Library, the Higher Education Campus. And now the

stage is set for the LCDC to partner in the establishment of a first class McEuen Park. Every consultant study involving downtown public space has said that McEuen Park needs to be first class, a legacy park. Space becomes a place when you endow it with value. This project not only creates a great park, but also frees up additional acres of green space, and helps create a much better parking solution for the area south of Sherman Avenue. The renovation of McEuen Park will add great value to the downtown and the community as a whole. Please strongly consider the \$4.2 million in requested additional funding for McEuen Park.

Commissioner Colwell asked Team McEuen to once again review the history of the McEuen park design process, addressing the misperception by some in the community that there are cost overruns associated with the design effort.

Mr. Boyd and Mr. Stauffer shared a PowerPoint presentation with the Board highlighting key elements of the McEuen Park 90% design plan as proposed and shared with the Board at the Board's January 10th special call meeting. They reiterated that there is not a cost overrun issue, but a return to a concept driven project with many park elements re-included into the project.

- Commissioner Jordan asked if the parking garage was removed from the project as designed, and the project would just possess surface parking, what would be the impact to the park?
 - Mr. Stauffer shared if the desire is to retain the same amount of parking stalls as proposed, and the garage is not built as planned, the McEuen Park green space would be reduced by two acres; i.e. park space would be condensed considerably. The parking garage as designed is a very efficient way to park cars in the area south of Sherman Avenue.
- Commissioner Patzer commented that the equal to or better replacement rationale that has been applied to the baseball field and boat launch amenities on McEuen, also apply to parking on McEuen. A better parking solution is contained in the 90% design plan, where we gain additional public space in addition to a better parking solution. Well designed and efficient urban parking is an economic engine that is desperately needed for healthy downtowns.
- Commissioner Hoskins shared that well designed urban parking comes at a price. Efficient parking solutions on McEuen and north of Sherman will add a lot of value to the downtown; very sound investments. What is the estimated price per stall for parking on McEuen?
 - Mr. Stauffer shared that the estimated cost for parking on McEuen is \$15,000 / stall, which is a very competitive price for this type of parking amenity.

Finance Committee Chair Rod Colwell shared the following Finance Committee McEuen Park additional funding recommendation with the Board:

- \$3.4 million in additional McEuen Park funding which brings LCDC's total McEuen funding commitment to \$15,624,800 (which is 75% of the estimated

total McEuen Park project cost of \$20.8 million). So as a Finance Committee and as a Board, LCDC does truly support the McEuen Park initiative.

- Add alternate park components as proposed should remain in the bid packet.
- Any savings realized from a favorable bid environment should 1) fund the proposed add alternate park components, and then 2) be used to offset proposed funding from the City of CDA's road overlay funds.

Commissioner Colwell shared the following rationale for the Finance Committee recommendation:

- Finance Committee feels it is prudent to retain 5% (approximately \$900,000) of the existing Washington Trust Bank (WTB) Lake District line of credit for other value adding Lake District projects.
 - For example:
 - ✓ anticipated development of a downtown parking garage on the old federal building block (area located between 3rd & 4th Streets and Lakeside and Coeur d'Alene Avenues) may be more expensive to build than estimated,
 - ✓ LCDC sees a partnership funding role in the redevelopment of the four corner area (area around the intersection of Northwest Boulevard, Government Way and Mullan Avenue) & the Bureau of Land Management (BLM) railroad right of way area along Northwest Boulevard; scope/scale/cost of this effort yet to be determined,
 - ✓ In addition, it is important that LCDC has funds available for projects that have not yet been presented to the commission that will seek LCDC partnership funding, and make economic / community sense to the Board.
 - City may choose to have additional significant revenue resources available for further McEuen Park development after the LCDC's Lake District term expires in 2021.
- Commissioner Davis shared that the Finance Committee recommendation was a unanimous decision by all committee members, and that the committee's desire is to have the proposed add alternate project component list bid as proposed. The Finance Committee is not specifically directing Team McEuen as to how to determine which park elements are constructed, the LCDC will rely on Team McEuen's professional expertise in this matter.
- Commissioner Patzer commented that the committee's recommended \$800,000 variance from the City's additional funding request equates approximately to the value of the add alternate park component list. It is not a Finance Committee recommendation requirement that savings realized from a favorable bid environment be used by the City for the overlay fund repayment; City Council may choose to put any savings back into the park for park related improvements. The Finance Committee funding recommendation provides for the construction of a first class park, while still allowing for park fundraising opportunities. Everyone is hoping for a favorable bidding environment.

- Commissioner Goodlander asked if the LCDC Board leave the door open for the City and Team McEuen to return to the LCDC Board for a refined funding request after the receipt of the McEuen Park 2013 project bids?
 - Commissioner Colwell commented that the Finance Committee recommendation is based on a holistic view of the potential funding needs of the Lake District, and thus the committee is very comfortable with the additional funding commitment of \$3.4 million.

- Commissioner Druffel thanked the Finance Committee for their analysis of the City's request, and for proposing that funds be reserved for other Lake District value adding initiatives. He supports the committee's recommendation for an additional \$3.4 million funding level for the McEuen Park initiative.
 - Commissioner Patzer shared that planning efforts involving public improvements for the BLM railroad right of way area along Northwest Boulevard is one of the potential areas that will most likely seek LCDC partnership funding in the near future.

- Commissioner Jordan concurred with other commissioners in that the McEuen Park project funded at this proposed level will be a great project for the CDA community. Hopefully, the bidding environment will permit some of the add alternate project elements to be completed.

- Commissioner Goodlander shared that the CDA City Council reduced the proposed Front Avenue Local Improvement District (LID) amount by \$285,000 on January 15th. This reduction will create another funding shortfall for the McEuen Park project, making the project funding model a bit tighter. She agrees that this park as proposed will be a legacy partnership project for the LCDC.

- Commissioner Patzer asked if the City Council discussed how they were going to recoup the lost project funding since they reduced the LID amount by \$285,000?
 - Commissioner Goodlander shared that the City Council did not discuss how to bridge the LID funding shortfall.

- Commissioner Jordan commented that LCDC's original partnership funding commitment to the park project set the funding stage for this initiative. Now LCDC needs to make a value judgment decision on how much funding to commit to this project.

- Commissioner Patzer asked if the LID, and LID associated formation costs, are being managed as a separate contract? Is there an existing commitment from City Council to the LID participants to refund a portion of any LID-specific project savings to the LID property owners?
 - Mr. Boyd shared that there is no separate LID contract. Team McEuen will track the LID-related costs separately through the project.
 - Mrs. Gabriel shared that yes, City Council has made a commitment to share any LID-related cost savings with the LID participants on a 71% city / 29%

property owners split; i.e. LID participants will realize 29% of any LID-specific project cost savings.

- Commissioner Davis asked if there were any issues re. the bidding of the add alternate park components given the reduction in project funding?
 - Mr. Boyd shared that the bid alternate park components can still be bid, but contractors interested in the project will know that there is no funding currently identified to pay for the bid alternate park components. Therefore, some contractors will focus time and energy on developing competitive bids on the bid alternate park components, and others will not spend much time developing competitive bid prices on the bid alternate park components.

- Commissioner Davis asked if the change order process could be used to address the add alternate park components once the project has begun?
 - Mr. Boyd shared that it is usually more cost effective to bid the add alternate components versus utilizing the change order process.

- Commissioner Jordan asked who helps direct Team McEuen on finding potential cost savings in the park project?
 - Mrs. Gabriel shared that Team McEuen meets weekly with a group comprised of representatives from the City and the LCDC Executive Director. City representatives and the LCDC Executive Director work continuously with Team McEuen on identifying potential cost savings throughout the entire project design.

Motion by Commissioner Hoskins, seconded by Commissioner Druffel, to authorize additional funding for the McEuen Park initiative in an amount not to exceed \$3.4 million, bringing LCDC's total McEuen Park funding commitment up to \$15,624,800, with said funds to be expended on McEuen Park initiative costs, including add alternate bid package project elements. Motion Carried.

7. COMMITTEE REPORTS

❖ Finance Committee – Commissioner Rod Colwell

Fiscal Year 2012 Audit – Ben Johnston, Magnuson & McHugh

Commissioners Davis and Colwell welcomed Ben Johnston, Magnuson & McHugh accounting firm, to the Board meeting. Mr. Johnston shared an overview of the fiscal year 2012 LCDC audit report with the Board.

Mr. Johnston shared that the LCDC financial statements meet GASB standards as established and LCDC's fiscal year 2012 audit is considered a "clean" audit. Mr. Johnston also shared that LCDC has very good internal controls regarding its business model, and stated that the necessary checks/balances exist in the

organization to help prevent theft/fraud issues. Mr. Johnston shared that LCDC is doing an excellent job in managing the agency's business.

Motion by Commissioner Goodlander, seconded by Commissioner Druffel, to approve and accept the Fiscal Year 2012 LCDC audit as prepared by the Magnuson & McHugh accounting firm. Motion carried.

Lake & River District Monthly Financials

Lake & River District Payables

Finance Committee Chair Rod Colwell reviewed and discussed the December Lake and River District financial statements, and the December / January account payables sheet, with the Board.

Motion by Commissioner Hoskins, seconded by Commissioner Goodlander, to approve the December financial statements and the December / January accounts payables for the Lake & River Districts as presented. Motion carried.

FY13 Q1 Quarterly Report

Executive Director Berns shared the Fiscal Year 2013 first quarter (FY13 Q1) report with the Board, asking Board members to review the package at their convenience, and to contact him with any questions.

❖ **Housing Committee – Commissioner Jim Elder**

Ex. Director Berns, in Housing Committee Chair Jim Elder's stead, shared that the committee had no report to impart.

❖ **Parking Committee – Commissioner Jim Elder**

Ex. Director Berns, in Parking Committee Chair Jim Elder's stead, shared that planning efforts are underway to develop temporary parking solutions for the upcoming 2013 McEuen Park construction project wherein the remainder of the existing 3rd street surface parking lot will be removed for park construction. Terry Cooper, Downtown Association Manager, is working closely with City of CDA leadership on temporary parking strategies.

❖ **Communication Committee – Commissioner Dave Patzer**

Communication Committee Chair Dave Patzer, welcomed LCDC communication consultant Keith Erickson and Eden Irgens of Range Inc., to the meeting.

Commissioner Patzer shared that the January LCDC newsletter was being distributed today, and that topics covered in this issue of the newsletter include:

- Analysis of the economic impact associated with the higher education campus, including conversations with three top university/college officials.
- A look at the North Idaho Centennial Trail and what the trail means to the community, including a look toward future trail growth.
- The newsletter is starting an LCDC board member profile series designed to share some background information on the community volunteers that serve on the LCDC Board.

Commissioner Patzer also shared that community outreach efforts continue to move forward. LCDC is receiving increased numbers of new “likes” on Facebook, and the LCDC newsletter subscribership continues to grow, with almost daily new subscribers; subscribership has nearly reached the 500 plateau. Tentative topics for the February newsletter include an historic perspective on LCDC as well as a look ahead, an overview of parking and how plans are shaping up to accommodate parking downtown this summer during the McEuen Park construction project, and another board member profile.

LCDC Video: Mrs. Irgens shared that the LCDC community education video is in production, with a preliminary video proof available shortly. Mrs. Irgens looks forward to LCDC feedback on the video so that a final product can be delivered to the Board.

- Commissioner Patzer shared that the draft video will be shared with board members for their review and feedback.

8. EXECUTIVE DIRECTOR’S REPORT

Ex. Director Berns reviewed the 1st quarter status of the LCDC Board’s fiscal year 2013 tactical goals.

9. BOARD COMMISSIONER COMMENTS

Commissioner Patzer shared that his prayers are with two fellow LCDC commissioners (Commissioners Hassell and Elder) as they work through some medical issues. All of the other LCDC commissioners echoed Commissioner Patzer’s sentiments, and are looking forward to the quick return of both Commissioners Hassell and Elder.

10. PUBLIC COMMENT: No public comment was provided.

11. ADJOURN:

Motion by Commissioner Patzer, seconded by Commissioner Hoskins, to adjourn. Motion carried.

The LCDC Board meeting adjourned at 6:01 p.m. Minutes prepared and submitted by Executive Director Berns.