



BOARD MEETING MINUTES

WEDNESDAY OCTOBER 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: Patzer, Goodlander, Hassell, Colwell, Jordan, Armon, Hoskins, Davis. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley-Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Keith Erickson, Douglas Peterson, Kathryn AlMBERG, Jeff Selle, Chip Dalvini, Mike Grabenstein, John Mueller, Frank Orzell.

No public comment was provided.

4. APPROVAL OF MINUTES

- September 18, 2013 Board Meeting Minutes

Motion by Commissioner Colwell, seconded by Commissioner Hoskins, to approve the September 18, 2013 Board meeting minutes. Motion carried.

5. PRESENTATION: MIDTOWN MIX USE PROJECT (The Housing Company)

Douglas Peterson and Kathryn AlMBERG of The Housing Company (THC) shared an overview presentation with the Board of a revised concept for the proposed Midtown mix use apartment project. Mr. Peterson shared that THC has been working on a conceptual redesign resulting from feedback received from Midtown stakeholders pertaining to the original mix-use building concept.

The redesigned building concept includes:

- A three story building vs. the original proposed four story building resulting in a reduced building height,

- A new narrower building footprint that provides more distance on the back end of the THC building between the THC building and the existing residences abutting the alley,
- Smaller residential units sizes; more one bedroom and studio apartments than proposed in the original concept,
- Less commercial space on the street level.

Mr. Peterson closed his comments by indicating that many project specifics are still undetermined at this time because THC wants to receive input from Midtown stakeholders before proposing a final design/project concept.

- Commissioner Armon asked what the pricing will be for the studio and one bedroom apartments?
 - Mrs. AlMBERG shared that the prices have yet to be set on the apartment units pending the completion of a new market study. The market study will not be commissioned until a final design concept is in place following input from the Midtown stakeholders.
- Commissioner Armon asked if there will be adequate parking for the proposed apartment units and commercial space?
 - Mrs. AlMBERG shared that the narrower building footprint will provide adequate parking for the proposed number of apartment units. Additionally, the Paris Flea Market building, which is owned by the LCDC, will be demolished to provide additional project related parking.
- Commissioner Goodlander commented that in addition to the new Paris Flea Market site parking, LCDC's existing public parking lots adjacent to the Idaho Youth Ranch store will be available to provide sufficient parking to support the proposed new commercial space on 4th Street.
- Commissioner Armon asked for the total square footage of the proposed project?
 - Mr. Peterson shared that the redesigned concept is approximately 40,000 square feet. However, that footage might change pending a final design that will include input from Midtown stakeholders.
- Commissioner Patzer asked if the commercial space will be sold or leased?
 - Mr. Peterson shared that it is THC's intent to sell the commercial space to a third party who has the expertise to own or lease commercial property. THC will build the project so that the commercial space is legally separated from the federal tax credit supported apartment units.
- Commissioner Patzer asked for the estimated value of project?
 - Mr. Peterson shared that it will be in the \$4 to \$8 million range depending upon final design.

- Commissioner Patzer summed up his understanding of THC's proposed process as follows: THC visits with the LCDC today to get the LCDC Board up to speed on the redesigned concept; THC will then engage the Midtown stakeholders to refine the design concept; THC will then return to the LCDC with a final design/concept for LCDC review/approval/support.
 - Mr. Peterson shared that yes, that is the proposed process.
- Commissioner Jordan shared that he would like to be informed of when the Midtown stakeholder meetings will be held so that he can attend.
- Commissioner Davis shared that his understanding is that the redesigned concept has less commercial space than the original concept in order to help make the project's economics work. Commissioner Davis would like to keep as much commercial space as economically feasible in the design due to the importance of an active retail/commercial environment at street level on 4th Street.
- Commissioner Davis asked to the timing of the federal tax credit application?
 - Mr. Peterson shared that there are two application rounds in 2014: February and September. The February round usually has less funding available. Mr. Peterson will delay deciding which funding round to pursue pending a final concept design. Mr. Peterson wants to take the time necessary to get all project stakeholders on the same page.
- Commissioner Goodlander asked if the commercial space could be pre-sold prior to project commencement?
 - Mr. Peterson shared that yes, that is possible. THC plans to work with local commercial specialists to help size the commercial space offering and to seek out potential buyers to acquire the commercial space.

Commissioner Davis thanked Mr. Peterson and Mrs. Almberg for their presentation and shared that the Board is excited about the Midtown mix-use building project moving forward.

6. COMMITTEE REPORTS

❖ **Finance Committee – Commissioner Rod Colwell**

Lake & River District Monthly Financials

Lake & River District Payables

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

Motion by Commissioner Patzer, seconded by Commissioner Hassell, to approve the September financial statements and the September / October

accounts payables for the Lake & River Districts as presented. Motion carried.

Fiscal Year 2013 Audit: Magnuson & McHugh Engagement

Commissioner Colwell shared that the audit firm Magnuson & McHugh (M&M) has submitted an engagement letter for the LCDC's fiscal year 2013 audit. The proposed fee for this audit work is \$12,400. The fiscal year 2013 audit will include new GASB 63 reporting requirements, which will require consideration of an entirely new category of balance sheet presentation: deferred outflows and deferred inflows. These are new characterizations on the balance sheet, and will impact the reporting of deferred revenues and deferred costs, also requiring note disclosures supporting these new positions.

Commissioner Colwell asked for a motion to approve the engagement of the M&M accounting firm for the LCDC's 2013 fiscal year audit, and if the Board concurs, to include in the motion Board authorization for the Finance Committee to engage an auditor on an annual basis for future LCDC audits without having to return annually to the full Board for audit engagement approval.

- Commissioner Hassell would like to have the Finance Committee visit with the Board each year re. audit firm selection.
- Commissioner Armon shared that he has worked with M&M for quite a few years and that they are a very good accounting firm. M&M is also very cost competitive with other local firms. One option for the Board to consider would be to engage an audit firm for a five year contract, with annual pricing reviews.
- Commissioner Jordan truly appreciates the work of the Finance Committee, and feels that having other firms submit audit proposals occasionally might be a good idea.
- Commissioner Goodlander shared that the City of CDA has engaged M&M for quite a few years and that M&M is very good, fully understands municipal accounting, and is very cost competitive.

Motion by Commissioner Goodlander, seconded by Commissioner Jordan, to approve the engagement of the Magnuson & McHugh accounting firm to conduct the LCDC's 2013 fiscal year audit, per the conditions outlined in their engagement letter, additionally asking the Finance Committee to discuss the auditor selection process and report back to the Board next year with an auditor selection process recommendation. Motion carried.

North Park Avenue Building Demolition

Background: (From September 18th Board meeting minutes): Ex. Director Berns shared that plans are being formulated to demolish three LCDC-owned residential building properties on North Park Avenue this fall: 618 N. Park Avenue, 620 N. Park Avenue and 622 N. Park Avenue. Funding to cover the demolition costs of these three residential buildings is included in the 2014 fiscal year budget. Tenants in the 618 and 620 N. Park Avenue properties have already given notice that they plan to vacate those premises by the end of September. Tenants at the 622 N. Park Avenue property will leave the premises in October. Tentative plans call for the building demolitions to occur prior to year end.

Ex. Director Berns shared that he has received three building demolition bids for the demolition of the following three LCDC residential buildings: 618 N. Park Avenue, 620 N. Park Avenue and 622 N. Park Avenue. Cannon Hill Industries submitted a bid of \$18,000; Peck & Peck Excavating submitted a bid of \$22,586; and Burnside Contracting, Inc. submitted a bid of \$30,450. All three bids excluded costs for asbestos sampling / asbestos removal. LCDC will engage a separate firm to perform asbestos sampling and any necessary asbestos removal.

- Commissioner Goodlander encouraged LCDC and the selected contractor to work with the City of CDA's urban forester to save as many trees on that site as possible.

Motion by Commissioner Goodlander, seconded by Commissioner Hoskins, to accept the bid submitted by Cannon Hill for \$18,000 to demolish the three LCDC owned residential buildings located at 618 N. Park Avenue, 620 N. Park Avenue and 622 N. Park Avenue; additionally authorizing the LCDC Ex. Director to engage a firm to conduct asbestos sampling and any necessary asbestos removal pertaining to the three LCDC owned buildings. Motion carried.

Recusal: Commissioner Patzer recused himself from participating in this agenda item discussion and from voting on the motion since he has a business relationship with one of the companies that submitted a demolition bid.

FY13 Q4 Quarterly Report

Executive Director Berns shared the Fiscal Year 2013 fourth quarter (FY13 Q4) report with the Board, asking Board members to review the package at their convenience, and to contact him with any questions.

❖ **Housing Committee – Commissioner Deanna Goodlander**

Housing Committee Chair Deanna Goodlander shared that she has met with several Midtown stakeholders over the past few weeks to bring them up to speed on THC's redesigned mix-use building concept for Midtown. The Midtown stakeholders she met with are pleased with THC's redesign modifications, including the smaller apartment unit sizes, and the fact that the project will have an on-site manager. The

Midtown stakeholders look forward to further conversations with THC on the new concept.

- Commissioner Armon, on a separate Midtown topic, shared that he feels some of the pavers in the intersections located on 4th Street within the Midtown placemaking project area are starting to settle.
 - Ex. Director Berns shared that the City of CDA owns the Midtown 4th Street public improvements that were installed a few years ago, and will address/remedy any issues with the public improvements that arise.

❖ **Parking Committee – Commissioner Brad Jordan**

Commissioner Jordan shared that he had no report to provide.

❖ **Communication Committee – Commissioner Dave Patzer**

Communication Committee Chair Dave Patzer invited LCDC communication consultant Keith Erickson to join the meeting. Mr. Erickson shared that the October LCDC newsletter was distributed on October 15th, and that topics covered in the October issue of the newsletter include:

- An update on the McEuen Park project, including a synopsis of the October 12th McEuen Park “open house”,
- An article re. the importance of job creation & job retention in the community, focusing on the health care front,
- An interview with Mic Armon, LCDC’s newest board member.

Mr. Erickson also shared the following initiative updates:

McEuen Open House. Mr. Erickson estimated that the October 12th open house was attended by over 1,000 people. The feedback was very positive. Mr. Erickson thanked the more than 20 volunteers who helped answer the public’s questions during the open house. Five hundred maps of the park were distributed to visitors, along with hundreds of information sheets regarding the LCDC.

City Council Elections. LCDC representatives met with city council candidates over the past few weeks to answer their questions about urban renewal and the Lake City Development Corp. The sessions were informative and appreciated by those running for office.

- Commissioner Patzer shared that during these visits, a recurring theme was jobs. To address this issue, Mr. Erickson shared LCDC related job data with each of the candidates following the visits. Ex. Director Berns also recently addressed the jobs issue in a CDA Press “My Turn” column. There still exists a lot of misinformation in the community about the role and accomplishments of the LCDC. LCDC will continue its outreach efforts across the community.

Website updates. LCDC's website (www.lcdc.org) content is continuously being updated, including recent updates on Lake District initiatives. Updates include recent initiative information, new project photos and cost information. Efforts are underway to update River District initiatives.

Online "Tile" Information Links. After several successful months of utilizing online tile information links with local media, during which hundreds of people visited the LCDC website, Mr. Erickson recommended discontinuing this initiative at the end of November since McEuen Park construction work will be winding down for the season. Use of the tile links will be reevaluated in the spring when McEuen Park construction work resumes.

7. EXECUTIVE DIRECTOR'S REPORT

LCDC Ex. Director Berns discussed the following initiatives with the Board:

North Idaho College (NIC) Sports Complex / Event Center : Update

Ex. Director Berns shared that the NIC Board of Trustees has given NIC leadership staff the green light to further the analysis associated with the proposed Event Center initiative. NIC leadership has engaged the services of a consultant specializing in event center development to further refine the proposed scope and scale of the event center given the feedback received to date re. the initiative.

McEuen Park Initiative: Update

Ex. Director Berns shared that the McEuen Park project is progressing well and on schedule. Ex. Director Berns meets regularly with City of CDA staff and representatives from Welch-Comer Engineers to review project status, and to review/discuss potential change order items pertinent to the project.

Jobs Adhoc Committee: Update

Background: (taken from September, 2013 Board meeting minutes). On September 4th, the Jobs adhoc committee met with representatives from Kootenai Health (KH), North Idaho College (NIC), University of Idaho (UI) and Lewis Clark State College (LCSC) to further discuss new initiatives / possibilities on the health care job front, including a potential role for LCDC. The meeting was very productive, and a working group comprised of representatives from each of the aforementioned organizations was formed to develop a health care workforce needs assessment. Once the needs assessment is complete, next steps in the process to energize the initiative will be discussed. For further background on this initiative, please refer to the June, 2013 LCDC Board meeting minutes.

Ex. Director Berns shared that the health care workforce working group that was formed on September 4th met for the first time on September 18th. Representatives from each organization attended, along with several invited guests. The primary meeting topic was to further discuss and define the desired health care workforce needs assessment product. Dan Klocko of Kootenai Health (KH) shared that a KH sponsored

Physicians Needs Assessment is nearing completion, and that he will share those assessment findings with the working group upon completion later this fall. Findings from the Physicians Needs Assessment will help the health care workforce working group develop the desired health care workforce needs assessment product.

Quarterly Review of Board’s Fiscal Year Goals

Ex. Director Berns reviewed the 4th quarter status of the LCDC Board’s fiscal year 2013 tactical goals.

8. BOARD COMMISSIONER COMMENTS:

No Commissioner comments.

9. PUBLIC COMMENT:

No public comment was provided.

10. EXECUTIVE SESSION – Idaho Code Section 67-2345(1)

Subsection B: to consider the evaluation of the LCDC executive director.

Motion by Commissioner Armon, seconded by Commissioner Hoskins, to convene an Executive Session, as provided by Idaho Code Section 67-2345(1) Subsection B: to consider the evaluation of the LCDC Executive Director.

Roll Call:

Goodlander	Yes	Hassell	Yes	Druffel	Absent
Colwell	Yes	Patzer	Yes	Jordan	Yes
Davis	Yes	Hoskins	Yes	Armon	Yes

Motion carried.

The LCDC Board entered into Executive Session at 5:02 p.m. Those present were the LCDC Board of Commissioners, and LCDC legal counsel Danielle Quade. Deliberations were conducted regarding the performance review of the executive director.

No action was taken in Executive Session and the LCDC Board returned to regular session at 5:43 p.m.

Following the Executive Session, the following motion was made re. modifications to the LCDC Executive Director’s contractual compensation package:

Motion by Commissioner Patzer, seconded by Commissioner Goodlander, to make the following adjustments to the LCDC Executive Director’s current compensation package:

- **Authorize a 2.5% compensation increase.**

- **At the choice of the Executive Director, the 2.5% increase can be used as a salary increase, or an increase to the employer's contribution to the Executive Director's 401k plan.**

Board members commended Executive Director Berns for his performance as LCDC Executive Director, and thanked him for his continued contributions to the organization.

Motion carried

11. ADJOURN:

Motion by Commissioner Goodlander, seconded by Commissioner Colwell, to adjourn. Motion carried.

The LCDC Board meeting adjourned at 5:47 p.m. Minutes prepared and submitted by Ex. Director Berns.