

A JOINT CITY COUNCIL/LCDC MEETING
HELD ON MAY 9, 2006 AT 12:00 NOON
AT CITY HALL

Sandi Bloem, Mayor

Ron Edinger)	Members of Council Present
Dixie Reid)	
Deanna Goodlander)	
Woody McEvers)	
Mike Kennedy)	

Charles Nipp, LCDC Chairman

Dave Patzer)	Members of LCDC Present
Paul Anderson)	
Brad Jordan)	
Jim Elder)	
Denny Davis)	
Rod Colwell)	

Staff Present: LCDC: Tony Berns, Executive Director; CITY: Susan Weathers, Mike Gridley, Troy Tymesen.

EDUCATION CORRIDOR MASTER PLANNING: Executive Director Tony Berns reported that the Education Corridor's RFQ for Master Planning has been advertised with the meeting to do the first round of review planned for next week. Following the first review meeting, the consultants will then present a time line for completion of the study. It is hoped that the project begins some time in June. Tony noted that Education Corridor consultant costs will be split as follows: \$20,000 from the City of Coeur d'Alene, \$50,000 from LCDC, and U of I, LCSC and NIC will pay \$5,000 each. Paul Anderson noted that, for the last 3 years, the Spokane Chamber makes a journey to Washington D.C. every April to meet with all the delegations from Washington and Idaho, specifically talking about setting the stage for receiving funds. From his perspective, he believes it would be prudent for us to pursue the same route for possible funding for such items as street. Jim Elder asked if the Chamber is a partner in the Education Corridor Master Planning effort. Tony responded that they have not initially been involved. Denny Davis suggested inviting the Chamber to participate in some of the planning process. Deanna believes LCDC and the City should get the Chamber involved since it relates to the economic health of the city. Edinger asked about KMPO's involvement. Dixie responded that they focus on transportation issues – there may be a time when we need to bring them up to speed on what we are doing, but they don't necessarily have to be involved in the process. She noted that the Spokane area was successful in getting about \$40,000,000 in Federal Funding for the "Bridging the Valley" project. Tony note that between him and Wendy Gabriel they will keep everyone apprised of the progress.

AFFORDABLE HOUSING ASSESSMENT: Tony Berns reported that there is a triad partnership between LCDC, Idaho Housing and Finance and the City to assess the housing needs for affordable housing in our community. We have chosen the BBC Consulting firm out of Denver who will be here next week to meet with staff in order to help define the scope and needs analysis for this issue. He noted that the \$45,000 cost is being split between the three entities. He added that the review will focus on the Coeur d'Alene area. Charlie Nipp commented that the LCDC had discussed the issue of affordable housing in our community and decided that this consultation will provide them with an education of what exactly the issues are and what steps need to be taken. Ron Edinger asked if the County had shown any interest in affordable housing in the past. Jim Elder responded that this has been a concern of the County Commissioners for some time.

Paul Anderson noted that from an economic perspective affordable housing is a huge factor for employers as they look at available housing close to their facilities for their employees. He believes that this is an issue that we need to address up front. Charlie believes that we need to understand the issues and then put solutions in place for the sake of the community. Mike Gridley noted that the colleges are having trouble recruiting professors due to the cost of housing in our area, which is not the usual group of professions when looking at the concerns for affordable housing. Deanna also noted that the school districts are having the same problem. Paul noted that the Shoshone Hospital is getting into the housing business due to the current cost of housing. Brad noted that currently the housing market is stabilizing.

LCDC PUBLIC/PRIVATE PARTNERSHIP PROJECTS: Tony Berns distributed a one-page spread sheet showing the different funding projects including how much they have dedicated to spend on each project, how much has been spent to date and how much is left to spend. He noted that the approved funding for the Lake District has approximately \$3 million left to spend. He noted that although they have not yet been approached, they are aware of developers that will be approaching LCDC for funding. Councilman McEvers asked how does the \$14,000,000 in funding work and how do we get the money. Mr. Berns explained that the funding dedicated to a project must come from the property taxes received on the developments in their particular districts. Dixie Reid asked Tony Berns to explain why we do not give the full increment back to the developer. He noted that a certain percentage is retained for the use in operating LCDC and the only project that was given back 100% was the Chamber project. Charlie Nipp noted that LCDC will give funds that match value of the project only when the value has been created. So, if for some reason these do not develop and create the value as the developer projected, the district stops and they don't receive the money. He further explained how they compute the value for these districts. Tony noted that the only exception was the US Bank project; however, that was secured with a letter of credit from the developer with the bank. Rod Colwell explained how they project where they think they are going to be financially by the end of the fiscal year. Tony noted that they are very conscious about the type of projects coming forward, such as Riverstone West, who are asking for a lot of help with public improvements and the board has been very engaged in how this will be built, so they are very mindful and they try to get their hands

around the project to make sure it will succeed. Jim Elder explained the process for awarding funding to projects and how these projects progress through the various subcommittees of LCDC. Woody asked about value and how the workforce housing fits into the overall funding picture. Jim Elder noted that these are two different types of projects in regards to value. Charlie Nipp noted that in order to get workforce housing, it will need to be a partnership between private and public funding where there is some kind of subsidy for these types of projects. Mike Kennedy asked, if the workforce housing were subsidized by LCDC, would the housing have to be constructed within the project. Paul Anderson responded that the project would have to be located within the district that subsidized the housing. Ron Edinger asked if they have turned down many projects and are they in competition with the banking institution. Rod Colwell noted that on the banking side LCDC is not in competition in that they help make the project more bankable for financing the project. He added that LCDC has turned down projects in the past. Charlie added that LCDC is also asking, does the project really need LCDC help, and if so the question then becomes would this project happen even if LCDC weren't here which sometimes is a hard call.

LIBRARY FUNDING: Troy Tymesen reported that the opening of the bids for the construction of the Library as completed last Thursday. He reported that the lowest bid was just \$16,000 less than the second lowest bidder. He distributed a spread sheet showing the deficit in funding to complete the construction of the building. This deficit does not include the land, furniture, fixtures or equipment. He noted that from the estimate made to construct the building and today's cost for construction, the cost has increased 14%. The bottom line funding gap is \$847,779.00. He noted that the total funding does not include furniture, fixtures and equipment (FF&E's); however, the projected cost for FF&E's is about \$200,000 higher than what the City would probably pay. He added that the Foundation has implied that as they move they would commit an additional \$300,000 towards the \$847,779 gap. Mr. Tymesen requested \$250,000 from LCDC and the remaining deficit would be made up from the City's budget. He noted that this is a one-time funding request. John Hippler pointed out the bids are good and believes that they are not going to get any better. He noted that the Foundation does believe that the \$300,000 is doable and they are willing to take responsibility for this amount. Charlie Nipp believes that this is a significant building for the community and with that he would be in favor of LCDC supporting this project and is in support of doing \$50,000 a year over the next 5 years. Dixie Reid asked where is the City going to get the rest of the money. Troy Tymesen responded that he would have to find the remaining amount in the City's budget. Dixie Reid voiced her concern of where this money would come from. She asked what program/project would not be able to be funded, if the City committed to pay the \$300,000. Mr. Tymesen noted that the asset we are looking at is a long term asset. He believes that this one-time money is easier to budget than funding additional employee positions. He noted that there is a fund balance which could be used to help pay for this one-time funding. Additionally, we could look at parking funds and stormwater funding. Dixie Reid then noted that the Council has discussed about whether or not the tax payers would have to fill the gap between the funding amount the Board is trying to pay and the pledges that will need to be collected. Mr. Tymesen responded that not all the money that comes into the City comes from tax payers. Councilman Reid

further asked that if we are funding that gap, what is the City not going to have funding for in order to plug the gap between the time of construction and when the pledges come in, in other words does that mean we don't hire people, we don't fix the streets. Troy Tymesen noted that the pledges will be designed to pay back the interim borrowing and we would set up that funding mechanism. Dixie Reid then asked what happens if the pledges don't come through, would the City would need to make that funding difference. Deanna Goodlander noted that this is a building that would be owned by the tax payers. Dixie Reid responded that she understands that but, as a public officials, the Council needs to understand the funding issues and she also noted that when we went to the taxpayers for the bonding of the \$3,000,000 we promised would not go back to them for any further funding. Ron Edinger noted that there is a shortfall of \$847,000, and that this shortfall does not include the minimum of \$200,000 for FF&E's, so we are really looking at a City shortfall of \$500,000 to \$550,000. He believes that we would be betraying the taxpayers of this community since it was said, yes we will go for a \$3,000,000 bond, but that was it and we would not use other monies out of the general fund or out of other departments to do the library. He noted that the foundation promised to raise the money for the library, John Hippler responded that he believes that they have fulfilled their obligation of fund raising. Ron Edinger reiterated that he honestly feels that in a clear conscience that we would be doing a disservice to the tax payers to take money out of other departments and that the foundation said they would raise the money for the library and that hasn't happened and instead of being \$300,000 short we are looking at \$500,000 to \$550,000 shortfall. He appreciates all that the people have done to raise the money and they have worked hard to do that, but he cannot support taking money from other departments to do this project. Sandi Bloem noted that Mr. Tymesen has made an offer to come back to the council on how this can be done without affecting the outcome of the strategic planning session, and as a council, we need to allow him to move forward. She believes that 67% of the citizens said that they want a new library and if we need to move into a new library without new FF&E's, so be it. She noted that today we have a \$60,000,000 asset in the Kroc Center that will be placed on property we thought we couldn't afford at the Ramsey property site.

Motion by Mike Kennedy seconded by Dixie Reid to direct Troy to come back with a funding plan for the construction of this library.

DISCUSSION: Mike Kennedy believes that the Library foundation is willing to continue the fund raising process. He noted that when he talked to the voters during the bond election, voters asked when this was going to get done. So from his perspective, he believes it is important to be clear about our concerns and about the pitfalls, but we need to move forward with the construction of this library. Deanna Goodlander noted that when Cheery Hill came up for sale, the City said they didn't have the money but they found it and look at the asset today. She believes that this a beautiful building and it needs to be constructed and to provide our citizens with a building they desperately need. Dixie Reid commented that she hoped that no one misconstrued what she had said, and she wants the library to go forward, but it's a decision that cannot be made today and she also believes LCDC needs to look at their budget to see if they can commit to the

funding. She added that she is confident that we will funding for this project we just need a good understanding of how Mr. Tymesen will find the funding.

Motion carried.

Motion by Jim Elder, seconded by Brad Jordan to have LCDC proceed with the funding of the Library at \$50,000 per year over the next 5 years. DISCUSSION: Charlie Nipp believes that to not move forward at this time, the citizens would wonder why and he would encourage the council to proceed with this project. Dixie asked where is LCDC going to pull \$50,000 from our budget. Tony Berns responded that they have a \$70,000 fund. Motion carried.

MIDTOWN DEVELOPMENT; Tony Berns reported that LCDC is still working on the development of Midtown with LCDC purchasing another piece of property. This will be combined with the other assets in order to create value in Midtown.

GARDEN AVENUE: Mr. Burns reported that LCDC has put this on hold until LCDC can see all the other funding requests.

RECESS: Motion by Dixie Reid, seconded by Mike Kennedy to recess to 5 p.m. in Plummer, Idaho. Motion carried.

The meeting recess to 1:20 p.m.

Sandi Bloem, Mayor

ATTEST:

Susan K. Weathers, CMC
City Clerk