

**SANDPOINT URBAN RENEWAL AGENCY**  
**Minutes of Board of Commissioners Meeting**  
**August 6, 2019, 7:30 a.m.**  
**City Hall Council Chambers**  
**1123 Lake St., Sandpoint, Idaho**

**COMMISSIONERS PRESENT:** Eric Paull, Kendon Perry, Marilyn Sabella, Jacob Humble, Tom Bokowy, and Will Crook

**COMMISSIONERS ABSENT:**

**CITY STAFF AND OTHERS PRESENT:** City Administrator Jennifer Stapleton, Infrastructure and Development Services Manager Amanda Wilson, Arts Commission Chair Elle Susnis, and City Clerk Melissa Ward (taking minutes)

The meeting was called to order by Chairman Paull at 7:30 a.m.

**I. Introduction of new Commissioner, Will Crook – 3yr term**

Mr. Crook relayed that he has lived in Sandpoint about four years, was the controller at Quest Aircraft, has an airplane at the Sandpoint Airport, and lives in the Northern District.

**II. Approval of Meeting Minutes**

The minutes from the July 2, 2019, regular meeting were approved as submitted.

Motion: Commissioner Perry  
Second: Commissioner Bokowy  
Unanimously approved by Board

**III. Financial Report**

Downtown general account \$464,122.42; Revenue Allocation Fund a/c \$128,020.53; Northern \$2,021,444.77. Downtown loan balance \$479,538.41 (Series 2011), and \$1,445,601.76 (Series 2018). Next payments due 9-15-19.

FY18/19 increment received compared to 18/19 budget. Downtown \$382,290.50 (\$615,825), Northern \$410,726.17 (\$600,780).

Increment received in July: **\$-0-** Northern: **\$-0-** Downtown.

**IV. Old Business**

**1 and 2. Downtown Streets Construction and Engineering**

Infrastructure and Development Services Manager Amanda Wilson reported that the Downtown Revitalization Project Phase II construction contract was awarded to Sonray Enterprises at just under \$2.2 million. The bid/contract amount is under budget and includes an acceleration bonus of \$200,000, which will be paid to the contractor if construction is complete by Thanksgiving. The contractual date of completion is June 5, 2020. The contract includes the additive alternate for colored concrete crosswalks at just over \$30,000, which is substantially less than previously estimated. The bid does not include contingency funds; the City will provide for an industry-

standard contingency. There are funds for additional stormwater pre-treatment, which will most likely come in the form of the tree-in-a-box solution, at a cost of \$60,000-\$70,000. City staff is currently developing two consulting contracts to take to Council at the second meeting in August. One will be for engineering services through Century West for reviewing submittals, etc. They will not perform project management; the City maintains ownership of management of the project, but Century West is the engineer of record. Century West is not available to serve as construction inspector on this project, but two local firms are interested in the job. That contractor will supplement in-house staff, as it is anticipated that the construction contractor will be working six 12-hour shifts, with an even split between City inspections and consultant inspections. Construction observation is not part of engineering; it is considered part of the construction aspect of the project. Once final numbers are developed, the budget for the entire project will be updated. Construction will begin at Cedar and Second on September 3.

### **3. Art**

Chairman Paull explained that 2.5% of tax increment received is budgeted for art in both districts.

**a) Silver Box Project** – Ms. Susnis reported that the deadline for artist submissions was June 28. The Arts Commission met and reviewed the submittals on July 9, choosing three. Since that time, one of the pieces, Phoenix Rising, which was to be installed at Oak and Fourth, sold at Art on the Green. No final decision has been made as of yet on a replacement piece. Ms. Susnis stated that this art-on-loan program will be valuable in Sandpoint once it's in place. There are many other communities with this popular program, including Coeur d'Alene. Ms. Wilson replied to Commissioner Humble that the artists are responsible for insuring their pieces.

**b) Schweitzer Roundabout Public Art** – Ms. Susnis reported that, during the Arts Commission June meeting, the landscaping and lighting plan from Sitaline was approved. A proposed revision to the lighting design was presented during the July Arts Commission meeting; after much discussion, the decision was made not to pursue this revision.

Ms. Wilson stated that the City is working with the landscape architect to finalize the cost estimates in order to ensure the project will fit within the budget. Planting will take place in the fall.

Ms. Wilson stated that she has asked about options for changing the directional signage at the roundabout, which some believe distracts from the art in the center, but has not received any affirmative responses. She stated that she will continue to inquire. Commissioner Bokowy observed that the directional signage at the other Boyer roundabout at Larch has been installed lower and somewhat off-center.

**4. Northern Urban Renewal District Update** – None.

### **V. New Business**

1. Review and approve proposed FY2020 Budget for publication

Chairman Paull, Commissioner Perry and Commissioner Bokowy formed a committee and met in July to draft the budget. The projected increment revenue is flat, based on the current year. The interest income is based on how balances are allocated, so that is also the same. Operating expenses have decreased due to a reduction in legal fees.

Chairman Paull reported:

Downtown District: The amount of \$400,000 shown for Downtown Streets Phase 2 is the cash flow that would support a payment; that is how SURA bases their reimbursements back to the City for the Downtown Street Revitalization Project. Forecasted is a payment of \$400,000, in addition to a Downtown Engineering payment of \$150,000. The art budget anticipates all available funds spent. Debt payments are first and foremost. The debt is committed, but it is not necessarily paid October 1, so it is essential that funds remain for future payment. Downtown funds are committed for the Downtown Revitalization Project through the life of the District. In Plan Year 22, 2026-27, there may be funds available for other projects. SURA needs a spreadsheet from the City showing what was Phase I, what was paid, what was left over, etc.

The “tax increment by year” chart reflects how SURA has received funds, year over year, showing increases, decreases, etc. An increase in property values does not equate to more money for SURA, because the mil rates change. The budgets to the cities and counties increase just so much.

Northern District: Public art expenditures are budgeted in anticipation of every penny being spent. Reimbursement to Schweitzer Ranch, Milltown, and Milltown Public Improvements. These are carryover from the Milltown project when it was first on the books. SURA did pay out close to \$1 million for stormwater and street work in that footprint. There is a developer agreement that, for public improvements, SURA would pay back \$375,000 and another \$500,000 to the entity that built it, but the developer has to request these funds and provide verification that taxes were paid and the amount. SURA has never received such a request, so it is foregone every year, and, as each plan year ends, they have missed the opportunity for that year, and it drops off. SURA is obligated to continue including in the budget each year.

There was discussion regarding the amount, whether \$50,000 or \$100,000, that is budgeted for Great Northern Road. Ms. Wilson stated that this is a multi-year project through the SURA maturity date. The initial phase will be a preliminary engineering design to further assess the actual costs and phasing for the entire project; at this point, it’s an estimate. She anticipates a cost of \$100,000, but that amount could be phased over two years, with \$50,000 this year and \$50,000 next.

Ms. Wilson replied to Commissioner Perry that the City does not have the staff that this level of surveying, technical analysis, and specialty professional services will require. City Administrator Jennifer Stapleton stated that the City is still using consultants for survey, design, and geotechnical type services, then using in-house staff for construction management, which is providing significant savings. Ms. Wilson added that there is also a significant amount of effort to actively manage consultants in-house. The City has some information on most of the basin, but drainage issues are complex; the City will need to hire professionals for this analysis. The budget labels as stormwater, but this is just one element of a much broader contemplation in the associated urban renewal plan. \$50,000 would allow the City to begin these efforts, but they would roll into FY2021, as the schedule reflects.

Ms. Wilson replied to Commissioner Bokowy that this will not be a study, but a preliminary design and a conceptual effort for planning a drainage solution. It might include additional right of way (ROW) acquisitions and would identify all of the actions that need to be taken so that, when FY2030 comes about, that entire infrastructure project could be complete. It’s the front-end effort that lays out the plan for the next 30 years.

Ms. Wilson replied to Commissioner Bokowy that there are many different types of wetlands, and it remains to be seen whether the term “wetlands” is an appropriate description of this area. There needs to be an assessment to determine whether these are true wetlands and, if so, determine how to mitigate. The types of soils, how much water is present throughout year, and what type of

plants are growing are all aspects that need to be analyzed. The drainage needs to be changed in order to reduce flooding over the road and also on properties owned by the railroad, businesses, and homeowners. This will not be an easy problem to solve in such a flat area. It is anticipated that the \$100,000 will fund the initial survey, geo-technical exploration, soil samples, and environmental assessment.

When this project was initially contemplated in 2005 and the Urban Renewal Plan was developed, there was a significant amount of ROW acquired at a cost of nearly \$2.5 million. Roadway includes not only the road, but the ditches and the piping, catch basins, etc. She envisions an eventual action list, a big picture vision that sets the basis for the actual engineering, calculations, and plans that can be put out to bid. This initial effort will not provide all of that; it is more the front end of the investigation.

Ms. Wilson replied to Commissioner Perry that the \$7.8 million mentioned in 2005 is somewhat irrelevant as pertains to today's needs. There were assumptions made about the width of roadway, certain pedestrian access, etc. All of those aspects need further vetting. Ms. Wilson replied to Commissioner Bokowy's question as to whether there would be return on investment (ROI) that would sufficiently justify the work done that the City will need to determine just exactly how much will be invested in this road. SURA funds won't be able to cover all of the costs associated with the overall vision for Great Northern Road. Phase 3 will be design and construction and will continue beyond the maturity date of SURA. Ms. Wilson replied to Commissioner Perry that the City has had preliminary conversations with the railroad. Her sense is that BNSF will be willing to contribute in some fashion, but we will wait until we know more about the problem and how we propose to fix it and have real data before having a more concrete conversation with them. Their engineers have met this year with City staff; they've had significant issues on their tracks. It's difficult to see what direction the drainage is intended to flow. The railroad has installed piping to try to help relieve some of the drainage problem, but it's caused unintended consequences. Ms. Wilson replied to Chairman Paull that the City will ask BNSF if they would be willing to share their flow data. There will be many partnerships and access agreements going forward and the need to coordinate diagnostics with BNSF.

Chairman Paull stated that the City needs to decide and focus on which project it wants to accomplish, as the SURA budget can afford only so much. Ms. Stapleton replied that this is understood. Initially, when the northern URA was created, the City's #1 project for the northern district was and is Great Northern Road. Preliminary engineering is needed in order to determine the scope. Once armed with that information, the City's focus may shift. Road improvements and other costs may end up being too substantial. Drainage issues are impacting development. Developers want proximity to the Airport. This initial exploratory work will provide the scope for what is needed in regard to drainage issues, which is the #1 priority in this area.

Ms. Wilson replied to Chairman Paull that ROI is unknown until the engineering is done. The request for \$100,000 can be divided between two fiscal years. Ms. Stapleton relayed that \$50,000 was the preliminary estimate at the time the preliminary budget was developed, so that is the number that was provided in the budget. The citywide budget includes allocation of miscellaneous grant dollars and associated projects, anticipating capital project grant dollars. Because SURA is an outside entity, SURA funds are treated like grant funds in the budget. There is room in the overall budget adopted by Council for miscellaneous grant dollars, miscellaneous capital projects and engineering to include an additional \$50,000 for the project. Project scoping would take place first, then it would go out to bid, and, depending where the costs come in, it may take the project out over two fiscal years.

In response to Commissioner Crook's request for a quick history regarding this project, Chairman Paull replied that there have been other projects that have jumped in ahead of this one, such as Super 1 Foods and Milltown. When an urban renewal plan is developed, it must demonstrate how it will help vertical development and tax increment in the area. Nothing has been done on the Great Northern Road project yet. That road used to be much worse than it is now, with four-wheel drive needed to travel over it during the winter. After 2005, the City raised the road and did an overlay, and it was greatly improved. It's the arterial end to the industrial area. This project has been tabled to date, mostly due to cost. Ms. Wilson added that there were initial contemplations, as included in the Area Transportation Plan, that Great Northern would be extended to Highway 95 and that it would become the overall north-south corridor. This was prior to construction of the Byway. The vision has evolved over the years. In her opinion, Baldy and Great Northern might be the worst intersection in town. This project contemplates improvements in not only the roadway section but also those key intersections, including at Woodland, where there is a railroad crossing immediately to the west. The City has received a number of applications for development just north of Woodland that are going to result in fairly significant traffic impacts on Great Northern. Ms. Stapleton reported four multi-family projects proposed in that area that would result in excess of 250 new units, possibly over the next 18 months. Commissioner Crook observed that Great Northern is not a safe road for pedestrians.

Chairman Paull explained that, if SURA is to add these funds to the budget, first it needs to be added to cash flow for the Northern District, then it will be added to the budget.

Ms. Wilson replied to Commissioner Bokowy that it makes sense to determine ROI before moving on to actual engineering and construction. Ms. Stapleton added that the Great Northern project has been delayed because of lack of actual data. What actually needs to be done has been an unknown.

Ms. Stapleton replied to Chairman Paull that, as pertains to ROI, the 250+ new units are not dependent on the stormwater plan. Commissioner Perry remarked that there is an incalculable ROI when it comes to safety. Chairman Paull suggested, at a minimum, a pedestrian path. Ms. Wilson reported that the ROW is a challenge; there is currently little space.

Commissioner Bokowy does not believe there is necessarily any advantage to spreading out the needed \$100,000 over two years, when SURA can work it in this year.

Commissioner Crook commented that, if the project yields data we don't currently have, the ground shouldn't change that much if there is another iteration. No matter which direction the City decides to go with the project, the net return is having the hard data we don't have today.

There was a motion to add \$100,000 to the FY2020 budget for the Great Northern Road project.

Motion: Commissioner Perry  
Second: Commissioner Sabella  
Unanimously approved by Board

Ms. Stapleton stated that the City's second anticipated budget request is for \$20,000 for an arts and historic master plan. City staff has been working with the Sandpoint Arts Commission (AC) and Historic Preservation Commission (HPC) to develop a long-term master plan in order to determine which projects should be undertaken, when and where, with the goal to align with an overall plan. This will take into consideration not only visual arts but the broader context of arts and culture in the community. For the past six to nine months, staff has been researching different approaches taken by other communities. There have been some challenges and discussion

across City commissions as to the investment only in art and the need to consider the historic aspect and historic preservation. There was a meeting convened with the AC and representatives from the HPC about an overall, combined plan. We are looking to Boise as an example, which is one of only a few cities across the country that has taken this approach, with a determination that, for the vibrancy of the community, historic aspects and preservation are equally as important. There is enthusiasm within both groups for an overall master plan. HPC has received a grant of \$8,000 from the State Historic Preservation Office (SHPO), supporting a historical plan. Boise brought together dollars for an overall master plan. There is a restriction with SURA dollars related to just art. We have these SHPO grant dollars, and Sandpoint is a finalist to put together funding for a broader plan. As pertains to a split of the requested \$20,000, there is really no good way to split these requests, but she suggests, after a conversation with Chairman Paull, perhaps allocating 75% to downtown and 25% to the northern district, as the City's arts and cultural center has been downtown. But we have land in northern area, so there are impacts, with potential public buildings and public art and decisions to be made whether there should there be an arts component and historical preservation in the northern district. This would provide a guide and an implementation policy going forward. The dollars can be allocated as we go.

Chairman Paull reported that, historically, SURA art monies have been allocated to specific art projects, and, with this \$20,000 request, the City will be seeking approval for a non-specific project.

Ms. Stapleton replied to Commissioner Bokowy that the benefit of spending \$20,000 on a plan, as opposed to investing that same \$20,000 in actual art is the ability to make decisions going forward as to the type of art that will be funded. There is visual art, but there are other forms of art, as well. The AC has done a great job taking advantage of opportunities and looking at what other communities have done. A plan lays out a broader vision.

Commissioner Bokowy wondered about the harm of a possible \$20,000 mistake in choosing an art piece or art project, when this would be 10% of the entire SURA art budget over the next two years. Ms. Stapleton responded that the other benefit a plan would provide is the ability to leverage outside dollars, which frequently requires a tie to a broader master plan that has significant community involvement and is a criterion of those who fund arts and culture. Historically, this has not been the approach, which has been project-driven instead of vision and data-driven with a community involvement process. She replied to Commissioners Perry and Bokowy that she believes the City has, in the past, missed out on grants through the Innovia Foundation, which offers grants up to \$25,000 per year. This plan will be much like the Parks and Recreation Master Plan. It goes beyond just civic and government involvement, to benefitting private non-profit arts and culture entities, such as the Panida Theater, which has been pursuing grant funds for at least three years for marquee rehabilitation. A master plan would strengthen their application. The impact is beyond just what the City is doing.

The mural that has been proposed for the east wall of the Theater building is another example. Commissioner Sabella voiced her concern about the proposition of painting a mural on the Theater, stating that it changes the historic significance of the building, resulting in difficulty obtaining historic grants from, for instance, Idaho Heritage Trust. Ms. Stapleton remarked that this is a good example of a project that has been introduced as art, without looking at it from a historical perspective and not considering it holistically, considering both the art and historic aspects. If that project was to move ahead and there was a possibility that it fit into an overall plan, they would have the ability to leverage outside dollars, as opposed to going through the Sandpoint Arts Commission. Currently, there is no prioritization, just chasing opportunities. A plan would provide an overall citywide vision that contemplates beyond just visual art, taking other forms of art into

consideration, such as The Festival at Sandpoint, theater productions and other cultural activities and balances in that historic preservation aspect.

A project in the works currently that we've been able to accomplish outside of urban renewal is utility box art wrapping throughout the downtown core and the historic photo wraps on the fencing at location of the fire at First and Bridge and the building on First next to Cedar Street Bridge, funded in part by BNSF. Outside the Belwood's building, for example, is a large, unsightly utility box, as a result of the Downtown Revitalization Phase I construction, and it detracts from the beauty of the renovation of that historic building. There is an opportunity for funding from STCU for the utility box art wrapping project, but, as the two commissions came together, there was discussion that art wraps are beautiful and could enhance our parks and other areas and bring visual interest, but, in the historic district, the wraps should really add character and flair to that district, not abstract art outside historic buildings. A plan contemplates those types of considerations. With the dollars set aside, it's of great benefit to the AC, but there is no overall vision tied to what the community wants to see in terms of how these dollars are spent over the next many years.

Ms. Stapleton replied to Chairman Paull that the total cost of the plan is approximately \$40,000. Half, \$20,000 is being sought from SURA, \$8,000 will come from SHPO, and there are also some pending grant applications where we think we can leverage the difference. She responded to Commissioner Crook that the Plan would not be a living document with year over year requests for funding. It would be a matter of updating and implementation, and there has never been a robust study that centers on the community conversation as to the vision and priorities around arts and culture. This supports that community-driven effort in conjunction with the two commissions and the City's participation. Because of the City's rules as to who can participate, some of our arts, culture, and historic organizations are unable to participate. A broader, citizen effort with appropriate representation from committees, but an overall community discussion really relates to what we're doing around parks and recreation and because parks and recreation and culture go hand in hand, as we are master planning around designs for parks, we'll most likely see opportunities come out of this plan, as well, and the priorities for our municipal spaces.

Commissioner Sabella agreed that it's critical to consider and incorporate all forms of art. She envisions, for instance, Basque dancers from Boise, giving lessons and holding an event in the park, bringing vitality and knowledge of other cultures from other parts of the State.

Commissioner Bokowy wondered whether it would be possible for the City to go ahead and hire these services and simply use the arts line item in the budget to invoice SURA for reimbursement. Chairman Paull explained that the intent of that line item in the budget is for hardscape projects to help support art.

Ms. Susnis stated that a master plan would be a wonderful opportunity to bring the arts community together – performing arts, visual arts, public art – with a plan. It can be a challenge to bring projects forward sometimes, not having public input. The way that the Commission is set up does not really offer that opportunity. Having a master plan that unites the various groups would be valuable.

Ms. Sabella stated that she supports a master planning effort, and she believes it would assist with matching funds from, for instance, Idaho Heritage Trust. She wants to ensure that the effort is not aimed at just one genre. Ms. Susnis commented that, in the future, a plan could help ensure that projects do not become myopic and all aspects will be considered. As someone who helps plan projects on the AC, she would value that input.

Mr. Paull stated that there would most likely be a request, at some point, from the City for these funds next fiscal year, with a portion from the Downtown District and a portion from the Northern District. The funds are available because they are restricted.

The decision was made to hold the budget public hearing on Tuesday, August 20, 2019, at 7:30 a.m. The proposed budget and notice of public hearing will be published in the Bonner County Daily Bee twice, on August 9 and 16.

Ms. Susnis thanked the SURA Board for realizing the value of public art in our community. Commissioner Bokowy commented that he sees people every day from his office downtown enjoying the City's art and appreciating the new historical fence wraps. Ms. Wilson commented that successful, highly-rated cities have master plans, and they are the keys to those successes.

**V. Adjourn:** The meeting adjourned at 8:43 a.m.