

SANDPOINT URBAN RENEWAL AGENCY
Minutes of Board of Commissioners Meeting
November 5, 2019, 7:30 a.m.
City Council Chambers at City Hall, 1123 Lake St., Sandpoint, Idaho

COMMISSIONERS PRESENT: Eric Paull, Kendon Perry, Jacob Humble and Tom Bokowy

COMMISSIONERS ABSENT: Marilyn Sabella and Will Crook

CITY STAFF AND OTHERS PRESENT: Infrastructure and Development Services Manager Amanda Wilson and City Clerk Melissa Ward (taking minutes)

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

I. Approval of Meeting Minutes

The minutes from the October 1, 2019, regular meeting were approved as submitted.

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

II. Financial Report

Downtown general account \$436,825.57; Revenue Allocation Fund a/c \$137,194.83; Northern \$2,162,796.69. Downtown loan balance \$363,011.93 (Series 2011), and \$1,387,958.09 (Series 2018). Next payments due 3-15-20.

FY18/19 increment received compared to 18/19 budget. Downtown \$568,833.09 (\$615,825), Northern \$549,044.49 (\$600,780).

Increment received October 1, 2019: \$2,764.09 Downtown and \$851.82 Northern.

Chairman Paull reported that he reached out to Bonner County Treasurer Cheryl Piehl and discovered that, in 2017, Columbia Bank appealed the tax assessment on their building at 414 Church Street, resulting in a decrease in value and a negative impact to the tax increment. Chairman Paull confirmed for Commissioner Perry that this appeal was due to building vacancy, as well as overall value. He explained further that the entire first floor along Fifth Avenue has never been occupied. It depends on how it's qualified. At the Seasons at Sandpoint development, for instance, if a unit is in the rental pool, it's taxed. If the unit is for show inventory for future sale, it's not taxed, unless it's determined to be livable. He believes the same was true for the Kochava building; once they began occupying the first floor, the tax changed. Chairman Paull replied to Commissioner Perry that the lower increments should not pose a problem for the budget. The Downtown budget going forward will encompass reimbursements to the City for the downtown streets construction costs. Debt payment obligations will need to be met, then money will be allocated. SURA will reimburse the City after March 2020, perhaps in April. The balance of available funds will be known after the March payment. The Northern budget will be subject to the costs for the Great Northern Road project.

Approval for payment of invoices not project-specific:

\$1,050.00 for Redevelopment Association of Idaho, Inc., annual membership dues and \$40.00 due to Elam & Burke for time spent by the SURA attorney to review and follow up on information

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from the Idaho State Tax Commission regarding compliance with Idaho Code § 50-2913, Urban Renewal Agency Plans Reporting.

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

Chairman Paull announced that the SURA audit is scheduled for December 2019.

III. Old Business

1. Downtown Streets

Ms. Wilson reported that Milestone 1 was achieved on October 30, with the downtown streets open for vehicle traffic. There was a temporary closure for a short duration the following day to continue the asphalt paving at Second and Cedar. For the next month, until the Milestone 2 deadline on November 26, the focus will be on the area between the existing concrete sidewalk and the new curb, installing conduit and bases for the illumination. The conduit will be used for future fiber but also for electrical infrastructure. By November 26, that area between the sidewalk and the curb will be completely backfilled, resulting in a level surface, with the intention to avoid any kind of tripping hazard where motorists parallel park. She confirmed for Commissioner Perry that the surface will be gravel for the time being. All of the temporary chain link fence and signage will be removed. It will be a full winter shutdown, with the contractor completely demobilized. Once demobilized, there are no other contractual requirements after November 26 until construction begins again in the spring.

There was an optional incentive and acceleration bonus for full completion of the project by November 26, which the contractor will not be able to meet. That incentive was optional, so all contractual obligations have been and are being met at this point, and a change order is underway to remove that provision of the contract. Ms. Wilson replied to Commissioner Perry that the underground work is complete, but, in the spring, another layer of asphalt will need to be laid. The striping currently in place is temporary and is not the final configuration. In the spring, there will be about 6½ weeks for construction of all concrete sidewalks and pavers, all permanent signage will need to be installed, that additional layer of asphalt will go down, and final striping will need to be done. A significant amount of work will need to be accomplished in a short period of time. City staff is meeting with the contractor and actively helping to manage the project, seeking a high level of confidence that construction beginning by April 1 will result in completion by the annual Lost in the 50s event downtown.

If weather allows, and the contractor is able to start earlier than April 1, Ms. Wilson explained to Chairman Paull that the City would have to authorize a spring start date earlier than April 1. Contractually, nothing is committed prior to April 1, but the City is willing to allow construction as early as March 1 if that's possible. The City took a reasonable approach and did not want to commit too early in the event of inclement weather. She replied to Chairman Paull that, once construction begins, it will continue; it will not be opened early then shut down and opened again, particularly to ensure as little impact as possible on the downtown businesses. She responded to Commissioner Perry that there is a penalty assessed for each day past the contractual completion

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deadline of May 14; she believes that amount is \$1,500 per day. Performance bonds are rarely pulled. It's a last resort, used when the contractor is unable to continue the work.

Ms. Wilson explained to Chairman Paull that the depth of the trench that currently exists between the existing concrete sidewalk and the new curb is due in part to the significant amount of controlled density fill (CDF) that had to be removed. With obstacles that were encountered, the fact that the contractor was able to meet Milestone 1 on time is commendable. CDF is similar to a really hard concrete, and it all had to be removed before the contractor could install a storm line. She explained to Chairman Paull that it is her understanding that, over the years, when, for instance, a new utility service line was installed, concrete was used as backfill. There was an understanding that this was a State requirement to ensure that those trenches were not settling over time. Until recently, First Avenue and Cedar Street was a State highway.

2. Downtown Street Engineering

Ms. Wilson reported that invoices will be submitted for the next meeting.

3. Art

Ms. Wilson mentioned that a Call to Artists has been issued for the utility cabinet public art project, where chosen artists' designs will be printed on vinyl and wrapped around utility boxes.

4. Schweitzer Roundabout Public Art

Chairman Paull commented that SURA is awaiting an invoice. Ms. Wilson reported that this project is complete and came in under budget.

5. Northern Urban Renewal District (URD)

Ms. Wilson reported that staff is drafting the scope of work for preliminary engineering and hopes to issue it this week. Chairman Paull reported that he attended a joint meeting with City staff and representatives from the Sandpoint Airport, and the Airport asked about urban renewal. He responded that they should communicate their request to the City, as SURA is focused on the Great Northern Road project, as directed by the City. He has also been asked about the former University of Idaho property on Boyer and has responded that the east side of the sewer line on Boyer is not in the footprint; facilitation would require an amendment to the Northern Urban Renewal Area (URA) plan. Ms. Wilson confirmed that the Great Northern Road Project is the focus of the Northern URA. Ms. Wilson responded to Chairman Paull that this project will be important not only to Quest Aircraft but also to others on GN Rd., such as the Cox family and their development of a large storage unit facility. Staff has already engaged in conversations with the Army Corps of Engineers about the wetlands in the area and the City's plans to manage the drainage issues. Commissioner Bokowy commented on the surprising apparent demand for storage facilities for this area's population density.

IV. New Business

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No new business, but Chairman Paull announced that, in the future, if there are no invoices to approve and no other business for the Board to take up, he will make the decision to not hold a meeting. The Board is not obligated to meet every month.

He also announced that Andrea Marcoccio has been appointed to the SURA Board by Mayor Rognstad. Confirmation of her appointment is on the November 6 City Council agenda.

Commissioner Bokowy announced that his current term on the SURA Board is set to expire at the end of this month, and he has responded to City staff that he is interested in being reappointed. Chairman Paull stated that, in reviewing State statute, it can be either/or, but it has traditionally been the SURA Board that makes appointments. However, that is no longer the case, and the Board has not been engaged in the process. He stated that, according to the Statute, the Board can reappoint after term expiration; the Board can choose and submit to the Mayor. He responded to Commissioner Perry that the Board can make a recommendation to the Mayor for the Mayor to appoint. If the Mayor accepts the recommendation, it goes to Council for approval. Chairman Paull replied to Commissioner Perry that, yes, the Board could probably make such a recommendation at this meeting, but it was pointed out that a motion and vote by the Board to recommend reappointment of Commissioner Bokowy would be an action item, and such an action was not included on this meeting agenda. Chairman Paull stated that there are currently six Board members, but a maximum of nine is allowed. Initially, a maximum of five was allowed, then seven, and now it is nine. Chairman Paull commented that the appointment process changed a couple of mayors ago and has been difficult, with little free-flow of information. Commissioner Bokowy confirmed that City staff contacted him to ask whether he would be interested in being reappointed, he responded that he would be interested, and staff replied that his request had been received. Chairman Paull reported that the Board has heard nothing from the City regarding this reappointment. Chairman Paull stated that he would ask the Mayor about Commissioner Bokowy's reappointment and also about Commissioner Crook's continued absence, as he has attended only one meeting since he was appointed.

V. Adjourn: The meeting adjourned at 7:49 a.m.