



**A CONTINUED MEETING OF
THE CITY COUNCIL
FEBRUARY 27, 2014, 12:00 NOON
LIBRARY COMMUNITY ROOM**

AGENDA

- A. CALL TO ORDER**

- B. WORKSHOP WITH LAKE CITY DEVELOPMENT CORPORATION**
 - 1. LCDC'S 2013 ANNUAL REPORT –**
Presentation by Tony Berns, LCDC Executive Director

 - 2. DISCUSSION -**
 - a. East Sherman Avenue
 - b. Focus and shared goals for the future

- C. ADJOURNMENT**

NOTE: The City will make reasonable accommodations for anyone attending this meeting who require special assistance for hearing, physical or other impairments. Please contact the City Clerk at (208) 769-2231 at least 24 hours in advance of the meeting date and time.



To: Mayor & City Council, Coeur d'Alene, Idaho

**From: Denny Davis, Chair, LCDC Board of Directors
Tony Berns, LCDC Executive Director**

Re: Lake City Development Corporation 2013 Annual Report

In accordance with annual reporting provisions of the Idaho code (Title 50, Chapter 20), we are pleased to present the following report of the Lake City Development Corporation's (LCDC) activities for the period January 1, 2013 through December 31, 2013. Included in this packet is a fiscal year-end 2013 financial statement setting forth LCDC's assets, liabilities, income and operating expenses.

2013 Overview

The following LCDC Vision & Mission statements, along with the listed LCDC strategic foci, drive the LCDC business model and guide the development of the Board's annual tactical goals:

LCDC's Vision is to be a catalyst for positive change in the creation of an exemplary 21st Century city; a city in which economic prosperity, quality housing and employment opportunities are available to all.

Our Mission is to bring together resources to achieve Coeur d'Alene's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant central city, a strong regional economy, sustainable, superior public open spaces, and quality jobs and housing for all.

LCDC Strategic (long-term) Goal Foci

(goals are listed in no specific order of importance)

➤ **Education:**

Facilitate the future utilization of the **Higher Education Campus (HEC)** in partnership with the City, UI, NIC, LCSC, Fort Ground Neighborhood, and other community stakeholders.

- Including possible LCDC partnership efforts focused on the **“Four Corner Area”** (defined as the area of publicly owned property adjoining the Government Way, Northwest Blvd. & Mullan Avenue intersection, north to the Riverstone development).
- **Student/Faculty Housing:** per ZGF Strategic Plan, “LCDC should work closely with both NIC and UI to evaluate the current housing situation and quantify future needs and types” throughout the Lake District.
- **Joint Use Building:** work with NIC, UI and LCSC to bring creation of the Joint Use Building, located on the HEC, to fruition.

➤ **Job Creation & Retention**

- Continue partnership efforts with Jobs Plus, City of CDA and private employers to facilitate job creation and retention.

➤ **Workforce Housing:**

- LCDC will play a key support role in helping the City achieve its vision for workforce housing in the community, by pursuing workforce opportunities in both the Lake and River Districts.
- **Midtown:** continue to encourage mixed-use development supported by Midtown stakeholders.
- **Downtown:** per ZGF Strategic Plan, “LCDC should explore formal and informal partnerships with local housing agencies, such as IHFA, to support the development of new affordable housing units”.

➤ **Public Space: Create New & Enhance Existing Public Space:**

- Partner with **HEC** stakeholders to identify and develop public space opportunities within the HEC area.
 - **Four Corner Area** should be explored for public space opportunities.
- LCDC will partner with stakeholders to encourage **connectivity** of existing and new public space.
- LCDC will continue efforts to secure long-term public access to the lake and river waterfronts (**e.g. Mill River (Johnson) Park**) and continue to leverage public funds to create new public parks (**e.g. Riverstone Park**).
- **Sherman Park** - partner with City and Downtown Association on potential acquisition of this space as a permanent pocket park.
- **Seltice Way Roadway Improvements** – partner with City and other stakeholders to improve the Seltice Way Roadway to facilitate continued River District growth opportunities.

- Continuing Commitments:
 - Continued support of the CDA Public **Library** partnership by servicing the \$900,000 site acquisition debt obligation.
 - Continue dialogue with pertinent stakeholders regarding possible railroad right-of-way property acquisitions.
 - ✓ Evaluate development and connectivity opportunities from the Four Corner Area to Mill River.

- **Public Parking:**
 - LCDC, in partnership with the City and the Downtown Association, will help to rationalize and plan for downtown structured parking facilities, possibly including a downtown mixed-use parking facility, and help in rationalizing overall parking needs for the Central Business District (CBD), HEC and Kootenai County campus areas.

- **Midtown Vitalization:**
 - LCDC will partner with the City, Midtown property owners, Midtown businesses, Midtown residents, and Midtown stakeholders on opportunities to enhance the vitality of the Midtown area.

- **Downtown Vitalization:**
 - LCDC will partner with the City, Downtown property owners, the Downtown Association, Downtown residents and Downtown stakeholders on continued economic support to enhance the vitality of the Downtown; e.g. establishment of viable downtown pocket parks, LID partnership endeavors where appropriate (e.g. CDA Avenue improvements from 1st Street eastward).

Following are the LCDC Board's fiscal year 2013 (FY13) and fiscal year 2014 (FY14) annual tactical goals designed to help achieve the aforementioned longer-term LCDC strategic goals.

“Status” Key: **Green** = goal is on track for achievement;
Yellow = goal is in danger of not being achieved;
Red = goal will not be achieved during the fiscal year;
Blue = timeline for goal was rolled over into the next fiscal year.

FY13 LCDC Board Goals - Both Districts			
Theme	Committee Responsible	District / Success Measures	Status
Public Space	Ad hoc: BJ, DG, AH	1) Lake: McEuen Park: construction of city approved improvements initiated	green
	Acquisition	2) LCDC: acq. and planning re. abandoned RR r-o-ws from Ed. Corr. to Huetter Rd.	green
	Ad hoc: JE, BJ, DP, AH	3) Lake: Four Corners public space opportunities explored	green
Communication	Communication	1) LCDC: community leaders / stakeholders invited regularly to Board meetings	green
		2) LCDC: communication strategy: continued implementation	green
		3) LCDC: 1 (stretch 2) ULI-Idaho programs held in CDA in FY13	green
Education Corridor	Ad hoc: JE, SH, DD, JD	Lake: Student housing opportunities identified thru collaboration with NIC/experts in the field	tabled
Finance	Finance	LCDC: continue frequent review of district economic forecasting models	green
Parking	Parking	1) Lake: land assemblage for future downtown parking facility continued	green
		2) Lake: parking needs rationalized for CBD (McEuen Park temp. parking), County campus, & Ed. Corr. areas	green
Work Force Housing	Housing	1) LCDC: workforce housing project opportunities identified (IHFA & private sector)	green
		2) Lake: Partner with IHFA to identify future Midtown opportunities	green
Jobs	Ad hoc: DP, DD, SH	LCDC: Evaluate local job related statistical data to identify pro-active partnership opportunities	green

FY14 LCDC Board Goals - Both Districts			
Theme	Committee Responsible	District / Success Measures	Status
Public Space	Ad hoc: BJ, DG, AH	1) Lake: McEuen Park: construction of city approved improvements completed	green
	Acquisition	2) LCDC: acq. and planning re. abandoned RR r-o-ws from HEC to Huetter Rd.	green
	Ad hoc: BJ, DP, AH, JD	3) Lake: Four Corners public space opportunities explored	green
Communication	Communication	1) LCDC: community leaders / stakeholders invited regularly to Board meetings	green
		2) LCDC: communication strategy: continued implementation	green
		3) LCDC: 1 (stretch 2) ULI-Idaho programs held in CDA in FY14	green
		4) LCDC: 2030 Visioning Initiative – partner with other stakeholders to get effort complete in 2014	green
HEC	Ad hoc: SH, DD, JD	Lake: Student/faculty housing & Joint Use Bldg. opportunities identified thru collaboration with higher education institutions and experts in the field	green
Finance	Finance	LCDC: continue frequent review of district economic forecasting models	green
Parking	Parking	1) Lake: land assemblage for future downtown parking facility continued	green
		2) Lake: parking needs rationalized for CBD (McEuen Park temp. parking), County campus, & HEC areas	green
Work Force Housing	Housing	1) LCDC: workforce housing project opportunities identified (IHFA & private sector)	green
		2) Lake: Partner with IHFA to identify future Midtown opportunities	green
Jobs	Ad hoc: DP, DD, SH	LCDC: Evaluate local job related statistical data to identify pro-active partnership opportunities	green

The Board's accomplishments in 2013 have produced a strong financial position as reflected in the attached financial statements. Following are updates to key LCDC initiatives:

- **McEuen Park** - LCDC, in partnership with the City and the Coeur d'Alene community, helped with the revitalization effort for McEuen Park. Per plan, the majority of the McEuen Park 2012 effort was completed in the 2012 calendar year. The McEuen Park 2013 effort began in the spring of 2013, with completion scheduled for the spring of 2014. LCDC remains a committed partner in this initiative.
- **Higher Education Campus (HEC) Initiative** – LCDC, in partnership with the City, UI, NIC, LCSC, Fort Grounds Homeowners Association and other community stakeholders, has completed construction of the public infrastructure improvements associated with the HEC initiative. The HEC initiative included new infrastructure (i.e. new roadways, new sewer/water/fiber lines, bike/pedestrian trails) primarily located on the old DeArmond mill site area of the HEC, and two new traffic signals located on Northwest Boulevard; one located at Hubbard Avenue, and one located at River Avenue.
- **Midtown “Place Making”** – In 2009, LCDC in partnership with the City and Midtown stakeholders, completed the 4th Street reconstruction and place making initiative, which laid the foundation for the transformation of a deteriorated section of 4th street (Lakeside Avenue to Harrison Avenue) into a safer, pedestrian friendly, vibrant corridor. During 2013, efforts continued to establish a “Midtown Association” comprised of Midtown stakeholders who want to continue efforts to make Midtown a great place to visit/work/live.
- **Workforce/Affordable Housing**
 - LCDC, working in partnership with the Idaho Housing and Finance Association (IHFA) and The Housing Company (THC), continues to evaluate the viability of creating a mix-use workforce housing initiative in Midtown. The envisioned mix-use project would have retail/office uses at street level, along with several floors of residential workforce / affordable housing rental units.
 - Whitewater Creek, Inc. (WWC) Federal Tax Credit Initiatives:
 - LCDC has entered into a \$326,000 Improvement Reimbursement Agreement (IRA) with the WWC development team pertaining to the development of the “Mill River Seniors” affordable housing initiative along Seltice Way in the LCDC's River District. The Mill River Seniors project is now complete, with rental units fully occupied.
 - LCDC has entered into a \$395,000 IRA with the WWC development team pertaining to the development of the “Riverstone West Apartments” affordable housing initiative

located in the LCDC's River District. The Riverstone West Apartments project is now complete, with rental units fully occupied.

- LCDC has agreed to a conditional funding level of \$280,000 with the WWC development team pertaining to the development of public space improvements associated with the proposed "Riverstone West Apartments III" affordable housing initiative located in the LCDC's River District.

▪ **North Idaho Centennial Trail Foundation (NICTF) Partnership**

Background: In December of 2006, the LCDC loaned funds to the NICTF to acquire a 5.25 mile section of abandoned Union Pacific (UP) railroad right of way, stretching from the Riverstone development, past the Kroc Community Center, ending at Meyer Road ("Prairie Trail"). The Prairie Trail asset was the collateral for the LCDC loan. Via a land trade process, the following transactions were proposed:

- *Bureau of Land Management (BLM) would assume ownership and long-term management responsibility for the Prairie Trail pedestrian/biking corridor.*
- *NICTF would gain ownership of the BLM-controlled Burlington Northern Santa Fe (BNSF) abandoned railroad right of way in downtown Coeur d'Alene along Northwest Boulevard.*
- *LCDC would have the right to acquire the BNSF railroad right of way property from the NICTF.*

In 2012, LCDC was notified by the BLM that the BLM was withdrawing from their commitment to trade railroad property assets with the NICTF, thus making LCDC's 2006 proposed trade agreement with NICTF unattainable. LCDC and the NICTF entered into a loan settlement agreement in December, 2012 which ended LCDC's commitment to the 2006 proposed land acquisition/exchange transaction. Via the loan settlement agreement, the NICTF turned the Prairie Trail property asset over to the LCDC via a quitclaim deed in an 'as is' condition to satisfy its obligations under the existing LCDC loan arrangement. LCDC then simultaneously transferred the Prairie Trail asset in an 'as is' condition to the City of CDA via a quitclaim deed.

- **Urban Land Institute (ULI)** – in 2013, the LCDC hosted an ULI emerging trends in real estate program in Coeur d'Alene, and also provided sponsorship funding to the ULI-Idaho chapter to continue efforts of strengthening ULI's knowledge sharing efforts in Idaho. ULI, known as the community development industry's "University without Walls", brings a wealth of knowledge to many community development issues. A strong ULI-Idaho will help all communities across Idaho wisely embrace the changing economic times.

- **Riverstone West Phase 2 Improvement Reimbursement Agreement (IRA)**
LCDC entered into an \$823,058 IRA with the Riverstone West development team pertaining to the construction of public infrastructure improvements associated with the building of the John Loop and Suzanne roadways located in the Riverstone West section of the LCDC’s River District.
- **“Circuit @ Seltice” Project**
LCDC has agreed to a conditional funding level of \$371,450 with Active West Development pertaining to the construction of a city required public sewer line needed for the developer to build a 39 unit single family housing project on the north side of Seltice Way near the Atlas Road intersection located in the LCDC’s River District. This new sewer line will also provide city sewer service access to 14 other parcels located on the north side of Seltice Way.
- **Riverstone, Riverstone West Phase 1 & Mill River Owner Participation Agreements (OPAs)** – LCDC’s OPAs involving the Riverstone, Riverstone West Phase 1 & Mill River initiatives performed per plan for 2013. All three of these mix use projects have reclaimed brown field sites along the Spokane River creating public space (in the form of new public parks), jobs, and live-work-recreate mix-use development amenities for the community.
- **Coeur d’Alene Downtown Association Partnership** – During 2013, the LCDC continued efforts to strengthen the partnership with the Downtown Association. The LCDC Board provided a \$50,000 grant to the Downtown Association for their “Events” program (e.g. parades, Car d’Lane, Ironman, street fair).
- **Coeur d’Alene Downtown ADA Compliance Sidewalks Partnership** – LCDC has agreed to \$70,000 in partnership funding with the City of CDA and the CDA Downtown Association to address ADA compliance issues associated with sidewalks located on Sherman Avenue and Lakeside Avenues (between 1st and 7th Streets) as well as properties abutting the side streets between Sherman and Lakeside (e.g., 1st, 2nd, 3rd, etc.). LCDC’s funding commitment, to be spread evenly over the next two fiscal years, pertains to an LCDC targeted funding role re. the installation of new ADA compliant pedestrian ramps in the aforementioned downtown sidewalk enhancement initiative area.
- **Communication Consultants** – LCDC’s engagement with two local communication specialists continued in 2013.

Keith Erickson is a contract communication consultant to the LCDC. Mr. Erickson’s independent consulting services for the LCDC include newsletter development, media relations, website content development, and public affairs.

LCDC, in partnership with the CDA Chamber of Commerce, has Teree Taylor as a part time online communication technical specialist. Ms. Taylor, who is

employed by the CDA Chamber of Commerce, provides technical website and graphic design expertise to the LCDC and Chamber.

- **Kootenai Youth Recreation Organization (KYRO) Ice Skating Facility**
LCDC completed its \$230,000 grant funding commitment for the Kootenai Youth Recreation Organization (KYRO) ice skating facility involving construction of the following public improvements associated with the facility:
 - trail head access to the Centennial Trail system,
 - Thirty public parking stalls providing shared parking for access to the trail head and the facility,
 - public right of way infrastructure improvements.

- **North Idaho College (NIC) Event Center**
LCDC has authorized conditional funding approval totaling \$10 million for construction of a new public event center to be owned by NIC and located within the LCDC's River District. NIC leadership intends to make a formal partnership funding request of LCDC in fiscal year 2014.

- **Key Partnerships / Knowledge Sharing / Communication / Outreach**
During 2013, the LCDC Board continued strengthening partnerships with key organizations and community stakeholders including: City of Coeur d'Alene, Kootenai County, Jobs Plus, Downtown Association, CDA Chamber of Commerce, Area & Regional Developers, and Educational Institutions. LCDC continued implementation of its communication strategy by continuing to invite community stakeholders to LCDC Board meetings, increasing the effectiveness of the LCDC website, and continuing outreach efforts to the Coeur d'Alene community through presentations, newsletters, blog "tile" buttons, videos and visits with interested target audiences. The new LCDC video can be viewed on LCDC's website homepage located at www.lcdc.org.

- **LCDC Lake District Strategic Property Portfolio**
LCDC has previously purchased certain real property as identified in Exhibit A to the annual report. LCDC intends to take advantage of these strategically located properties to achieve strategic goals within the LCDC's Lake District. While some of these properties have been owned for more than three years, LCDC is committed to move forward with planned redevelopment initiatives in an expeditious manner subject to market conditions and initiative timing.

Board Membership & Committees

2013 LCDC Board

Leadership

Denny Davis, Chair

Jim Elder, Vice-Chair (Jan - April)

Dave Patzer, Vice-Chair (May - December)

Members

Rod Colwell

Deanna Goodlander

Brad Jordan

Denny Davis

Al Hassell

Dave Patzer

Jim Elder

Scott Hoskins

Justin Druffel

Mic Armon (replaced Jim Elder on the board)

2013 LCDC Standing Committees

Acquisition

Chair: Goodlander

Members: Jordan, Davis, Druffel

Parking

Chair: Elder

Members: Jordan, Hassell, Hoskins

Finance

Chair: Colwell

Members: Elder, Patzer, Davis, Armon

Housing

Chair: Elder

Members: Hoskins, Goodlander, Hassell

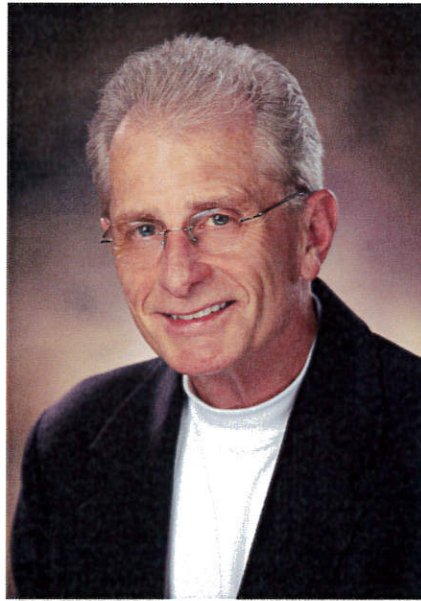
Communications

Chair: Patzer

Members: Davis, Hoskins, Goodlander

LCDC Board Commissioner Transitions

LCDC Commissioner Jim Elder



LCDC and the community lost Jim Elder on April 15, 2013. Mr. Elder was a tremendous LCDC board member and community treasure. Mr. Elder volunteered his time, talents and passion to many worthwhile community causes, most notable being the new CDA Public Library, the new CDA Kroc Community Center, and the new McEuen Park. Mr. Elder will be sorely missed by the community.

LCDC Commissioner Mic Armon



LCDC welcomed Mic Armon to the LCDC Board in 2013. Mr. Armon assumed the commissioner position left vacant by the passing of Mr. Elder. Over the years, Mr. Armon has donated his time and expertise to many community organizations, and brings a wealth of experience and talent to the LCDC Board.

Looking Forward to 2014 and Beyond

As shared earlier in this report, the LCDC Board has established long-term (strategic) goals to guide its annual (tactical) goal setting process. The next tactical goal setting exercise will be held in the spring of 2014 to coincide with development of the fiscal year 2015 budget.

Summary

The LCDC Board of Commissioners believes in continuous improvement, and thus continues to refine the LCDC business model. The LCDC's presence, practices and functionality continues to be recognized by community leaders as both a key economic development catalyst for the Coeur d'Alene area, as well as an organization that creates great overall public value for the citizens in the community.

Exhibit A

LCDC Lake District Strategic Property Portfolio

720 Young Avenue
Young Avenue Lots
Library (Jameson) Property
728 Sherman Avenue
630 N. Park Drive
620 N. Park Drive
311 Lakeside Avenue
821 N. 4th Street
622 N. Park Drive
308 CDA Avenue
618 N. Park Drive
612 N. Park Drive
626 N. Park Drive
515 W. Garden Avenue
632 N. Park Drive
516 N. Park Drive
211 N. 4th Street
518 N. Park Drive
712 E. Young Avenue
813-817 N. 4th Street
301 E. Lakeside Avenue
839 3rd / 845 4th Lots
823 N. 4th Street

FINANCIAL STATEMENTS

Audited

Fiscal Year 2013 Year End Balance Sheet

&

Fiscal Year 2013 Year End Income Sheet

Lake City Development Corporation

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2013

	<u>Lake District</u>	<u>River District</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,078,152	\$ 2,834,377	\$ 3,912,529
Property taxes receivable	357,016	115,567	472,583
Tenant deposits receivable	12,135	-	12,135
Restricted cash - bond reserve	1,672,214	-	1,672,214
Total assets	<u>\$ 3,119,517</u>	<u>\$ 2,949,944</u>	<u>\$ 6,069,461</u>
LIABILITIES			
Accounts payable	\$ 1,116,798	\$ 2,880	\$ 1,119,678
Accrued payroll and taxes	3,769	-	3,769
Due to other governments	449	848	1,297
Tenant deposits	15,210	-	15,210
Total liabilities	<u>1,136,226</u>	<u>3,728</u>	<u>1,139,954</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	340,965	111,981	452,946
Total deferred inflows of resources	<u>340,965</u>	<u>111,981</u>	<u>452,946</u>
FUND BALANCE			
Restricted	1,642,326	2,834,235	4,476,561
Total fund balance	<u>1,642,326</u>	<u>2,834,235</u>	<u>4,476,561</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,119,517</u>	<u>\$ 2,949,944</u>	<u>\$ 6,069,461</u>

Lake City Development Corporation

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2013**

	<u>Lake District</u>	<u>River District</u>	<u>Total Governmental Funds</u>
REVENUES			
Tax increment revenue	\$ 3,969,767	\$ 1,671,890	\$ 5,641,657
Rental income	166,764	-	166,764
Penalties and interest	52,460	19,393	71,853
Interest earnings	3,298	3,047	6,345
Total revenues	<u>4,192,289</u>	<u>1,694,330</u>	<u>5,886,619</u>
EXPENDITURES			
Current:			
Arts	80,529	34,000	114,529
Communications	5,397	5,397	10,794
Dues and subscriptions	4,478	4,478	8,956
Insurance	4,209	4,209	8,418
Miscellaneous	232	232	464
Office overhead	2,153	2,152	4,305
Partnership grants	50,000	-	50,000
Professional services	70,413	45,138	115,551
Project reimbursements	313,936	283,446	597,382
Property management	62,535	-	62,535
Public improvements	9,938,407	-	9,938,407
Travel and meetings	2,563	2,563	5,126
Utilities and telephone	689	689	1,378
Wages, benefits and payroll taxes	79,162	79,162	158,324
Debt service:			
Interest	121,002	28,421	149,423
Principal payments	2,687,206	704,966	3,392,172
Total expenditures	<u>13,422,911</u>	<u>1,194,853</u>	<u>14,617,764</u>
OTHER FINANCING SOURCES			
Proceeds from financing	8,494,176	-	8,494,176
Total other financing sources	<u>8,494,176</u>	<u>-</u>	<u>8,494,176</u>
NET CHANGE IN FUND BALANCES	<u>(736,446)</u>	<u>499,477</u>	<u>(236,969)</u>
FUND BALANCES, beginning of year	<u>2,378,772</u>	<u>2,334,758</u>	<u>4,713,530</u>
FUND BALANCES, end of year	<u>\$ 1,642,326</u>	<u>\$ 2,834,235</u>	<u>\$ 4,476,561</u>