

**Urban Renewal
Incentive Plan Sub-Committee
April 19, 2010
12:00 p.m.**

Present: ElJay Waite, Chairman; Jeff Hibbard, Steve Fultz, Bruce Schultz, Rem Fox, Rob Pilote, and Rob Hopper

Call to Order:

Chairman Waite noted that there is portion of the incentive program that is still under advisement and creation. He explained the importance to disclose any conflict of interest by committee members, especially as it relates to the knowledge of any potential businesses coming to the downtown that would be affected by the incentive program.

Rem Fox noted that he is owns a start-up company and has had an interest in Caldwell concerning this venture. Rob Pilote noted his ownership of property within the Caldwell downtown area and is always looking for avenues of funding for those investments.

Incentive Matrix and Agenda Items:

Chairman Waite presented the Incentive Matrix with maximum limits along with the proposed Grant Guidelines as created by Rem Fox. (Exhibit A)

Chairman Waite noted that Exhibit E indicates projects that are still of interest and/or projects which have been labeled as ongoing with the City.

He reported that the agenda items are possible incentive groups to be considered: Streetscape, façade improvements, empty buildings, anchor business (straighten the existing base), new development, redevelopment, and Framework Master Plan.

Anchor Business Development Update:

Steve Fultz referenced discussion with the College of Idaho concerning a museum, TVCC process, and interested parties with purchasing downtown properties. He noted that there is currently no incentive program for downtown property investments.

Chairman Waite reported that the Downtown Framework Master Plan is a very strong document for visioning.

Funding:

Chairman Waite referenced "Exhibit E" regarding Urban Renewal Agency Estimated Financial Commitments. He explained that the incentive program for the first four years would have a base of approximately \$200,000. At year 2013, uncommitted Catalyst Site Improvement funding expands to \$1,647,000 and \$1,709.696 in 2014.

The TVCC loan payback will happen from their rent. The loan agreement will not affect that financing available through the increment that is provided by Urban Renewal. When the TVCC loan is paid off, those funds will go to assist with economic development in the community, the expansion of college presence in Caldwell, and maintenance of the building. All the equipment purchased for the building would stay in the facility. If TVCC were to lose their ability to function in Idaho, another college would assume the facility.

In response to questions from Mr. Fultz, Chairman Waite and Rob Hopper clarified that the intent of the incentive funding was for downtown businesses.

Who is coming to Caldwell?

Steve Fultz reported that inquiries within the past year have been made by small business owners. Although Trolley Square has been shown to potential clients, the downtown broadband infrastructure issue has been a point of concern to potential businesses.

Solid interest commitments:

- D.L. Evans Bank is still looking to construct at 10th & Blaine in 2011 or 2012.
- Another lending institution has shown interest to construct in 2011 or 2012 with the potential of approximately 20-25 employees.
- A few retailers/coffee shops have viewed various sites.
- Another wine shop is potentially looking at downtown.

What should be our next step and focus?

Mr. Waite opened the floor for discussion:

- Comments from Rem Fox:

Mr. Fox stated his interest to dialogue the theme of what the incentive package and how that opens up opportunities within the community as guided by the committee. It is difficult to create a vision and instruct people to fit into a particular model. It is more productive to explain to the interested party there is a certain amount of money available and then invite them to join the process. The purpose of the incentive matrix is to build a sustainable grant program, but it is also a primary advertising tool to answer the question, "Who is coming to Caldwell?" He suggested that TVCC has the potential of capitalizing on educational programs, which would speak to various demographics including the wine and agricultural industries.

Mr. Fox noted that the grant proposals were written with the intent to give guidelines to interested parties as to why they should come to Caldwell: What types of revenues are in Caldwell? What companies are here? What are the educational opportunities here? What are the internship opportunities? This information coupled with incentives would give a vehicle for potential businesses to consider Caldwell.

The fact that downtown Caldwell has no saturation point, is a strong promotional advantage. Can we acquire three complimentary businesses where people would go downtown and do dinner and then wine tasting at a local establish a few doors down the street or dinner and the theater? The incentive

program would prompt such creativity. Industry would also work well in Caldwell with access to the freeway, Karcher Road and Simplot Blvd.

The element of the student work program is specific to this regard. Any company locating here would look at internships as a cost of business. It is another way to subsidize the model? The trifecta model involving the College of Idaho, University of Idaho, and TVCC can also be used in the business perspective.

- Comments from Rob Pilote:

Mr. Pilote stated that we need to be cautious and not have tunnel vision concerning one particular type of business coming to Caldwell. We need to promote the “small business person” who will bring in 10-15 employees. Those employees will want coffee in the morning/sandwiches at noon/etc. It is generally about getting off center and let the free market momentums start. We need to first consider “who is in Caldwell ” and thus promote existing companies.

- Comments from Steve Fultz:

Mr. Fultz concurred with Mr. Pilote that we need to help our existing business grow. That is just as valuable to having new business come in. This point needs to be clear to the existing businesses – the incentive program is for them as well.

- Comments from Bruce Schultz:

Mr. Schultz noted that the question of “Who is coming to Caldwell?” has many layers: the incentive piece, the access piece, the education training piece, etc. He stated that his interest lies in what kind of diversified/relevant education and training programs can be offered. Education, to some degree, brings its own version of critical mass. The goal is to offer a pool of skilled individuals who can match up with the moving target. The predictable fields are currently health science, information technology, and aviation sciences. He clarified his role in providing as many options as possible concerning educational training. A partnership for continuing education with ISU might be an option to explore for the TVCC students and employers.

- Comments from Rem Fox:

Mr. Fox explained the importance of proper administering of the grant and conducting on-site audits concerning the use of the funds. A grass roots approach is needed to promote and administer the incentive program as a foundational sales vehicle.

- Comments from Jeff Hibbard:

A marketing package explaining the incentive program should be created that CEDC could distribute through their office for potential clients. Such incentive programs could give Caldwell the competitive edge over other cities such as Nampa.

- Comments from Rob Hopper:

Mr. Hopper concurred that a combined approach needs to be determined that will focus on what we can do to improve the overall health of the City. The downtown core area must be alive and vibrant, even if potential businesses are looking to locate in other areas of the City. More research is needed to see what will truly assist the existing businesses downtown. Is it only storefront improvements or is there more? The marketing approach must be concise and simple, but since it is tax money, we must have a strong accountability review in place.

Discussion was held concerning providing opportunities for graduates from TVCC and College of Idaho within the local community.

- Comments from Steve Fultz:

Mr. Fultz commented that a Committee has recently been launched from CEDC to deal with issues on business retention and expansion efforts. Two-page surveys will be distributed to existing businesses to seek answers of how businesses can expand and grow. Results should be available this summer. The incentive program could analyze those answers in setting standards for grant funding.

- Comments from ElJay Waite:

Discussion was held concerning the determination of a certain area of the downtown that needs immediate assistance such as the “old town area” or the “cultural” area. Is there a value to concentrating on the streetscapes or is that something that should be tabled now while we focus on other things? It was noted that if TVCC acquires the fiber optic grant, the streets would need to be opened up at that time for material installation.

- Comments from Rob Pilote:

The attitude that we should build it and they will come should be reconsidered. Possibly we need to consider that they will come and we will build it. Streetscapes are expenditure and we are looking for an investment.

- Comments from Rob Hopper:

Mr. Hopper concurred that it would be senseless to enhance the streetscapes and still have empty buildings.

- Comments from Rem Fox:

Mr. Fox also expressed opposition to doing the streetscapes at this time. Let’s work to create the entire environment.

He suggested that the committee pick three options and begin to market the funding opportunities: New Business/Redevelopment & New Development/Store Fronts. The grant application could be modified to apply to these areas. The next step is to determine the administering portion of the grant. The Red Carpet program is all about building a highway of success. We should spend on demand.

- Comments from Jeff Hibbard:

Mr. Hibbard asked questions of Steve Fultz concerning the success rate of the business incubator program.

- Comments from Steve Fultz:

Mr. Fultz stated that the percentage of the businesses that have remained in Caldwell after using the incubator program has been low. Discussion followed.

- Comments from Rob Pilote:

Mr. Pilote suggested that a privately-owned building in the downtown could be used as part of the incubator program. Discussion followed. It was determined that the point was not who owned the building but rather the services associated with the building beyond rent assistance.

- Comments from ElJay Waite:

Mr. Waite emphasized the need to continually look for other funding mechanisms that will expand the sources of revenue to offer the business owners within the downtown region.

- Comments from Rob Hopper:

Mr. Hopper expressed the need for the City of Caldwell to play a stronger role in economic development. A focus inside the City government concerning this issue would help coordinate ongoing growth opportunities.

- Next Step:

Mr. Waite suggested that the next step would be to take comments from the minutes and put the information into a proposal that can be funded. If the proposal indicates that it is a “first come – first serve” basis, it will bring credence for immediate results.

The incentives need to be grouped and a designed form must be created to present at the next Urban Renewal Agency meeting to be held on May 4th.

ElJay will forward information to Rem Fox as soon as possible. This committee should meet again to review the proposal prior to the May 4th Urban Renewal Meeting. ElJay will coordinate this effort with the other members of the committee.

Meeting adjourned at 1:10 p.m.

Respectfully submitted,

Debbie Geyer, City Clerk
Recording secretary