



**AGENDA REPORT**  
**City Council Meeting**

**TODAY'S DATE:** May 26, 2026  
**MEETING DATE:** June 3, 2026  
**TO:** MAYOR AND CITY COUNCIL  
**FROM:** Erik Bush Project Manager/City Forester  
**SUBJECT:** Downtown Revitalization Phase 3

**DESCRIPTION/BACKGROUND:**

Downtown Revitalization Phase 3 implements prior Council-adopted planning efforts, including the Downtown Streets Plan and Design Guide, the Multimodal Transportation Master Plan, and the Downtown Waterfront Design Competition Stage 3 Design Report. These planning efforts identify First Avenue as a priority downtown corridor for improved pedestrian facilities, multimodal access, streetscape improvements, stormwater management, public spaces, and economic development support.

Phases 1 and 2 of the Downtown Revitalization Project were completed between 2018 and 2021 and improved Cedar Street from Fifth Avenue to First Avenue and First Avenue from Cedar Street to Church Street. Phase 3 continues those improvements south along First Avenue.

The current design contract includes full design of First Avenue from Church Street to Lake Street, including portions of Bridge Street, and preliminary design from Lake Street to Superior Street. The preliminary design area includes early stormwater, traffic, streetscape, and intersection analysis at First Avenue and Superior Street.

Design of Phase 3 has continued following City Council's acceptance of the Basis of Design at the April 1 City Council meeting. The second Technical Advisory Group meeting was held on April 29, and the design team has been incorporating feedback received during that meeting into the project design. Graphics illustrating current design progress will be presented during the meeting.

**Funding Update**

On November 5, 2025, City Council authorized staff to submit an application for Idaho Community Development Block Grant (CDBG) funding to support Downtown Revitalization Phase 3B improvements by Resolution No. 25-045. The City has now received notice of award for approximately \$650,000 in CDBG funding for downtown streetscape amenities and pedestrian lighting improvements. Formal acceptance of the grant award will be brought before Council at a future meeting.

On December 17, 2025, City Council authorized staff to apply for Local Highway Technical Assistance Council (LHTAC) Small Urban funding for the Bridge/Church Street and First Avenue intersection improvements as part of Downtown Revitalization Phase 3 by Resolution No. 25-049. While awards have not yet been formally announced, staff understands the project is anticipated to receive up to \$1,796,000 in funding, with formal award notification expected in mid-June 2026. Formal acceptance of the grant award will also be brought before Council at a future meeting.

Acceptance of LHTAC Small Urban funding would provide substantial outside funding participation and may allow the City to advance a larger project area than originally anticipated. Specifically, the funding is anticipated to allow improvements to extend farther south along First Avenue to Superior Street by moving the Lake Street to Superior Street segment from preliminary design into 100% design.

However, acceptance of federal funding also requires completion of federal environmental, historical, and cultural resource reviews before construction can begin. These reviews are anticipated to take approximately 6 to 12 months and would shift the anticipated construction start from fall 2026 to fall 2027.

The primary tradeoff for Council consideration is schedule versus outside funding participation. Proceeding with the federal funding path would delay construction by approximately one year, but would allow the City to leverage approximately anticipated LHTAC Small Urban funding of up to \$1,796,000. It may also allow the City to complete a larger, more comprehensive downtown improvement project.

Staff is currently evaluating how best to align construction timing, grant requirements, final design, and bid packaging in order to maximize outside funding participation while minimizing disruption to downtown businesses and the community..

### **Superior Street Intersection Improvements**

Preliminary results from the traffic study and roundabout modeling at the First Avenue and Superior Street intersection indicate that a roundabout would function poorly from a traffic operations perspective. Welch Comer Engineers are currently evaluating alternative intersection improvement options.

Because the current design contract already includes preliminary design and traffic analysis for the Lake Street to Superior Street segment, staff recommends continuing to evaluate whether this segment should be advanced to 100% design if the City proceeds with the federal funding path.

No formal grant acceptance is requested at this time. Formal acceptance of CDBG and LHTAC Small Urban funding will be brought back to Council once final award documents and grant terms are available. At this meeting, staff is requesting Council direction on whether to continue advancing Downtown Revitalization Phase 3 based on the anticipated federal funding path, including a revised construction start of fall 2027 and continued evaluation of extending the project limits south along First Avenue to Superior Street.

### **STAFF RECOMMENDATION:**

Staff recommends City Council provide direction to continue advancing Downtown Revitalization Phase 3 based on anticipated federal funding requirements, including a revised construction start of fall 2027 and continued evaluation of extending the project limits south along First Avenue to Superior Street.

### **ACTION:**

Move to direct staff to continue advancing Downtown Revitalization Phase 3 based on anticipated federal funding requirements, including a revised anticipated construction start of fall 2027 and continued design evaluation of extending the project limits south along First Avenue to Superior Street.

**WILL THERE BE ANY FINANCIAL IMPACT? Yes HAS THIS ITEM BEEN BUDGETED? Yes**

### **ATTACHMENTS:**

Proposed Resolution  
Context Map