

POST FALLS URBAN RENEWAL AGENCY MINUTES
August 20, 2009

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Vice-Chairman Bobbi Rollins called the meeting to order at 7:00 a.m. Executive Director Tom Lien called the roll. Present in addition to Vice-Chairman Rollins were Commissioners Larry Carstensen, Jerry Baltzell, David Holloway, Tim Short and Peter Smith. Chairman Nancy Mabile was excused. Contract staff members present were Executive Director Tom Lien and Legal Counsel Pete Bredeson.

Holloway led the Pledge of Allegiance.

CEREMONIES, APPOINTMENTS AND ANNOUNCEMENTS

None

CONFLICT DISCLOSURE

Smith stated that his law firm represents Greenstone Development which is an item on the agenda for reimbursement; therefore, he will abstain from discussion on that issue.

CONSENT CALENDAR

Lien introduced the Consent Calendar. As stated by Lien, each of the Commissioners and Vice-Chairman had been given the Consent Calendar information beginning with the edited and corrected July 16, 2009 minutes. Also included were the minutes from the Budget Workshop of that same date. The total for payables was \$23,349.97. This figure included \$52.59 and \$864.15 for installing the electrical and night lighting for the water fountain at the eastbound on-ramp to I-90 at Spokane Street. It also included a payment to Ken Lynn, dba Jake Investments, for relocating the Centennial Trail, title insurance and recording fees in the amount of \$13,020.50. Dr. Lynn filed a warranty deed at the County deeding the property of the Trail over to the City. The project cost ended up less than the original budget of \$20,000.

Included in the report were the financial statements which showed operating expenses 56% of budget for the 10 months year-to-date.

The bank activity report showed funds in all accounts of \$6,071,228.60 with accrued interest for the month of \$1,286.20. The Board approval of the Consent Calendar will also authorize the transfer of accrued interest to the General Fund and transfer of \$22,077.24 to the INB checking account to pay the payables.

The Agency Order of Approval for reimbursement in the amount of \$1,990,008.28 under the Owner Participation Agreement dated June 18, 2009 for the West Seltice II District was presented. A reimbursement request was tendered by Greenstone-Kootenai and reviewed by Welch Comer Engineers. The review resulted in reductions of \$71,211.83 which were addressed in a meeting between Welch Comer, Greenstone and Agency staff. These items were noted in the Welch Comer letter included with the Consent Calendar.

With no comments on the Consent Calendar, Rollins asked for a motion to accept. Baltzell made a motion to accept the Consent Calendar and Holloway seconded. Motion carried by voice vote.

CITIZEN COMMENTS

None

PUBLIC HEARING

A Public Hearing was opened by Rollins on the proposed budget of the Post Falls Urban Renewal Agency for fiscal year 2010. Rollins gave the instructions for public comment, noted that no written comments had been submitted, that the proposed budget was to be explained by Lien, then the Commission was to vote to accept the proposed budget or accept with amendments. Lien explained the proposed budget as follows:

- Total revenues of \$3,870,182 was an increase of 28% over the prior year
- Proponent related expenditures of \$3,683,217 was an increase of 34.8% over the prior year
- Agency operating expenses of \$186,965 were approximately \$3,000 greater than last year which is an increase of 1.95% from the prior year
- Last year was budgeted for 2 staff members and 2 offices though the Agency only had the director and one office, so anticipate close to budget this year with the added assistant staff member and additional office space
- Total expenditures included proponent and operating expense in the amount of \$3,870,182 which was an increase of 32.7% over prior year
- Cash balances are high due to recent deposits of tax revenue collected in the last 60 days of approximately \$1,700,000 of which a majority will be paid out prior to September 30 this year in proponent reimbursements

Mayor Clay Larkin of the City of Post Falls, 408 Spokane Street, Post Falls, was the first to speak and stated that he and the City have reviewed the proposed budget and support it.

Leonard Crosby, 1209 Riverside Harbor Drive, Post Falls, stated that he was a past Commission member and requested that the proposed budget be delayed until the Agency reviews it again to reconsider where they are and what needs to be done with the tax dollars collected. Several points Mr. Crosby brought up were:

- Close down portions of those districts and sub-districts which have been fully developed and all obligations paid so that the taxes collected can be returned to the taxing entities.
- Make the undesignated money into designated and use it for development, improvement or debt payment and take a close look at district plans to see what action items have not been done that could be completed with this money.
- Look at how the Agency is helping to attract new businesses and employers. Are businesses attracted to Post Falls because they are able to get a "good deal" in purchasing land improved through public funds from the developers?

Rollins then closed the public hearing and asked for comments from the Commissioners. Baltzell thanked Mr. Crosby for sharing his comments and stated they were valid concerns and many of those items were discussed at the Budget meeting held July 2009.

As there were no further comments, Rollins asked for a motion to accept the proposed budget for fiscal year 2010. Carstensen made a motion to adopt Resolution 2009-01 of the Post Falls Urban Renewal Agency Minutes August 20, 2009

Renewal Agency adopting the budget for fiscal year beginning October 1, 2009 and ending September 30, 2010. Seconded by Baltzell. Roll call vote: Carstensen – aye, Baltzell – aye, Holloway – aye, Rollins – aye, Short – aye, Smith – aye. Motion carried.

UNFINISHED BUSINESS

Lien stated that the Addendum for the Greensferry Project was before the Board for approval. Originally the Agency had approved putting \$500,000 towards the preliminary design phase of the Greensferry project; however, due to \$150,000 additional monies asked for by CH2MHill for design, the City had approved the additional amount to be requested from the Agency to cover this cost. The Mayor, however, was able to go before Idaho Transportation Department and get them to approve funding the additional amount because the City had been able to present to ITD that the URA had approved the concept of paying a total of \$1.2 million for the URA's match on this project. The amendment before the Board requesting \$650,000 will now be reduced back down to \$500,000. Per Lien, Bredeson has given his approval for crossing out the \$650,000, writing in \$500,000, proper initialing and signing of the document.

After discussion and questions to Larkin from the Board, Rollins asked for a motion on the addendum. Smith made a motion to approve the addendum by changing the dollar figure from \$650,000 to \$500,000 commitment from the URA. Baltzell seconded the motion. Roll call vote: Carstensen – aye, Baltzell – aye, Holloway – aye, Rollins – aye, Short – aye, Smith – aye. Motion carried.

NEW BUSINESS

None

STAFF REPORT

Chamber of Commerce: Lien attended a Chamber meeting on July 22, 2009 with Pam Houser and Randy Oakes of the Chamber, Dave Bobbitt of Community First Bank and Paul Ferguson of the Panhandle Area Council regarding the status of the new Chamber office building. The Chamber has donations of \$84,516, plus \$50,000 from the City and \$36,000 from the URA. They have a remaining \$72,000 to raise to begin construction. Total construction costs are \$512,770. They hope to begin construction in September.

City Center Projects: Matt Gillis from Welch Comer advised the City that several plan views on the road projects have been completed along with boundary research. The earliest they would be able to proceed would be mid-October, so they have decided to delay the bid project to avoid winter shutdown and allow affected property owners to move. Martin Fabrications from this district has already begun building on property purchased in the Expo District.

Beck Road Interchange: At a City Transportation Committee meeting, the Mayor stated that Foursquare Properties at The Pointe announced that they had received their funding for the Beck Road Interchange. The Mayor also stated that Wal-Mart plans have been approved and anticipate they will pull building permits this year. Lowe's should also pull permits for their new store this year and Fred Meyer is looking at possibly building a store in the area as well.

Agency Office Lease Agreement: The Agency has a new lease agreement from Windermere for the 2 new office spaces. The agreement is being reviewed by legal counsel and will be brought before the Board in September.

Peter Smith Nomination: Commissioner Peter Smith was nominated and selected by the North Idaho Business Journal as part of an elite group known as the "Top 20 under 40 in Kootenai County." The group will be featured in the August 25th edition of the Journal.

Agency Budget Balance 2009: After discussion with the Finance Committee, Lien has made adjustments to balance the 2009 budget. These changes include moving items from the contingency column to line items: \$8,500 to contract legal, \$1,500 to equipment rent, \$1,000 to office supplies, \$400 to publications and books, and \$200 to audit fees for a total of \$11,600.

COMMITTEE UPDATES

Finance Committee – Holloway had no further comments.

District Review – Rollins stated the City Center District and its action plans will be reviewed.

City Center – Carstensen had no additional comments.

Personnel, Property and Communications – Smith had no further comments.

COMMISSIONER COMMENTS

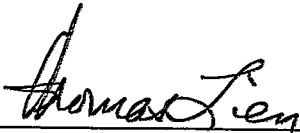
After discussing points brought up at the meeting, several items were brought forward for action items to be put on the agenda for next month. The main focus will be on rebating tax increment monies back to the taxing entities if it's not being used or designated.

- Lien will do some research and report on options for returning money to taxpayers through reducing district sizes, amending the plan and rebating surplus tax increments.
- District Review Committee to look at all districts' balances, plans and projects that still need to be done and report on their findings.
- The Committees are to report a summary of their minutes at the monthly URA Board meetings so that everyone understands what the committees have done and then their reports become part of the record as well.

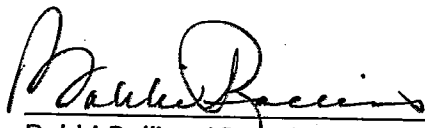
ADJOURNMENT

Rollins asked for a motion to adjourn. Short made the motion which was seconded by Holloway. Motion carried by voice vote. Meeting adjourned at 8:11 a.m.

Respectfully submitted,



Thomas Lien, Executive Director



Bobbi Rollins, Vice-Chairman

Districts Affected:

East Post Falls

City Center