

# MEMORANDUM OF UNDERSTANDING

## HIGHWAY 41 GRAVITY PIPELINE UPSIZE PROJECT

THIS MEMORANDUM is made and entered into this 6<sup>th</sup> day of November, 2018 by and between the POST FALLS URBAN RENEWAL AGENCY, an Idaho urban renewal agency, P.O. Box 236, Post falls, Idaho 83877, hereinafter referred to as the Agency, and the CITY OF POST FALLS, an Idaho municipal corporation, 408 North Spokane Street, Post Falls, Idaho 83854, hereinafter referred to as the City.

### WITNESSETH:

WHEREAS the Agency in conjunction with the City has formed an urban renewal district known as the East Post Falls Urban Renewal District, and has adopted an Urban Renewal Plan for the District, and the Highway 41 Gravity Pipeline Upsizing Project is located in this District, and

WHEREAS it is the charter of the Agency pursuant to the East Post Falls Urban Renewal Plan, hereinafter referred to as the Plan, to encourage the development and economic growth of the District, and

WHEREAS the Plan provides for various improvements to facilitate the orderly development and economic growth of the District including the Highway 41 Gravity Pipeline Upsize, and

WHEREAS the City adopted the North East Quadrant Sewer Study on July 17, 2018 as part of its sewer master plan, which calls for the Highway 41 Gravity Pipeline Upsizing Project.

NOW, THEREFORE, in consideration of the mutual goals and consideration to be derived here from, the Parties enter into the following understandings with reference to jointly and cooperatively build the Highway 41 Gravity Pipeline Upsizing project, hereinafter referred to as the Project.

Project description: The Highway 41 sanitary sewer between the proposed 12<sup>th</sup> Ave Lift Station and Horsehaven Ave will be upgraded to include an additional 21-inch line. The design will be coordinated with the upstream piping and the downstream piping projects, equalization basin, and the future 12<sup>th</sup> Ave Lift Station, associated piping and Force Main. The project will be coordinated in advance of an Idaho Transportation Department (ITD) project to widen Highway 41 and will be located in ITD right-of-way in a location mutually agreeable to ITD and the City.

Design Phase: The City agrees to negotiate a contract with a consultant. The project will be designed under direction from City staff. Design of the project will be based upon the best available information from ITD and/or other parties. The completed design will be

presented to the Agency prior to bidding. The City will oversee the bidding process. In the event it is necessary to rebid the project, the costs associated with this effort will be a part of the complete project.

Property Acquisition/Easements: The project is contingent on the Idaho Transportation Department, or another third party, acquiring property, rights of way and/or easements that allow for the placement of the planned City owned sanitary sewer. In the event that the necessary property, rights of way and/or easements are not timely acquired, the design, bidding and construction of the Project may be delayed. In the event that the acquisition of the necessary property, rights of way and/or easements cause a delay in the anticipated timeline for the Project, the Parties agree to meet and confer regarding what, if any, steps the Parties can take to complete the Project. This process may delay or prevent the design and construction of the project.

Construction Phase: Following bidding, the City will award a construction contract to the lowest responsive bidder per Idaho State Code. The general improvements associated with the Project are set forth within the project description. The City agrees to manage the construction of the Project, using City staff and/or third-party consultants. The Agency shall reimburse all third-party consultant costs. Upon completion of the project, a construction summary will be presented to the Agency by City Staff.

Financial Agreement:

Due to the time constraints of the project and the need for completion for future development, both parties agree to work cooperatively and understand that timely completion of this project is in the best interest of the future development of this area.

The Agency agrees to reimburse the City for the cost of the project as described above, including design work, construction, and project management costs. Reimbursement to the City will be for costs internal to the City's efforts on the project and for payments made by the City to the consultant and the contractor(s). Reimbursements will be made within 30 days of submittal to the Agency. Costs associated with preparation of documents and/or legal descriptions and the purchase of property or easements will be a part of the project cost.

The Agency agrees to make the reimbursements/payments for this project using tax increment dollars arising from the East Post Falls Urban Renewal District, after satisfying the full repayment of the Agency's outstanding bonds for the construction of the Greensferry Overpass. The Agency agrees to advise the City on a quarterly basis of the status of such repayments, and the accrued tax increment available to reimburse or make payments for the proposed public improvements. Additionally, depending on timing of the project, the Agency agrees to consider and use its best efforts to provide financing as an option for reimbursement to the City. The Agency has demonstrated there is sufficient future increment revenues, based on past increment collected from the district, providing the ability to support borrowing against the increment. The Agency and City agree to meet and finalize the financial procedures to be used for the project as planning and design for the project continue.

The City understands and acknowledges that the East Post Falls Urban Renewal District has a finite life, and that all reimbursements/payments must be completed prior to the District maturity date of December 31, 2022. The City also understands and acknowledges that any costs or other obligations associated with the project which are not documented and provided to the Agency in sufficient time to be paid prior to the maturity date of the East Post Falls Urban Renewal District, will not be reimbursed and will not be an obligation or liability of the Agency, unless the Project is eligible for funding from another Urban Renewal District.

The City and Agency also agree that should circumstances arise which impact the time line of the project, and the proposed improvements are unable to be completed prior to the district closing, or eligible costs are higher than district increment can fully repay, that the parties will negotiate in good faith regarding other funding sources.


Development Contract: The purpose of the Memorandum is to formally document the understanding and the relationship between the Parties as to the Project. It is the intent of both parties to design the Project in the winter of 2018/19 and construct the Project improvements in 2019.

No Third Party Beneficiaries: The terms and provisions of this Memorandum are intended solely for the benefit of each party hereto and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person or entity.

IN WITNESS WHEREOF, the Parties have set their hands effective the date first above-written.

CITY OF POST FALLS  
An Idaho Municipal corporation

ATTEST:

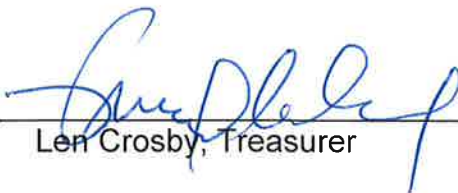
BY:   
Ronald G. Jacobson, Mayor

  
Shannon Howard, City Clerk

POST FALLS URBAN RENEWAL AGENCY

ATTEST:

By:   
Jerry Baltzell, Chairman

  
Len Crosby, Treasurer