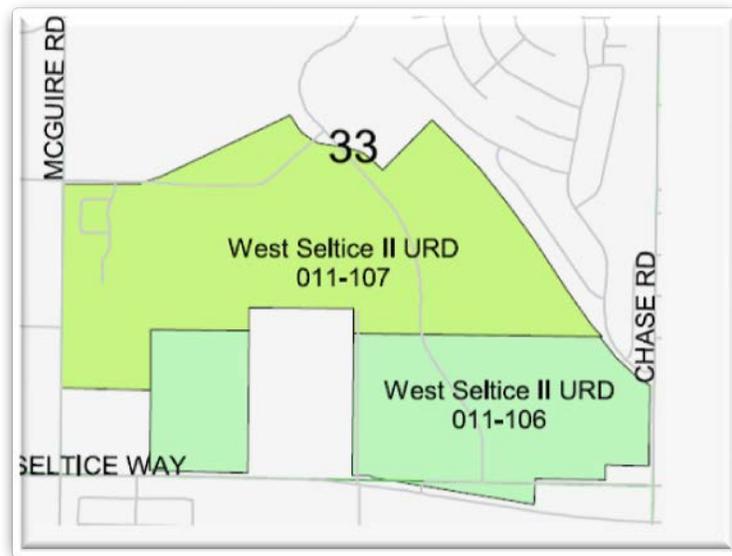


# Post Falls Urban Renewal Agency

## WEST SELTICE II

### District Review Committee Report



#### **Date**

March 2010

#### *Committee Members:*

Bobbi Rollins, Chair  
Larry Carstensen  
Tim Short  
Peter Smith, Alternate

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**WEST SELTICE II  
District Review Committee Report  
March 2010**

**A. District Review Committee Goals**

1. Update the Post Falls Urban Renewal Agency Commissioners on the status of the West Seltice II district;
2. Summarize insights gained with the district review process; and
3. Establish a benchmark for progress and future reviews of the district.

**B. District Review Methodology**

This review was completed through an evaluation of the district plan, a history of activities completed to date, and research assistance by Tom Lien, PFURA Executive Director and Diane Fountain, Executive Assistant.

**C. District Summary**

Year of Creation	Size (acres)	2005 Base Assessed Value (Pre-Urban Renewal/TIF)	Increment Value 2009 (Assessed value generated through urban renewal)	Projected Termination Date
2005	248	\$1,798,000	\$12,958,318	2020

The District was formed by City Ordinance #1089. Date of adoption of the plan and tax revenue allocation area was November 15, 2005.

The original West Seltice district was created in 1992, and closed in July of 2001.

The West Seltice II Project Area is deteriorated because of the presence of various conditions, most of which are related to public infrastructure. Whether the infrastructure is older and needs to be replaced or upgraded, or it is grossly inadequate to serve planned new development, the result is the same; existing development is often discouraged from upgrading and expanding, and new development is often slowed or thwarted because of the lack of necessary public infrastructure.

The preparation and approval of an urban renewal plan, including a revenue allocation financing provision also known as tax increment financing, provides the City additional opportunity to solve the public infrastructure problems in this area. Property taxes generated by new developments within the area may be used by the City's urban renewal agency to finance a variety of needed public improvements and facilities.

The principal proponent of the district is Greenstone-Kootenai, Inc. which is developing 218 acres along with 3B Group, LLC who is developing 30 acres.

## **D. Purpose and Goals of District**

The original Project Area was determined to be a deteriorated or deteriorating area by Post Falls City Council Resolution 92-28 on September 15, 1992. This district has been determined to be a deteriorated area under Idaho Code 50-2001 et seq. and 50-2901 et seq., and the district plan identifies the following purposes and major goals:

1. the elimination of environmental deficiencies in the project area, including, among others, inadequate public improvements and facilities;
2. the assembly of land into parcels suitable for modern development with appropriate setbacks, parking, pedestrian safety, and vehicular circulation in the project area;
3. the re-planning, redesign and development of undeveloped and underdeveloped areas which are stagnant or improperly utilized;
4. the strengthening of the economic base of the project area and the community by the installation of needed public improvements and facilities to stimulate new commercial expansion, employment, and economic growth and enhance the variety of available residential housing options;
5. the establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire project area; and,
6. the strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Tax Allocation area.

The key elements and activities to date in an effort to accomplish the above listed major purposes and goals include:

1. the acquisition of certain real property
  - accomplished through acquisition of properties by Greenstone-Kootenai Inc. and 3B, LLC.
2. the demolition or removal of certain buildings and improvements, to eliminate unhealthful, unsanitary, or unsafe conditions, improve density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration
  - this activity has not been nor is expected to be necessary
3. the provision for participation by property owners within the project area
  - no other participation by other property owners has been necessary
4. the provision for relocation assistance to displaced project occupants, if any is needed, as required by law
  - no relocation assistance has been necessary
5. the installation, construction, widening, alignment or reconstruction of streets, redesigning of intersections, improving signalization and pedestrian access
  - the principal activity in this area has been the completion of work on McGuire Road along the west boundary of the district

6. improving utilities including water and sewer systems, electrical distribution and transmission lines in underground configuration if needed to encourage new developments, parking facilities, and other public improvements, including, but not limited to, irrigation and drainage laterals and ditches, storm drain systems, walkways, street lighting, parks and public open spaces, and improvements to railroad tracks and property
  - this has been accomplished by the construction of some interior project streets and utilities along with a large sewer lift station
7. the disposition of property for uses in accordance with this plan;
  - this is an ongoing process and has most recently been held up by the current state of economy
8. the redevelopment of land by private enterprise or public agencies for uses in accordance with this plan
  - again, this ongoing process has been held up by the economy
9. the rehabilitation of structures and improvements by present owners, their successors, the City and the PFURA
  - rehabilitation by pre-existing owners has not been necessary, as most of the improvements have been development, not rehabilitation
10. the preparation and assembly of adequate sites for development and construction of facilities for commercial, mixed-use residential, office, appropriate retail and other ancillary uses
  - development to date has been based on the phases as established in the original site development maps. The platting of new parcels will be accomplished as new tenants are brought in
11. to the extent allowed by law, lend or invest federal funds to facilitate redevelopment
  - no federal funds have been utilized within this District by the Urban Renewal Agency to date
12. the construction of foundations, platforms, and other like structural forms necessary as sites for buildings to be used for mixed use commercial and other uses contemplated by the plan and to provide utilities to the development site
  - utilities have been brought to the individual parcels as developed and have been fully built out, not as preparatory work

Owner Participation Agreements have been executed to support the proponent to:

1. Revitalize deteriorating areas of their parcels and to incorporate elements of the plan.
2. Subject to the limitations of Law and the Act, provide incentives to existing property owners or tenants to encourage continued utilization and expansion of existing permitted uses to prevent properties from falling into disuse, a proliferation of vacant and deteriorated parcels.
3. Allow existing nonconforming uses to continue in accordance with City regulations and to accommodate improvements and expansions allowed by City regulations.

**E. Proposed Redevelopment Actions and Costs:**

The proposed total infrastructure costs include Greenstone-Kootenai, Inc. – Montrose, Phase I and 3B Group, LLC – Treaty Rock Corporate Park as follows:

Sewer, water, road improvements, engineering and management

Montrose, Phase I

Estimated costs	\$1,247,722
Final reimbursable costs	\$1,133,166

Treaty Rock Corporate Park

Estimated costs	\$1,050,888
Final reimbursable costs	\$ 856,842

The reimbursement falls under a distribution agreement dated October 17, 2007, between Greenstone-Kootenai, Inc. and 3B Group, LLC.

**F. Completed Improvements**

In the past few months, proponents have presented to the Commission the status of development that has taken place for Montrose, Phase I and Treaty Rock Corporate Park, and what the future holds for their developments:

1. Montrose, Phase I:

- a. On April 16, 2009, Kevin Schneidmiller presented an outline of the original District which is being developed as Montrose Community and the Treaty Rock Corporate development areas. Their original goals of creating new jobs, commercial, light industrial and mixed uses with a focus on open spaces with trees and plantings have not changed. Together with F.O. Berg they have developed a plan for installing the necessary infrastructure jointly and the tax increment revenue that would be allocated proportionately based on an agreement that has been negotiated between Greenstone and Berg. Phase I improvements were completed in late 2007. Phase II levels of completion were delineated and shown as to what designation the lots are, including light industrial, residential and commercial. The development is behind earlier expectations due to the economy. The residential activity on the project has increased.
- b. On January 26, 2010, Kevin Schneidmiller met with Agency staff to review the Montrose Phase I project. Originally they estimated 15,628 feet of roads which has now been reduced to 10,000 feet. By 2011 they will see more residential development. Duncan Marine and Montrose Senior Property have created 19-20 jobs since 2006.

- 2. Treaty Rock Corporate Park: On January 21, 2010, Craig Dolsby of F. O. Berg gave a presentation on the status of their property. They added Joe Meyers to their team as general contractor and selected architect Sam Nystrom to develop a motif for the property. They will develop a master site plan that will carry a theme through the entire park in a community type atmosphere where they will put trails and a green

theme. They are breaking ground in early spring with the first building which is 15,000 square feet. This building will set the tone of the park. They believe that once the first building is up, it will create energy and breed activity as a result. The building is already full. They will be moving the sales and marketing arm of their business currently located by Sanders Beach in Coeur d'Alene which will occupy half of the 15,000 square foot building. The other half will be rented out to F.O. Berg which is the awning and sign company located in Washington. The process is starting and they are excited about the upcoming push that will be seen in the next 3 to 4 months. When the building is complete, 19 jobs will be moved to this location.

**G. Job Creation**

As of January 2010, there have been very few jobs created, however this number will increase with the construction.

**H. Financial**

1. Base valuation for this District, gross valuation less exemptions was \$1,798,000. The total evaluation as of September 2009 was \$14,756,318. This is an increase of 802% since the inception of the plan.
2. Actual Tax revenue received through 2009 and the projection for this District is as follows:

2006	0
2007	17,711
2008	54,315
2009	142,542
2010	149,669
2011	157,153
2012	165,010
2013	173,261
2014	181,924
2015	191,020
2016	200,571
2017	210,599
2018	221,129
2019	232,186
2020	243,795
2021	255,985

3. From inception of the plan and as of January 31, 2010, tax increments received was \$289,145.

**I. Findings**

The urban renewal/tax increment process works closely with the developers to provide excellent infrastructure which can then be turned over to the city, thereby ultimately saving the city taxpayer dollars by not having to upgrade such infrastructure. Proponents are proceeding as well as they can, especially considering the current economic slowdown.

**J. Proposed Action Items**

1. Continue working with the two proponent developers in bringing in new tenants to the site.