



Post Falls Urban Renewal Agency
June 20, 2019 Meeting
8:00 am, Post Falls City Hall

1. Call to Order, Commissioner Roll Call and Pledge of Allegiance
2. Ceremonies, Appointments and Announcements
3. Conflict Disclosure
4. Consent Calendar **ACTION ITEMS**
 - a. Commission Meeting Minutes, May 16, 2019
 - b. Communication, Property & Personnel Committee Minutes, May 21, 2019
 - c. Finance Committee Minutes, June 11, 2019
 - d. Payables
 - e. Bank Activity Report
 - f. Financial Reports
5. Committee Updates
 - a. Finance and Policy – Crosby
 - b. District Review - Coles
 - c. Communications, Property & Personnel - Carstensen
6. Citizen Comments
This section of the agenda is reserved for citizens wishing to address the Commission regarding an Agency related issue. Comments related to future public hearings should be held for that public hearing. Persons wishing to speak will have 5 minutes.
7. Unfinished Business
8. New Business
 - a. Amended MOU – Highway 41 Gravity Pipeline Upsize Project **ACTION ITEM**
 - b. Amended MOU – EQ Basin Project, 12th Ave. Lift Station Improvements and Force Main **ACTION ITEM**
9. Staff Report and Updates
10. Commissioner Comments
11. Chairman Comments
12. Adjournment

Requests for accommodation of special needs to participate in the meeting should be addressed to the Office of the Executive Director, 201 E. 4th Avenue, Post Falls, Idaho 83854, or call (208) 777-8151.

Mission Statement: To encourage sound economic and community improvement that enhances the overall quality of life in Post Falls by: providing and improving infrastructure, attracting jobs, and enhancing citizen safety and health.

POST FALLS URBAN RENEWAL MINUTES
May 16, 2019

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Chairman Jerry Baltzell called the meeting to order at 8:00 a.m. Executive Director Diane Fountain called the roll. Present, in addition to Baltzell was Larry Carstensen, Len Crosby, Laura Horn, Eric Clemensen, Collin Coles and Jame' Davis. Also, in attendance was legal counsel Pete Bredeson & Jessie Morrow. Davis led the Pledge of Allegiance.

CEREMONIES, APPOINTMENTS AND ANNOUNCEMENTS

None

CONFLICT DISCLOSURE

None

CONSENT CALENDAR

Fountain introduced the Consent Calendar. Item A is the Joint Workshop Minutes, April 16, 2019.

Item B is the Commission Meeting Minutes, April 18, 2019.

Item C is the payables for the month totaling \$5,961.84.

Item D is the Bank Activity Report which shows total funds in all accounts of \$4,053,137.75 and accrued interest for the month of \$5,820.39.

Item E is the financial reports as of April 30, 2019.

Approval of the Consent Calendar will authorize the transfer of \$5,820.39 accrued interest to the General Fund and a transfer to the Community 1st checking account of \$5,961.84 for general payables.

Commissioner Coles made a motion to approve the consent calendar as presented, seconded by Crosby. Roll Call Vote: Horn – Aye; Crosby – Aye; Carstensen– Aye; Baltzell – Aye; Davis – Aye; Coles – Aye; Clemensen – Aye. Motion carried.

COMMITTEE UPDATES

Finance & Policy – Crosby – April financials have been reviewed.

District Review – Coles – Nothing to report.

Communication, Property and Personnel – Carstensen – A meeting is scheduled for May 21, 2019.

CITIZEN COMMENTS

None

UNFINISHED BUSINESS

None

NEW BUSINESS

None

STAFF REPORT

Fountain stated work has resumed on the 4th Street parking lot project. Grading work started yesterday and they will be installing curbing soon. The City will go out to bid for the paving with project completion in August.

Fountain noted "Downtown for a Day" will take place in the Landings this Saturday, May 18, 2019 from 10 am to 7 pm.

There will be a joint workshop with P&Z on the Parks Master Plan on Tuesday, June 11th @ 5 pm in the basement conference room.

COMMISSIONER COMMENTS

Commissioner Crosby suggest that District Review Committee do a report comparing the Expo District and Riverbend District prior to the closure of Expo in 2021. Both districts were designed for industrial development, it would be helpful for future districts to see how each of those evolved. The impact of planning and zoning changes that took place over the course of twenty (20) years which resulted in more residential vs. economic development. The report would assist the URA to work with the City as zone requests are brought before P&Z and make sure it works within the Plan documents.

Baltzell noted that it is important for the Commission to work closely with the City Council and Planning & Zoning Commission as zoning requests arise.

CHAIRMAN COMMENT

Baltzell is looking forward to upcoming projects in our districts.

ADJOURNMENT

Baltzell asked for a motion to adjourn. Commissioner Crosby made the motion, seconded by Carstensen. All in favor by voice vote. Meeting was adjourned at 8:11 am.

Respectfully submitted,

Diane Fountain, Executive Director

Jerry Baltzell, Chairman

**POST FALLS URBAN RENEWAL
Communication, Property & Personnel Committee**

May 21, 2019 – Jame’s Office

CALL TO ORDER, ROLL CALL

Chairman Larry Carstensen called the meeting to order at 8:00 a.m. Present in addition to Carstensen was Commissioner Jame’ Davis. Commissioner Collin Coles was absent.

CONFLICT DISCLOSURE

None

CITIZEN COMMENT

None

Agency Website Security Upgrade. Committee discussed purchasing an SSL (Secure Sockets Layer) Certificate. The cost is \$45/year or \$80 for 2 years. The certificate can be installed on any version of WordPress and would be able to be used on any upgrade or new site as well because it is specific to the domain. The WordPress we are currently using is 3.1 version, the newest is 5.x. WordPress is always trying to counteract hacking attempts and security improves as new versions are released. Shelly from Zolmedia stated she could upgrade our website for \$500 to \$1,000. This information will be passed on to the Finance Committee for the FY 2020 Budget.

EXECUTIVE SESSION

Commissioner Davis made a motion to enter into executive session at 8:25 am pursuant to Idaho Code Section 74-206 (1)(b) To consider evaluation of an employee, staff member or individual agent. And further that no final action or making of any final decision shall be made in the Executive Session, and that the Executive Session shall last no longer than 30 minutes. Carstensen seconded the motion. Roll Call: Carstensen – Aye; Davis – Aye. Executive Director, Diane Fountain excused herself. Executive Session ended at 8:55 am.

Recommendation to Finance Committee regarding staff compensation. Commissioner Carstensen will contact Finance Chair, Len Crosby with the recommendation as discussed in Executive Session to be factored into the annual budget.

Meeting was adjourned @ 8:55 am.

Respectfully submitted,

Diane Fountain, Executive Director

Larry Carstensen, Chairman

**POST FALLS URBAN RENEWAL
Finance and Policy Committee**

June 11, 2019 – PFURA Office

CALL TO ORDER, ROLL CALL

Chairman Len Crosby called the meeting to order at 8:40 a.m. Present in addition to Crosby was Commissioner Clemensen. Also present was Diane Fountain. Commissioner Laura Horn was absent.

CONFLICT DISCLOSURE

None

CITIZEN COMMENT

None

FY 2020 Budget Review. Committee reviewed and discussed the draft budget. Fountain explained the URD levy rate has continued to decrease. The projected increment is based on preliminary figures from the county using the average levy rate decrease from the past four (4) years. Changes were made to Employee wages to reflect the amount recommended by the Personnel Committee and Website Design, Hosting and Maintenance line was increased \$1,000 to include an update of WordPress. Projected legal fees and interest income were reviewed and accepted. Once the budget has been updated it will be emailed to committee members with the noted changes for further review. The Budget Workshop will be held on July 9th. The Budget Hearing will be on August 15, 2019.

W. Seltice II Closing Budget Discussion. Committee discussed the closure of the West Seltice II District and reviewed the projected Closing Budget. Final numbers will be updated after the July increment is received. The Closing Budget will be presented at a Hearing on September 19, 2019

Meeting adjourned at 9:10 a.m.

Respectfully submitted,

Diane Fountain, Executive Director

Len Crosby, Chairman

1:04 PM
06/17/19

**Post Falls Urban Renewal Agency - In-House
Unpaid Bills Detail
As of June 20, 2019**

Type	Date	Memo	Open Balance
Bredeson Law Group			
Bill	06/16/2019	Legal Services - 5/16/19 to 6/14/19	1,150.00
Total Bredeson Law Group			1,150.00
Canon Solutions America, Inc.			
Bill	06/01/2019	Copier usage 5/01/19 to 5/31/19	7.32
Total Canon Solutions America, Inc.			7.32
Verizon Wireless			
Bill	05/27/2019	Office Phone 4/28 to 5/27/19	71.23
Total Verizon Wireless			71.23
VISA			
Bill	05/29/2019	Office Supplies (Toner)	38.27
Total VISA			38.27
ZolMedia, Inc.			
Bill	05/22/2019	Quarterly Web Hosting	75.00
Total ZolMedia, Inc.			75.00
TOTAL			1,341.82
			<u>5251.77</u>
<i>PAYROLL</i>			
<i>Total PAYABLES</i>			<i>6,593.59</i>

Bank Activity Report

May 2019

Cash Section

Checking: Comm.1st

Beginning Balance		\$	10,543.41
Deposits	\$	16,518.70	
Withdrawals	\$	(16,606.23)	
Ending Balance		\$	10,455.88
Outstanding Checks	\$	(993.90)	
Account Balance		\$	9,461.98

Money Market: Comm.1st

Beginning Balance		\$	45,139.40
Deposits	\$	7.67	
Withdrawals	\$	-	
Ending Balance		\$	45,147.07
Deposits in Transit	\$	-	
Outstanding Checks			
Account Balance		\$	45,147.07

Idaho Central CU - Savings

Beginning Balance		\$	25.00
Interest			
Ending Balance		\$	25.00

Investment Section

LGIP General Fund 1829

Beginning Balance		\$	537,729.78
Contributions	\$	6,962.75	
Withdrawals	\$	(5,961.84)	
Ending Balance		\$	538,730.69
Outstanding Transfer			
Account Balance		\$	538,730.69

LGIP Capital Improvements 1910

Beginning Balance		\$	3,037,930.17
Contributions	\$	16,838.99	
Withdrawals	\$	(5,827.39)	
Ending Balance		\$	3,048,941.77

Certificate of Deposits

	Interest Rate	Amount	Maturity Date
Washington Trust Bank (CD - Loan Reserve)	0.15%	\$ 250,000.00	11/2/2019
Washington Trust Bank (CDARS - Loan Reserve)	0.10%	\$ 172,851.91	11/2/2019

Total Funds All Accounts:

\$ 4,065,158.42

May

Interest

State Pool - LGIP 1910	\$ 6,282.62
CD - Washington Trust Bank	\$ -
CDARS - Washington Trust Bank	\$ -
Total	<u>\$ 6,282.62</u>

Post Falls Urban Renewal Agency - In-House

06/03/19

Balance Sheet

Accrual Basis

As of May 31, 2019

	May 31, 19
ASSETS	
Current Assets	
Checking/Savings	
WTB - Loan Reserve - CD	250,000.00
Savings - Idaho Central CU	25.00
Community 1st Bank - MMA	45,147.07
Community 1st Bank - Checking	9,461.98
WTB - Loan Reserve - CDARS	172,851.91
LGIP1829-General Fund	538,730.69
LGIP1910-Capital Improvements	3,048,941.77
Total Checking/Savings	4,065,158.42
Other Current Assets	
Prepaid Insurance	2,115.06
Accounts Receivable - Taxes	120,166.00
Interest Receivable	6,539.00
Total Other Current Assets	128,820.06
Total Current Assets	4,193,978.48
TOTAL ASSETS	4,193,978.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Washington Trust Bank-Overpass	938,000.00
Accrued Vacation Payable	2,672.98
Deferred Increment Revenue	110,311.00
Payroll Liabilities	
ID- Unemployment Payable	17.98
Payroll Liabilities - Other	1,706.59
Total Payroll Liabilities	1,724.57
Total Other Current Liabilities	1,052,708.55
Total Current Liabilities	1,052,708.55
Long Term Liabilities	
Proponent Reimbursement Balance	
Washintgon Trust Bank-Overpass	2,736,564.13
Total Proponent Reimbursement Balance	2,736,564.13
Total Long Term Liabilities	2,736,564.13
Total Liabilities	3,789,272.68
Equity	
Restricted Fund Balance	596,517.44
Nonspendable Fund Balance	2,115.00
Allowance for Long Term Debt	-3,674,564.13
Fund Balance - Special Revenue	2,505,789.43
Fund Balance - General Fund	508,741.45
Unrestricted Net Assets	-377,079.83
Net Income	843,186.44
Total Equity	404,705.80
TOTAL LIABILITIES & EQUITY	4,193,978.48

Post Falls Urban Renewal Agency - In-House

Profit & Loss

May 2019

	May 19	Oct '18 - May 19
Ordinary Income/Expense		
Income		
Interest	7,426.14	52,778.86
Center Point District	1,739.93	462,965.85
East Post Falls District	8,816.44	1,825,213.08
Expo	0.00	245,916.40
West Seltice II	0.00	163,460.77
Total Income	17,982.51	2,750,334.96
Gross Profit	17,982.51	2,750,334.96
Expense		
New District Development Costs	0.00	0.00
Meetings	0.00	125.00
Audit	0.00	7,000.00
Advertising & Legal Notices	0.00	65.25
District Payments	0.00	1,845,534.88
Engineering Services	0.00	2,000.00
Legal Fees	1,300.00	7,675.00
Insurance	0.00	150.00
Dues & Memberships	270.00	670.00
Office Equipment	0.00	1,234.67
Office Supplies	0.00	56.79
Postage, Mailing Service	0.00	4.50
Printing and Copying	12.02	84.50
Rent	0.00	7,740.00
Telephone, Telecommunications	0.00	498.79
Website Design, Hosting & Maint	0.00	105.34
Payroll Expenses	4,498.88	34,203.80
Total Expense	6,080.90	1,907,148.52
Net Ordinary Income	11,901.61	843,186.44
Net Income	11,901.61	843,186.44

Fund Reconciliation:

5/31/2019

QB

WTB - Loan Reserve - CD	\$	250,000.00
Savings - Idaho Central CU	\$	25.00
Community 1st - MMA	\$	45,147.07
Community 1st - Checking	\$	9,461.98
WTB - Loan Reserve - CDARS	\$	172,851.91
LGIP - 1829	\$	538,730.69
LGIP - 1910	\$	3,048,941.77

Total**\$ 4,065,158.42****FUNDS**

General Fund	\$	599,647.36
Capital Improvement Fund	\$	3,042,659.15
WTB - Loan Reserve (EPF)	\$	422,851.91

Total**\$ 4,065,158.42**

C.I. Fund Allocation:

CP-The Pointe	\$	2,251.93
CP-Pointe Apartments	\$	59,040.18
Expo	\$	30,942.21
W. Seltice II	\$	6,287.24
EPF-Tullamore	\$	33,185.56
EPF-Tullamore Commons II	\$	-
EPF-S/Ctr	\$	2,910,952.03
	\$	<u>3,042,659.15</u>

Post Falls Urban Renewal Agency
Increment Received District Obligation Balance

Termination Date	Center Point	Pointe	East Post Falls		Commons II	Expo	West Seltice II	Total
	The Pointe	Apartments	South/Central	North-Tullamore				
	2022	2022	2022	2022	2022	2021	2020	
Sep-18	3,477.84	-	2,068.02	-	-	-	-	5,545.86
Expo Reimbursement Oct - 18	-	-	3,188.19	1,045.89	-	219.57	-	4,453.65
Nov-18	4,483.55	-	10,632.12	-	-	-	-	15,115.67
Dec-18	88,532.81	-	144,163.13	-	-	35,827.90	3,414.07	271,937.91
Jan-19	339,812.95	22,426.42	1,151,166.61	371,871.70	12,225.12	176,049.82	149,161.21	2,222,713.83
Reimbursements Feb-19	5,458.19	-	22,297.20	2,223.50	-	2,876.90	4,598.25	37,454.04
Mar-19	-	-	3,866.46	15,892.26	-	367.55	1,431.17	21,557.44
Apr-19	512.00	-	60,531.16	17,293.30	-	30,574.66	4,856.07	113,767.19
May-19	1,739.93	-	8,816.44	-	-	-	-	10,556.37
Jun-19								-
Jul-19								-
Aug-19								-
Sep-19								-
Total YTD	444,017.27	22,426.42	1,406,729.33	408,326.65	12,225.12	245,916.40	163,460.77	2,703,101.96
Approved Obligation	7,564,627.45	-	13,000,000.00	6,498,959.82	325,000.00	3,724,497.23	1,990,008.28	33,103,092.78
Obligation Balance @ 03/31/19	1,095,726.49	-	3,674,564.13	3,240,314.18	206,396.68	617,349.12	414,373.35	9,248,723.95
Carry over @ 03/31/19	-	59,040.18	2,841,611.43	15,892.26	-	367.55	1,431.17	2,918,342.59

MEMORANDUM OF UNDERSTANDING

HIGHWAY 41 GRAVITY PIPELINE UPSIZE PROJECT

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into this _____, day of _____, 2019 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, has adopted an Urban Renewal Plan for the District, and the Highway 41 Gravity Pipeline Upsizing Project (the "Project") is eligible infrastructure within the District Plan; 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 Project; 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 Project; and

WHEREAS, pursuant to Idaho Code Section 50-2015(d)(1), the City and the Agency may enter into agreements (which agreements may extend over any period, notwithstanding any provisions or rule of law to the contrary), respecting action to be taken by the City pursuant to any of the powers granted by the Idaho Urban Renewal Law of 1965 (Idaho Code §§ 50-2001 – 50-2033 *et seq.*).

WHEREAS the parties previously entered into a Memorandum of Understanding on November 6, 2018 concerning this Project that this Memorandum is intended to replace.

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 joint and cooperative design and construct the Project.

Project Description:

The Highway 41 sanitary sewer between the proposed 12th 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 121h 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 to design and perform construction management of the Project. The Project will be designed under direction from City staff. 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 will reimburse all third-party consultant costs. Upon completion of the Project, a construction summary and copies of all third-party invoices 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 parties agree that in the event the Project has not been completed by June 1, 2022, that the City will obtain an updated estimate of the remaining Project costs from the design consultant and provide that estimate to the Agency by August 15, 2022. Upon receipt of the estimate, the Agency agrees to pay to the City 110% of the estimated costs, including contingency funds for unforeseen expenses or higher than expected costs, to provide funds solely for completion of the Project. All reimbursements/payments must be completed prior to the District maturity date of December 31, 2022. Any excess of reimbursements/payments over the actual Project costs shall be rebated by the City to the affected taxing districts as provided in Idaho Code Section 50-2909(4) following final payment of all project costs.

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 2019 and construct the Project in 2019/2020.

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

POST FALLS URBAN RENEWAL AGENCY

BY: _____
Ronald G. Jacobson, Mayor

BY: _____
Jerry Baltzell, Chairman

Date: _____

Date: _____

ATTEST:

Shannon Howard, City Clerk

Len Crosby, Treasurer

MEMORANDUM OF UNDERSTANDING

EQ BASIN PROJECT, 12th AVE LIFT STATION IMPROVEMENTS AND FORCE MAIN

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into this _____, day of _____, 2019 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, has adopted an Urban Renewal Plan for the District, and the EQ Basin, 12th Ave Lift Station, associated piping, and a portion of the Force Main project, hereinafter referred to as the Project, are eligible infrastructure within the District Plan; 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 Project; 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 Project; and

WHEREAS, pursuant to Idaho Code Section 50-2015(d)(1), the City and the Agency may enter into agreements (which agreements may extend over any period, notwithstanding any provisions or rule of law to the contrary), respecting action to be taken by the City pursuant to any of the powers granted by the Idaho Urban Renewal Law of 1965 (Idaho Code §§ 50-2001 – 50-2033 *et seq.*).

WHEREAS the parties previously entered into a Memorandum of Understanding on September 4th, 2018 concerning this Project that this Memorandum is intended to replace.

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 joint and cooperative design and construct the Project.

Project Description:

The Project consists of a flow equalization (EQ) basin, a sewer lift station, associated piping, and a force-main directly connecting the lift station to the City's Water Reclamation Facility (WRF). The EQ basin will serve as an interim solution to increase the service potential from the existing infrastructure downstream by minimizing the peak flow from the upstream service area until both the lift station and force-main are constructed. The EQ basin will ultimately serve as

the 12th Ave Lift Station overflow basin. The 12th Ave. Lift Station needs to be upgraded to allow for future increased flows beyond its current capacity to allow for additional growth within the East Post Falls Urban Renewal District and in the North East Quadrant of the City. The lift station upgrades will be designed and constructed per the City of Post Falls Lift Station Standards.

The total Project costs have been estimated prior to design at approximately \$2,063,000 for the EQ basin and piping; \$1,900,000 for the sewer lift station and piping; and \$7,475,000 for the full force-main, with the eligible portion of this cost to be determined.

Design Phase:

The City agrees to negotiate a contract with a consultant to design and perform construction management of the Project. The Project will be designed under direction from City staff. 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:

In the event the acquisition of property is needed for the Project, the City will manage that effort. Costs associated with preparation of documents and/or legal descriptions and the purchase of property or easements will be a part of the Project costs. Property acquisition may delay 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 will reimburse all third-party consultant costs. Upon completion of the Project, a construction summary and copies of all third-party invoices will be presented to the Agency by City Staff.

Financial Agreement:

The City has collected surcharge dollars from development in this area for the Project. The City agrees to use these surcharge dollars that have been collected to date to begin the design work for the Project. 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 portion of the Project, as described above, which is within the East Post Falls Urban Renewal District Plan, including design work not covered by the surcharge dollars, construction, and Project management costs. Reimbursement to the City will be for costs internal to the City's efforts on the Project. The Agency shall reimburse the City for invoices and estimates submitted by the consultant and the contractor after review and recommendation for payment by the City.

The Agency agrees to reimburse the City for staff time given to design, research, evaluate, report or otherwise assist the Agency in the Project improvements, at the City employee's fully burdened hourly cost to the City for individual employees. The City agrees to provide these hourly costs to the Agency and agrees to track staff hours dedicated to this Project and to track all non-personnel Project costs to a single general ledger code within the City's accounting software.

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 all current Agency obligations to proponents within the District, including but not limited to 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 are 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 parties agree that in the event the Project has not been completed by June 1, 2022, that the City will obtain an updated estimate of the remaining Project costs from the design consultant and provide that estimate to the Agency by August 15, 2022. Upon receipt of the estimate, the Agency agrees to pay to the City 110% of the estimated costs, including contingency funds for unforeseen expenses or higher than expected costs, to provide funds solely for completion of the Project. All reimbursements/payments must be completed prior to the District maturity date of December 31, 2022. Any excess of reimbursements/payments over the actual Project costs shall be rebated by the City to the affected taxing districts as provided in Idaho Code Section 50-2909(4) following final payment of all project costs.

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 pursuant to the terms of this Memorandum 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 2019 and construct and fully complete the Project by 2022.

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

POST FALLS URBAN RENEWAL AGENCY

BY: _____
Ronald G. Jacobson, Mayor

BY: _____
Jerry Baltzell, Chairman

Date: _____

Date: _____

ATTEST:

Shannon Howard, City Clerk

Len Crosby, Treasurer