

**POST FALLS URBAN RENEWAL MINUTES**  
**August 17, 2017**

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 were Commissioners Larry Carstensen, Len Crosby, Tom Malzahn, Rich Houser and Jame' Davis. Commissioner Collin Coles was not present. Carstensen led the Pledge of Allegiance.

CEREMONIES, APPOINTMENTS AND ANNOUNCEMENTS

None

CONFLICT DISCLOSURE

None

CONSENT CALENDAR

Fountain introduced the Consent Calendar. Item A is the Commission Meeting Minutes, July 20, 2017.

Item B is the payables for the month totaling \$1,114,754.72. The amount includes the semi-annual loan payment to Washington Trust Bank and a final payment to Community 1<sup>st</sup> Bank on the Spokane Street Revitalization Project. By paying the debt off early at Community 1<sup>st</sup> Bank we are saving \$18,146.47 in interest.

Item C is the Bank Activity Report which shows total funds in all accounts of \$5,383,039.23 with accrued interest for the month of \$2,818.41.

Item D is the financial reports as of July 31, 2017.

Approval of the Consent Calendar will authorize the transfer of \$2,818.41 accrued interest to the General Fund and a transfer to the Community 1st checking account of \$1,114,754.72 for general payables.

Commissioner Crosby asked for clarification if the payable amount included the semi-annual proponent payments. Fountain stated it did not; the amount includes debt payments to WTB and Community 1<sup>st</sup>.

Commissioner Davis made a motion to approve the financial report as presented, seconded by Carstensen. Roll Call: Davis-Aye; Carstensen – Aye; Baltzell – Aye; Malzahn – Aye; Crosby – Aye; Houser – Aye. Motion carried.

Commissioner Crosby inquired on the approval of the remaining items on the consent calendar, stating the financial reports are only a portion of the Consent Calendar.

Commissioner Carstensen and made a motion to approve the remaining items on the Consent Calendar, seconded by Crosby. Roll Call: Davis-Aye; Carstensen – Aye; Baltzell – Aye; Malzahn – Aye; Crosby – Aye; Houser – Aye. Motion carried.

#### COMMITTEE UPDATES

*Finance & Policy* – Crosby – The FY 2018 Budget has been completed as well as the Closing Budget for City Center. Both will be presented this morning.

*District Review* – Nothing to report.

*Communication, Property and Personnel* – Carstensen – Nothing to report.

#### CITIZEN COMMENTS

None

#### PUBLIC HEARING

Baltzell stated that a Public Hearing will be held on the proposed Fiscal Year 2018 Budget. If anyone wishes to speak and has not filled out a form, please do so now and give it to the Executive Director. Notice of the public hearing was published on August 3rd and August 10<sup>th</sup> as required by Idaho Code Section 50-2903(5). Baltzell opened the Public Hearing at 8:06 a.m.

Treasurer Crosby presented the FY 2018 Budget. The revenues are tax increment income based on property values and tax rates determined by the Kootenai County Assessor's Office. The overall increase in tax increment revenue is projected at 20.3% over the revenues in FY 2017, arising primarily from additional development in West Seltice II and additional residential development in East Post Falls. Interest income is projected to remain at \$14,000. Carry over revenue will be reduced to \$1,552,798 as we draw down on revenues carried forward from prior periods to pay for public improvements currently being completed or planned through September of 2018.

Debt incurred in the City Center District to pay for improvements to Spokane Street has been fully repaid, approximately one year ahead of forecast; no additional debt is projected for FY 2018.

Expenditures for proponent reimbursement, including debt repayment is projected to increase by slightly more than \$1 Million. The increase is a result of reimbursement being paid for completed, dedicated and accepted public improvements and our continued focus on paying down borrowed funds as quickly as possible. As borrowed funds are paid down, interest expenses will also decline. The interest expense projections for FY 2018 are down more than \$62,000 from FY 2017.

Operating Expenses continue to be \$142,000, however included in those expenses is an allocation of revenue to the Agency General Fund of \$29,602. The actual operating expenses are projected to be \$112,398 for FY 2018.

Expenses have decreased for Contract Services, Audit, Legal Services, Dues and Memberships, Office Equipment, Office Supplies and Telephone. There is a slight increase to Advertising Expenses, Insurance, and General Administrative Expenses associated with the increase in compensation awarded to the Executive Director when she was promoted from Interim Director. We have added a Computer Software category with a budget of \$440 to update QuickBooks and related software.

Total expenses are projected at 98% for debt repayment and funds being paid out to the proponents for reimbursement of completed, approved and dedicated public improvements, the remaining 2% are operating expenses. The income and expenses projected in the FY 2018 budget balance.

At this time Chairman Baltzell asked if any forms for public comment had been submitted. Being none, Baltzell closed the Public Hearing at 8:13 a.m. for Commission deliberation and action.

Commissioner Davis thanked Crosby for the detailed presentation and stated it is encouraging to see how fiscally responsible the Agency is in having only 2% of the total budget being operating expenses.

Baltzell commented the presentation is precise and easy to follow and should be well received by the community.

#### UNFINISHED BUSINESS

Resolution 2017-02 Approving the FY 2018 Budget. Commissioner Crosby made a motion to approve the FY 2018 Budget and adopt Resolution 2017-02, seconded by Houser. Motion carried by voice vote.

#### NEW BUSINESS

Approval of Semi-Annual Proponent Reimbursements. Fountain stated the semi-annual proponent reimbursements totaling \$740,499.33 are from tax increment received within the urban renewal districts and will be distributed as follows:

<b><u>District</u></b>	<b><u>Proponent</u></b>	<b><u>Reimbursement</u></b>	<b><u>Remaining Obligation</u></b>
Center Point	Pointe Partners, LLC	\$373,018.11	\$1,811,334.42
Tullamore	Copper Basin Construction	\$257,077.33	\$2,226,333.84
Tullamore Commons II	Whitewater Creek	\$ 15,238.47	\$ 245,813.10
W. Seltice II	Greenstone Corporation	\$ 95,165.42	\$ 815,479.93

When the proponent of a district puts in additional infrastructure as approved in the Plan, once those costs are reviewed by Welch Comer and approved by Commission they are added to the remaining obligation.

The Expo District has a fund balance of \$847,896.68 that will be used toward future improvements to that district.

Commissioner Carstensen made a motion to approve the Semi-Annual Proponent Reimbursements as presented, seconded by Malzahn. Roll Call: Houser – Aye; Davis – Aye; Baltzell – Aye; Carstensen – Aye; Crosby – Aye; Malzahn – Aye. Motion carried.

Projected 2017 Closing Budget for the City Center Urban Renewal District (8/16/18). Treasurer Crosby stated the City Center Urban Renewal District was created in 1994 and encompassed a total of 231 acres. The District was formed to address the impact from the construction of I-90 in the late 1970's on this area of the City of Post Falls. The Plan was a cooperative effort between the City of Post Falls and the Urban Renewal Commission with the hope of expanding commercial development within the downtown core.

Over the life of the District, the Commission has made significant improvement to public infrastructure within the District, including improvements to 4<sup>th</sup> Avenue, Spokane Street and the Centennial Trail. The total cost of those improvements has been \$5.9 Million.

The assessed tax value of the properties in the District has increased from \$14.4 Million in 1994 to \$34.7 Million in 2016.

The process for closing an Urban Renewal District is a complicated process and we are starting that process today with the presentation of a projected "Closing Budget" as require by statute. We are projecting to complete this process and formally close the District at or prior to its maturity date of August 16, 2018. This will be the third Urban Renewal District closed by the Post Falls Urban Renewal Commission.

Upon completion of the closure of this District, the increased tax revenues which have been generated by development and increased values will be returned to the City, County and related taxing entities and increase their respective tax revenues.

After the expenditure of \$100,000 which the Commission has allocated to assist the City in expanding parking within the District, our closing budget provides a total of \$416,000 in tax revenues which will be rebated to the taxing districts.

Commissioner Davis made a motion to tentatively approve the Closing Budget for the City Center Urban Renewal District and authorize staff to advertise the Public Hearing in the Press, seconded by Malzahn. Motion carried by voice vote.

## STAFF REPORT

Fountain stated in the past we have posted the meeting Agendas and Minutes to our website; in the interest of the public and for transparency we will begin posting the full packet of our Commission Meeting(s) on the PFURA website. Those in the audience and those viewing on TV can now go to [www.pfura.com](http://www.pfura.com) and find the full packet on our Meeting Tab. The packet will be posted 48 hours prior to the meeting.

For the month of July the Agency Video which is posted on the website had 9 views from California, 2 each from Oregon, Arizona and Idaho, one from Washington and one from Illinois.

#### COMMISSIONER COMMENTS

Commissioner Crosby stated Fountain has done an excellent job working with the Finance Committee on the Annual Budget and the Closing Budget for City Center.

Commissioner Carstensen noted the North Idaho Fair is next week.

#### CHAIRMAN COMMENT

Chairman Baltzell thanked everyone for the work they do.

#### 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 8:24 am.

Respectfully submitted,

  
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Diane Fountain, Executive Director

  
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Jerry Baltzell, Chairman