

POST FALLS URBAN RENEWAL Workshop Minutes

September 11, 2018 – City Hall (Basement Conference Room)

CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

Chairman Jerry Baltzell called the meeting to order at 8:00 a.m. Director Diane Fountain called the roll. Present in addition to Baltzell were Commissioners Larry Carstensen, Len Crosby, Collin Coles, Laura Horn, Jame' Davis and Rich Hauser. Also in attendance was Pete Bredeson, Shelly Enderud and John Beacham. Baltzell led the Pledge of Allegiance.

CONFLICT DISCLOSURE

None

CITIZEN COMMENT

None

Financial Reports. Director Fountain reviewed the August Financial reports noting the Miscellaneous Income (\$112,000) on the Profit & Loss statement is the proponent annual administrative fees which was recommended by Anderson Brothers during last years Audit. Under the expense account for District Payments those dollars account for the semi-annual proponent reimbursements, City Center rebate checks, and the WTB payment for the Greensferry Overpass less the \$112,000 which was transferred to the Miscellaneous Income account. Commissioner Davis inquired on the status of the Pointe Apartments, Fountain stated they have to complete the Agreement with Pointe Partners, LLC prior to submitting a reimbursement request.

East Post Falls District: Tullamore Lift Station Improvements MOU. This MOU is for the required upgrades to the Tullamore Lift Station that the Agency has agreed to fund from increment in the EPF District once the Greensferry Overpass loan is paid in full. Under the development contract it states it is the intent of both parties to design the project in 2018/2019 with full completion of the project improvements in 2019. The cost is approximately \$108,000. The MOU has been reviewed by our legal counsel and was approved by City Council on August 21, 2018.

Commissioner Crosby made a motion to approve the Tullamore Lift Station Improvements MOU, seconded by Coles. Roll Call: Crosby – Aye; Carstensen – Aye; Baltzell – Aye; Davis – Aye; Coles – Aye; Horn – Aye; Houser - Aye. Motion carried.

East Post Falls District: EQ Basin Project, 12th Avenue Lift Station Improvements and Force Main MOU. Fountain stated this MOU is required for the EQ basin and 12th Avenue lift station improvements and the improvements for the force main that are in the EPF boundary. Project costs are approximately \$2,063,000 for the EQ Basin and piping, \$1.9M for the sewer lift station and the full force main is estimated at \$7.5M the Agency will fund the portion which goes to the westerly boundary of the district.

Discussion:

Baltzell: The force main will be less than the \$7.5M?

Crosby: Is there an estimate, 10% of that amount?

Beacham: In that ballpark. The full force main is 4 miles.

Enderud: Once the design is engineered those costs can be broken out and provided to the Agency.

Beacham: It would be safe to say the majority of it lies outside of the EPF district.

Crosby: We are looking at an approximate commitment of \$4.8 to \$5M for this MOU.

Carstensen: Has the property been acquired for the lift station?

Beacham: The City has an easement now, if there is additional land that needs to be acquired it would be incorporated into the project.

Baltzell: Do you anticipate it to be difficult to acquire additional land?

Beacham: It seems fairly straightforward, but you never know until you start negotiations.

Enderud: The land is undeveloped at this time.

Crosby: Do the cost estimates include design costs?

Beacham: The numbers are out of the sewer study. The City would be spending surcharge dollars toward the design.

Crosby: Will the City continue to collect surcharge dollars?

Enderud: That is to be negotiated between Foxtail and Philip Wirth. It will be adjusted with some of these projects being removed. When the new sewer study was done, some liabilities were removed and others were added. Those numbers are being worked through in the engineering department.

Commissioner Houser made a motion to approve the EQ Basin Project, 12th Avenue Lift Station Improvements and Force Main MOU, seconded by Crosby. Roll Call: Houser – Aye; Horn – Aye; Coles – Aye; Davis – Aye; Baltzell – Aye; Carstensen – Aye; Crosby – Aye. Motion carried.

Addendum to Policy #07 – Reimbursement from Tax Increment. Crosby stated that Finance & Policy Committee has been working on this for over a year. The Commission's focus has and continues to be on economic development, the reimbursement process was not aligned with that focus. Committee came up with something more incentive to reinforce our focus on economic development and job creation by the manner in which we reimburse. Crosby walked through the items within the addendum for districts created after August 1, 2018. (Addendum attached)

Coles: It seems prudent to put in there **up to 100% or up to 75%**.

Crosby: That was discussed, the thought was to give a clear guideline for staff, City staff and the proponent/developer. It makes for a level playing field throughout the community.

Coles: We should be concentrating on the costs that would be extraordinary rather than typical cost of development. If the improvements are within an urban renewal district, those cost above and beyond the normal cost of construction will be reimbursed.

Baltzell: It is stated in the **Exceptions** in parts B and C, which makes sense for what is being addressed.

Fountain: Did we want to add any language that addresses that if anyone other than the proponent request tax increment reimbursement, they must either enter into a business arrangement with the Agency, or would that come at a later time?

Crosby: That would follow our practice of first in time, first in right process.

Baltzell: Any agreement we have with a proponent will identify that process. If there is someone who is not the proponent, it would be handled separately.

Crosby: In Center Point the proponent worked with another developer and entered into a tri-party agreement with the Agency. When EPF was expanded, Tullamore increment was carved out to pay for the infrastructure in that sub-district and when Whitewater came forward for reimbursement on infrastructure for multi-family, only the increment from that parcel goes to pay them.

Baltzell: We have precedence now and several different views on it that are supported by logic and sense.

Bredeson: If the City is seeking reimbursement for City funded infrastructure, we would enter into an MOU with them.

Houser: Thank you Len for leading this and explaining it to Committee, there was a lot of good discussion on it. In my point of view, it covers the essence of urban renewal.

Commissioner Coles made a motion to adopt the Addendum to Policy #07 as presented, seconded by Horn. Roll Call: Crosby – Aye; Carstensen – Aye; Baltzell – Aye; Davis – Aye; Coles – Aye; Horn – Aye; Houser - Aye. Motion carried.

Staff Report. Fountain stated Rob McCone (Expo District) has stated there is a 6 to 12 acre parcel on the corner of Seltice and Pleasantview that is being negotiated; the user wants to be in operation by next fall.

Shelly has suggested a tour of the sewer facilities and explain the different aspects of it since we are funding some sewer improvements in EPF. John Beacham will set something up; those interested will tour after the workshop on October 9, 2018.

Commissioner/Chairman Comments.

None

Additional Comments.

Enderud stated how exciting it is to be reaching the bottom of the checklist for the Tech Park and (2) two of the (3) three MOU's have been completed for the EPF sewer improvements. The Plan goes to a public hearing October 16th. Grants for public infrastructure are being looked into; there is an EDA Grant that could fund a portion of the force main that is outside of the EPF district which would result in reduced surcharges. The City is working with ITD and UPRR on the abandonment of the tracks and are working on who will own and maintain it once that is done. The pedestrian tunnel is also being discussed.

Fountain informed the Commission that she and Brad Marshall will be visiting KCFR, PF School District, NIC and PF Highway District on September 19th to present the new district plan and get any feedback.

Adjournment. Baltzell asked for a motion to adjourn. Commissioner Crosby made the motion, seconded by Coles. All in favor by voice vote. Meeting was adjourned at 8:37 am.

Respectfully submitted,



Diane Fountain, Executive Director



Jerry Baltzell, Chairman

POST FALLS URBAN RENEWAL AGENCY

- Subject:** Addendum to Policy # 7: Reimbursement from Tax Increment.
- Effective Date:** August 1, 2018
- Issued by:** Finance Committee
- Purpose:** To establish revised reimbursement parameters for Urban Renewal Districts Created after August 1, 2018
- Policy:** Reimbursement from Tax Increment for new Urban Renewal Districts to encourage focus on economic development and job creation.
- Background:** Tax Increment received by the Agency for new Urban Renewal Districts created after August 1, 2018 is disbursed in February and August of each year to reimburse for project cost reimbursement. For purposes of Urban Renewal Districts created after August 1, 2018, the priority of reimbursement for completed, approved and dedicated public improvements shall be reimbursed based on the following percentages of Agency reviewed and Agency approved costs:

A. LIGHT AND HEAVY INDUSTRIAL AND TECHNICAL DEVELOPMENT:

1. On-Site Public Improvements:

100% reimbursement of Commission-approved public improvements included in the Urban Renewal Plan for the District including major streets, sidewalks, major utility lines (sewer, water, waste water, gas, electric, broadband, and related), public park areas, street trees and street landscaping, street lighting, required traffic controls, major development signage (not specific tenant signage), Commission-approved public art, specific Commission-approved trails and similar improvements designed to provide tenants with pedestrian, bike or related inter-project modes of transportation.

2. Off-site (but within the URA District) Public Improvements directly related to the industrial or technical development:

100% reimbursement for Commission approved and/or City-required public improvements included in the Urban Renewal Plan for the District for off-site sewer, water and wastewater improvements, facilities and service lines, required to support industrial and technical development within the District, 100% reimbursement for Commission approved and/or City required public improvements included in the Urban Renewal Plan for the District for traffic controls required to provide access and exit from the area being developed for industrial and technical users, including major collector streets and arterials.

50% reimbursement for Commission approved and/or City required public improvements included in the Urban Renewal Plan for the District for off-site electrical and gas lines (within the District) required for the industrial and technical development.

B. RETAIL, OFFICE AND SERVICE DEVELOPMENT:

1. On-site public improvements:

75% reimbursement of Commission-approved and/or City required public improvements included in the Urban Renewal Plan for the District for improvements including major streets, sidewalks, major utility lines (sewer, water, waste water, gas, electric, broadband and related), public park areas, street trees and street landscaping, street lighting, required traffic controls, major development signage (not specific tenant signage), Commission-approved public art, specific Commission-approved trails and similar improvements designed to provide tenants with pedestrian, bike or related inter-project modes of transportation.

EXCEPTION: In cases where planned retail, office and service development is designed to primarily support an adjacent or closely aligned area being developed as light or heavy industrial or technical development, the Commission **may** elect to reimburse on-site public improvements for Commission approved improvements

included in the Urban Renewal Plan for the District for retail, office and service development at a higher level, up to 100%.

2. Off-site (but within the URA District) Public Improvements:

75% reimbursement of Commission-approved public improvements and City-required public improvements included in the Urban Renewal Plan for the District for sewer, water and waste water service lines and facilities required to support retail and service development,

50% of Commission approved public improvements included in the Urban Renewal Plan for the District for traffic controls required to control access and exist from the area being developed for retail, office and service users.

50% of Commission approved public improvements included in the Urban Renewal Plan for the District for electrical and gas lines required for retail, office and service development.

EXCEPTION: In cases where planned retail and service development is designed to primarily support an adjacent or closely aligned area being developed as light or heavy industrial or technical development, the Commission may elect to reimburse off-site public improvements of Commission approved improvements included in the Urban Renewal Plan for the District for retail, office and service development at a higher level, up to 75%.

C. RESIDENTIAL DEVELOPMENT:

1. On-site public improvements:

25% reimbursement of Commission-approved collector or arterial streets required to provide access to and egress from the residential development, which were included in the Urban Renewal Plan for the District.

25% of Commission-approved on-site public parks that are available to the general public, which were included in the Urban Renewal Plan for the District.

2. Off-site (but within the URA District) public improvements:

No reimbursement for off-site development costs associated with residential development.

D. SPECIAL PROVISION FOR CITY-REQUIRED OR COMMISSION-APPROVED PUBLIC IMPROVEMENTS WITHIN A DISTRICT THAT ARE REQUIRED FOR INDUSTRIAL OR TECHNICAL DEVELOPMENT WITHIN A PORTION OF THE DISTRICT, AND WHICH MUST BE INSTALLED THROUGH A PLANNED OR EXISTING RESIDENTIAL DEVELOPMENT WITHIN THE DISTRICT:

For on or off-site public improvements within an Urban Renewal District which are required to connect Commission-approved or City-required infrastructure from a portion of the District that is being developed for industrial, technical or retail use, the Commission will consider reimbursing the **Additional Costs** associated with **Upgrading** existing or planned public improvements (sewer, water and wastewater service lines, lift stations, major roadways and related public improvements) associated with improvement costs above and beyond those required by the City of Post Falls to support the existing or proposed residential development.