

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

October 29, 2018 – Chamber Conference Room

CALL TO ORDER, ROLL CALL

Chairman Len Crosby called the meeting to order at 1:00 p.m. Present in addition to Crosby were Commissioners Rich Houser and Laura Horn. Also present was Diane Fountain, John Beacham, Matt Gillis and Jack Grissing.

CONFLICT DISCLOSURE

None

CITIZEN COMMENT

None

J.R Watson & Associates Order of Approval for Payment. Matt Gillis from Welch Comer explained the process of review for proponent submittals. Welch Comer does an independent estimate of the quantities and unit prices and compares it to the submittal. Jack Grissing reviewed the work that has been completed and what has not and created a spreadsheet to track those items and associated costs. Grissing found discrepancies in sidewalk quantities which will be completed at a later day as well as a difference of 418 feet of 15" sewer main. In the future when final work is completed and submitted they will be compared to what has already been approved.

The original submittal of \$1,496,894 and was reduced by \$123,638.85 since the Agency only pays for work that has been completed and accepted by the City – the reduced amount include hard costs of \$88,407.36 and soft costs totaling \$35,231.49.

Commissioner Houser made a motion to approve the Order of Approval for J.R. Watson and Associates in the amount of \$1,373,255.15 and release the funds being held by the Agency totaling \$541,151.41, seconded by Horn. Motion carried by voice vote.

East Post Falls Increment and Sewer Projects. Committee reviewed cash flow projections in the EPF district to pay the Greensferry loan and fund the sewer improvements. Crosby discussed the timing issues associated with the Greensferry Overpass loan and the sewer projects. A couple options for Commission to look at would be to either expand the loan with WTB approximately \$2.5M or seek a new loan in that amount the first quarter of 2020. There would be costs involved to expand the current loan. The Agency could also secure other loan proposals from lenders recognizing that the collateral on their loan would be secondary to the existing WTB loan until it was fully paid in 2021.

John Beacham presented the costs of the sewer projects and timing which include the following:

<u>Project</u>	<u>Costs</u>	<u>Est. Time Frame</u>
Tullamore Lift Station	\$ 108,000	FY 2019
Highway 41 upsizing	\$ 719,000	FY 2019/2020
12 th Ave. Lift Station and EQ Basin	\$3,963,000	FY 2020
Force Main within the district (5% of Total)	\$ 336,375	FY 2021 and beyond
Total Project Costs	\$5,126,375	
Less City Collected Surcharges	\$ 535,000	
Total URA commitment	\$4,591,375	

Beacham suggested the Agency fund all of the costs and let the City apply the collected surcharge dollars toward the force main along 12th Avenue, noting that it would reduce the cost of surcharges currently being paid by approximately 5%. After discussion this would only result in a \$200 reduction per unit and would primarily benefit residential developers. Committee would not favorably recommend this proposal, but might consider other options if they resulted in reduction in the surcharge fees being only applicable to industrial and technical development with the EPF district or the PF Tech district. Crosby stated that once the loans are paid in full; there is the possibility to look at expanding the EPF district by 10% or 97 acres to include the force main, however there would need to be sufficient time remaining prior to the maturity of the District and such action would require the approved of the full Commission and City Council.

Houser mentioned there is an infrastructure tax exemption of up to 75% of the tax basis in the developed land for land developers. There is also a five year full tax exemption available under Idaho law if a company invests in buildings or equipment that exceed a specific amount. If either of these were applied to properties in an Urban Renewal District, those exemptions could dramatically reduce the projected tax increment in that district. Committee suggested further review of this and possible changes to future Owner Participation Agreements.

Meeting adjourned at 2:00 p.m.

Respectfully submitted,



Diane Fountain, Executive Director



Len Crosby, Chairman