



**Joint Commission/Council Workshop**

April 16, 2019

4:30 p.m.

Post Falls City Hall

Basement Conference Room

1. Welcome and open meeting – Mayor Jacobson and Jerry Baltzell
2. Proposed Downtown Urban Renewal District Discussion
  - a. Eligibility Study Findings
  - b. Proposed Area Map
  - c. Steps Moving Forward
3. Adjournment

**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.

**CITY OF POST FALLS  
AGENDA REPORT  
ORDINANCE  
MEETING DATE: April 16, 2019**

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**DATE:** April 11, 2019  
**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** Warren Wilson, City Attorney  
**SUBJECT:** Joint Workshop with PFURA Regarding Creation of a New Downtown Urban Renewal District

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**ITEM AND RECOMMENDED ACTION:**

Staff has prepared an update on the proposal to create a new downtown urban renewal district. The workshop is intended to brief the Council and PFURA on the proposal and to discuss steps to move forward.

**DISCUSSION:**

In 2017, prior to the closure of the City Center District, a discussion began about the potential for creating a new district in the downtown area to continue and expand the work of the City Center district. A joint workshop was held with the PFURA in September 2017 (see minutes) to discuss a draft map and staff began work on an eligibility report and reached out to a consultant to draft a feasibility study.

Work on the potential new downtown district stopped to allow staff and PFURA to focus on adopting the Post Falls Technology district. With the completion of that project, staff began meeting last fall to restart the process of adopting a new downtown district. Staff has prepared a draft map for consideration. The map makes several small changes from the map considered in September 2017. Staff has engaged JUB to prepare an eligibility report. We have received the draft report and expect a final report within the next couple of weeks. We intend to discuss the map, provide a preview of the reports focus and findings and seek input on the next steps in this process.

**ITEM / PROJECT PREVIOUSLY REVIEWED BY COUNCIL ON:**

September 5, 2017.

**APPROVED OR DIRECTION GIVEN:**

N/A

**FISCAL IMPACT OR OTHER SOURCE OF FUNDING:**

Costs associated with creating the district are eligible for reimbursement.

**BUDGET CODE:**

N/A

**SUPPORTING DOCUMENTS:**

September 5, 2017 workshop minutes.

**MEMORANDUM:**

**TO:** Mayor & Council

**FROM:** Shelly Enderud

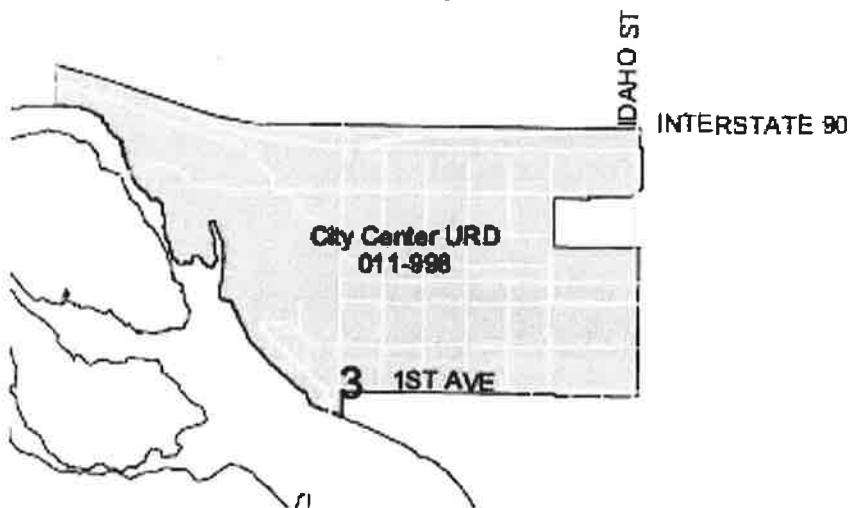
**DATE:**

**SUBJECT:** Potential New City Center District

The Current City Center is slated to close in 2018. I have attached the Agency timeline for the closing of this district. The discussion of starting a new district in the City Center area has come up at several meetings. Staff discussed the topic at our staff meeting on July 25<sup>th</sup> and agreed to bring the topic to Council for discussion.

Legal has confirmed that the current district boundaries may be included in a new district once the current district is closed. This would reset the values of those properties to the value at the time the new district is created.

The current district boundaries are the Spokane River, I-90, Idaho St and 1<sup>st</sup> Ave.



A new district could include this same area and could also be expanded to include the Idaho Veneer property east of Idaho St. and could even include the area north of I-90 and south of Seltice.

In discussions the primary reasons for starting a new district have been:

1. Assist with infrastructure to support and attract businesses in the City Center area – curb, sidewalk, street work, street lighting, parking (lot(s) and street), landscaping, etc.

2. Assist development of The Landings.
3. Assist with development of the Idaho Veneer site.

One of the issues that has arose about a potential new district is whether the City should be the proponent of the plan or wait until one or both mill sites have been acquired for development and allow the developers to be the proponents of the new plan?

1. City Proponent Pros:
  - a. Allows the 18 month or so process to take place so the funding is in place when either site is acquired for development.
  - b. It allows the City more of a voice and will allow for more public input during the process of developing the plan.
  - c. Allows the City to work towards matching grant funds for parking in the City Center area.
2. Developer Proponent Pros:
  - a. Allows for the plan to be more specific, therefore, there is less chance of a need to amend the plan when one of the mill sites is acquired. Amending the plan will likely reset the base for increment funding.
  - b. The cost of developing the plan would be paid by the developer(s) and not the City.

This is a discussion item for Council to consider and no action is required at this time. If the Council did desire to take action, some options might include:

1. Make a motion for staff to provide more data/information and bring it back to Council.
2. Make a motion for staff to bring the discussion to the Urban Renewal Agency.
3. Make a motion to set up a joint meeting between the City Council and Urban Renewal Commissions for discussion.
4. Make a motion for the City to start the process of a new City Center Plan as the proponent.
5. Make a motion for the City to wait until a developer acquires one of the mill sites and desires to start a new City Center Plan as the proponent.

Thank you and please let me know if you have any additional questions or would like additional information provided.

## POST FALLS URBAN RENEWAL AGENCY

### PF URA District Plan Approval Checklist

Task	Resp. Party	Timeline
<input type="checkbox"/> Preliminary meeting to overview project & URA procedures, timing, increment accumulation/reimbursement; political & other issues	URA, Developer	
<input type="checkbox"/> Project Summary to URA Commission at regularly scheduled meeting for OK to proceed .	Developer	2 – 6 weeks
<input type="checkbox"/> Determine if area is within Competitively Disadvantaged boundary or if need Declaration of Deterioration (see procedure F & G) ** Note 1 below	URA	1 – 2 weeks
<input type="checkbox"/> Collect plan fees (\$15,000)	URA	1 – 3 weeks
<input type="checkbox"/> Begin feasibility study, project cost estimates & fiscal impact on taxing districts	Developer	4 – 12 weeks*
<input type="checkbox"/> Write rest of District Plan documents	URA & Devel.	4 – 6 weeks*
<input type="checkbox"/> Final feasibility package to URA before public hearing	Developer	5 weeks prior
<input type="checkbox"/> <input type="checkbox"/> Complete info package distributed to City & all other impacted taxing districts collect input from them & engineering & legal advisors	URA/City	4 weeks prior
<input type="checkbox"/> Notify Planning & Zoning commission	City	30 days
<input type="checkbox"/> Schedule Planning & Zoning Commission review	City	2 weeks
<input type="checkbox"/> Once P&Z approves, City Council schedules public hearing	City	2 – 3 weeks
<input type="checkbox"/> Do legal notice & prep packet info with resolution & approval history		3 weeks prior
<input type="checkbox"/> If Council approves, insert legal & map into final ordinance & into plan Transmit documents to County Auditor, Assessor, Taxing Districts & State Tax Commission (Map & legal need to be recorded per IC63-215)	URA	within 30 days of Council ordinance
<input type="checkbox"/> File plan with State Legislative Services Office	URA	no later than January 1

Note 1: If area is not within an area designated by the City as a Deteriorated or Deteriorating Area and/or as a Competitively Disadvantaged Border Community Area (CDBCBA), the City will have to pass a Resolution Declaring the Area as Deteriorated or Deteriorating or approve an Ordinance Declaring the Area to be a CDCBA after the Agency recommends the same via Resolution before proceeding with the next tasks



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**CITY COUNCIL  
MEETING MINUTES**

**September 5, 2017  
6:00 pm**

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**Location: City Council Chambers, 408 N. Spokane Street, Post Falls, ID 83854**

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**WORKSHOP – 4:00 PM Basement Conference Room**

**ROLL CALL OF CITY COUNCIL MEMBERS**

Kerri Thoreson, Alan Wolfe, Joe Malloy, Betty Ann Henderson, Lynn Borders, Linda Wilhelm  
**All Present**

**ROLL CALL OF URBAN RENEWAL MEMBERS**

Larry Carstensen, Jame Davis, Cillin Coles, Tom Malzahn, Jerry Baltzell, Len Crosby, Richard Houser – **All Present.**

**Topic - Joint Workshop with the Urban Renewal Agency:** Shelly Enderud, City Administrator presenting.

a. New City Center Urban Renewal District Discussion.

The current City Center District is slated to close in 2018. The discussion of starting a new district in the City Center area has come up at several meetings. Staff discussed the topic at our staff meeting on July 25<sup>th</sup> and agreed to bring the topic to Council for discussion. Legal has confirmed that the current district boundaries may be included in a new district once the current one is closed. This would reset the values of those properties to the values at the time the new district is created. The current district boundaries are the Spokane River, I-90, Idaho St and 1<sup>st</sup> Ave. A new district could include this same area and could also be expanded to include the Idaho Veneer property east of Idaho St. and could even include the area north of I-90 and south of Seltice. In discussion the primary reasons for starting a new district have been:

1. Assist with infrastructure to support and attract businesses in the City Center areas – curb, sidewalk, street work, street lighting, parking (lot(s) and street), landscaping, etc.
2. Assist development of The Landings.
3. Assist with development of the Idaho Veneer site.

One of the issues that has arose about a potential new district is whether the City should by the proponent of the plan or wait until one or both mill sites have been acquired for development and allow the developers to be the proponents of the new plan?

**City Proponent Pros:**

1. Allows the 18 month or so process to take place so the funding is in place when either site is acquired for development.
2. It allows the City more of a voice and will allow for more public input during the process of developing the plan.
3. Allows the City to work towards matching grant funds for parking in the City Center area.

**Developer Proponent Pros:**

1. Allows for the plan to be more specific, therefore, there is less chance of a need to amend the plan when one of the mill sites is acquired. Amending the plan will likely reset the base for increment funding.
2. The cost of developing the plan would be paid by the developer(s) and not the City.

b. City Parcel on Spokane and Railroad Auction/RFQ Discussion.

The City has limited options on how we can handle this corner parcel. What we would like to do is have a business go in there. The City cannot restrict what goes in there. We can auction it with a minimum bid. Urban Renewal can do that with an RFQ. The City is proposing having the URA run this with an RFQ. We would be willing to do the RFQ draft so that URA incurs minimum costs. URA will look at this in a future workshop.

**WORKSHOP ENDED AT 5:02PM.**

**REGULAR MEETING – 6:00 pm City Council Chambers**

**CALL TO ORDER BY MAYOR JACOBSON**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF CITY COUNCIL MEMBERS**

Kerri Thoreson, Alan Wolfe, Joe Malloy, Betty Ann Henderson, Lynn Borders, Linda Wilhelm  
**All Present**

**CEREMONIES, ANNOUNCEMENTS, APPOINTMENTS, PRESENTATION**

- a. Proclamation – Constitution Week
- b. Eagle Scout Recognition – Alessio Lemmon, Post Falls Boy Scout Troop 206. Alessio's Eagle Scout project was building flower boxes at the VFW.
- c. Due to the poor air quality, all Park & Recreation outdoor activities scheduled for tonight have been canceled. Please check with the Recreation office at 208-773-0539 for the next several days if you are enrolled in Recreation programs that are outdoors to see if they are being canceled.
- d. The Post Falls Community Volunteers will celebrate and honor our local community servants with the 1<sup>st</sup> annual Heroes Barbeque this Saturday, September 9<sup>th</sup> at Q'emiln Park's Grand Pavilion. Festivities start at 3pm. There will be beer and wine available for purchase, as well as free food, soda and live music. This is a great event for the whole family to enjoy.
- e. This year for 9/11 the City, Police Department and Kootenai County Fire & Rescue have decided to participate in the Serve on 9/11 Day project with a project to help the victims of Hurricane Harvey. The National Day of Service and Remembrance for the victims of 9/11 asks that we serve or volunteer to help others. We will not be holding an event on the plaza this year. Details on how you can participate in the Serve on 9/11 Day project will be on the City's website and the City's Facebook page.
- f. Sunday, September 17<sup>th</sup> at 11am will be the dedication of the Gladys Schneidmiller Fountain at the Evergreen Cemetery in Post Falls.
- g. Congratulation to Captain Pat Knight on his promotion to Assistant Intern Chief.

**AMENDMENTS TO THE AGENDA**

**None**

**Joint Workshop - POST FALLS URBAN RENEWAL/CITY COUNCIL Minutes  
September 5, 2017 in the basement conference room @ City Hall**

CALL TO ORDER, ROLL CALL

Mayor Ron Jacobson called the meeting to order at 4:00 pm. All City Council and PFURA Commissioners were present. Also present were Shelly Enderud, Diane Fountain, Bob Folsom, Russ Connole, Bill Melvin, Shannon Howard, Warren Wilson, Bob Flowers, Rick Whitehead and Brian Walker.

**New City Center Urban Renewal District Discussion.** Shelly Enderud gave a brief overview for a potential new City Center District which would be expanded from 231 acres to 493 once the existing City Center District closes in August of 2018. The suggested new boundary would include the Idaho Veneer site and north to Mullan Ave, excluding the Medical on the east side of Mullan, west to the West Seltice District boundary.

**Connole:** The current master plan updated includes options for improvements to West Seltice from Mullan and Seltice, just below Orgill east to Highway 41. The community has expressed interest in improving that area not only for transportation but also for aesthetics. The City is in the process of finalizing a parking evaluation project for the neighborhood east of Spokane Street to Idaho Street, from 4<sup>th</sup> Avenue down to 1<sup>st</sup>, which would be consistent with 4<sup>th</sup> Avenue.

**Enderud:** Templin's property was included for potential future development on that property.

**Melvin:** The City is looking to install a signal at the intersection of 4<sup>th</sup> Avenue and Seltice Way. Pedestrian facilities north and south of that area are also limited.

**Enderud:** There has been an accepted offer on 17 acres of property in The Landings site. On the Idaho Veneer site there is a 165 apartment complex that has been submitted with a second phase of an additional 165 anticipated in the future.

Mayor Jacobson stated from Council's position they asked staff to investigate a new district and bring forth recommendations.

Chairman Baltzell referred to Phase I of the apartments on the Idaho Veneer site which will be build prior to the formation of a new district. If it is included in the District, Phase II once built, would provide increment to the District. Also, the area has been expanded north from Seltice to include Mullan Ave.

**Enderud:** Yes, a current study is being done from Idaho Street west to where Seltice and Mullan intersect, which could potentially be changed to one way streets

**Crosby:** What is the City's timeline for these improvements? One of the thoughts has been to make smaller districts, shorter timelines with specific goals.

**Connole:** The build out could take five to ten years. The transportation goals are at least ten years out. There are sewer and water infrastructure along Railroad Ave. that would be important to the development of that area. It will be project dependent as things are built out. There would be continual activity through a ten year period.

**Enderud:** Two Districts could be formed one south of Seltice will have shorter timelines and will be developer driven. The improvements north of Seltice will be City driven and will have a longer timeframe.

**Crosby:** A District would be a cooperative effort between the Agency and the City – like the Greensferry Overpass.

**Enderud:** Yes, I would see a partnership between the City and the Agency and sub-setting the Idaho Veneer and The Landings properties.

**Wolfe:** Is there an advantage of one big district opposed to smaller ones with shorter timeframes.



**Crosby:** Creating a larger district allows the Agency to create more increment, but without having specific Proponents or specific development ideas, you dilute the question of what are we doing with Urban Renewal monies and why?

**Wilhelm:** The residential areas are included for street and sidewalk improvements?

**Enderud:** Yes, there is no curb or sidewalk in those areas. Currently restaurants in Post Falls are struggling in the daytime hours due to a negative number of people in the area at that time. New business' in the City Center is critical.

**Mayor:** If the sale of The Landings goes through and the purchaser does what it is planning to do there, it could be a good use of urban renewal dollars.

**Coles:** I like the idea of a larger district; it allows the coordination of the larger improvements that need to be done over time.

**Crosby:** In looking at the district there are two sites that lend themselves to development, those being Idaho Veneer and The Landing, tying those two together at both ends of the district makes a great deal of sense.

**Baltzell:** Those two sites are what is going to create additional momentum within the rest of the proposed district.

**Melvin:** The City is currently working with the developer of the apartments for improved water and sewer infrastructure.

**Coles:** Those are the expenses that are important to consider, they are above and beyond the ordinary development costs.

**Crosby:** Having the improvements in the district helps the potential buyer or developer of those sites the opportunity to recover some of those additional costs that might otherwise put the project outside of the feasibility package.

**Enderud:** There are other benefits through the State such as Opportunity Grant Fund or the Community Development Block Grant Fund; Urban Renewal can be used to match those funds.

**Thoreson:** How does it make sense that Templin's/Red Lion might at some time develop an existing business? What is the benefit to the City/Public putting that in an urban renewal district?

**Enderud:** If they decide to either rehab the current facility or add additional facilities there, it could help put in the water and sewer connections and also pay for some of the pedestrian pieces to it.

**Thoreson:** They have never communicated that, we are just thinking that it would make sense to do some improvements.

**Enderud:** We put it in there because after a district is formed, a modification of boundaries would cause a base reset.

**Carstensen:** It makes sense to include it in the district boundary.

**Baltzell:** It could give the City some leverage to approach their corporate office in the future with some incentives to consider doing some improvements.

**Wolfe:** Are there any hoops we have to jump through in creating a new district like this?

**Crosby:** No, the taxing districts will benefit when the current district closes in August, 2018. There won't be much tax increment coming in for five to six years.

**Enderud:** The taxing districts have been notified of a potential new district. The only comments were received were from the School District and the Fire District; they would just like to be apprised of what is going on.

**Crosby:** Would the City consider this area deteriorated or competitively disadvantaged? It is currently classified as Deteriorated/Deteriorating.

**Mayor:** I would think we would leave it as deteriorated.

**Carstensen:** Is there plans to extend Idaho Street all the way through the Idaho Veneer site?

**Melvin:** We will wait to see what development plans come about.

**Connole:** Keep in mind there are a lot of nice improvements (swales, sidewalks, walking trails) that could be done in the right-of-way (ROW) in this district which is mostly 80 feet wide. A lot of nice amenities could be added that would fuel economic development. There is a lot of public infrastructure in this district we could spend money on.

**Davis:** From past public input, it is desired to have those improvements in the City Center District.

**City Parcel on Spokane and Railroad Auction/RFQ Discussion.** The City has purchase the property east of the DMV and is in the process of doing a land swap with the County for the corner lot at Spokane and Railroad. The City has limited options on how they can handle the sale of the property. There is a list of potential buyers (6-7) but the City cannot restrict what goes in there. The Urban Renewal can do an RFQ with certain requirements. The City will draft an RFQ and pay for the advertising. The URA can sell the property and return the money to the City.

**Crosby:** What is the value of that property?

**Enderud:** Approximately \$275,000. The Eagles property was purchased for \$319,000; the price per square foot is higher on the corner lot.

**Crosby:** What would Council like to see as the ideal development of that parcel?  
Office/retail/restaurant?

**Mayor:** Something that blends in with what is down there already and would attract people and keep them down there, such as a nice restaurant.

**Baltzell:** Potentially a multi-story building.

Enderud will follow up with a joint use-agreement with the County for the parking lot.

**Crosby:** The URA could put out an RFQ with specific use and incentivize the developer by effectively utilizing some urban renewal money to bring down the land costs to the extent that the City gets what is in the public's best interest. It is an option that has been done in other cities.

**Mayor:** The URA has the power to do that, the City doesn't.

**Baltzell:** I would be in favor of having a Commission workshop for the purpose of discussing what our role will be. Shelly will provide a draft RFQ along with a list of ideas relative to putting together the RFQ.

Mayor Jacobson stated that the Post Falls Urban Renewal Agency does not receive the criticism that other urban renewal agencies get and appreciates that the PFURA does it right and is on top of things. There hasn't been any wild, speculative things that have taken place. It is an example people look up to.

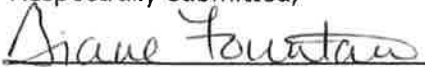
Baltzell thanked the City and Council for their support; we have a good working relationship.

**Commission will hold a workshop October 10, 2017 @ 8 am.**

ADJOURNMENT

Meeting adjourned at 5:03 p.m.

Respectfully submitted,

  
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Diane Fountain, Executive Director

  
\_\_\_\_\_  
Jerry Baltzell, Chairman

Attachments: Potential New City Center District Memo and Synopsis of City Parcel on Spokane and Railroad Auction/RFQ Discussion