

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

September 6, 2017 – PFURA Office

CALL TO ORDER, ROLL CALL

Chairman Len Crosby called the meeting to order at 1:30 p.m. Present in addition to Crosby were Commissioner's Rich Houser and Tom Malzahn. Also present was Diane Fountain.

CONFLICT DISCLOSURE

None

CITIZEN COMMENT

None

Commissioner Houser made a motion to amend the Agenda to include the FY 2017 Budget Amendment, seconded by Malzahn. Motion carried by voice vote.

Policy #1 Discussion. Houser noted a new exemption approved by the County Commissioners which allows \$500,000 businesses to be exempt from property taxes for up to 5 years which might impact tax increment reimbursement if a proponent has taken advantage of this new exemption. Committee reviewed and discussed suggestions from Commissioner Coles regarding reimbursement of public infrastructure and how to incorporate a reimbursement structure for future districts. After discussion and taking into consideration the costs of community services, committee proposes the following reimbursements for public improvements:

Industrial/Manufacturing/Technical	100%
Commercial/Office/Retail/Service	60-70%
Residential	0%

Chairman Crosby will draft up a proposal and send to committee members for review. After being finalized at the committee level, it will be presented to Commission at a future Workshop.

FY 2017 Budget Amendment. Committee discussed amending the FY2017 Budget to report the final draw on the Greensferry Overpass (Other Financing Sources) and to reflect the early payoff on the bank loan in the City Center (Debt Repayment). Staff will advertise the budget amendment in the Press for a public hearing at the September 21, 2017 Commission Meeting.

Chairman Crosby asked committee members to think about how to build the Agency's General Fund to maintain the Agency's operating expenses as Districts close.

Meeting adjourned at 3:00 p.m.

Respectfully submitted,



Diane Fountain, Executive Director



Len Crosby, Chairman

Attachment: Policy discussion items

Since we are contemplating forming a new district and/or rethinking our mission and process, the following are offered for discussion:

- Use of urban renewal funds must be limited to public infrastructure (streets, signalization, public transit, water and wastewater, curbs and sidewalks, bike and pedestrian facilities, grading and drainage within rights of way). These facilities should be outlined in city master plans or, because of timing, approved by the city council.
- If urban renewal is proposed to be used for other types of projects (parks, building construction, trails, landscaping, etc.), the project should be approved by the community. This would put the burden on the proponent to sell his/her proposal to the city. If it is approved as a use for URA funding, then the commission would take over and negotiate reimbursement and agreement.
- An Urban Renewal Agency should NOT be the proponent of a project nor should it manage a project. Projects should be proposed and managed by the community, by private developer, or a combination of the two. Private projects need approval of the community before they can be considered by Urban Renewal.
- Reimbursement of projects by urban renewal funds is restricted to projects or portions of projects above and beyond normal development costs. *(If a community's requires that a regional lift station be constructed as part of a proposed development, then that could be considered an extraordinary development cost. Similarly, construction of a water storage tower or development of a new well could be considered extraordinary.)*
- Infrastructure projects should be included on community master plans. This allows them to be vetted and approved so that developers can be informed ahead of time regarding infrastructure needs. There may be occasion to consider new requirements based on the development requests, i.e. , a new factory may require street widening beyond what's indicated on the master plan. These types of projects could be considered by the agency but only if approved by the community before any formal agreement. *(This provides some discretion to the agency to work with a developer but still requires community approval before proceeding.)*
- The URA should determine the level of reimbursement for projects based on the agencies policies and mission. *(For example, residential projects might be not eligible for reimbursement or reimbursed at a lower percentage depending on the agencies goals and policies. Industrial might be reimbursed at 100%, commercial at 50%, etc.)*

Using these proposed principles may seem restrictive but I don't believe they are. Agencies have shown that without some direction, they tend to go off track. If these are instituted, it would:

- Provide additional direction and clarification to the URA.
- Be more transparent since agency's role would be more regimented.
- Provide additional certainty to taxing districts.
- Provide better guidance to developers.
- Give taxpayers a simpler way to determine what the agency
- Give the community (elected body) more control over the process.