

## **POST FALLS URBAN RENEWAL Workshop Minutes**

**August 7, 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, and Jame' Davis. Commissioners Rich Hauser and Laura Horn had excused absences. Also in attendance was Pete Bredeson, Bill Melvin, Brad Marshall, Philip and Kimberly Wirth. Baltzell led the Pledge of Allegiance.

CONFLICT DISCLOSURE

None

CITIZEN COMMENT

None

**Financial Reports.** Director Fountain reviewed the July Financial reports noting the semi-annual reimbursements next week and a surplus rebate to the taxing entities. A reimbursement request is anticipated prior to our fiscal year end from Watson & Associates in the Expo District for Expo Parkway and Jacklin Road after final walk-through items have been addressed.

**Post Falls Technology District.** Resolution 2018-05 is to approve the Plan and adopt the Revenue Allocation Area (RAA) by the Agency. The Plan was reviewed by legal counsel and sent out to Commission last Friday. Fountain stated it was July 12, 2017 when Philip Wirth first proposed this new district to the Urban Renewal Agency. The Plan will go to P&Z next Tuesday for review for conformity with the 2010 City of Post Falls Comprehensive Plan. If they find it does conform, they will pass a Resolution relating to the proposal to create the Post Falls Technology Urban Renewal District which will be presented at the City Council meeting on August 21<sup>st</sup> and a hearing dated set for either October 2<sup>nd</sup> or 16<sup>th</sup>. Crosby noted the plan is very specific and transparent.

There was concern to get the Plan to P & Z as soon as possible. Fountain will email the Plan to the City Attorney and City Administrator.

Commissioner Crosby made a motion to approve Resolution 2018-05 as presented, seconded by Carstensen. Roll Call: Crosby – Aye; Baltzell – Aye; Carstensen –Aye; Davis – Aye; Coles – Aye. Motion carried.

**Staff Report.** Fountain stated the semi-annual proponent reimbursements and the surplus rebates to the taxing entities due to the closure of the City Center District will be presented at the Commission meeting next Thursday. It's pretty exciting to close down a district and open a new one all in one (1) year.

Baltzell stated there will be a Communications, Property and Personnel Committee next Wednesday to put together a press release on the closure of City Center, and one to follow for the New District. Brad Marshall stated he has been working on that and will collaborate with URA and City staff to complete it.

**Commissioner Comments.** Chairman Baltzell stated the timing on this project has been good due to all the different pieces. Philip Wirth indicated that Urban Renewal is the biggest tool available to make the Technology District a success.

Baltzell noted there will be Commission involvement in the sewer improvements in the East Post Falls District to help those projects get completed prior to the close of that district.

**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 8:22 am.

Respectfully submitted,



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Diane Fountain, Executive Director



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Jerry Baltzell, Chairman

**URBAN RENEWAL COMMISSION – BUDGET PRESENTATION NOTES**  
**Fiscal Year 2019 Budget**

Good Morning: Here are the key aspects of the Post Falls Urban Renewal Commission's Fiscal Year 2019 budget for the year commencing on 10/1/2018 and ending on 9/30/2019:

**REVENUES:**

- Tax increment income is projected for each existing Urban Renewal District and is based on property values and tax rates determined by the Kootenai County Assessor's Office.
  
- We are projecting small tax increment increases in three of our existing Districts ranging from an increase of 7/10 of 1% in the case of the East Post Falls District to an increase of 18.5% in the West Seltice District. These projected increases in the tax increment for those three Districts, are based primarily on new development within those Districts coming onto the tax rolls, especially new industrial buildings in the West Seltice District. Increment in the Center Pointe District is projected to essentially stay the same as last year, and no increment is projected for the Center City District, because we plan to close that District in the latter part of FY 2018.

Overall, the increment increase in the remaining four districts will average only 2% and aggregate tax increment allocated to Urban Renewal will be reduced by more than \$550,000 with the closing of the City Center District, in FY 2018.

- We are not projecting any "other income" in 2018. The other income shown in 2017 was from a fee charged in conjunction with a new sub-district for Pointe Apartments in the Center Pointe District.
  
- Interest income has been projected to be \$18,000 – slightly more than our 2018 budget based on increases in interest rates. The

Commission will also continue to aggressively pay down debt, so we continue to adopt a conservative projection of interest income.

- Carry over revenue is tax increment collected in prior periods within a District which will be applied to pay for public improvements currently underway or planned for the future. We are projecting carry over revenues in 2019 to be reduced significantly, as we draw down on revenues carried forward from prior periods to pay for public improvements being completed. The only District with a projected “Carry Over” amount is East Post Falls which reflects revenues that will be used to pay down the bonds issued to finance the Greensferry Overpass.
- We are not projecting any borrowings in 2018 which – if we were – would be shown in the Revenue section of the Budget, under the line item “other financing sources”.
- Our main expenditure is Debt Repayment. Over the course of FY 2019 it is our intention to fully repay the outstanding bonds that were issued to build the Greensferry Overpass. This is estimated to be \$4.22 Million and represents an early retirement of that debt.
- Total Revenues projected for FY 2019 are \$7,006,830 - slightly higher than our 2018 Budget at \$6,518,897. This arises primarily from increased carry-over funds of increment not yet paid out to reduce debt.

### **EXPENSES:**

- Proponent Reimbursement for approved and completed public improvements is forecast to be including DEBT REPAYMENT and interest expense associated with the debt, is projected to increase by \$499,933 to \$6,876,830. This 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.

- The Operating Expenses of the Urban Renewal Agency continue to decline. Our FY 2019 Operating Expenses are budgeted at \$130,000 - a decrease of 8.5% from the operating expenses in the FY 2018 Budget.
- We are projecting a decrease in expenses for
  - Unemployment taxes
  - Post office box and postage
  - Computer software and
  - Telephone
- We are projecting a slight increase in the following line items:
  - Audit
  - Employee wages and related expenses
  - Engineering services
  - Insurance
  - Office equipment, as we plan to replace or update our aging technology
  - Computer repair and maintenance, for configuration of the new equipment and
  - A \$40 increase in the annual cost of maintaining our Website
  - WE ALSO INCREASED OUR CONTINGENCY BY \$5,000 TO \$10,000.
- **Total Expenses are forecast at \$7,006,830. Of that total, \$6,876,830 or 98.2% of our Expenses is allocated for debt repayment and funds being reimbursed to proponents for completed, approved and dedicated public improvements. The remaining 1.8% of the forecast expenses or \$130,000 are operating expenses (including contingency and a projected transfer of \$6,465 to the Agency's General Fund) associated with operating and administering the Post Falls Urban Renewal Agency.**
- The Income and Expenses projected in the 2019 budget balance.

## QUESTIONS?