

POST FALLS URBAN RENEWAL Workshop Minutes

July 12, 2017 – City Hall (Basement Conference Room)

CALL TO ORDER, ROLL CALL AND 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 and Rich Houser. Commissioners Tom Malzahn, Collin Coles and Jame' Davis had excused absences. Also in attendance was Pete Bredeson, Shelly Enderud, Philip Wirth, Brad Marshall and Ellery Howard.

CONFLICT DISCLOSURE

None

CITIZEN COMMENT

None

Prairie Crossing West Technology Park Presentation. Brad Marshall (JUB Engineers) gave a power point presentation on a project located on Prairie Avenue west and east of Highway 41. The developers are in the process of annexing 231 acres into the City of Post Falls. A rendering exhibit of the 283 acres on the west side of Highway 41 was shown. The conceptual plan shows a technology park with a campus feel. There are three major industry types being considered that offer a synergistic connection and will be a net savings to the companies, the aquifer and the water users. The property has a double water right and service approval from Ross Point Water District. There is an abundance of water and power at a low cost in a secure location which will attract high tech, data center, server farms, high tech manufacturing. The site is centrally located between 4 cities and is in close proximity to highways, interstates, railway and the airport. The retail component east of Highway 41 (49 acres) is already in the City of Post Falls and zoned for Commercial development which could include 2 big box stores, junior mid-size boxes and pad sites across the front.

A North East Quadrant Sewer Study is in process and should be completed in September. The annexation process is anticipated to go to planning and zoning then City Council within the next couple months. The project could fall under a smart code special district and once the Comp Plan and zoning codes are developed it can change to high tech zoning. Sewer is in at the intersection of Hwy 41 and Prairie, but will need to be extended. The project ties into improvements currently being planned by ITD on Highway 41, construction will begin in 2018 or 2019. Extension of sewer and improvements to the lift station at 12th Street are also being considered.

A status of deterioration that extends halfway into the technology park has already been determined and would need to be extended.

Marshall closed stating if the technology park were to be located in an urban renewal district it would potentially attract industries that would bring up to 5,000 jobs to the area which pay in the \$80,000/yr. range. The reality is when they trying to attract this type of industry, they are competing with other cities in the western hub, being in an urban renewal district with tax

increment financing is critical in the selection process. The nearby NIC training facilities will also be a great attraction.

Philip Wirth asked if the process of extending the status of deterioration could begin while waiting for annexation. Baltzell recommended submitting a letter with supporting documentation for the extension of the deterioration boundary for Commission to look at and recommend to the City by Resolution.

Financial Statements. The June financial statements which included the 9 month Budget vs. Actual were reviewed. Commissioner Crosby moved to approve the June Financials as presented, seconded by Carstensen. Motion carried by voice vote.

FY 2018 Budget Workshop. Commissioner Crosby presented the FY 2018 Budget stating the tax increment projected is based on current property values and tax rates and could change between now and the public hearing. Tax increment revenues is projected to be 20.3% higher than 2017 due to additional industrial development in West Seltice II and residential development in East Post Falls. Total revenues are projected to be \$6,303,837. Crosby noted the increase/decrease in expense line items. Total expenses are forecast at \$6,303,837. Of that \$6,161,837 or 98% are debt repayment and funds being paid out to proponents for reimbursement of completed, approved and dedicated public improvement. The remaining 2% of the forecast expenses or \$142,000 are operating expenses (including contingency and a projected transfer to the Agency General Fund) associated with operating and administering the Post Falls Urban Renewal Agency. (Budget notes attached)

Commissioner Carstensen made a motion to approve the proposed budget and direct staff to advertise the Budget Hearing in the Press, seconded by Houser. Motion carried by voice vote.

Center Point District – Agreement Regarding Reimbursement for Public Improvements. Bredeson explained that Pointe Apartments has purchased parcel 2 from Pointe Partners, LLC. As mentioned before, Pointe Partners, LLC agreed to let the increment from parcel 2 go toward reimbursement for Expo Parkway West which is spelled out in this agreement.

First Addendum to Owner Participation and Reimbursement Agreement. This Addendum to the OPA identifies parcel #1 and parcel #2 as the "Site" for with tax increment received will go toward reimbursement of Expo Parkway West.

Todd Prescott's attorney is reviewing the documents. The entity name that purchased parcel #2 will be changed and we are still waiting for revised exhibits from him. This will come back to Commission once that information is received.

City Center Closure. Crosby stated Finance Committee met and reviewed the timeline and the closing budget for City Center. Based on current market values the Agency will be able to assist the City with the parking lot expansion, resolve all of our obligations and be in a position to return approximately \$408,907 back to the taxing entities on or about August 18, 2018. There will be a presentation to Commission on the Closing Budget at the August Commission meeting with a public hearing in September.

Staff Report. Fountain stated an email was received this morning from Kris Logsdon with the fully executed agreement between Pointe Partners, LLC and Watson and Associates for the sewer lift station. The lift station is 90% complete. They are awaiting delivery of the pumps and anticipate

full completion by the end of July. Regarding Creative Way, Fountain talked to Mr. Watson, as it appeared construction had been halted. Mr. Watson sent an email to the contractor requesting a timeline and is still pushing to have it built by July 31.

Commissioner Comments. Commissioner Carstensen inquired on plans for a fire station near the proposed technology park. Fountain stated land was donated by the Tullamore project for a future station which is across from the site next to Ross Point Water District. Enderud stated there are plans for another 5 or 6 stations in Post Falls. Carstensen also expressed concerns on the number of proposed signals on Highway 41 between Prairie and Hayden Avenues.

Adjournment. Baltzell asked for a motion to adjourn. Commissioner Crosby made the motion, seconded by Carstensen. All in favor by voice vote. Meeting was adjourned at 9:20 am.

Respectfully submitted,



Diane Fountain, Executive Director



Jerry Baltzell, Chairman

URBAN RENEWAL COMMISSION – BUDGET PRESENTATION NOTES

2018 Budget

REVENUES:

- Tax increment projected for each existing Urban Renewal District is based on current property values and tax rates, we may get revised values and rates between now and the public meeting to approve the Budget, which – as in prior years – could increase these revenue projections.
- We are projecting tax increment increases ranging from 11% in City Center to 213% in West Seltice based on newly completed buildings within each District which are coming onto the tax rolls, and development and in the values of existing properties.
- The overall increase in tax increment revenues is projected at 20.3% over 2017 primarily arising from additional industrial development in West Seltice II and additional residential development in East Post Falls.
- 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 \$14,000 - the same level as we projected in last year’s budget. Although we have received \$19,700 year to date in interest payments, and although rates may increase slightly in 2018, we will also continue to pay down debt and reduce our cash balances by reimbursing Proponents for public improvements, so we have adopted a very 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 2018 to be reduced to \$1,552,7989 as we draw down on these revenues carried forward from prior periods to pay for public improvements currently being completed or planned through September of 2018.
- We are also not projecting any borrowings in 2018 which – if we were – would be shown under the line item “other financing sources”.
- Total Revenues projected for FY 2018 are slightly higher than our 2017 Budget at \$6,303,837. This arises from additional tax increment forecast from each of

our districts and from increased carry-over funds of increment not paid out to proponents to reimburse them for public improvements.

EXPENSES:

- Proponent Reimbursement, including DEBT REPAYMENT) is projected to increase by slightly more than \$1 Million to \$6,161,837. 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.
- As we pay down borrowed funds, interest expenses are also forecast to decline. You will note that our interest expense projections for 2018 are down more than \$62,000 from 2017.
- Agency Operating Expenses continue to be steady at \$142,000, however it should be noted that included in those expenses is an allocation of revenue to the Agency General Fund of \$29,602, so actual operating expenses are realistically projected to be \$112,398 for FY 2018.
- We are projecting a decrease in expenses for
 - Contract Services,
 - Audit.
 - Legal Services
 - Dues and memberships
 - Office equipment (our lease on the copy machine will expire and we will own it)
 - Misc. Office Supplies AND
 - Telephone
- We are projecting a slight increase in the following line items:
 - Advertising expenses due to the process required by State Law for our budget hearing and our annual report, and advertising expenses required to Close Out the City Center District in 2018.
 - We have added an expense category called “Computer Software” with a budget of \$440 to update our quick books and related software.
 - We have forecast a small increase in costs of maintaining our aging computer hardware.
 - We have forecast a small increase (\$67 per year) in our insurance costs.

- We are also projecting a slight increase in General Administrative Expenses associated with the increase in compensation awarded to our Executive Director when she was promoted to that position from Interim Director, and the associated employee expenses (FICA, PERSI, Unemployment Insurance).
- The Budget contains a \$5,000 contingency item, and we are forecasting – as an expense.
- As noted earlier, the Operating Budget of \$142,000 also includes a forecast transfer of \$29,502 from income to the Agency General Fund, so the actual costs of operating the Agency in FY 2018 are forecast to be \$112,398.
- **Total Expenses are forecast at \$6,303,837. Of that \$6,161,837 or 98% are debt repayment and funds being paid out to proponents for reimbursement of completed, approved and dedicated public improvements. The remaining 2% of the forecast expenses or \$142,000 are operating expenses (including contingency and a projected transfer to the Agency General Fund) associated with operating and administering the Post Falls Urban Renewal Agency.**
- The Income and Expenses projected in the 2018 budget balance.

QUESTIONS?