



Commission Workshop Agenda
July 10, 2024 - 9:00 am
Post Falls Police Dept. – Community Rm.
1717 E Polston Ave, Post Falls ID 83854

1. Call to Order, Commissioner Roll Call
2. Conflict Disclosure
3. Citizen Comment
This section of the agenda is reserved for citizens wishing to address the Commission regarding an Agency related issue. Comments related to future public hearings should be held for that public hearing. Persons wishing to speak will have 5 minutes.
4. Budget Workshop **ACTION ITEM**
5. Second Addendum to Owner Participation and Reimbursement Agreement Discussion – A&A Construction, Millworx Development (Downtown District)
6. Agency Policy #7 Revision **ACTION ITEM**
7. Agency OPA Revision **ACTION ITEM**
8. Staff Report
9. Commissioner Comments
10. Adjournment

Requests for accommodation of special needs to participate in the meeting should be addressed to the Office of the Executive Director, 201 E. 4th Avenue, Post Falls, Idaho 83854, or call (208) 777-8151.

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.

| 2025 PROPOSED OPERATING BUDGET - POST FALLS URBAN RENEWAL | | | | |
|--|--|---------------------|---------------------|---------------------|
| URBAN RENEWAL - GENERAL FUND: | | Actual | Approved | Proposed |
| | | FY 2023 | Budget | Budget |
| | | | FY 2024 | FY 2025 |
| REVENUES: | | | | |
| | Tax Increment | | | |
| | Center Point District | \$ 625,555 | \$ - | \$ - |
| | East Post Falls District | \$ 3,641,359 | \$ - | \$ - |
| | Post Falls Technology District | \$ 521,384 | \$ 864,374 | \$ 1,128,562 |
| | Downtown District | \$ 512,359 | \$ 652,518 | \$ 750,361 |
| | Pleasant View District | \$ 1,280 | \$ 11,777 | \$ 12,400 |
| | Other Income | \$ 203,151 | \$ - | \$ - |
| | General Fund Transfer | \$ - | \$ 56,259 | \$ 34,386 |
| | Interest Income | \$ 148,254 | \$ 39,000 | \$ 69,600 |
| | TOTAL REVENUES: | \$ 5,653,342 | \$ 1,623,928 | \$ 1,995,308 |
| | Carryover (East Post Falls) | \$ 1,889,065 | \$ - | \$ - |
| | Carryover (Center Point) | \$ 915,705 | \$ - | \$ - |
| | Carryover (Post Falls Technology) | \$ 364,539 | \$ 860,333 | \$ 1,693,507 |
| | Carryover (Downtown) | \$ - | \$ 459,327 | \$ - |
| | Carryover (Pleasant View) | \$ - | \$ - | \$ - |
| | TOTAL FUNDS AVAILABLE | \$ 8,822,651 | \$ 2,943,588 | \$ 3,688,815 |
| EXPENDITURES: | | | | |
| | Proponent Reimbursement | | | |
| | Center Point District | \$ 1,541,260 | \$ - | \$ - |
| | East Post Falls District | \$ 1,886,774 | \$ - | \$ - |
| | Post Falls Technology District | \$ - | \$ 1,699,707 | \$ 2,797,069 |
| | Downtown District | \$ - | \$ 1,086,845 | \$ 725,361 |
| | Pleasant View District | \$ - | \$ 11,777 | \$ 12,400 |
| | Designated Funds (East Post Falls) | \$ 3,718,650 | \$ - | \$ - |
| | Designated Funds (Center Point) | \$ - | \$ - | \$ - |
| | Debt Repayment | \$ - | \$ - | \$ - |
| | Interest Expense | \$ - | \$ - | \$ - |
| | Sub-Total Proponent | \$ 7,146,684 | \$ 2,798,329 | \$ 3,534,829 |
| | Agency Operating Expenses | | | |
| | 1 Audit | \$ 8,750 | \$ 8,750 | \$ 12,500 |
| | 2 Legal Advertising | \$ 498 | \$ 900 | \$ 900 |
| | 3 Employee Wages | \$ 55,240 | \$ 57,330 | \$ 59,046 |
| | 4 FICA | \$ 4,360 | \$ 4,386 | \$ 4,517 |
| | 5 SUTA | \$ 100 | \$ 120 | \$ 166 |
| | 6 PERSI | \$ 6,984 | \$ 6,408 | \$ 7,062 |
| | 7 Health Benefit | \$ - | \$ 8,400 | \$ 8,400 |
| | 8 Engineering Services | \$ 6,400 | \$ 9,600 | \$ 9,600 |
| | 9 Contract Legal Services | \$ 9,975 | \$ 25,000 | \$ 25,000 |
| | 10 Other Contract Services | \$ - | \$ 1,000 | \$ 1,000 |
| | 11 Insurance | \$ 3,009 | \$ 3,713 | \$ 4,375 |
| | 12 Marketing and Education Materials | \$ - | \$ - | \$ 3,000 |
| | 13 Dues and Memberships | \$ 800 | \$ 800 | \$ 850 |
| | 14 Computer Repair and Maintenance | \$ 480 | \$ 585 | \$ 330 |
| | 15 Computer Software | \$ 779 | \$ 829 | \$ 1,272 |
| | 16 Office Equipment | \$ - | \$ 1,900 | \$ 300 |
| | 17 Office Supplies | \$ 324 | \$ 375 | \$ 425 |
| | 18 Postage & Shipping | \$ 75 | \$ 63 | \$ 73 |
| | 19 Printing & Copying | \$ 252 | \$ 300 | \$ 300 |
| | 20 Rent - Space & Equipment | \$ 7,990 | \$ 7,990 | \$ 7,990 |
| | 21 Telephone and Internet | \$ 767 | \$ 320 | \$ 240 |
| | 22 Meetings | \$ 325 | \$ 240 | \$ 390 |
| | 23 Website Design, Hosting and Maint. | \$ 2,929 | \$ 1,250 | \$ 1,250 |
| | 24 Contingency | \$ - | \$ 5,000 | \$ 5,000 |
| | 25 General Fund Carryover | \$ - | \$ - | \$ - |
| | Sub-Total Agency | \$ 110,037 | \$ 145,259 | \$ 153,986 |
| | Total Expenditures | \$ 7,256,721 | \$ 2,943,588 | \$ 3,688,815 |

SECOND ADDENDUM TO OWNER PARTICIPATION AND REIMBURSEMENT
AGREEMENT

This Second Addendum to Owner Participation and Reimbursement Agreement (hereinafter “First Addendum”) is entered into as of the dates set forth below by and between the Post Falls Urban Renewal Agency, an Idaho urban renewal agency, 201 E. 4th Avenue, Post Falls, Idaho 83854 (hereinafter “PFURA”), and A&A Construction & Development, Inc., a Washington corporation, 621 W. Mallon Avenue, Suite 509, Spokane, Washington 99201 (hereinafter “A&A”).

RECITALS:

WHEREAS, PFURA is an Idaho urban renewal agency created by and existing under the authority of and pursuant to the laws of the State of Idaho.

WHEREAS, in 2021 the City Council of the City of Post Falls, Idaho (hereinafter the “City”) adopted the Downtown District Urban Renewal Plan (hereinafter the “Plan”) establishing the Downtown District Revenue Allocation Area (hereinafter the “District”).

WHEREAS, on October 20, 2022 A&A executed an Owner Participation and Reimbursement Agreement (hereinafter the “OPA”) with PFURA to construct projects in connection with the Plan in exchange for reimbursement from tax increment revenues generated in the District.

WHEREAS, in August of 2023 the City adopted Ordinance No. 1490 which in part amended the Plan to specifically list improvements to the 4th Avenue and Idaho Street intersection comprising a traffic roundabout and related improvements (hereinafter the “Project”) as a Plan project.

WHEREAS, in December of 2023 PFURA and A&A executed a First Addendum to amend the OPA so that the Project was included as an Agency Funded Public Improvement as that term is defined in the OPA.

WHEREAS, A&A has recently submitted a revised Engineer’s Opinion of Probable Cost for the Project that includes updated cost figures, soft costs and a public art component, which is attached hereto as Exhibit A.

WHEREAS, the associated Millworx development is a mixed-use development.

WHEREAS, with respect to mixed-use developments the Third Addendum to Agency Policy No. 7, which is the most recent Addendum thereof, allows the Agency to fund “[u]p to

100% of Commission approved and/or City-required on and off-site public improvements included in the Urban Renewal Plan”.

WHEREAS, public art is included as a “Tier II” project in the Plan.

WHEREAS, the City has approved and is requiring the public art component listed in Exhibit A to be part of the Project.

NOW THEREFORE, in consideration of the above Recitals, the mutual covenants and agreements set forth herein and the benefits to be derived therefrom, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. Amendment of the OPA. Exhibit B of the OPA is hereby amended to include the updated cost figures, soft costs and the public art component described in Exhibit A as part of the Project.
2. Remainder of the OPA. The other terms of the OPA and First Addendum shall remain in full force and effect unless amended by this Second Addendum or any other valid modifications executed by the parties.

POST FALLS URBAN RENEWAL AGENCY

Jame Davis, Chairperson

Date

A&A CONSTRUCTION & DEVELOPMENT, INC.

William J. Lawson, President

Date



ENGINEER'S OPINION OF PROBABLE COST

PROJECT: 4th Ave. and Idaho St. Roundabout - Millworx URA 5/22/2024

PROJECT DESCRIPTION: 4th Ave. and Idaho St. Roundabout - URA OPA Cost Estimate

CLIENT: A&A Construction & Development

J-U-B PROJ. NO.: 20-22-025

| ITEM NO. | DESCRIPTION | TOTAL COSTS |
|--|---|--------------------|
| 4th Ave. and Idaho St. Roundabout | | |
| 1 | Mobilization | \$143,700 |
| 2 | Demolition | \$96,080 |
| 3 | Erosion Control | \$22,300 |
| 4 | Earthwork and Site Grading | \$180,000 |
| 5 | Traffic Control | \$25,000 |
| 6 | Sanitary Sewer | \$26,340 |
| 7 | Domestic and Fire Water | \$39,060 |
| 8 | Storm Drainage | \$107,025 |
| 9 | Planting and Irrigation | \$152,700 |
| 10 | Site Concrete | \$561,730 |
| 11 | Asphalt Paving and Subgrade Rock | \$263,548 |
| 12 | Striping and Signage | \$76,750 |
| 13 | Electrical Service | \$328,640 |
| 14 | Public Art | \$117,082 |
| TOTAL ESTIMATED CONSTRUCTION COSTS | | \$2,139,955 |
| | Soft Costs (Anticipated Actual Soft Costs 12% of Construction Cost) | \$256,795 |
| TOTAL ESTIMATED COSTS (CONSTRUCTION + SOFT) | | \$2,396,750 |

CCH

J-U-B ENGINEERS, INC.

7825 MEADOWLARK WAY, COEUR D'ALENE, ID 83815 (208) 762-8787



ENGINEER'S OPINION OF PROBABLE COST

PROJECT: 4th Ave. and Idaho St. Roundabout - Millworx URA 5/22/2024

PROJECT DESCRIPTION: 4th Ave. and Idaho St. Roundabout - URA OPA Cost Estimate

CLIENT: A&A Construction & Development

CLIENT PROJ. NO. J-U-B PROJ. NO.: 20-22-025

| ITEM NO. | DESCRIPTION | SCHEDULE OF VALUES | | | |
|----------|--|--------------------|------|------------|------------------|
| | | QUANTITY | UNIT | UNIT PRICE | TOTAL COST |
| 1 | Mobilization | | | | \$143,700 |
| | Mobilization (8% of Civil/Landscaping Total) | 1 | LS | \$143,700 | \$143,700 |
| 2 | Demolition | | | | \$96,080 |
| | Site Demolition & Haul-Off | 1 | LS | \$95,000 | \$95,000 |
| | Saw Cutting | 180 | LF | \$6 | \$1,080 |
| 3 | Erosion Control | | | | \$22,300 |
| | Sediment Control | 1 | LS | \$15,000 | \$15,000 |
| | Silt Fence | 260 | LF | \$5 | \$1,300 |
| | Vehicle Tracking Control | 2 | EA | \$3,000 | \$6,000 |
| 4 | Earthwork and Site Grading | | | | \$180,000 |
| | Site Grading (Approximately 8,100 C.Y. of imported material in addition to project site grading) | 1 | LS | \$180,000 | \$180,000 |
| 5 | Traffic Control | | | | \$25,000 |
| | Traffic Control | 1 | LS | \$25,000 | \$25,000 |
| 6 | Sanitary Sewer | | | | \$26,340 |
| | Sanitary Sewer Manhole | 1 | EA | \$4,100 | \$4,100 |
| | Adjust Existing Sewer Manhole Lid | 1 | EA | \$1,300 | \$1,300 |
| | 8" PVC Sanitary Sewer Pipe | 270 | LF | \$72 | \$19,440 |
| | 8" Sewer Pipe Cap & Mark | 1 | EA | \$1,500 | \$1,500 |
| 7 | Domestic and Fire Water | | | | \$39,060 |
| | Adjust Existing Cast Iron Valve Corners | 3 | EA | \$800 | \$2,400 |
| | 8" PVC Domestic Water Main | 330 | LF | \$72 | \$23,760 |
| | 1.5" Valve | 1 | EA | \$2,800 | \$2,800 |
| | 1.5" Irrigation Meter | 1 | EA | \$8,000 | \$8,000 |
| | 8" Domestic Water Cap & Mark | 1 | EA | \$2,100 | \$2,100 |
| 8 | Storm Drainage | | | | \$107,025 |
| | Catch Basin | 10 | EA | \$2,400 | \$24,000 |
| | Single Depth Drywell | 4 | EA | \$4,500 | \$18,000 |
| | Double Depth Drywell | 1 | EA | \$5,600 | \$5,600 |
| | 8" PVC Storm Drain Pipe | 545 | LF | \$65 | \$35,425 |
| | 8'X15' Splash Pad | 3 | EA | \$8,000 | \$24,000 |
| 9 | Planting and Irrigation | | | | \$152,700 |
| | Trees (2") | 15 | EA | \$900 | \$13,500 |
| | Other Site Planting | 1 | LS | \$25,000 | \$25,000 |
| | Site Irrigation | 1 | LS | \$45,000 | \$45,000 |
| | Tree Grates | 13 | EA | \$3,400 | \$44,200 |
| | Decorative Rock/Boulders | 1 | LS | \$25,000 | \$25,000 |

| CLIENT: | | A&A Construction & Development | | | |
|---|---|--------------------------------|------|------------|--------------------|
| CLIENT PROJ. NO. | | J-U-B PROJ. NO.: 20-22-025 | | | |
| ITEM NO. | DESCRIPTION | SCHEDULE OF VALUES | | | |
| | | QUANTITY | UNIT | UNIT PRICE | TOTAL COST |
| 10 | Site Concrete | | | | \$561,730 |
| | Sidewalk, 4" thickness and 2" CSTC | 1,583 | SY | \$95 | \$150,385 |
| | Decorative Concrete Pavement (Truck Apron and Crosswalk) | 394 | SY | \$200 | \$78,800 |
| | Splitter Island Concrete | 327 | SY | \$85 | \$27,795 |
| | Concrete ADA Ramps with Truncated Domes | 29 | EA | \$3,500 | \$101,500 |
| | Bike Ramp with Truncated Domes | 6 | EA | \$500 | \$3,000 |
| | Truck Apron Curb | 302 | LF | \$75 | \$22,650 |
| | Central Island Curb | 220 | LF | \$155 | \$34,100 |
| | Standard Straight Curb | 745 | LF | \$70 | \$52,150 |
| | Rolled Curb | 50 | LF | \$75 | \$3,750 |
| | Concrete Curb and Gutter | 1,990 | LF | \$40 | \$79,600 |
| | Curb Cuts | 8 | EA | \$1,000 | \$8,000 |
| 11 | Asphalt Paving and Subgrade Rock | | | | \$263,548 |
| | Crushed Surfacing Top Course (6") - Standard Duty Asphalt Pavement (3") | 1,884 | TON | \$62 | \$116,808 |
| | | 1,012 | TON | \$145 | \$146,740 |
| 12 | Striping and Signage | | | | \$76,750 |
| | ROW Roadway Striping | 6,750 | LF | \$1 | \$6,750 |
| | MMA (Methyl Methacrylate) - Traffic Paint | 650 | SF | \$16 | \$10,400 |
| | Roadway Symbols (ADA, Biker + Arrow) | 11 | EA | \$100 | \$1,100 |
| | RRFB Pedestrian Crossing Signage | 2 | EA | \$12,000 | \$24,000 |
| | Roadway Signage | 46 | EA | \$750 | \$34,500 |
| 13 | Electrical Service | | | | \$328,640 |
| | Cobra Head Style Street Light in ROW | 11 | EA | \$11,000 | \$121,000 |
| | Antique Decorative Pedestrian Light in ROW | 13 | EA | \$15,000 | \$195,000 |
| | Junction Box | 2 | EA | \$3,800 | \$7,600 |
| | Dry Utility Trenching and Conduit | 840 | LF | \$6 | \$5,040 |
| 14 | Public Art | | | | \$117,082 |
| | Artwork | 1 | LS | \$117,082 | \$117,082 |
| TOTAL ESTIMATED CONSTRUCTION COSTS | | | | | \$2,139,955 |
| CCH | | | | | |
| J-U-B ENGINEERS, INC. | | | | | |
| 7825 MEADOWLARK WAY, COEUR D'ALENE, ID 83815 (208) 762-8787 | | | | | |

EXHIBIT A 3 of 3

POST FALLS URBAN RENEWAL AGENCY
Reimbursement from Tax Increment

Subject: Increment Reimbursement Order

Effective Date: August 1, 2024

Issued by: Finance Committee

Purpose: To establish the priority of application of Tax Increment Funds received for each Urban Renewal District.

Policy: Reimbursement from Tax Increment

Background: Tax Increment received by the Agency for each of the Urban Renewal Districts is disbursed in February and August each year for project cost reimbursement. On Agency projects, or on Agency/City joint projects, Tax Increment is disbursed on a monthly basis to reimburse monthly project expenses.

POLICY:

A statement shall be prepared and provided to the proponent of each District showing the funds received, the allocation of payments and the amounts paid to each of the allocated items, as approved by the Agency. Tax increment funds received for each of the Urban Renewal Districts shall be applied in the following priority:

- A. Current principal and interest payments on any borrowings or other debt of the Agency related to the specific Urban Renewal District (the term "current" includes all principal and interest payments that shall, in the sole discretion of the Agency become due and payable on or prior to the projected date on which the next subsequent tax increment payment shall be available).
- B. The annual Administrative Fee for each specific Urban Renewal District will be deducted from the August reimbursement and applied to the General Fund to cover expenses for the following Fiscal Year. The Administrative fee will be determined during the budget process.
- C. Additional excess legal charges, if any, will be deducted pursuant to Policy #16.
- D. For those Urban Renewal Districts that have Agency debt outstanding, payments deemed necessary by the Agency to establish a "Debt Service Reserve Account" equal to at least one-year's payment of principal and interest, or that amount otherwise determined by a lender. The Agency may, in its sole discretion, elect to fund the Debt Service Reserve Account over a specific period of time, thereby allowing portions of initial installments of Tax Increment Funds to be paid for lower priority items.

- E. Reimburse the Proponent for funds advanced for the Agency's Plan Fee when creating a new District, if applicable.
- F. For the reimbursement of minor projects selected and approved by the Agency that promote District Plan objectives and are authorized by such Plan, not to exceed fifteen percent (15%) of the tax increment funds that have been received annually from the District and not to exceed a maximum reserved balance of \$250,000. An approved minor project is eligible for maximum total increment tax reimbursement of \$250,000. Upon termination of a district, all minor project funds remaining after such approved minor project obligations have been met will be allocated for use toward reimbursement of other approved district obligations prioritized in accordance with this Policy, then allocated to the taxing districts in accordance with Idaho Code §50-2909(4). This provision shall only apply to Proponents with reimbursement agreements entered into on or after the Effective Date of this Policy.
- G. For the reimbursement of other proponents in the District that have orders of approval that predate the order of approval authorizing the Proponent's reimbursement, or in the case of City funded improvements that the Agency has received invoices for before issuance of the Participant's order of approval.
- H. The balance of Tax Increment shall be used to reimburse the Proponent for direct development costs associated with approved improvements within the Urban Renewal District. Such costs shall be approved by the Agency based on its review and acceptance of proper documentation for such expenses.

Prior Policy Reference: Priority of Application of Tax Increment Funds Received for each Urban Renewal District, adopted April 21, 2005, was rescinded on June 18, 2015. Policy #08 (Timing for Payment of Tax Increment) was rescinded and combined into this Policy on that same date. The Policy was revised on January 20, 2022.

Approved by the Post Falls Urban Renewal Agency Board of Commissioners:

POST FALLS URBAN RENEWAL AGENCY
An Idaho Urban Renewal Agency

By: _____, Chair

Approved this _____ day of _____, 20_____

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Post Falls Urban Renewal Agency
210 E 4th Avenue
Post Falls, Idaho 83854

(Space Above For Recorder's Use)

OWNER PARTICIPATION AND REIMBURSEMENT AGREEMENT
(Existing Plan & District)

THIS AGREEMENT made and entered into this ____ day of _____, 2024, by and between the POST FALLS URBAN RENEWAL AGENCY, an Idaho urban renewal agency, 201 E. 4th Avenue, Post Falls, Idaho, 83854, hereinafter referred to as the Agency, and _____, hereinafter referred to as the Participant.

WITNESSETH:

WHEREAS the Agency is an independent public body, corporate and politic, and is an Idaho urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Development Act of 1988, being Idaho Code, Title 50, Chapter 29, as amended and supplemented, hereinafter collectively referred to as the Act;

WHEREAS the Post Falls City Council did on _____, pass Ordinance No. _____, duly adopting the _____ District Urban Renewal Plan and creating the _____ Urban Renewal District;

WHEREAS the Participant owns or controls real property located within the boundaries of the District, and more specifically described in **Exhibit A** attached hereto and incorporated by reference herein, and hereinafter referred to as the Site;

WHEREAS the Participant intends to construct public infrastructure improvements on or by the Site, as more specifically described in **Exhibit B**, attached hereto and incorporated by reference herein, and hereinafter referred to as the Project. A detailed list of the proposed improvements associated with the Project is also included in **Exhibit B**. Detailed illustrations of these proposed improvements are attached hereto as **Exhibit C**;

WHEREAS the Agency has reviewed the elements of the Project and feels that the Project would enhance the redevelopment and revitalization of the District pursuant to the provisions of the Plan;

WHEREAS the Agency and the Participant seek to cooperate in the construction of public infrastructure improvements;

WHEREAS until such time as the Project is completed the tax increment revenues from the District would be insufficient to pay for construction of the Project;

WHEREAS the Participant is willing to construct and pay for the Project with the expectation of being reimbursed from future tax increment revenues received by the Agency from the District as those revenues are received, subject to repayment of existing Agency obligations within the District as hereinafter provided for in Section 6 of this Agreement; and

WHEREAS the Parties seek to memorialize understandings relating to the conditions associated with Agency funded reimbursement.

NOW THEREFORE, in consideration of the mutual benefits to be derived hereby, the Parties agree as follows:

1. **EFFECTIVE DATE:** The effective date of this Agreement shall be the date first above-written, and shall continue until all obligations of each Party are completed or until termination of the Plan, whichever shall first occur.
2. **PUBLIC INFRASTRUCTURE AND OTHER PUBLIC FACILITIES:** The Parties agree that the public infrastructure and other public facilities and their estimated costs that are the subject of this Agreement are those listed on **Exhibit B**, attached hereto and incorporated by reference herein, and hereinafter referred to as the Agency Funded Public Improvements which shall qualify for reimbursement subject to the conditions set forth herein when they have been constructed, dedicated to the City of Post Falls, the Agency, or another governmental entity, and accepted by the City, the Agency or such governmental entity, which shall not be unreasonably withheld by the Agency. Any other public improvements that are constructed by the Participant and are not identified in **Exhibit B** as part of the Project are not eligible for reimbursement pursuant to this Agreement.
3. **CONSTRUCTION OF AGENCY FUNDED PUBLIC IMPROVEMENTS:** The Participant agrees to construct the Agency Funded Public Improvements consistent with the following:
 - 3.1. The Improvements to be constructed shall be in accordance with the overall City infrastructure plans, polices, and design standards. Such Improvements shall not be eligible for reimbursement until they are dedicated to the City of Post Falls, the Agency, or another governmental entity, and accepted by the City, the Agency or such governmental entity, which shall not be unreasonably withheld by the Agency.
 - 3.2. Prior to commencing construction, all necessary permits shall be obtained by the Participant and/or the Participant's agents.
 - 3.3. Construction and quality control inspections shall be provided by the engineer of record and the City.

- 3.4. During the term of the Plan and the District, the Participant agrees to not apply for or receive any property tax exemptions provided by Idaho law that would adversely affect the amount of tax increment revenues generated by the District. Pursuant to Sections 8.6 and 8.9 below, this obligation shall be binding upon the Participant's successors and assigns, including but not limited to assignees, purchasers and lessees. Furthermore, the Participant acknowledges that the grant of such tax exemptions to the Participant, its successors or assigns would adversely affect the Agency's ability to provide reimbursement for the Agency Funded Public Improvements.
4. **CONDITIONS:** In consideration for the commitments presented by the Participant, the Agency agrees to reimburse the Participant the costs Participant incurs to construct the Agency Funded Public Improvements, subject to the following conditions:
 - 4.1. The Participant shall comply with City design review approvals and all applicable local, state and federal laws.
 - 4.2. The Participant shall submit a Project schedule to the Agency upon completion of City approvals, which shall contain specific timelines for completing the Agency Funded Public Improvements.
 - 4.3. The Participant shall complete the Agency Funded Public Improvements described in **Exhibit B** and any attachments to **Exhibit B**.
 - 4.4. The Participant shall allow the Agency or its agent to review the final design and construction of the Project.
 - 4.5. The Participant agrees to invoice the Agency for the cost of the items to be reimbursed for review by the Agency, with reimbursement to be based upon completion and final inspection by the Agency or its agent, approval by and dedication of the improvement(s) to the City of Post Falls, and the availability of tax increment revenues for the District.
 - 4.6. The Participant shall complete the Improvements on or before the ____ day of _____, _____.
5. **INITIAL CONSTRUCTION FUNDING:** The Participant shall pay for all of the costs of installation of the Agency Funded Public Improvements set forth in **Exhibit B** and previously approved by the Agency, hereinafter referred to as Participant Advances.
6. **REIMBURSEMENT OF PARTICIPANT ADVANCES:** The Participant shall be entitled to reimbursement of Participant Advances subject to the following conditions and understandings:
 - 6.1. It is the understanding of the Parties that the Participant shall only be paid the reimbursement of Participant Advances from tax increment revenues of the District and in order of approval by the Agency of any other project obligation within the District. If for any reason tax increment revenues anticipated to be received by the

Agency are insufficient or curtailed, the Agency shall not be obligated to use other sources of revenue to make reimbursements to the Participant.

6.2. It is the understanding of the Parties that tax increment revenues received by the Agency for the District will first be used in the following manner and order:

6.2.1. Repayment of any debt of the District disclosed to the Participant upon the execution of this Agreement.

6.2.2. Payment of the Participant's annual contribution to the administrative costs of the Agency as established in the Agency's annual budget, and applicable equally to each participant.

6.2.3. Payment of extraordinary administrative and/or legal costs associated with the District according to Agency Policy No. 16.

6.2.4. Payments deemed necessary by the Agency to establish a "Debt Service Reserve Account" for any debt disclosed in Section 6.2.1 above.

6.2.5. For the reimbursement of minor projects selected and approved by the Agency that promote District Plan objectives and are authorized by such Plan, not to exceed fifteen percent (15%) of the tax increment funds that have been received from the District.

6.2.6. Reimbursement of other proponents in the District that have orders of approval that predate the order of approval authorizing the Participant's reimbursement, or in the case of City funded improvements that the Agency has received invoices for before issuance of the Participant's order of approval.

6.2.7. Reimbursement of Participant Advances in accordance with Agency Policies.

6.3. The Participant acknowledges that the Agency has provided the Participant with copies of the Agency's Policies concerning the use of tax increment revenue and cost reimbursement, which the Participant agrees to be bound by, including but not limited to Policy No. 7 and the Second and Third Addendums to Policy No. 7, which establish revised reimbursement parameters for Urban Renewal Districts created after January 1, 2021, Policy No. 18 governing reimbursement for "soft costs" and Policy No. 28 regarding reimbursement of borrowing costs. Reimbursement of Participant Advances for Agency Funded Public Improvements shall be made in full compliance with all of the Agency's Policies.

7. ANNUAL REVIEW: The Participant is aware that the Agency intends to conduct an annual review of the performance of both the Plan and the District, and reserves the right within the sole discretion of the Agency to make adjustments to the Plan that are authorized by the Plan and the Act.

8. MISCELLANEOUS:

- 8.1. The Participant shall provide the Agency with proof that the Participant and its agents have adequate liability and workers compensation insurance.
- 8.2. The Participant agrees to indemnify and hold harmless the Agency from any and all liability and/or obligations not specifically provided for in this Agreement to be performed by the Agency with reference to the Project, except for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the Agency, its agents, employees or indemnitees.
- 8.3. The Participant does hereby grant to the Agency and its agents a right of access to the Site for the purpose of inspections.
- 8.4. The Participant agrees at the appropriate time to convey title to the Agency Funded Public Improvements to the Agency, the City or another governmental entity. As long as the Improvements comply with the terms and provisions of this Agreement, the Agency agrees to accept such dedication.
- 8.5. The Parties agree that this Agreement does not establish a partnership or joint venture relationship between the Parties.
- 8.6. The rights and obligations provided for in this Agreement may not be assigned without the mutual agreement of the Parties, which consent shall not unreasonably be withheld. It being understood that the rights and obligations of the Participant shall survive any assignment, sale and/or lease of portions of the Site to third parties. The Participant shall coordinate with the Agency on behalf of such third parties so that the Agency's direct involvement with such third parties will be limited as much as possible.
- 8.7. This Agreement shall be construed and enforced under the laws of the State of Idaho, with any enforcement action to be brought in the First Judicial District of the State of Idaho, in and for the County of Kootenai. The prevailing party in any action shall be entitled to reasonable attorney's fees and costs.
- 8.8. The Parties agree that in the event that there is a disagreement or dispute over the terms and provisions of this Agreement, including reimbursement submittals, that the Parties shall mutually submit the disagreement or dispute to non-binding mediation utilizing a mediator mutually agreeable to the Parties, with the Parties jointly sharing the costs of mediation. In the event that the Parties cannot agree on a mediator or if the mediation is unsuccessful, the Parties shall engage in a binding arbitration pursuant to the Commercial Rules of the American Arbitration Association. Costs and fees, including but not limited to reasonable attorney's fees, incurred in such arbitration shall be awarded to the prevailing party as that term is defined by Idaho Law.

8.9. The Parties agree that this Agreement is the entire agreement between the Parties, and is binding upon their successors and assigns.

8.10. All of the provisions of this Agreement are distinct and severable, and if any provision shall be deemed illegal, void or unenforceable, it shall not affect the legality, validity or enforceability of any other provision or portion of this Agreement.

IN WITNESS WHEREOF, the Parties have set their hands effective the date first above-written.

POST FALLS URBAN RENEWAL AGENCY
an Idaho urban renewal agency

By: _____
_____, Chairperson

a _____

By: _____

STATE OF IDAHO)
) ss.
County of Kootenai)

On this ____ day of _____, 2024, before me the undersigned, a Notary Public in and for the State of Idaho, personally appeared _____, proved to me on the basis of satisfactory evidence to be the Chairperson of the Post Falls Urban Renewal Agency that executed the instrument or the person who executed the instrument on behalf of the Agency and acknowledged to me that such Agency executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written in this certificate.

NOTARY PUBLIC

STATE OF IDAHO)
) ss.
County of Kootenai)

On this ____ day of _____, 2024, before me the undersigned, a Notary Public in and for the State of Idaho, personally appeared _____, proved to me on the basis of satisfactory evidence to be the _____ that executed the instrument or the person who executed the instrument on behalf of the company and acknowledged to me that such company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written in this certificate.

NOTARY PUBLIC