



Post Falls Urban Renewal Agency  
August 17, 2023 Meeting  
9:00 am, Post Falls City Hall

1. Call to Order, Commissioner Roll Call and Pledge of Allegiance
2. Ceremonies, Appointments and Announcements
3. Conflict Disclosure
4. Consent Calendar **ACTION ITEMS**
  - a. Commission Minutes, July 20, 2023
  - b. Payables
  - c. Bank Activity Report
  - d. Financial Reports
  - e. FY 2023 Audit Engagement Letter
5. Committee Updates
  - a. Finance and Policy – Crosby
  - b. District Review - Coles
  - c. Communications, Property & Personnel - Davis
6. Citizen Comments  
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.
7. Public Hearing – FY 2024 Agency Annual Budget **ACTION ITEM**
8. Unfinished Business
  - a. Resolution 2023-04 Approving Fiscal Year 2024 Annual Budget **ACTION ITEM**
9. New Business
  - a. Approval of Semi-annual Proponent Reimbursements **ACTION ITEM**
10. Staff Report and Updates
11. Commissioner Comments
12. Chairman Comments
13. 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.**

**POST FALLS URBAN RENEWAL MINUTES**  
**August 17, 2023**

**CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE**

Chairman Jerry Baltzell called the meeting to order at 9:00 a.m. Executive Director Joseph Johns called the roll. Present, in addition to Baltzell were Commissioners Len Crosby, Jame' Davis, Christi Fleischman, Collin Coles, Melissa Hjeltness. Commissioner Eric Clemensen was absent. Counselor Pete Bredeson was also present. Hjeltness led the Pledge of Allegiance.

**CEREMONIES, APPOINTMENTS AND ANNOUNCEMENTS**

None

**CONFLICT DISCLOSURE**

None

**CONSENT CALENDAR**

Johns introduced the Consent Calendar. Item A in the Consent Calendar is the Commission Meeting Minutes, July 20, 2023

Item B is the payables for this month totaling \$5,793.95

Item C is the Bank Activity Report which shows total funds in all accounts of \$4,941,106.46 and accrued interest for the month of \$10,088.31

Item D is the financial reports as of July 31, 2022.

Item E is the FY2023 Audit Engagement Letter from Anderson Brothers, CPA to perform the FY2023 Audit for an amount not to exceed \$10,000.

Approval of the consent calendar will authorize a transfer of \$5,793.95 to the First Interstate Checking Account for the monthly payables and \$10,088.31 accrued interest to the General Fund

Commissioner Crosby made a motion to approve the Consent Calendar as presented and discussed, seconded by Coles. Roll Call Vote: Fleischman – Aye; Hjeltness – Aye; Crosby – Aye; Baltzell - Aye; Davis – Aye; Coles – Aye. Motion carried.

**COMMITTEE UPDATES**

*Finance & Policy – Crosby* – Prepared the FY2024 Budget presentation and an invitation to other local urban renewal agencies for a discussion on what urban renewal does and how we can do it. Crosby joined Commissioner Coles, representatives from A&A Construction, the City Engineering Division and the agency's consulting engineers for a discussion on the first reimbursement request in the Downtown District.

*District Review – Coles* – Met prior to the Commission Meeting to discuss the St. Vincent De Paul questionnaire submittal, receive an update on the Downtown District reimbursement submittal from A&A Construction, and receive a district status report update.

*Communication, Property and Personnel – Davis* – Nothing to report.

## CITIZEN COMMENTS

None

## PUBLIC HEARING

Baltzell opened the Public Hearing for the proposed Fiscal year 2024 Budget at 9:06 am.

Treasurer Crosby presented the FY 2024 Budget.

Key aspects of this year's budget include revenues from tax increment based on values provided by the Kootenai County Assessor's office. The tax increment projected in this budget is based on last years tax rates for each of the underlying tax districts and the Agency's conservative forecast based on the average change in tax increment received over the last four years. The projected levy rate continues to decline as increment values continue to increase over the base. The Urban Renewal Commission closed the Expo Urban Renewal District in FY 2022, and the Center Point and East Post Falls districts in 2023. Therefore, there is no tax increment projected for those three (3) districts in FY 2024. Over the life of the Commission seven (7) urban renewal districts have been closed and all increased tax revenues from the new development within those districts returned to the underlying tax districts and to the public. Based on new and continuing development in our three existing urban renewal districts, the Commission is conservatively projecting an increase in the tax increment to be received in those Districts, despite a projected reduction in levy rates established by the underlying taxing entities. Overall, the projected tax increment for the PF Technology, Downtown and Pleasant View Districts is anticipated to increase approximately 44% from increment received in FY2023 as a result of continued new commercial and industrial development stimulated by public improvements within these three districts. Over the course of FY 2024 we are anticipating the need to take accrued General Fund monies of \$56,259 to offset loss of revenue due to the closing of two major districts in FY 2023. Interest income has been conservatively projected to be \$39,000. Carryover revenues are projected in the Downtown and Post Falls Technology districts. The Agency does not have any outstanding debt and there is no anticipated borrowing in FY 2024. Total revenues, including carry-over funds, projected for FY 2024 are \$2,943,588.

As urban renewal districts are closed, each of the underlying taxing entities realizes an increase in tax revenues from the new development stimulated by completed infrastructure and public improvements. This expanded tax base should allow these taxing entities to continue reducing their levy rate and reduce property taxes. In the case of the Post Falls Urban Renewal Commission, the additional taxes derived by new development will total in excess of \$4.26 million per year from the Center Point and East Post Falls District closures in FY 2023.

The main expenditures for FY 2024 will continue being the reimbursement of costs associated with approved, completed and dedicated public improvements and expanded public infrastructure. Proponent reimbursements for approved and completed public improvements is projected to be \$2.83 million as the new districts start to develop. The Post Falls Urban Renewal Commission has no debt and no plan to incur debt in the coming Fiscal Year.

Operating Expenses for the Agency have decreased in FY 2024 by approximately \$60,000 with the closing of two major districts. The projected FY 2024 Operating expenses, including projected general fund carryover funds and contingency, continue to only represent 4.9% of our projected total revenues. The Agency's FY 2023 Operating Expenses associated with operating the Agency, which do not include carryover funds or contingencies, were budgeted at \$126,038. Actual expenses for the first nine months of FY 2023 are \$78,474 or approximately \$8,719 per month. Annualized, we are projecting our FY 2023 operating expenses will be just over \$97,300 which is approximately \$30,000 below budget.

The budget continues to contain a 5% contingency of \$5,000 and projects slight increases in the areas of Audit, Employee Wages (5%), Employee Health Insurance, Insurance, Dues and Memberships, Office Equipment replacing an aging computer, Computer Software, Postage and Printing. Many of these increases are small in nature and have been projected on the basis of inflation or one-time expenses.

Total expenses for FY 2024, including payments for public improvements, contingency are \$2,943,588. Of this total, \$2,798,321 or 95% of the Agency's expenses are associated with reimbursements for completed, approved and dedicated public infrastructure within our urban renewal districts. The remaining 4.9% of the forecast expenses represent the cost of operating and administering the Agency and our Urban Renewal Districts.

Chairman Baltzell asked Director Johns if any forms for public comment had been submitted. Being none, Baltzell closed the Public Hearing at 9:17 am for Commission deliberation and action. Counselor Bredeson advised Chairman Baltzell to move directly to the annual budget Resolution.

**UNFINISHED BUSINESS**

Resolution 2023-4 Approving FY 2024 Annual Budget. Chairman Baltzell introduced Resolution 2023-4 and asked the Commission for questions. No questions were presented. Commissioner Coles made a motion to approve Resolution 2023-4, seconded by Davis. Roll Call Vote: Coles – Aye; Davis – Aye; Crosby – Aye; Fleischman – Aye; Hjeltness – Aye; Baltzell - Aye. Motion carried.

**NEW BUSINESS**

Approval of Semi-Annual Proponent Reimbursements. Johns stated per Agency policy #7, tax increment received by the Agency for each of the urban renewal districts is disbursed in February and August each year for public improvements that have been planned, completed and paid for by the proponent and dedicated to the City. August reimbursements will be distributed as follows:

<u>District</u>	<u>Proponent</u>	<u>Reimbursement</u>	<u>Remaining Obligation</u>
Center Point	Pointe Partners, LLC	\$ 387,194.70	\$ CLOSED
EPF-Tullamore	Copper Basin Construction	\$ 614,011.51	\$ CLOSED
EPF-Tullamore Commons II	Whitewater Creek	\$ 6,491.62	\$ CLOSED
	Total	\$ 1,007,697.83	

The Post Falls Technology District has a current fund balance of \$860,489.65 for future reimbursement of public infrastructure improvements.

The Downtown District has a current fund balance of \$459,766.77 for future reimbursement of public infrastructure improvements.

The Pleasant View District has a current fund balance of \$ 0.00. The Agency has a pending receivable in this district based upon the annual administrative fee. The current receivable is for the amount of \$ -48,719.73 pending remittance of sufficient future tax increment.

Baltzell asked for a motion. Crosby made a motion to approve the Semi-Annual Proponent Reimbursements as presented and authorize the transfer of \$1,007,697.83 to the First Interstate Bank Checking Account, seconded by Fleischman. Roll Call Vote: Fleischman – Aye; Hjeltness – Aye; Crosby – Aye; Baltzell - Aye; Davis – Aye; Coles – Aye. Motion carried.

## STAFF REPORT

Johns reported on a discussion with representatives of the Millworx and North Mill One Projects (A&A Construction, J.U.B. Engineers) about their first request for reimbursement of project costs in the Downtown District. The discussion was very constructive. A revised submittal is anticipated within the next month or two.

Letters of Invitation have been sent out for a meeting of local Urban Renewal Agencies, scheduled for September 27<sup>th</sup> from 6-8:00 p.m. A request to respond to the invitation by September 13<sup>th</sup> was included. The Administrator for the Spirit Lake URA called and said she expects for their agency to participate.

The Summer Meeting of the Inland Northwest Partners, titled Collaboration, Cooperation and the Future of Communities was held August 9<sup>th</sup> at the CenterPlace Event Center in Spokane Valley. Commissioners Hjeltness and Coles also attended. The primary presentation was made by Doug Griffiths, author of the book, 13 Ways to Kill Your Community. A copy of the book was provided thanks to Innovia Foundation's sponsorship. One simple take away from the event is that when businesses look at a community they consider these five items, most significant to least: 1) Cooperation and Collaboration 2) Quality of Life 3) Housing and Workforce 4) Infrastructure 5) Taxes.

## COMMISSIONER COMMENTS

Commissioner Crosby commented that he and Commissioner Clemensen had previously noted the reporting in our local press that the Library District had elected to not take the 80% of New Development value this year as allowed by Idaho Statute. Crosby contacted the Director of the library network and requested an opportunity to attend their next meeting and help them understand the availability of the new development funds. Crosby expressed concern that they are missing the opportunity to benefit from the closing of the East Post Falls and Center Point Urban Renewal Districts, resulting in \$707 million dollars of new development value, 80% of which the taxing district could utilize in this coming year's budget. This amounts to \$81 thousand for the library at a time when they are reducing services and operating hours. Crosby also advised them that the Agency will be rebating to them approximately \$40 thousand. Crosby has not received a response.

Commissioner Davis thanked Crosby for taking his time to lend his expertise and passion for the benefit of our community.

Chairman Baltzell asked what the Commission could do, if anything, to help the situation. Crosby responded that there wasn't anything that could be done about the \$81 thousand currently available to them and that it is a one-time opportunity when districts close. However, their response to the forthcoming \$40 thousand rebate may necessitate a decision by the commission. Counselor Bredeson responded to Baltzell that if the rebate is unwanted and returned to the Agency then it may be possible to donate it back to the library or consider other options. Johns clarified that the rebate of surplus tax increment funds from closure of the East Post Falls South/Central district is anticipated to be on the September Commission Meeting agenda. Subsequently, once rebates of the fund surplus have been approved, the payments to the taxing districts will be sent out and the response of the library district, if any, can be considered.

## CHAIRMAN COMMENT

Chairman Baltzell commented on a recent press article mentioning the Hayden City Council considering a potential closure of the Hayden Urban Renewal Agency. He asked Counselor Bredeson if it was still a viable agency. Bredeson stated that he is the attorney for the Hayden Urban Renewal Agency. A few months ago,

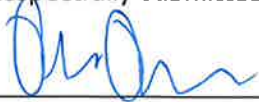
he heard something to that effect, but he and the current city attorney agree that it can't be shut down at this time.

Baltzell thanked Commissioner Crosby, the Finance and Policy Committee and Director Johns for putting together an outstanding budget presentation.

#### ADJOURNMENT

Baltzell asked for a motion to adjourn. Commissioner Crosby made the motion, seconded by Fleischman. All in favor by voice vote. Meeting was adjourned at 9:38 am.

Respectfully submitted,



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Joseph Johns, Executive Director



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Jerry Baltzell, Chairman