

POST FALLS URBAN RENEWAL MINUTES
August 25, 2022

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 had an excused absence. Counselor Pete Bredeson was also present. Davis 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 Workshop Minutes, July 19, 2022

Item B is the Finance & Policy Committee Minutes, August 1, 2022

Item C is the Communication, Property & Personnel Committee Minutes, August 22, 2022

Item D is the payables for this month totaling **\$6,480.51**

Item E is the Bank Activity Report which shows total funds in all accounts of **\$4,580,147.22** and accrued interest for the month of **\$2,884.89**

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

Item G is the FY2022 Audit Engagement Letter from Anderson Brothers, CPA to perform the FY2022 Audit for an amount not to exceed \$8,750. This amount is an overall increase of \$1,275 from last year, and includes an anticipated charge of \$500 for the analysis and implementation of a new GASB Lease Accounting Standard.

Approval of the consent calendar authorized a transfer of \$6,480.51 to the First Interstate Checking Account for the monthly payables and \$2,884.89 accrued interest to the General Fund.

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

COMMITTEE UPDATES

Finance & Policy – Crosby – July Financial Statements were reviewed and approved. Submitted a list of questions about the Audit Engagement letter to the auditor, all of which were resolved. Finalized the FY2023 Budget being presented in the public hearing at this same meeting.

District Review – Davis – Nothing new to report.

Communication, Property and Personnel – Davis – Interviewed three website project candidates that had submitted proposals to rebuild the agency website. A recommendation to the full commission will be forthcoming.

CITIZEN COMMENTS

None

PUBLIC HEARING

Baltzell opened the Public Hearing for the proposed Fiscal year 2023 Budget at 9:06 am.

Treasurer Crosby presented the FY 2023 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 three factors: last years tax rates for each of the underlying tax districts, the Idaho State Tax Commission projected levy rates, 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 values continue to increase. The Urban Renewal Commission closed the Expo Urban Renewal District in FY 2022 so there is no increment projected for the Expo District. Over the life of the Commission five urban renewal districts have been closed and all increased tax revenues from new development within those districts returned to the underlying tax districts and to the public. Based on the preliminary 2022 assessment values and the estimated tax levy rate the Agency is conservatively estimating a decrease in the tax increment to be received in the Center Point District. Increment for the East Post Falls, Post Falls Technology, Downtown and Pleasant View Districts are projected to increase slightly due to new and continued development within those districts. Overall, the projected tax increment in these districts is anticipated to increase approximately six percent, or \$314,900 from the increment projected in 2022. No other income is anticipated. There is no expectation of any need to transfer funds from the General Fund to meet any agency operating costs. Interest income has been conservatively projected to be \$6,000. Carryover revenues in the East Post Falls, Center Point and Post Falls Technology districts are expected to be used to fund key transportation and other public improvements. All outstanding debt has been repaid and there is no anticipated borrowing in fiscal year 2023. Total revenues, including carry-over funds, projected for fiscal year 2023 are \$8,507,721.

Two urban renewal districts will close during fiscal year 2023 resulting in a return of all additional taxes created by the new development and public improvements within the districts to the taxing entities. Underlying tax districts will receive a significant and continuing increase in tax increments from the new development stimulated by the expanded infrastructure and public improvements. Once the Center Point and East Post Falls districts close approximately \$4.5 million per year will return to the underlying taxing entities.

The main expenditures for fiscal year 2023 will continue being the reimbursement of costs associated with approved, completed and dedicated public improvements and expanded public infrastructure. Proponent reimbursements is projected to increase to \$8,301,634 as a result of closing out the East Post Falls and Center Point districts and repaying off the balance of projects that are being completed currently in these districts. All prior bond related debt related to the Greensferry Overpass was completely paid off in fiscal year 2022. The bonds were paid off twenty-one months early resulting in a savings to the public of over \$56,000 in projected interest costs. Entering fiscal year 2023 the Post Falls Urban Renewal Commission has no debt and does not plan to incur debt in the coming fiscal year.

Operating expenses for the Agency have decreased in FY 2023 by \$26,000 to \$206,087. The projected FY 2023 Operating expenses represent 3% of our projected revenue. The budget continues to contain a 5% contingency of \$5,000 and an estimated General Fund Carryover of \$75,048 is projected at the end of Fiscal Year 2023.

Total expenses for FY 2023 including payments for public improvements, contingency and general fund carryover are \$8,507,721 – the proposed budget is fully balanced

Chairman Baltzell asked if any forms for public comment had been submitted. Being none, Baltzell closed the Public Hearing @ 9:17 am for Commission deliberation and action.

UNFINISHED BUSINESS

Resolution 2022-02 Approving FY 2023 Annual Budget. Commissioner Fleischman asked if the increase in audit expenses since the creation of the proposed budget would come out of the contingency funds. Crosby answered that they would and the remaining contingency funds are expected to be sufficient. Chairman Baltzell asked for a motion to approve the resolution approving the Fiscal Year 2023 Annual Budget. Commissioner Davis made a motion to approve the FY 2023 Budget and adopt Resolution 2022-02, seconded by Coles. Roll Call Vote: Coles – Aye; Davis – Aye; Crosby – Aye; Fleischman – Aye; Hjeltness – Aye; Baltzell - Aye. Motion carried.

Third Addendum to URA Policy Number #07 – Johns presented the addendum that was previously discussed at the July 19, 2022, Commission Workshop at which time a motion was approved to forward it for consideration at this August Commission Meeting. Chairman Baltzell clarified with Johns that a motion to approve the addendum was all that is needed. Crosby commented on the addendum addressing mixed-use development and assisting with workforce housing. Commissioner Crosby made a motion to approve the Third Addendum to Policy Number 07, seconded by Davis. Roll Call Vote: Coles – Aye; Davis – Aye; Crosby – Aye; Fleischman – Aye; Hjeltness – Aye; Baltzell - Aye. Motion carried.

Projected 2023 Closing Budget – East Post Falls District. Johns stated a closing budget must be published the year prior to the closure of an urban renewal district. There will be a public hearing on September 15, 2022 to present the closing budget for the East Post Falls URD. The closure date of the East Post Falls District is December 31, 2022. The Agency can collect increment in 2023 per Idaho Code. The anticipated increment of \$3,821,196 will be used to reimburse the district proponents for public improvements. Any increment remaining after proponent reimbursement will be provided to the district's underlying tax districts. Commissioner Davis made a motion to tentatively approve the Closing Budget for the East Post Falls District and authorize staff to advertise the Public Hearing for September 15, 2022, seconded by Coles. Motion carried by voice vote.

Projected 2023 Closing Budget – Center Point District. Johns stated the same Idaho Code as previously stated for the East Post Falls District applied to the Center Point District, with a public hearing to be held on September 15, 2022 to present the closing budget for the Center Point URD. The closure date of the Center Point District is December 18, 2022. The Agency can collect increment in 2023 per Idaho Code. The anticipated increment of \$642,970 will be used to reimburse the district proponents for public improvements. Commissioner Coles made a motion to tentatively approve the Closing Budget for the East

Post Falls District and authorize staff to advertise the Public Hearing for September 15, 2022, seconded by Crosby. Motion carried by voice vote.

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>
Tullamore	Copper Basin Construction	\$ 74,404.26	\$ 0
Tullamore Commons II	Whitewater Creek	\$ 8,811.37	\$ 132,212.08
Expo (FINAL)	Watson & Assoc.	<u>\$ 309,464.66</u>	\$ 0
	Total	\$392,680.29	

Center Point has a current balance of \$781,823.41 to be used for future improvements in the CP District. The Pointe Apartments in the Center Point District has a current balance of \$133,881.64. The Agreement between Whitewater Creek and The Pointe Partners, LLC has not been executed. The current Pointe Apartments balance will be added to the Center Point balance for the district's closing year.

The Post Falls Technology District has a current balance of \$364,452.40 for future reimbursement of public infrastructure improvements.

The EPF-S/C District has \$1,362,765.00 that will be used for the Cecil Road intersection projects. Projected increment for FY 2023 is \$2.5 M

EPF-Tullamore has a current balance of \$523,095.90 to be used for improvements in the Tullamore portion of the EPF District.

Commissioner Crosby asked Johns if there are any anticipated disbursements to taxing districts underlying the closed Expo district. Johns stated approximately \$14,000 of remaining increment existed and would be presented to the Commission at the September Commission Meeting. Commissioner Coles made a motion to approve the Semi-Annual Proponent Reimbursements as presented and authorize the transfer of \$392,680.29 to the First Interstate Bank Checking Account, seconded by Fleischman. Motion carried by voice vote.

Downtown District – A&A Construction OPA. Johns presented a revised draft OPA that was previously reviewed at the May 10, 2022, Commission Workshop. The revised document no longer contains engineer's cost estimates for a roundabout at Idaho/4th Ave pending amendment of the Downtown District Plan. Cost information pertaining to site remediation, which is accounted for in the Downtown District Plan, has been included. The updated cost information has been provided to the City for analysis. The City does not have more update to date cost estimate information than what has been submitted by the developer. Johns stated the revised draft must be approved by the Commission before it can be provided to the proponent/developer for their input. Project representative Brad Marshall, J.U.B. Engineering, provided a brief overview of the project history and a status update to the Commission. Crosby asked Counselor Bredeson to clarify the effect

of recent revisions to Agency Policy 07, particularly reimbursement differences based on industrial, commercial and residential project types, with the remediation component of this project. Bredeson responded that remediation related costs submitted for reimbursement would be subject to the Agency's consulting engineer's determination, particularly as it related to the residential aspects of the project and may result in a portion of the costs being cut out based on the current version of the Agency policy. Crosby stated his intent in seeking clarification was to address potential false expectations regarding the Agency's ability to reimburse remediation costs. Commissioner Crosby made a motion to approve the OPA, seconded by Coles. Roll Call Vote: Coles – Aye; Davis – Aye; Crosby – Aye; Fleischman – Aye; Hjeltness – Aye; Baltzell - Aye. Motion carried.

Welch Comer Task Order – Copper Basin Construction. Johns informed the Commission of a request for reimbursement from Copper Basin Construction for \$2,587,598.55 for portions of Hope Ave, Bogie Dr & Killdeer Ave in the 8th & 9th Additions of Tullamore in the East Post Falls District. The proponent has stated this is their final project reimbursement request. The submittal has been provided to the Agency's consulting engineers. Welch Comer has submitted the Task Order to review the reimbursement at a cost not to exceed \$3200. Legal counsel has reviewed the Task Order document. Commissioner Crosby made a motion to approve the Task Order, seconded by Coles. Roll Call Vote: Coles – Aye; Davis – Aye; Crosby – Aye; Fleischman – Aye; Hjeltness – Aye; Baltzell - Aye. Motion carried.

East Post Falls District – Cecil/Poleline Intersection, Request to Extend Deadline – Bill Melvin, City Engineer, provided an overview of the Cecil/Mullan and Cecil/Poleline intersection projects, together with a request to extend the existing project submittal deadline from August 31, 2022 to October 31, 2022. Crosby asked about any possible cost increases. Melvin responded that additional costs had been incurred but there was no intent to request additional funding, only to extend the noted deadline. Baltzell asked for clarification about the potential of opening the intersection (Cecil/Poleline) by the beginning of the school year. Melvin stated their goal was for the roundabout to be functioning by the school opening date and only a few smaller items, landscaping, etc... would remain. Crosby asked Johns and Bredeson if the requested extension was feasible. Both replied affirmatively, with Bredeson stating October 31, 2022, was as far out as the agency could go. Bredeson suggested that if the Commission approved the action, he would draft the necessary document for the Chairman to sign after the fact. Commissioner Coles made a motion to accept the requested deadline extension to October 31, 2022, seconded by Crosby. Roll Call Vote: Coles – Aye; Davis – Aye; Crosby – Aye; Fleischman – Aye; Hjeltness – Aye; Baltzell - Aye. Motion carried.

Center Point District – Submittal Deadline Extension Discussion. Johns stated a request to extend the submittal deadline for the Baugh Way project in the Center Point District from August 31, 2022 to November 30, 2022 had been received. The Agency's consulting engineers have recommended a revised deadline for project completion, city acceptance and submittal of costs to the agency should be absolutely no later than October 31, 2022. A written response to that effect has been provided to the proponent. The City has been advised of this request and has responded affirmatively. Crosby stated that an extension was called for based on the delays the proponent has encountered but that it should not go beyond the same date as the extension for the City's Cecil intersection projects, especially as the Center Point District is closing twelve days earlier than the close of the East Post Falls District. Johns clarified the Center Point closing date as December 18, 2022, and the December Commission Meeting date, a few days prior, as December 15, 2022. The expectation is that an Order of Approval would be

ready for the Commissions consideration at the December meeting. October 31, 2022 will be the proposed deadline, including acceptance by the City, with any later submitted costs not being reimbursable due to the pending closure of the district. Bredeson clarified there was no action necessary. Baltzell informed the full Commission that the Executive Committee would join a conference call with the proponent about their extension deadline request after adjournment of the present meeting.

STAFF REPORT

Johns reported that representatives of the Water Tower Lofts project had informed him of their desire to move ahead with their project and estimated costs would be forthcoming. The first City/Agency Quarterly staff meeting took place on Monday, August 22nd. It was well attended and informative.

COMMISSIONER COMMENTS

Commissioner Crosby thanked Johns for his attention to the items on the agenda and having them move forward. Baltzell commended Johns on keeping things together and seeking guidance from the Commissioners as needed.

CHAIRMAN COMMENT

Chairman Baltzell stated it had been a good and busy day.

ADJOURNMENT

Baltzell asked for a motion to adjourn. Commissioner Coles made the motion, seconded by Crosby. All in favor by voice vote. Meeting was adjourned at 10:00 am.

Respectfully submitted,



Joseph Johns, Executive Director



Jerry Baltzell, Chairman