



Finance & Policy Committee
November 7, 2023 – 8:00 a.m.
Chamber of Commerce Conference Room
201 E 4th Avenue, Post Falls, ID

1. Call to Order, Commissioner Roll Call
2. Conflict Disclosure
3. 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.
4. FY2023 Review and Audit Update
5. FY2024 District Fund Projections
6. Committee Discussion – Engineering Review Costs & Agency Policy #16
7. Committee Discussion – Plan Fee Waiver & Agency Policy #15
8. Committee Discussion – Strategic Planning
9. 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 Agency - In-House
Profit & Loss Budget vs. Actual
October 2022 through September 2023

	12 Month Actual	12 Month Budget	\$ Under 12 Month Budget	% of 12 Month Budget	2022-23 Total Budget	2022-23 Balance
Expense						
Advertising & Legal Notices	497.61	900.00	-402.39	55.29%	900.00	402.39
Audit	8,750.00	7,700.00	1,050.00	113.64%	7,700.00	-1,050.00
Bank Charges	17.00	0.00	17.00	100.0%	0.00	-17.00
Computer Repair & Maintenance	480.42	585.00	-104.58	82.12%	585.00	104.58
Computer Software	779.00	623.00	156.00	125.04%	623.00	-156.00
Contingency	0.00	5,000.00	-5,000.00	0.0%	5,000.00	5,000.00
Dues & Memberships	800.00	800.00	0.00	100.0%	800.00	0.00
Engineering Services	6,400.00	9,600.00	-3,200.00	66.67%	9,600.00	3,200.00
Insurance	3,692.00	3,257.00	435.00	113.36%	3,257.00	-435.00
Legal Fees	9,250.00	25,000.00	-15,750.00	37.0%	25,000.00	15,750.00
Marketing & Education Materials	0.00	0.00	0.00	0.0%	0.00	0.00
Meetings	325.20	240.00	85.20	135.5%	240.00	-85.20
Office Supplies	324.46	375.00	-50.54	86.52%	375.00	50.54
Other Contract Services	0.00	1,100.00	-1,100.00	0.0%	1,100.00	1,100.00
Payroll Expenses	66,968.73	65,408.00	1,560.73	102.39%	65,408.00	-1,560.73
Postage, Mailing Service	74.52	60.00	14.52	124.2%	60.00	-14.52
Printing and Copying	251.99	300.00	-48.01	84.0%	300.00	48.01
Rent	7,990.00	7,990.00	0.00	100.0%	7,990.00	0.00
Telephone, Telecommunications	766.54	850.00	-83.46	90.18%	850.00	83.46
Website Design, Hosting & Maint	2,929.00	1,250.00	1,679.00	234.32%	1,250.00	-1,679.00
Contingency	0.00	5,000.00	-5,000.00	0.0%	5,000.00	5,000.00
Total Expense	110,296.47	136,038.00	-25,741.53	81.08%	136,038.00	25,741.53

Fund Reconciliation:	As of 9/30/22	
QB		
Savings - Idaho Central CU	\$	25.00
1st Interstate - Checking	\$	1,482.44
WTB - Loan Reserve		
LGIP - 1829	\$	1,073,881.68
LGIP - 1910	\$	3,119,309.64
Total		<u><u>\$ 4,194,698.76</u></u>

FUNDS		
General Fund U	\$	1,075,389.12
Capital Improvement Fund	\$	3,119,309.64
Total		<u><u>\$ 4,194,698.76</u></u>

C.I. Fund Allocation:		
Pleasant View	\$	(25,000.00)
Downtown	\$	(25,000.00)
PF Technology C	\$	364,539.47
CP-The Pointe C	\$	781,823.77
CP-Pointe Apartments C	\$	133,881.64
EPF-Tullamore C	\$	523,095.90
EPF-Tullamore Commons II C	\$	-
EPF-S/Ctr A	\$	1,365,968.86
		<u>\$ 3,119,309.64</u>

Audit Balances		
Committed - C	\$	1,753,340.78
Assigned - A	\$	1,365,968.86
Unassigned - U	\$	1,075,389.12
Total		<u><u>\$ 4,194,698.76</u></u>

Fund Reconciliation:	As of 9/30/23	
QB		
Savings - Idaho Central CU	\$	25.00
1st Interstate - Checking	\$	17,682.76
LGIP - 1829	\$	1,172,656.92
LGIP - 1910	\$	1,273,189.24
Total		<u><u>\$ 2,463,553.92</u></u>

FUNDS		
General Fund U	\$	1,190,364.68
Capital Improvement Fund	\$	1,273,189.24
Total		<u><u>\$ 2,463,553.92</u></u>

C.I. Fund Allocation:		
Pleasant View C	\$	(48,719.73)
Downtown C	\$	461,419.32
PF Technology C	\$	860,489.65
CP-The Pointe C		
CP-Pointe Apartments C		
EPF-Tullamore C		
EPF-Tullamore Commons II C		
EPF-S/Ctr A		<u>\$ 1,273,189.24</u>

Audit Balances		
Committed - C	\$	1,273,189.24
Assigned - A	\$	-
Unassigned - U	\$	1,190,364.68
Total		<u><u>\$ 2,463,553.92</u></u>

Proponent Payout Schedule - FY2023

District - Proponent	2023 Payments			Admin Fee/Rebate 8/17/2023	RECON to QB
	Oct - February	March - Sept	TOTALS		
Downtown	-	-	-	25,000.00	25,000.00
Pleasant View	-	-	-	25,000.00	25,000.00
PF Technology - BGI	-	-	-	25,000.00	25,000.00
CP - The Pointe	1,154,065.68	387,194.70	1,541,260.38		1,541,260.38
Tullamore - Copper Basin	1,234,779.11	614,011.51	1,848,790.62		1,848,790.62
Tullamore Commons II - Whitewater	6,491.63	6,491.62	12,983.25	-	12,983.25
EPF S/C*	2,170,182.38	-	2,170,182.38	1,498,467.54	3,668,649.92
			<u>5,573,216.63</u>	<u>1,573,467.54</u>	<u>7,146,684.17</u>

* EPF Closing Rebate - \$1,498,467.54

Poleline/Cecil - Mullan/Cecil Project	2,170,182.38	-
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PFURA District Fund Balances

Finance & Policy Committee Meeting - November 7, 2023

District Name	Closing YEAR	District Balance @ 9/30/2023	Current Year Incr. Rec'd to Date	Current Year Reimb. to Date	District Balance to Date	Est. Increment to 8/1/2024*	Est. 2024 Reimburs.	Est. Balance @ 8/15/2024	FY 2025 Admin Fee	Est. Fund Balance @ 9/1/2024
Post Falls Technology	2038	\$ 860,489.65	\$ -	\$0.00	\$ 860,489.65	\$ 785,000	\$ 1,645,490	\$ 25,000	\$ 25,000.00	\$ -
Downtown	2041	\$ 461,419.32	\$ -	\$0.00	\$ 461,419.32	\$ 557,000	\$ 1,018,419	\$ 25,000	\$ 25,000.00	\$ -
Pleasant View	2041	\$ (48,719.73)	\$ -	\$0.00	\$ (48,719.73)	\$ 9,500	\$ -	\$ (39,220)	\$ 25,000.00	\$ (64,220)
TOTAL		\$ 1,273,189.24	\$ -	\$0.00	\$ 1,273,189.24					

*Based on initial 2023 Assessment Rolls and estimated 2023 Levy Rate

POST FALLS URBAN RENEWAL AGENCY**Allocation of Administrative and Legal Costs**

- Subject:** Allocation of Tax Increment to reimburse the Agency for Administrative and Extraordinary Legal Costs associated with the planning, review and operation of each of the Commission's approved Urban Renewal Districts or Sub Districts.
- Effective Date:** July 1, 2020
- Issued by:** Diane Fountain, Executive Director and Finance Committee
- Purpose:** To amend Commission Policy Number 16, initially approved in 2010 and amended in 2011 and 2012, to provide for the appropriate allocation of District-specific tax increment funds to reimburse the Agency for its administrative and legal costs associated with the planning, approval and administration of current and future Urban Renewal Districts or sub-Districts, and to continue the Agency's policy of providing for the allocation of tax-increment to reimburse the Agency for extraordinary legal, engineering or administrative expenses associated with a specific Urban Renewal Districts.
- Background:** In the preparation of its annual operating budget each year, the Agency estimates those costs associated with administering its existing Districts and sub-Districts, and determines an appropriate administrative fee to cover those expenses. Normal and reasonable administrative and legal costs associated with the administration of the existing Districts and sub-Districts are included in that fee, which is assessed to each of the Agency's existing Urban Renewal Districts and sub-Districts.
- The Commission has also established, within Commission Policy 16, a mechanism for allowing the Agency to recover extraordinary or unforeseen administrative or legal expenses which might arise in the course of its administration of an existing District or sub-District. Extraordinary legal expenses are, by their nature, unknown and unanticipated, however examples of those expenses could include:
- legal expenses associated with the sale or assignment of property within a District or sub-District to one or more parties who agree to assume the Proponent's right to reimbursement or other rights or responsibilities;
 - the subdivision of an existing District or sub-District;
 - the negotiation of agreements associated with the sharing of costs between multiple Proponents; and,
 - disputes requiring legal representation or legal and engineering review costs beyond those typically incurred in the administration of an Urban Renewal District or sub-District.
- Policy:** The Commission provides for the normal administrative, engineering, review and legal costs associated with the administration of each of its Urban Renewal Districts in the context of adopting its annual budget. These costs are included in

the annual administrative fee, which the Agency charges to each of its Urban Renewal Districts and sub-Districts, which fee is equalized for all Districts and sub-Districts.

The annual administrative fee charged to each Urban Renewal District or sub-District has been \$16,000 per year for the past eight years. Over that period, the Agency's operating expenses and fees paid to third parties for engineering, consulting and legal fees have increased. The Commission has determined that the annual administrative fee needs to be increased to \$25,000 per year for each Urban Renewal District or sub-District to ensure that the Agency has sufficient operating revenue to carry out its administrative and oversight responsibilities.

The amendment of this policy shall apply to all existing and future Urban Renewal Districts or sub-Districts upon approval by the Commission, however the Commission reserves the right to adjust this fee on an annual basis going forward to ensure that the Agency has sufficient revenues to fully offset its annual operating costs.

Administrative and legal costs associated with the administration of a specific District, which, in any year, exceed the equalized and budgeted administrative and legal cost component for that District or sub-District, by 15% or more, shall continue to be allocated to that specific District or sub-District responsible for the overage, and recovered from the next available payment of tax increment associated with that District or sub-District.

The recovery of such extraordinary expenses shall have a priority equal to the payment of the Agency's annual administrative fee in determining the allocation of tax increment receipts.

The Proponent of the District where extraordinary expenses are being incurred shall be advised of the Agency's policy regarding recovery of such expenses at the time the Executive Director becomes aware that the annual administrative and legal expenses for the district have exceeded the equalized and budgeted administrative and legal cost component for that District. The Proponent may elect to directly reimburse the Agency for such extraordinary expenses, in lieu of the Agency recovering its extraordinary expenses from the next available payment of tax increment associated with that District.

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 16th day of July, 2020

POST FALLS URBAN RENEWAL AGENCY
Plan & Administrative Fee Establishment

Subject: Plan and Administrative Fee Establishment

Effective Date: June 18, 2015

Issued by: Finance Committee

Purpose: To establish a set Plan Fee, an Annual Administrative Fee and a Subdivision & Transfer Fee for an Urban Renewal District.

Policy: Plan and Administrative Fees for URD's

Background: In September 2004, the Commission adopted a policy implementing the principal of "self sufficient funding" by establishing a requirement that each new Renewal District must provide and generate sufficient income, either from tax increment payments or from direct payments by the funding proponent in advance of the receipt of tax increment payments (or both) to pay the costs of the general administrative support services provided annually by the Agency to the District and such City services as may be required to establish and maintain the District. The policy was revised in April 2005 to include costs associated with the establishment of the District, and was revised again in July 2006 to include Subdivision and Transfer Fees.

POLICY: A. PLAN FEE The Agency has established a fee known as the "Plan Fee" for the creation of each new Urban Renewal District. The Plan Fee is \$15,000 and is to be paid by the proponent of a new or expanded District to reimburse the Agency for the services provided by the Agency and, through the Agency, by the City in the creation of a new Urban Renewal District. This fee may be changed at any time by the Agency to more closely reflect the Agency's actual cost associated with the establishment of a new District.

The Plan Fee enables the Agency to provide "Initial Services" to the proponent as delineated in operating procedures #13. The Plan Fee is to be paid by the proponent at the initiation of a new Renewal District or the expansion of an existing Renewal District, and is reimbursable from Tax Increment funds.

Proponents of Renewal Districts requiring a **greater** level of Agency services shall, at the discretion of the Agency, be billed for such services on a monthly basis, based on the Agency's direct costs (legal, engineering, architecture, City services and reviews, and similar services) and the additional administrative time required of the staff of the Agency. Proponents shall reimburse the Agency for its costs and expenses associated

with the provision of such additional services within 30 days of receipt of such billing.

B. ADMINISTRATIVE FEE Also in furtherance of the principal of each Renewal District being self-funding, as established by the Agency, each Renewal District or expansion of an existing Renewal District shall be billed a proportionate "Annual Administrative Fee" representing that District's proportionate share of the annual operating expenses of the Agency in administering each of the existing Renewal Districts. The amount of the administrative fee charged to each district or expansion shall be established annually by the Agency based on the Executive Director's projection of services required for the administration of each Renewal District.

The Administrative Fee enables the Agency to provide "Initial Services" to the proponent as delineated in operating procedures #13. Payment of the Agency's Annual Administrative Service fee is eligible for reimbursement from Tax Increment funds.


The Annual Administration Fee shall be paid in August from the tax increment funds received by the Agency for each Renewal District. For Renewal Districts that do not have tax increment funds available, the proponent of the District shall be responsible for the payment of the Annual Administrative Fee. Administrative fees shall be treated as a cost that is eligible to be reimbursed from tax increment funds received in the future.

C. SUBDIVISION & TRANSFER FEE. The Agency may assess a Subdivision & Transfer Fee when an existing Urban Renewal District's ownership, in whole or in part changes during the Plan's life. This Subdivision & Transfer fee will be an amount calculated to cover the cost of Agency staff time and legal fees as determined by the Commission, and will be paid by a subsequent proponent, who purchases a portion of the District. The Subdivision & Transfer Fee is meant to reimburse the Agency for services provided by the Agency and, through the Agency, to ensure that all past, present and future parties share in the responsibilities, requirements and benefits proportionate to their infrastructure improvements within the district.

Prior Policy Reference: This policy is combined with previous Policy #4 dated September 2004, Policy #10 dated April 2005 and Policy #19 dated July 2006 that were in memorandum format.

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 25th day of June, 2015