

2020 Annual Report



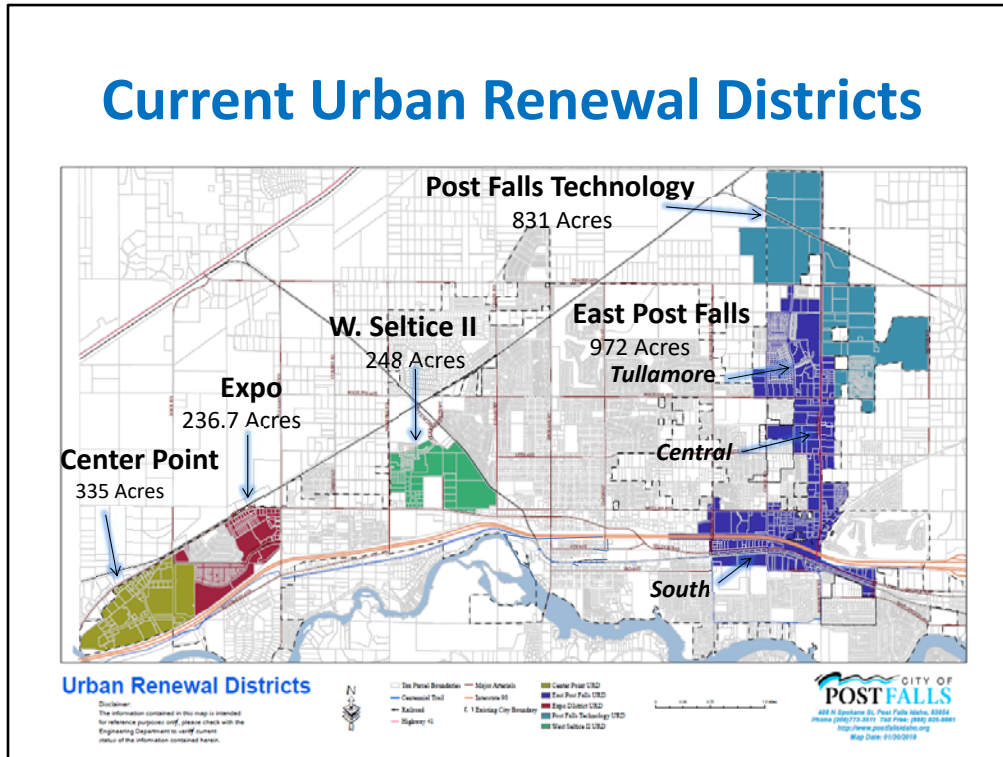
About the Agency

- This annual report is required under Idaho Code 50-20 Urban Renewal Law, Chapter 2006 (c). The purpose is to report activities for the preceding calendar year to City Council by March 31st.
- The Agency was created in 1991 and occupies office space in the Chamber of Commerce Building.
- 2020 Officers were: Jerry Baltzell, Chairman
 Larry Carstensen, Vice Chair
 Len Crosby, Treasurer
- Monthly Commission meetings are held on the 3rd Thursday of each month in the Chamber Council.
- Most of the Agency activities fall under one of the following committees which meet as necessary:
 - * Finance and Policy – Len Crosby, Chair
 - * District Review – Collin Coles, Chair
 - * Communication, Property and Personnel – Larry Carstensen, Chair
- Workshops are scheduled on an as needed basis.

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.*

Current Urban Renewal Districts



The CP/EXPO/West Seltice II/Tullamore and the PF Technology Districts all have proponent/developers who build public infrastructure and pay for it up front. The risk lies solely on them to bring in new businesses which result in increased property values and tax increment. Increment collected by the County is remitted on a monthly basis to the Agency and we reimburse the proponent in February and August.

Increment being collected in the EPF S/C districts will fund sewer improvements in the EPF district (anticipated reimbursement from URA is \$6 Million) as well as fully repaying the bonds issued by the Agency to fund the Greensferry Overpass. As of December 31, 2020 that debt has been reduced to \$2,256,355

West Seltice II

- Created – 2005
- Term – 15 years
- Size – 248 acres
- Proponent – Greenstone-Kootenai, Inc.
- Total infrastructure: \$1,990,008
- Base Value: \$1,719,589
- Taxable Value at Closure: \$33,718,921

The amount of approved infrastructure that has been dedicated to the City totaling just under \$2MILLION was fully reimbursed in August, 2020. The Agency closed this district early so the various taxing entities were able to take the new development dollars & include them in their FY 2021 budget. With this closure the Agency rebated surplus increment back to the taxing entities totaling \$67,917.

W. Seltice II Closure

Taxing District	New Development Value \$33,718,921	Tax Dollars Available for FY 2021
City of Post Falls		\$143,659
Kootenai County		\$ 83,909
KCFR		\$ 57,158
NIC		\$ 26,876
Post Falls School		\$ 503
Post Falls Highway		\$ 15,120
Community Library		\$ 10,162
EMS		\$ 4,666
	Total	\$342,053

When the W. Seltice II District closed...\$33,718,921 in new development value was available for each taxing district to include in their FY 2021 budget – This slide shows the amounts that were available for each taxing district.

District Overview

<u>District</u>	<u>Created</u>	<u>Maturity</u>	TOTAL Approved Infrastructure	Obligation Balance
• Expo	2001	2021	\$ 4,462,492	\$ 914,437
• Centerpoint	2002	2022	\$ 10,098,828	\$ 590,937
• EPF – South/Central	2002	2022	\$ 18,704,022	\$ 5,174,530
	Rebates: Oct. 2009 - \$2.2 MILLION April 2012 - \$3,274,616			
• EPF – Tullamore	2005	2022	\$ 6,498,960	\$ 1,893,809
• EPF - Tullamore Commons II		2022	\$ 325,000	\$ 171,998
• Post Falls Technology	2018	2038	N/A	N/A

This slide shows the Total Approved Infrastructure Costs in each District and the remaining obligation @ December 31, 2020. The Expo, CP & EPF will all close within the next 2 years.

Tax Increment History

District	2018	2019	2020
Centerpoint	\$ 866,302	\$ 717,310	\$ 849,202
City Center	\$ 417,048	Closed	Closed
East Post Falls: S/C	\$ 2,087,050	\$ 2,263,129	\$ 2,691,112
East Post Falls: Tullamore	\$ 632,411	\$ 745,565	\$ 1,025,925
Tullamore Commons II	\$ 27,191	\$ 24,450	\$ 22,174
Expo	\$ 292,457	\$ 315,495	\$ 357,009
West Seltice II	\$ 259,860	\$ 301,045	\$ 352,006
Post Falls Technology	N/A	N/A	\$ 84,754
Annual Totals	\$4,582,319	\$4,366,994	\$5,382,182

This slide shows a three year comparison of tax increment received by district. The increment in 2020 increased over 23%. This was due to an increase in property values and new construction in our existing districts.

Order of Approvals

- March 19, 2020 – Expo – Jacklin Rd extension **(\$737,995)**
- December 17, 2020 – Center Point District – Expo Parkway extension **(\$573,947)**

Once a proponent completes public improvements and they are dedicated to the City. The eligible construction costs are approved by the Agency and added to their obligations. The Agency reviewed and approved 2 Orders of Approval totaling over \$1.3 MILLION which was added to the proponent obligations in 2020.

Financial Highlights

Fiscal Year Comparables	<u>2019</u>	<u>2020</u>
➤ Increment Revenue	\$ 4,609,779	\$ 5,328,056
➤ Interest Revenue	\$ 89,800	\$ 72,080
➤ Assets (Cash)	\$ 4,160,855	\$ 5,705,791
➤ Liabilities (Loan)	\$ 3,268,832	\$ 2,350,418
➤ Proponent Obligations	\$ 4,667,740	\$ 2,997,233
➤ Approved Operating Budget	\$ 130,000	\$ 146,000
➤ Actual Operating Expenses	\$ 90,497	\$ 93,037

Increment Revenue increased due to the new development within our URD's.

Interest Revenue decreased due to declining interest rates.

Cash increased. The Agency is funding sewer projects in the EPF District which will reduce that amount in FY 2021.

Loan Liabilities decreased. The Agency continues to pay down the loan @ WTB – which requires a 10% loan reserve. The reserve balance is reviewed on an annual basis – as a result, the Agency was able to apply \$94,064 to the principal in 2020.

Proponent Obligations decreased due to payments made to district proponents for approved public infrastructure.

Actual operating expenses were almost \$53,000 less than budgeted (\$52,963)

2020 Projects

- The Agency funded \$2,065,784 for sewer improvements in the EPF District.

The Agency funded \$2,065,784 for sewer improvements in the EPF District, it is anticipated that we will fund another \$4 MILLION in 2021 to complete the sewer improvements along Highway 41 which includes the lift station and EQ Basin on 12th Avenue.

UPS Moved to the Center Point URD



June 2020



August 2020

UPS built a new facility on the corner of Expo Parkway and Beck Rd in the Center Point URD. That facility opened in October, 2020.

Recap on District Closures

District	Closure	Projected New Development	Projected Increment
Expo	2021	\$ 34,282,168	\$ 320,162
Center Point	2022	\$ 52,112,795	\$ 486,682
EPF – S/C	2022	\$191,069,936	\$ 1,784,406
EPF – Tullamore	2022	\$112,878,056	\$ 1,054,170
Totals		\$390,342,955	\$3,645,420

As district close, this table shows the amounts that will go back to the taxing entities and the taxpayer. The numbers are based on 2020 levy rates and increment revenues which are subject to change when the district(s) actually close.

As you can see from this recap slide, when the URA has completed our job, a huge amount of “New Development” tax increment will be returned to the **Taxing Entities** and the **Taxpayers** not only the year the district closes, but every year in the future. This is a huge benefit to each of the taxing entities and each and every taxpayer! **A total of \$3.6 MILLION over the next couple years.**

Closing Comments

- Christi Fleischman joined the Commission in April, 2020 and will serve through December, 2022.
- The Agency Closed its 4th URD (W. Seltice II) in August 2020.
- We are working closely with the City of Post Falls to create two new districts, the Downtown District and Pleasant View District.

Urban Renewal and tax increment financing are the most significant tools available for attracting businesses and economic development, promoting job creation and encouraging development of blighted and under utilized areas.

On behalf of the Commission, I thank the Mayor and City Council for your willingness to work in partnership with the Commission to consider the feasibility of possible new Urban Renewal Districts as our current districts come to a close.

Thank You!

