

An urban renewal success story

By

Post Falls Urban Renewal Officials

March 14, 2020 1:00 AM

The Post Falls Urban Renewal Agency was created in 1991. Since that time the Agency has closed three Urban Renewal districts resulting in over \$152 MILLION in increased valuation that provides revenue to the various taxing entities which include Kootenai County, City of Post Falls, PF Highway District, PF School District, Kootenai County Fire & Rescue, Community Library, North Idaho College and Kootenai EMS.

A fourth Urban Renewal district, West Seltice II, will close this year. The final reimbursement for infrastructure improvements constructed within the West Seltice II District will be made in August, allowing for the district to close on time according to the District Plan.

When the West Seltice II district was created in 2005, the base assessed valuation was \$1,719,589 on 248 acres. The developer cost for construction of public infrastructure including water and sewer lines, streets and street lights, was approximately \$1,990,008. To date \$1,890,717 has been reimbursed to the developer-proponent from tax increment created by new property taxes from commercial and industrial buildings that were built as a result of improved public infrastructure. These buildings also provide new jobs in our community.

This urban renewal partnership has supported growth in the district of \$33,227,437 in new construction. The Agency's final reimbursement to the proponent-developer of the West Seltice II district will be paid in August 2020 and the district will then be officially closed by the end of November 2020.

Reimbursement of costs was based on the West Seltice II District bringing in new businesses to achieve an increase in the assessed value within the district. The increase in assessed value results in incremental taxes on the new construction being collected and paid to the Urban Renewal Agency which are used to reimburse the developer for their upfront costs of constructing new public infrastructure to support new development and growth.

Reimbursement is made on a semi-annual basis for approved public infrastructure which has been dedicated to the City of Post Falls. All of the risks remain with the private sector developer who pays up front and is not repaid until new development occurs and new jobs are created. If new businesses are not established in the district, there would be no new taxes generated, and the developer would only receive limited reimbursement based on the increase in the tax base.

In addition to closure rebates of \$657,520, the Agency rebated excess increment in the East Post Falls District in 2009 and 2012 totaling over \$5.4 MILLION. Kootenai County received \$1,304,192 from these rebates. Post Falls will close another three districts in the next few years which will result in Kootenai County receiving over \$1 MILLION in increased tax revenue every year going forward.

The Post Falls Urban Renewal Agency funded the \$15 MILLION Greensferry Overpass in the East Post Falls District which was completed on time and under budget without any state or

federal funding. This much-needed project benefits everyone in Kootenai County as it provides connectivity for emergency services and the general public. Public Improvements along Spokane Street totaling \$2.5 MILLION have resulted in new businesses locating to the downtown area. The Center Point District attracted nationally known employers and retailers to our county such as Cabela's and Sysco. The Post Falls Technology District, which was created in 2018, could potentially generate \$113.3 MILLION in tax increment once fully developed and create 5,000 to 10,000 career level jobs.

All Urban Renewal Districts have a fixed termination date approved by the elected City Council, who must also approve the creation of an Urban Renewal District and the district plan after multiple public hearings. If the developer-proponent is not fully reimbursed for his initial cash outlay prior to the termination date, he will receive no further funds from Urban Renewal to reimburse his costs. If the developer is fully reimbursed prior to the termination date, the district will be closed early as the Post Falls Urban Renewal Commission has consistently done. Once a district is closed, the annual tax increment is allocated back to the taxing districts, resulting in a potential reduction in the levy rate applied to individual property tax parcels.

In order to remain competitive in bringing new businesses and jobs to Post Falls, along with broadening the tax base, we need affordable, developed commercial property available to businesses considering Post Falls for their relocation, expansion or start-up. The Urban Renewal partnership is a very effective way to prepare property for new businesses resulting in job creation. At closure of the district, increased tax funds become available to all of our taxing entities with the anticipated lowering of individual real property taxes.

Our mission statement says we are, "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 safety and health." We do our best to accomplish this mission "for the community." We invite you to take a closer look at the Post Falls Urban Renewal Agency by visiting our website at: www.pfura.com where more graphical information is available.

...

Jerry Baltzell, chairperson

Larry Carstensen, vice-chairman

Len Crosby, treasurer

Collin Coles, commissioner

Laura Horn, commissioner Eric Clemensen, commissioner

Jamé Davis, commissioner

window.dataLayer = window.dataLayer || []; function gtag(){dataLayer.push(arguments);} gtag('js', new Date()); gtag('config', 'UA-165931-1');