POST FALLS URBAN RENEWAL AGENCY

Reimbursement from Tax Increment

Subject: Increment Reimbursement Order

Effective Date: August 1, 2024

Issued by: Finance Committee

Purpose: To establish the priority of application of Tax Increment Funds received for each Urban Renewal District.

Policy: Reimbursement from Tax Increment

Background: Tax Increment received by the Agency for each of the Urban Renewal Districts is disbursed in February and August each year for project cost reimbursement. On Agency projects, or on Agency/City joint projects, Tax Increment is disbursed on a monthly basis to reimburse monthly project expenses.

POLICY:

A statement shall be prepared and provided to the proponent of each District showing the funds received, the allocation of payments and the amounts paid to each of the allocated items, as approved by the Agency. Tax increment funds received for each of the Urban Renewal Districts shall be applied in the following priority:

A. Current principal and interest payments on any borrowings or other debt of the Agency related to the specific Urban Renewal District (the term "current" includes all principal and interest payments that shall, in the sole discretion of the Agency become due and payable on or prior to the projected date on which the next subsequent tax increment payment shall be available).

B. The annual Administrative Fee for each specific Urban Renewal District will be deducted from the August reimbursement and applied to the General Fund to cover expenses for the following Fiscal Year. The Administrative fee will be determined during the budget process.

C. Additional excess legal charges, if any, will be deducted pursuant to Policy #16.

D. For those Urban Renewal Districts that have Agency debt outstanding, payments deemed necessary by the Agency to establish a "Debt Service Reserve Account" equal to at least one-year's payment of principal and interest, or that amount otherwise determined by a lender. The Agency may, in its sole discretion, elect to fund the Debt Service Reserve Account over a specific period of time, thereby allowing portions of initial installments of Tax Increment Funds to be paid for lower priority items.

E. Reimburse the Proponent for funds advanced for the Agency's Plan Fee when creating a new District, if applicable.

F. For the reimbursement of minor projects selected and approved by the Agency that promote District Plan objectives and are authorized by such Plan, not to exceed fifteen percent (15%) of the tax increment funds that have been received annually from the District and not to exceed a maximum reserved balance of $250,000. An approved minor project is eligible for maximum total increment tax reimbursement of $250,000. Upon termination of a district, all minor project funds remaining after such approved minor project obligations have been met will be allocated for use toward reimbursement of other approved district obligations prioritized in accordance with this Policy, then allocated to the taxing districts in accordance with Idaho Code §50-2909(4). This provision shall only apply to Proponents with reimbursement agreements entered into on or after the Effective Date of this Policy.

G. For the reimbursement of other proponents in the District that have orders of approval that predate the order of approval authorizing the Proponent's reimbursement, or in the case of City funded improvements that the Agency has received invoices for before issuance of the Participant's order of approval.

H. The balance of Tax Increment shall be used to reimburse the Proponent for direct development costs associated with approved improvements within the Urban Renewal District. Such costs shall be approved by the Agency based on its review and acceptance of proper documentation for such expenses.

Prior Policy Reference: Priority of Application of Tax Increment Funds Received for each Urban Renewal District, adopted April 21, 2005, was rescinded on June 18, 2015. Policy #08 (Timing for Payment of Tax Increment) was rescinded and combined into this Policy on that same date. The Policy was revised on January 20, 2022.

Approved by the Post Falls Urban Renewal Agency Board of Commissioners:

POST FALLS URBAN RENEWAL AGENCY
An Idaho Urban Renewal Agency

By: Jamé Dank, Chair

Approved this 18 day of July, 2024

POST FALLS URBAN RENEWAL AGENCY

Subject: Second Addendum to Policy # 7: Reimbursement from Tax Increment.

Effective Date: February 1, 2022

Issued by: Finance Committee

Purpose: To establish revised reimbursement parameters for Urban Renewal Districts Created after January 1, 2021

Policy: Reimbursement from Tax Increment for new Urban Renewal Districts to encourage focus on economic development and job creation.

Background: Tax Increment received by the Agency for new Urban Renewal Districts created after January 1, 2021 is disbursed in February and August of each year to reimburse for project cost reimbursement. For purposes of Urban Renewal Districts created after January 1, 2021, the priority of reimbursement for completed, approved and dedicated public improvements shall be reimbursed based on the following percentages of Agency reviewed and Agency approved costs:

A. LIGHT AND HEAVY INDUSTRIAL AND TECHNICAL DEVELOPMENT:

1. On-Site Public Improvements:

100% reimbursement of Commission-approved public improvements included in the Urban Renewal Plan for the District including major streets, sidewalks, major utility lines (sewer, water, waste water, gas, electric, broadband, and related), public park areas, street trees and street landscaping, street lighting, required traffic controls, major development signage (not specific tenant signage), specific Commission-approved trails and similar improvements designed to provide tenants with pedestrian, bike or related inter-project modes of transportation.

2. Off-site (but within the URA District) Public Improvements directly related to the industrial or technical development:

   100% reimbursement for Commission approved and/or City-required public improvements included in the Urban Renewal Plan for the District for off-site sewer, water and wastewater improvements, facilities and service lines, required to support industrial and technical development within the District, 100% reimbursement for Commission approved and/or City required public improvements included in the Urban Renewal Plan for the District for traffic controls required to provide access and exit from the area being developed for industrial and technical users, including major collector streets and arterials.

   50% reimbursement for Commission approved and/or City required public improvements included in the Urban Renewal Plan for the District for off-site electrical and gas lines (within the District) required for the industrial and technical development.

B. RETAIL, OFFICE AND SERVICE DEVELOPMENT:

1. On-site public improvements:

   75% reimbursement of Commission-approved and/or City required public improvements included in the Urban Renewal Plan for the District for improvements including major streets, sidewalks, major utility lines (sewer, water, waste water, gas, electric, broadband and related), public park areas, street trees and street landscaping, street lighting, required traffic controls, major development signage (not specific tenant signage), specific Commission-approved trails and similar improvements designed to provide tenants with pedestrian, bike or related inter-project modes of transportation.

   EXCEPTION: In cases where planned retail, office and service development is designed to primarily support an adjacent or closely aligned area being developed as light or heavy industrial or technical development, the Commission **may** elect to reimburse on-site public improvements for Commission approved improvements included in

the Urban Renewal Plan for the District for retail, office and service development at a higher level, up to 100%.

2. Off-site (but within the URA District) Public Improvements:

75% reimbursement of Commission-approved public improvements and City-required public improvements included in the Urban Renewal Plan for the District for sewer, water and waste water service lines and facilities required to support retail and service development,

50% of Commission approved public improvements included in the Urban Renewal Plan for the District for traffic controls required to control access and exist from the area being developed for retail, office and service users.

50% of Commission approved public improvements included in the Urban Renewal Plan for the District for electrical and gas lines required for retail, office and service development.

EXCEPTION: In cases where planned retail and service development is designed to primarily support an adjacent or closely aligned area being developed as light or heavy industrial or technical development, the Commission may elect to reimburse off-site public improvements of Commission approved improvements included in the Urban Renewal Plan for the District for retail, office and service development at a higher level, up to 75%.

C. RESIDENTIAL DEVELOPMENT:

1. On-site public improvements:

25% reimbursement of Commission-approved collector or arterial streets required to provide access to and egress from the residential development, which were included in the Urban Renewal Plan for the District.

25% of Commission-approved on-site public parks that are available to the general public, which were included in the Urban Renewal Plan for the District.

2. Off-site (but within the URA District) public improvements:

No reimbursement for off-site development costs associated with residential development.

D. SPECIAL PROVISION FOR CITY-REQUIRED OR COMMISISON-APPROVED PUBLIC IMPROVEMENTS WITHIN A DISTRICT THAT ARE REQUIRED FOR INDUSTRIAL OR TECHNICAL DEVELOPMENT WITHIN A PORTION OF THE DISTRICT, AND WHICH MUST BE INSTALLED THROUGH A PLANNED OR EXISTING RESIDENTIAL DEVELOPMENT WITHIN THE DISTRICT:

For on or off-site public improvements within an Urban Renewal District which are required to connect Commission-approved or City-required infrastructure from a portion of the District that is being developed for industrial, technical or retail use, the Commission will consider reimbursing the **Additional Costs** associated with **Upgrading** existing or planned public improvements (sewer, water and wastewater service lines, lift stations, major roadways and related public improvements) associated with improvement costs above and beyond those required by the City of Post Falls to support the existing or proposed residential development.

E. SPECIAL PROVISION FOR WORKFORCE HOUSING:

For on or off-site improvements within an Urban Renewal District which are associated with a workforce housing project, the Commission will consider reimbursement for such improvements at greater levels than those set forth in Section C above so long as such project is sanctioned by the Urban Renewal Plan for the District.

F. PRE-EXISTING DISTRICTS:

The provisions set forth above in Sections A through D shall continue to apply to Urban Renewal Districts created after August 1, 2018.

POST FALLS URBAN RENEWAL AGENCY

THIRD ADDENDUM TO URA POLICY NUMBER 07

Subject: Amendment of Third Addendum to URA Policy # 07

Effective Date: December 18, 2025

Issued by: Finance Committee

Policy: Addendum to Policy #07 regarding Reimbursement from Tax Increment for Urban Renewal Districts created after January 1, 2021

Background: Tax Increment received by the Agency for each of the Urban Renewal Districts is disbursed in February and August of each year for project cost reimbursement pursuant to a Commission-approved Owner Participation Agreement and a Commission-approved Order of Approval. The purpose of Section A of this Addendum is to provide the Agency with flexibility regarding the reimbursement of City and Commission approved public improvements set forth in an approved Urban Renewal Plan for mixed use or residential infill developments located within the Downtown District. The purpose of Section B of this Addendum is to provide the Agency with flexibility regarding the reimbursement of City and Commission approved public improvements set forth in an approved Urban Renewal Plan for the development of projects related to Workforce Housing. This Policy Addendum shall apply to Urban Renewal Districts created after January 1, 2021.

For Commission approved public improvements constructed within an approved Urban Renewal District located within the City of Post Falls the Commission may approve the following reimbursement amounts for completed, approved and dedicated public improvements:

A. Mixed-Use (commercial, retail and residential) or Residential Development: Up to 100% of Commission approved and/or City-required on and off-site public improvements included in the Urban Renewal Plan, and in accordance with the City-approved plans contained therein, for the Downtown District including major streets, sidewalks, major utility lines (sewer, water, waste water, gas, electric, broadband and related), public park areas, street trees and street landscaping, street lighting, on street parking required to service the residential, commercial or retail portions of the development, required traffic controls (including City or Idaho Transportation Department required traffic signals and round-abouts specified in the approved Urban Renewal Plan), major development signage (not specific tenant signage) and improvements designed to provide tenants with pedestrian, bike or related inter-project modes of transportation.

B. Workforce Housing: Up to 100% of on and off-site public improvements within an approved Urban Renewal District which are required for the construction of a Commission-approved workforce housing development. Workforce Housing is defined as housing which is affordable by families earning between 80 and 120 percent of the Area Median Income for Kootenai County, as established annually by the Department of Housing and Urban Development. Proponents seeking reimbursement for public improvements associated with the development of Workforce Housing must provide evidence that the rental or sale rates of the residential units being developed within an approved Urban Renewal District meet the affordability criteria. For rental units, the Proponent must provide evidence of a regulatory agreement or other contractual agreement designed to retain the affordability of the rental units.

C. Site Remediation: Up to 100% of the direct costs associated with remediation of an environmentally impacted site for development of commercial or industrial properties, if such remediation is set forth in the approved Urban Renewal Plan for the district in which the development will be constructed.

Approved by the Post Falls Urban Renewal Agency Board of Commissioners:

POST FALLS URBAN RENEWAL AGENCY
An Idaho Urban Renewal Agency

By: _____, Chair
Jamé Davis, Chairperson

Date: 12/18/25

POST FALLS URBAN RENEWAL AGENCY

FOURTH ADDENDUM TO AGENCY POLICY #7

Subject: Fourth Addendum to Agency Policy #7

Effective Date: October 17th, 2024

Background: On July 10th, 2024, the Commission of the Post Falls Urban Renewal Agency approved amendments to Agency Policy #7 to provide for priority reimbursement of public improvements associated with certain minor projects that promote the objectives set forth in an Urban Renewal Plan and are authorized by such Plan. The purpose of this Addendum is to provide specificity regarding how the minor project program will be implemented. This Addendum shall apply to all Urban Renewal Districts.

1. FUNDING: An annual allocation of a portion (not to exceed 15% per year) of the annual allocation of tax increment accruing to an urban renewal district.
2. THE PROGRAM IS TO BE RESTRICTED TO:
    a. Existing businesses which have a physical facility located within the District which they wish to expand or improve.
        i. In the case of an existing business which occupies leased premises within the District, the landlord must be a co-applicant and the lease term must have a remaining term of not less than three (3) years.
    b. Existing Non-Profits which have a physical facility located within the District which they own and which they wish to improve or expand.
3. PROGRAM PARAMETERS:
    a. Funds shall be restricted to physical improvements which are:
        i. City required improvements that promote District Plan objectives and are authorized by such Plan, including property frontage improvements (curbing, gutters, sidewalks, grassy swales, street trees, storm water abatement), public sewer and water extensions and landscaping elements.
        ii. Façade or related improvements that promote District Plan objectives and are authorized by such Plan, as determined by a quorum majority of the Urban Renewal Commission in consultation with the City Community Development Director.
    b. Funding is limited to a maximum funding of $250,000 per applicant.
    c. The Urban Renewal Commission shall estimate the real property valuation impact of the proposed improvements, and perform an analysis of the potential increase in tax increment anticipated from the proposed improvement(s) for the remaining duration of the urban renewal district in which the property is located (Not required for Non-Profit enterprises operating on tax exempt real property).

d. The Urban Renewal Commission shall assess each project's impact as it relates to increased employment, enhanced appearance, contribution to the objectives of the District Plan and related factors.

e. Applicant must provide a written contract for construction of the proposed improvements, verification of City approval of the proposed improvements, construction plans and related documents, including the specific contract price for the items that the Commission's Minor Project Program are to fund.

f. Reimbursement from the Commission's District tax increment funds shall be subject to execution by the Applicant of a Minor Project Reimbursement Agreement, the completion of funded work, documented acceptance of the completed improvements by the City, documentation of the actual costs of the improvements, review of the actual costs by the Commission's engineering consultants and the approval of an Order of Approval by the Urban Renewal Commission in accordance with Commission policy. Reimbursement of completed, accepted and approved project expenses shall be subject to the receipt of sufficient tax increment funds for the District in which the project is located.

4. FLOW OF FUNDS FROM SEMI-ANNUAL TAX INCREMENT PAYMENTS:

a. Semi-annual tax increment funds shall continue to be allocated to the District's Proponents in accordance with existing OPA Agreements with the exception of the amount allocated (not to exceed 15%, as determined by the Commission) for the Minor Project Program of each urban renewal district. Provided however, any OPA Agreements executed prior to August 1, 2024 shall not be subject to the Minor Project Program allocation without the contracting Proponent's written consent.

b. Funds shall be held in the Commission's LGIP Construction Improvement Account. For financial reporting purposes, such funds shall be noted as being reserved for the Minor Project Program of each District.

c. Upon receipt of tax increment funds allocated for the Minor Projects Program within any urban renewal district totaling $250,000, no further funds shall be set aside for the Minor Project Program within that District until the amount set aside for the Minor Projects Program within that District falls below $250,000 or the Commission has approved Minor Project applications totaling more than $250,000.

d. Allocation of funds for the Minor Project Program shall cease in the last 24 months of an Urban Renewal District's term.

e. In the final year of an Urban Renewal District's term, all funds allocated for Minor Projects which are not committed to improvements underway, shall be re-allocated to those District Proponents who have not been fully reimbursed for approved and dedicated improvements as set forth in the OPA and the District Plan.

f. Tax Increment funds remaining after full reimbursement of all Proponents and all approved Minor Projects shall be allocated in accordance with Urban Renewal Commission Policy relating to closing an urban renewal District and Idaho Code Section 50-2909(4).

Approved by the Post Falls Urban Renewal Agency Board of Commissioners:

POST FALLS URBAN RENEWAL AGENCY
An Idaho Urban Renewal Agency

By: Jamè Davis, Chairperson, Chair Date: 10/17/24

Jamè Davis, Chairperson