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 Dant, Chair

Approved this 18 day of July, 20 24

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: Third Addendum to URA Policy# 07

Effective Date:

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, 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) Development: Up to 100% of Commission approved and/or City-required on and off-site public improvements included in the Urban Renewal Plan 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 commercial and 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 Date: 8-25-22
Jerry Baltzell, Chairman