

POST FALLS URBAN RENEWAL AGENCY**Reimbursement of a Portion of Approved Proponent Borrowing Costs Associated with Off-Site Public Infrastructure Improvements Required for Industrial and Commercial Development.**

Subject: Reimbursement of a portion of approved Proponent Borrowing Costs associated with the construction of off-site public infrastructure improvements required for industrial and commercial development.

Effective Date: April 21, 2022

POLICY:

The Commission recognizes that a Proponent may be required to borrow a portion of the funds required to install off-site public improvements and infrastructure for industrial and commercial developments within an urban renewal district to support planned or future development within that District. The Commission acknowledges that such public improvements and infrastructure will be required to further the objectives of the Commission as set forth in the District Plan, and approved by the City of Post Falls. The Commission also acknowledges that such improvements and infrastructure will facilitate future development within the Urban Renewal District.

However, reimbursement of Proponent Borrowing Costs shall not be available to any Proponent who during the term of the Plan and the District applies for or receives any property tax exemptions provided by Idaho law that would adversely affect the amount of tax increment revenues generated by the District. Such reimbursement shall also not be available to the City of Post Falls.

- A. This policy does not apply to Proponents who are developing residential or multifamily properties within an urban renewal district.
- B. This policy is limited to certain financing costs associated with the construction of off-site public improvements and infrastructure associated with an industrial or commercial development located or to be located in an urban renewal district. Off-site public improvements and infrastructure to be defined as those improvements and infrastructure not located within the Proponent's legally described property.
- C. A Proponent seeking to apply for reimbursement under this Policy will be required to provide the Commission with a detailed financing plan to include the lender, type of public improvements to be financed and detailed financing costs associated with any financing the Proponent plans to utilize in conjunction with off-site infrastructure and public improvements for industrial or commercial development.
- D. If the Commission approves the financing plan provided by the Proponent, the Agency may agree to include in the Owner Participation and Reimbursement Agreement that a portion of the financing costs (interest and fees) associated with 75% of the hard construction costs for the off-site infrastructure and improvements set forth in the Plan are reimbursable from tax Increment payments associated with the Urban Renewal District. Hard construction costs to be defined as those costs directly involved with the actual construction of the infrastructure improvements related to raw materials, construction labor, equipment, fixtures. Soft Costs to be defined as costs incurred in planning and

making infrastructure improvements related to engineering, land planning, landscape design, surveying, such testing as environmental, material, soil compaction and percolation (see Agency Policy #18).

- E. All financing costs shall be reasonable and shall be limited to financing costs associated with no more than 75% of the off-site infrastructure and improvement costs for a specific property located within an Urban Renewal District.
- F. Interest costs associated with such improvements may not exceed a spread of 1.50% in excess of the five-year Treasury rate in effect as of the first funding by the Proponent's lending source, with a maximum reimbursable interest rate of six percent (6%).
- G. Reimbursement of loan fees associated with 75% of the hard construction costs for the off-site infrastructure and improvements set forth in the Plan shall not exceed one percent (1%) of the amount financed.
- H. The Proponent's financing plan shall address the issue of timing and provide specific projections regarding the payment of the outstanding debt. Financing costs shall be limited to a reasonable construction, marketing and repayment period, which shall not exceed five (5) years.
- I. Prior to reimbursement of Proponent financing costs, the Commission shall be provided with documentation from the Proponent's lender detailing and certifying the costs incurred by Proponent, the repayment of the debt and other relevant documentation to support the costs incurred.
- J. Reimbursement of Proponent financing costs shall be finalized by the adoption of an Order of Approval approved by the Commission.

Prior Policy Reference: Reimbursement of Proponent Borrowing Costs Associated with Capital Improvements made to a Renewal District, adopted April 21, 2005 and revised July 15, 2010.

Approved by the Post Falls Urban Renewal Commissioners:

POST FALLS URBAN RENEWAL AGENCY
An Idaho Urban Renewal Agency

By: 
Jerry Bältzell, Chairman

Date: 4-21-22