

MEMORANDUM OF UNDERSTANDING

EQ BASIN PROJECT, 12TH AVE LIFT STATION IMPROVEMENTS AND FORCE MAIN

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into this 4th day of Sept, 2018 by and between the POST FALLS URBAN RENEWAL AGENCY, an Idaho urban renewal agency, P.O. Box 236, Post Falls, Idaho 83877, hereinafter referred to as the Agency, and the CITY OF POST FALLS, an Idaho municipal corporation, 408 North Spokane Street, Post Falls, Idaho 83854, hereinafter referred to as the City.

WITNESSETH:

WHEREAS the Agency in conjunction with the City has formed an urban renewal district known as the East Post Falls Urban Renewal District, has adopted an Urban Renewal Plan for the District, and the EQ Basin, 12th Ave Lift Station, associated piping, and a portion of the Force Main project, hereinafter referred to as the Project, are eligible infrastructure within the District Plan, and

WHEREAS it is the charter of the Agency pursuant to the East Post Falls Urban Renewal Plan, hereinafter referred to as the Plan, to encourage the development and economic growth of the District, and

WHEREAS the Plan provides for various improvements to facilitate the orderly development and economic growth of the District including the Project, and

WHEREAS the City adopted the North East Quadrant Sewer Study on July 17, 2018 as part of its sewer master plan, which calls for the Project.

NOW, THEREFORE, in consideration of the mutual goals and consideration to be derived here from, the Parties enter into the following understandings with reference to joint and cooperative design and construct the Project.

Project Description: The Project consists of a flow equalization (EQ) basin, a sewer lift station, associated piping, and a force-main directly connecting the lift station to the City's Water Reclamation Facility (WRF). The EQ basin will serve as an interim solution to increase the service potential from the existing infrastructure downstream by minimizing the peak flow from the upstream service area until both the lift station and force-main are constructed. The EQ basin will ultimately serve as the 12th Ave Lift Station overflow basin. The 12th Ave. Lift Station needs to be upgraded to allow for future increased flows beyond its current capacity to allow for additional growth within the East Post Falls Urban Renewal District and in the North East Quadrant of the City. The lift station upgrades shall be designed and constructed per the City of Post Falls Lift Station Standards. The total Project costs have been estimated prior to design at approximately \$2,063,000 for the EQ basin and piping; \$1,900,000 for the sewer lift station and piping; and \$7,475,000 for the full force-main, with the eligible portion of this cost to be determined.

Design Phase: The City agrees to negotiate a contract with a consultant to design and perform construction management of the Project. The Project will be designed under direction from City staff. The completed design will be presented to the Agency prior to bidding. The City will oversee the

bidding process. In the event it is necessary to rebid the Project, the costs associated with this effort will be a part of the complete Project.

Property Acquisition: In the event the acquisition of property is needed for the Project, the City will manage that effort. Costs associated with preparation of documents and/or legal descriptions and the purchase of property or easements will be a part of the Project costs. Property acquisition may delay the design and construction of the Project.

Construction Phase: Following bidding, the City will award a construction contract to the lowest responsive bidder, per Idaho State Code. The general improvements associated with the Project are set forth within the project description. The City agrees to manage the construction of the Project, using City staff and/or third-party consultants. The Agency shall reimburse all third-party consultant costs. Upon completion of the Project, a construction summary and copies of all third party invoices will be presented to the Agency by City Staff.

Financial Agreement:

The City has collected surcharge dollars from development in this area for the Project. The City agrees to use these surcharge dollars that have been collected to date to begin the design work for the Project. Due to the time constraints of the Project and the need for completion for future development, both parties agree to work cooperatively and understand that timely completion of this Project is in the best interest of the future development of this area.

The Agency agrees to reimburse the City, or pay directly, for the cost of the portion of the Project, as described above, which is within the East Post Falls Urban Renewal District Plan, including design work not covered by the surcharge dollars, construction, and Project management costs. Reimbursement to the City will be for costs internal to the City's efforts on the Project. Invoices submitted by the consultant and the contractor will be paid directly by the Agency, after review and recommendation for payment by the City.

The Agency agrees to reimburse the City for staff time given to design, research, evaluate, report or otherwise assist the Agency in the Project improvements, at the City employee's fully burdened hourly cost to the City for individual employees. The City agrees to provide these hourly costs to the Agency and agrees to track staff hours dedicated to this Project and to track all non-personnel Project costs to a single general ledger code within the City's accounting software.

The Agency agrees to make the reimbursements/payments for this Project using tax increment dollars arising from the East Post Falls Urban Renewal District, after satisfying the full repayment of all current Agency obligations to proponents within the District, including but not limited to the Agency's outstanding bonds for the construction of the Greensferry Overpass. The Agency agrees to advise the City on a quarterly basis of the status of such repayments, and the accrued tax increment available to reimburse or make payments for the proposed public improvements. Additionally, depending on timing of the Project, the Agency agrees to consider and use its best efforts to provide financing as an option for reimbursement to the City. The Agency has demonstrated there are sufficient future increment revenues, based on past increment collected from the District, providing the ability to support borrowing against the increment. The Agency and City agree to meet and finalize the financial procedures to be used for the Project as planning and design for the Project continue.

The City understands and acknowledges that the East Post Falls Urban Renewal District has a finite life, and that all reimbursements/payments must be completed prior to the District maturity date of December 31, 2022. The City also understands and acknowledges that any costs or other

obligations associated with the Project which are not documented and provided to the Agency in sufficient time to be paid prior to the maturity date of the East Post Falls Urban Renewal District, will not be reimbursed and will not be an obligation or liability of the Agency, unless the Project is eligible for funding from another Urban Renewal District.

The City and Agency also agree that should circumstances arise which impact the time line of the Project, and the proposed improvements are unable to be completed prior to the District closing, or eligible costs are higher than District increment can fully repay, that the parties will negotiate in good faith regarding other funding sources.

Development Contract: The purpose of the Memorandum is to formally document the understanding and the relationship between the Parties as to the Project. It is the intent of both parties to design the Project in 2018/2019 and construct and fully complete the Project in 2021.


No Third Party Beneficiaries: The terms and provisions of this Memorandum are intended solely for the benefit of each party hereto and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person or entity.

IN WITNESS WHEREOF, the Parties have set their hands effective the date first above-written.

CITY OF POST FALLS
An Idaho Municipal corporation


ATTEST:


BY: 
Ronald G. Jacobson, Mayor


Shannon Howard, City Clerk

POST FALLS URBAN RENEWAL AGENCY

ATTEST:

By: 
Jerry Baltzell, Chairman
9-11-18


Len Crosby, Treasurer
9/11/18