

OWNER PARTICIPATION AND REIMBURSEMENT AGREEMENT  
(Existing Plan & District)

THIS AGREEMENT made and entered into this 15<sup>th</sup> day of FEBRUARY, 2007, by and between the POST FALLS URBAN DEVELOPMENT AGENCY, an Idaho urban development agency, P.O. Box 236, Post Falls, ID, 83877-0236, hereinafter referred to as the Agency, and Stateline Business Park, LLC, an Oregon Limited Liability company registered to do business in Idaho, hereinafter referred to as the Participant.

WITNESSETH:

WHEREAS the Agency is an independent public body, corporate and politic, and is an Idaho urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Development Act of 1988, being Idaho Code, Title 50, Chapter 29, as amended and supplemented, hereinafter collectively referred to as the Act, and

WHEREAS the City of Post Falls by the adoption of Ordinance No. 1016 on the 17th day of December, 2002, duly formed and adopted the Centerpoint Urban Renewal Plan and created the Centerpoint Urban Renewal District, hereinafter referred at as the Plan and the District, and

WHEREAS the Participant owns or controls real property located within the boundaries of the District, and more specifically described in Exhibit A, attached hereto and incorporated by reference herein, and hereinafter referred to as the Site, and

WHEREAS the Participant intends to construct public infrastructure improvements on the Site, as more specifically described in Exhibit B, attached hereto and incorporated by reference herein, and hereinafter referred to as the Project, and

WHEREAS the Agency has reviewed the elements of the Project and feels that the Project would enhance the redevelopment and revitalization of the District pursuant to the provisions of the Plan, and

WHEREAS the Agency and the Participant seek to cooperate in the construction of public infrastructure improvements, and

WHEREAS until such time as the Project is completed the tax increment revenues from the District would be insufficient to pay for construction of the Project, and

WHEREAS the Participant is willing to construct and pay for the Project with the expectation of being reimbursed from future tax increment revenues received by the Agency from the District as those revenues are received, and

WHEREAS the Parties seek to memorialize understandings relating to the conditions associated with Agency funded reimbursement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, the Parties agree as follows:

1. **EFFECTIVE DATE:** The effective date of this Agreement shall be the date first above-written, and shall continue until all obligations of each Party are completed or until the termination of the Plan, whichever shall first occur.

2. **PUBLIC INFRASTRUCTURE AND OTHER PUBLIC FACILITIES:** The Parties agree that the public infrastructure and other public facilities and their estimated costs that are the subject of this Agreement are those listed on Exhibit C, attached hereto and incorporated by reference herein, and hereinafter referred to as the Agency Funded Public Improvements. Any other public improvements that are constructed by the Participant as part of the Project are not eligible for reimbursement pursuant to this Agreement.

3. **CONSTRUCTION OF AGENCY FUNDED PUBLIC IMPROVEMENTS:** The Participant agrees to construct the Agency Funded Public Improvements consistent with the following:

3.1. The improvements to be constructed shall be in accordance with the overall City infrastructure plans, polices, and design standards.

3.2. Prior to commencing construction, all necessary permits will be obtained by the Participant.

3.3. Construction and quality control inspections shall be provided by the engineer of record.

4. **CONDITIONS:** In consideration for the commitments presented by the Participant, the Agency agrees to continue to proceed with reimbursement for the Agency Funded Public Improvements, subject to the following conditions:

4.1. The Participant shall comply with the City of Post Falls design review approvals and all applicable local, state and federal laws.

4.2. The Participant shall submit a Project schedule to the Agency upon completion of City approvals.

4.3. The Participant shall complete improvements as described in Exhibit C and any attachments to Exhibit C.

4.4. The Participant shall allow the Agency or its agent to review the final design and construction of the Project.

4.5. The Participant agrees to invoice the Agency per the cost of the items to be reimbursed for review by the Agency, with reimbursement to be based upon completion and final inspection by the Agency or its agent, and the availability of tax increment revenues for the District.

4.6. The Participant shall complete the Project improvements on or before the 15<sup>th</sup> day of FEBRUARY, 2007.

5. INITIAL CONSTRUCTION FUNDING: The Participant shall pay for all of the costs of installation of the Agency Funded Public Infrastructure set forth in Exhibit C and previously approved by the Agency, hereinafter referred to as Participant Advances.

6. REIMBURSEMENT OF PARTICIPANT ADVANCES: The Participant shall be entitled to reimbursement of Participant Advances subject to the following conditions and understandings:

6.1. It is the understanding of the Parties that the Participant shall only be paid the reimbursement of Participant Advances from the tax increment revenues of the District directly resulting from the Project improvements being made by the Participant. If for any reason tax increment revenues anticipated to be received by the Agency are insufficient or curtailed, the Agency shall not be obligated to use other sources of revenue to make reimbursements to the Participant.

6.2. It is the understanding of the Parties that tax increment revenues received by the Agency for the District will first be used in the following manner and order:

6.2.1. To reimburse the Agency for the costs of amending the Plan and/or any remaining unpaid costs of designing or adopting the Plan.

6.2.2. For the payment of the District's annual contribution to the administrative costs of the Agency.

6.2.3. For the payment into a district wide reserve account pursuant to the policies of the Agency.

6.2.4. For the repayment of any debt of the District.

6.2.5 To the reimbursement of Participant Advances.

The Participant acknowledges that the Agency has provided the Participant with copies of the Agency's policies concerning the use of tax increment revenue and cost reimbursement.

6.3. The Participant is aware that the Agency intends to conduct an annual review of the performance of both the Plan and the District, and reserves the right within the sole discretion of the Agency to make adjustments to the Plan, including the ability to terminate a non-performing plan.

#### 7. MISCELLANEOUS:

7.1 The Participant shall provide the Agency with proof that the Participant and its agents have adequate liability and workers compensation insurance.

7.2 The Participant agrees to indemnify and hold harmless the Agency from any and all liability and/or obligations not specifically provided for in this Agreement to be performed by the Agency with reference to the Project.

7.3 The Participant does hereby grant to the Agency and its agents a right of access to the Project area for the purposes of inspections.

7.4 The Participant agrees at the appropriate time to convey title to Agency Funded Public Infrastructure either to the Agency or to the City of Post Falls.

7.5. The Parties agree that this Agreement does not establish a partnership or joint venture relationship between the Parties.

7.6. The rights and obligations provided for in this Agreement may not be assigned.

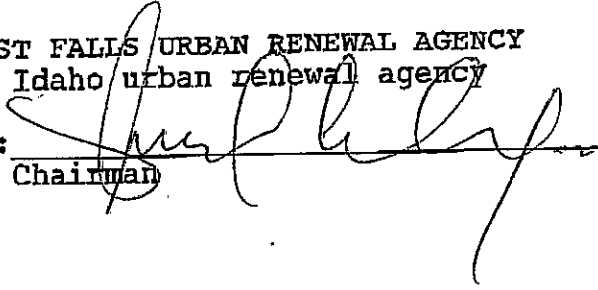
7.7. This Agreement shall be construed and enforced under the laws of the State of Idaho, with any enforcement action to be brought in Kootenai County, Idaho. The prevailing party in any action shall be entitled to attorneys fees and costs.

7.8. The Parties agree that this Agreement is the entire agreement between the Parties, and is binding upon their successors.

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

POST FALLS URBAN RENEWAL AGENCY  
an Idaho urban renewal agency

By: \_\_\_\_\_  
Chairman



PARTICIPANT:

SATELWIND BUSINESS PARK LLC

By: \_\_\_\_\_  
Richard L. Robinson, \_\_\_\_\_, Manager



# CENTER POINT URBAN RENEWAL PLAN REQUEST FOR AMENDMENT TO INCLUDE STATELINE BUSINESS PARK

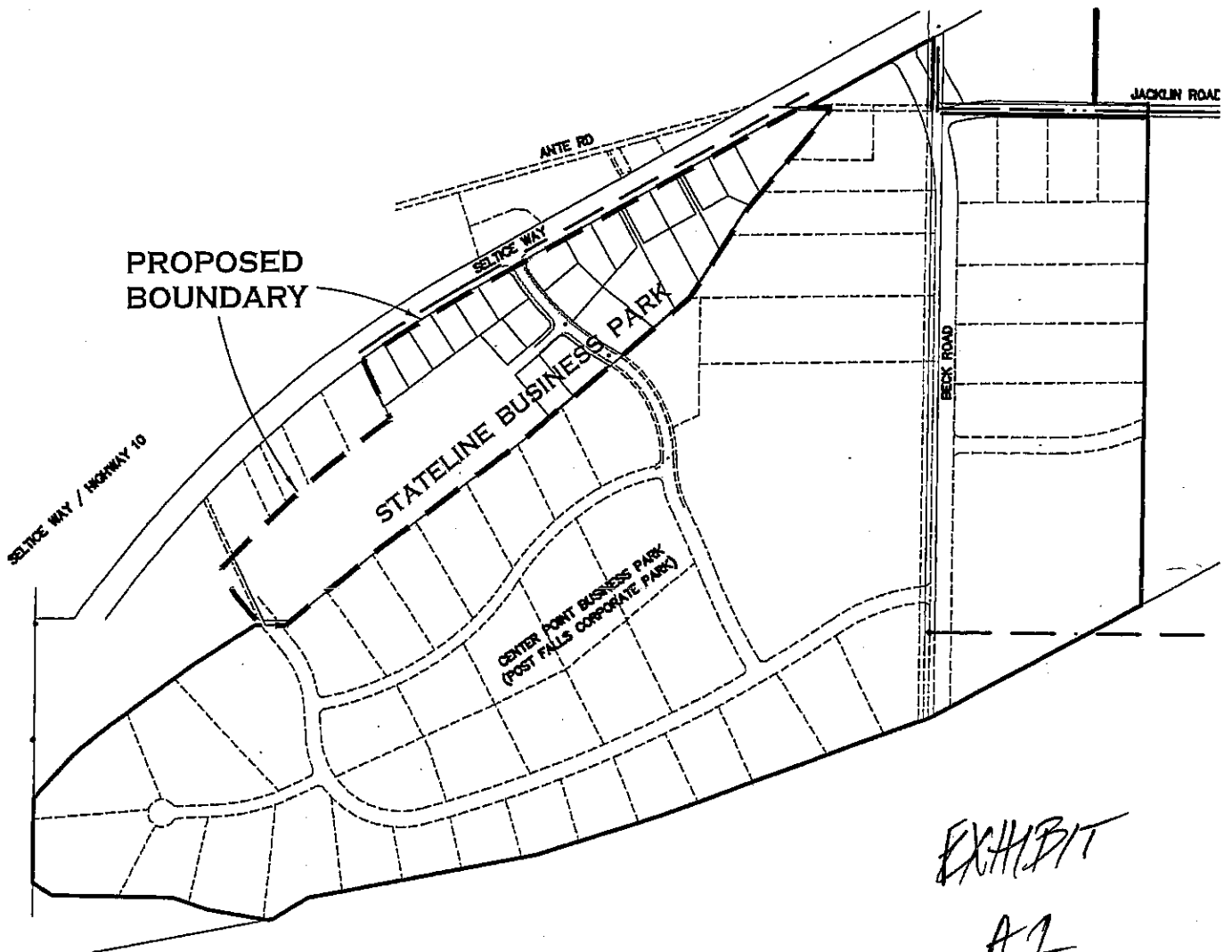


EXHIBIT  
A-1

### LEGEND

- EXISTING BOUNDARY
- - PROPOSED BOUNDARY

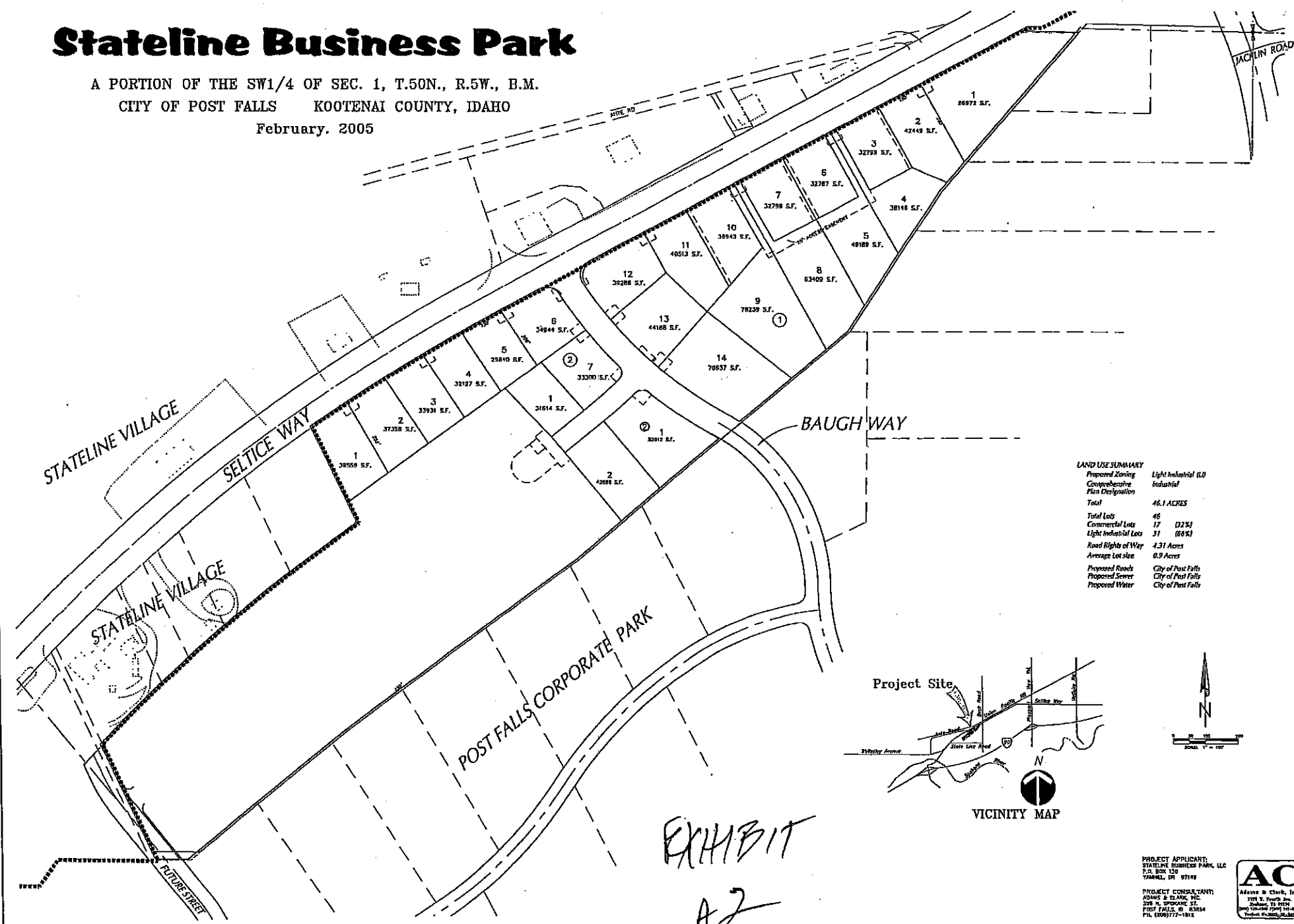


SCALE: N.T.S.

**ADC**  
info@adamsandclark.com  
Adams & Clark, Inc.  
306 N. Spokane St.  
Post Falls, ID 83854  
(208) 777-1812 F(208) 773-6439  
Project No. 2003-02-541

# Stateline Business Park

A PORTION OF THE SW1/4 OF SEC. 1, T.50N., R.5W., B.M.  
 CITY OF POST FALLS KOOTENAI COUNTY, IDAHO  
 February, 2005



**LAND USE SUMMARY**

Proposed Zoning	Light Industrial (LI)
Comprehensive Plan Designation	Industrial
<b>Total</b>	<b>46.1 ACRES</b>
<b>Total Lots</b>	<b>46</b>
Commercial Lots	17 (37%)
Light Industrial Lots	31 (68%)
Road Right of Way	4.31 Acres
Average Lot Size	0.9 Acres
Proposed Roads	City of Post Falls
Proposed Sewer	City of Post Falls
Proposed Water	City of Post Falls

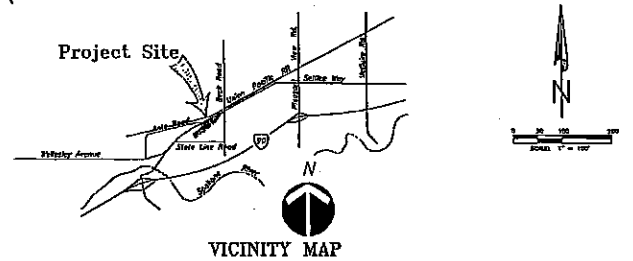


EXHIBIT  
 A2

PROJECT APPLICANT:  
 STATELINE BUSINESS PARK, LLC  
 P.O. BOX 130  
 VANHELL, ID 83448

PROJECT CONSULTANT:  
 ADAMS & CLARK, INC.  
 1001 N. FURCO, INC.  
 208 N. SPokane St.  
 POST FALLS, ID 83454  
 PH: (208) 777-1812



# Adams and Clark, Inc.

Stateline Business Park  
Construction Cost Estimate  
2/24/2005

Item	Quantity	Unit	Unit Price	Total Price
1 Mobilization	1	LS	\$10,000.00	\$10,000.00
2 Road Grading	410	CY	\$2.25	\$922.50
3 3" on 6" Asphalt Paving	1432	SY	\$10.00	\$14,320.00
4 4" on 6" Asphalt Paving	2273	SY	\$12.50	\$28,412.50
5 Sidewalk Grading	567	FT	\$1.25	\$708.75
6 5' Wide Concrete Sidewalk	567	FT	\$9.75	\$5,528.25
7 Concrete Driveway Approach	579	SY	\$26.30	\$15,227.70
8 8' Wide Paved Pathway	1940	SY	\$9.50	\$18,430.00
9 Curb Grading	2982	FT	\$1.05	\$3,131.10
10 6" Standard Curb and Gutter	2982	FT	\$7.25	\$21,619.50
11 Infiltrative Swale	13097	SF	\$0.90	\$11,787.30
12 Drywell (Single Depth)	10	EA	\$1,850.00	\$18,500.00
13 Curb Inlet	10	EA	\$150.00	\$1,500.00
14 Sidewalk Underdrain	2	EA	\$600.00	\$1,200.00
15 10" C900 Water Main (including valves)	337	FT	\$24.00	\$8,088.00
16 12" C900 Water Main (including valves)	2626	FT	\$26.00	\$68,276.00
17 6" Water Service	19	EA	\$1,500.00	\$28,500.00
18 Fire Hydrant	5	EA	\$2,000.00	\$10,000.00
19 8" Sewer Line	2355	FT	\$20.25	\$47,688.75
20 Sewer Manhole	7	EA	\$2,150.00	\$15,050.00
21 6" Sewer Service	19	EA	\$650.00	\$12,350.00
22 6" Sewer Force Main	2239	FT	\$15.00	\$33,585.00
23 Sewer Lift Station	1	EA	\$120,000.00	\$120,000.00
24 Street Lights	9	EA	\$3,100.00	\$27,900.00
25 Landscaping of Seltice Way Frontage	1	EA	\$53,900.00	\$53,900.00
		Subtotal		\$576,625.35
		Engineering, Surveying and Administration (15%)		\$86,493.80
		Bond Costs		\$3,750.00
		<b>Total</b>		<b>\$666,869.15</b>

*FOR HIBITS*  
*B+C*



## MEMORANDUM

**DATE:** JANUARY 24, 2007  
**TO:** PAT RAFFEE, EXECUTIVE DIRECTOR  
POST FALLS URBAN RENEWAL AGENCY  
**FROM:** BILL MELVIN, CITY ENGINEER *BEM*  
**RE:** STATELINE URBAN RENEWAL DISTRICT

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The attached cost sheet indicates the results of city staff's review of costs relative to the Stateline Urban Renewal District, as originally submitted by JUB Engineers to the URA. Both JUB and city staff reached an agreement for the quantity of work, and associated costs following several meetings and review of the as-built drawings relative to the project. The following is a summary of the hard construction dollars:

Urban Renewal Plan Estimate	\$576,625.25
Requested Amount	\$716,429.01
Review Amount	\$667,187.87

The review amount of \$667,187.87 is higher than the original plan estimate due to recent construction cost escalation. The review amount is lower than the requested amount due to discrepancies between the construction quantities originally requested and the as-built drawings, as well as the inclusion of some private onsite improvements with the requested amount deemed not appropriate for reimbursement.

Of note is a discrepancy between the Stateline and Center Point plans relative to utilities constructed within Baugh Way. Water and sanitary sewer utilities constructed within Baugh Way, from Seltice Way, south to the two district boundaries were shown on as-built drawings prepared by Center Point's Engineers (Greenstone - Desmond). Subsequently, those improvements were listed within my memo of August 2, 2006 to the URA regarding costs associated with the Center Point District. I have been informed by Brad Marshall, representing Stateline URD, that there was an agreement between the developers of both districts that the utilities were to have been paid for by the Stateline URD developers. I have not been provided a copy of this agreement. The amounts are highlighted on the attached cost summary and total \$48,799.20. These dollar amounts are duplicated within both districts' cost review. I will leave this issue to the agency to resolve.

In summary, the review amount of \$667,187.87 appears reasonable relative to actual constructed quantities and current construction dollar amounts. This cost includes utilities constructed within Baugh Way, which are also reflected within the Center Point cost – the dollar amount should be deducted from one of the district's reimbursable costs.

Attach. Cost Summary

CC: Brad Marshall, JUB Engineers, 7825 Meadowlark Way, CDA, ID 83815  
Eric Keck, City Administrator



ENGINEERS • SURVEYORS • PLANNERS

# Transmittal Letter

**J-U-B ENGINEERS, Inc.**  
Engineers • Surveyors • Planners

7825 Meadowlark Way  
Coeur d'Alene, ID 83815  
208-762-8787  
Fax: 208-762-9797

**To:**

Pat Raffee, Executive Director  
Post Falls Urban Renewal Agency  
408 Spokane Street  
Post Falls, ID 83854

Date: February 6, 2007  
Project: Stateline Business Park  
Project No.: 20-05-046

**We are shipping you:**

**Attached via Hand Delivered the following items:**

COPIES	DATE OR NO.	DESCRIPTION
1	02/06/07	PF URA – Owners Participation and Reimbursement Agreement - signed

**These items are transmitted as checked below:**

- For Approval
- As Requested
- Returned for Corrections
- For Your Information
- For Review and Comment
- \_\_\_\_\_

**Remarks:**

Copy for:

Signed

  
Brad Marshall, Sr. Planner/ Project Manager

**If enclosures are not as noted, please notify us at once at 762-8787**



February 14, 2007

Ms. Pat Raffee, Executive Director  
Post Falls Urban Renewal Agency  
P.O. Box 236  
Post Falls, ID 83877-0236

**RE: STATELINE BUSINESS PARK/CENTER POINT U.R.D REQUEST FOR  
INFRASTRUCTURE REIMBURSEMENT - SOFT COSTS**

Dear Ms. Raffee:

In response to our recent telephone conversation regarding the soft costs for Stateline Business Park, in actuality, our client incurred \$130,232.70 in soft costs for only the Planning, Engineering, and Surveying of Stateline Business Park as indicated in a letter dated August 4, 2005, from Adams & Clark, Inc. However, due to the Agency policy cap of 12 percent dated 11/07/06, we are seeking only \$80,062.54. In addition, the original reimbursement request included the construction costs for the short loop road and sewer and water service off Seltice Way. We are in agreement with Mr. Melvin that the road is not a "Public" road, and the sewer and water service in the road is private. As such, these costs are not eligible for reimbursement.

In closing, we recognize that the tax increment available for reimbursement has not been created to date. However, we are submitting the reimbursement request so we have a current and clear record of the construction costs.

If you have any questions, please contact me.

Sincerely,

J-U-B ENGINEERS, Inc.

Brad Marshall  
Senior Planner/Project Manager

BM:bh

c: Stateline Business Park, LLC

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**Post Falls Urban Renewal Agency Order of Approval:  
Center Point Urban Renewal District,  
Stateline Business Park, LLC**

WHEREAS Stateline Business Park, LLC, an Oregon Limited Liability Company registered to do business in Idaho, P. O. Box 100, Amity, OR 97101 has submitted a request for reimbursement of infrastructure improvements in the Center Point Urban Renewal District, pursuant to the terms of their Owner Participation Agreement, hereinafter referred to as the Request, and

WHEREAS the Post Falls Urban Renewal Agency, hereinafter referred to as the Agency, has had the Request reviewed by staff, and staff has submitted findings and recommendations to the Commission of the Agency,

WHEREAS the Request, the findings and the recommendations have all been reviewed in detail by the Finance Committee members of the Agency,

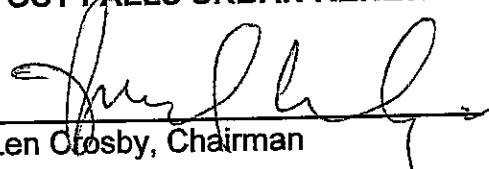
NOW THEREFORE, the full Commission of the Agency does hereby make the following findings of fact:

- That the Request is in compliance with the terms of the Owner Participation Agreement between the parties, dated February 15, 2007
- That the Request is consistent with the terms of the Agreement between Greenstone-Kootenai, Inc, an Idaho corporation and the parties, dated March 16, 2006
- That the constructed publicly-owned infrastructure associated with this Request has been accepted by the City of Post Falls
- That the total amount to be reimbursed is consistent with all Agency policies

BASED UPON THESE FINDINGS, the Agency's Commissioners do hereby formally approve for reimbursement the amount of **\$762,250.41** to be paid from tax increment revenues in the Stateline Business Park portion of the Center Point Urban Renewal District, as they become available to the Agency and in accordance with Agency policies.

Adopted this 15<sup>th</sup> day of February, 2007, by

**POST FALLS URBAN RENEWAL AGENCY**

  
\_\_\_\_\_  
Len Crosby, Chairman

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Post Falls Urban Renewal Agency  
P.O. Box 236, Post Falls, ID 83877-0236

February 15, 2007

Rick Robinson, Vice President  
Stateline Business Park, LLC  
P.O. Box 100  
Amity, OR 97101

Dear Mr. Robinson,

I am enclosing the Post Falls Urban Renewal Agency's Order of Approval for the Reimbursement of Infrastructure installed in the Stateline Business Park portion of the Center Point Urban Renewal District. This was approved by the Agency's Commissioners today.

Here is a summary of how the Reimbursement figure was computed:

#### Engineer Review of Hard Costs

Since late summer, 2006, several people have been involved in documenting the hard costs for the Stateline portion of Center Point infrastructure improvements. Personnel include Brad Marshall of J-U-B Engineers, who interfaced with Continental Contractors personnel on your behalf; Agency Executive Director Pat Raffee; and City Engineer Bill Melvin, working on the Agency's behalf. The team has now completed its thorough research, review and double-checking tasks. Mr. Melvin has approved a total Hard Cost number of **\$667,187.87**, and that figure has been accepted by the Agency.

#### Revised Soft Costs Policy

Though the Agency's Commissioners no longer recognize legal and management costs incurred by proponents as appropriate for reimbursement, we believe our revised Soft Cost policy is both realistic and fair. Soft costs are now more clearly defined, specifically being *engineering, land planning, landscaping design, surveying and environmental, material, soil compaction and percolation testing*. In addition, the revised policy raises the amount of Soft Costs to 12% of the hard costs; this is double the Agency's former soft costs figure.

Mr. Marshall was provided a copy of this policy in November, 2006, shortly after it was adopted.

12% of the Engineer-approved Hard Costs for the Stateline Business Park portion of the Center Point urban renewal district infrastructure improvements would therefore be **\$80,062.54**. While the summary of invoices for Engineering, Planning, Surveying, and Construction Management submitted in August, 2005 by Adams & Clark, Inc. (Stateline's former engineering firm) total more than this figure, you must realize that the Agency is using taxpayer funds for its reimbursement source, and intends to sustain its reputation as fiscally conservative.

The Agency's Approved Liability

In summary, Mr. Robinson, the approved Infrastructure Reimbursement for the Stateline Business Park portion of the Center Point urban renewal district is:

Engineer-Approved Hard Costs	\$ 667,187.87
12% Soft Costs per Policy	\$ 80,062.54
Reimbursable Plan Fees per Policy	<u>\$ 15,000.00</u>

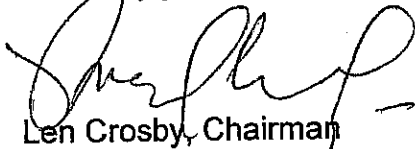
**Total Liability** **\$ 762,250.41**

Next Steps

\$762,250.41 is the lump sum amount eligible for reimbursement from available increment revenues as they accrue in the Stateline portion of the Center Point urban renewal district. Reimbursement checks will begin to flow from the Agency to Stateline Business Park, LLC as the increment is received, and as the Agency's administrative fees, district reserves, debt service and debt service reserves, and other deductions are applied, as specified in the Agency's policies.

Mr. Robinson, thank you for partnering with us to attract jobs and add to the City's infrastructure through your development of a portion of the Center Point urban renewal district. We appreciate Mr. Marshall's collaborative efforts in clarifying various infrastructure details, and your patience as the Agency continues to address real-world issues associated with Competitively Disadvantaged Border Community urban renewal districts.

Sincerely yours,

  
Len Crosby, Chairman

Enclosure: Order of Approval of Reimbursement