

## **POST FALLS URBAN RENEWAL Workshop Minutes**

**July 9, 2019 – City Hall (Basement Conference Room)**

CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

Chairman Jerry Baltzell called the meeting to order at 8:00 a.m. Executive Director Diane Fountain called the roll. Present in addition to Baltzell were Commissioners Larry Carstensen, Len Crosby, Collin Coles, Eric Clemensen and Jame' Davis. Commissioner Laura Horn had an excused absence. Also, in attendance was Pete Bredeson, Warren Wilson, Bob Seale and Shelly Enderud. Baltzell led the Pledge of Allegiance.

CONFLICT DISCLOSURE

None

CITIZEN COMMENT

None

**Presentation by City Staff on Downtown District Eligibility Study.** Bob Seale gave a presentation on the Downtown District Eligibility Study that was also shared at a joint workshop on April 16, 2019. Idaho Veneer is meeting with JUB on development of that property and two (2) parcels on the west side of Spokane Street are in negotiations. Projects could include implementation of the parking plan, relocating the rail spur, a round-a-bout at Fourth and Seltice Way, monuments and wayfinding signage and community art in the downtown area with bike connections and esplanade improvements. If approved today, it will go to City Council on July 16<sup>th</sup> to adopt the Eligibility Report. A legal description will be drawn up for the area. The Metts Group will begin writing a Feasibility Study in August which should be completed in 6-8 weeks.

The City will engage with ULI who will give a presentation on downtown districts in August, visioning workshops will also be held.

**Resolution 2019-02 Recommending the Downtown Area be Declared a Deteriorating Area and Recommend Boundaries for the Deteriorating Downtown Area.** Commissioner Crosby made a motion to adopt Resolution 2019-02 recommending the Downtown area be declared a deteriorating area and approve the boundaries for the deteriorating downtown area. Seconded by Coles. ROLL CALL: Baltzell – Aye; Carstensen – Aye; Crosby – Aye; Coles – Aye; Clemensen – Aye; Davis – Aye. Motion carried

**Financial Reports.** Director Fountain reviewed the June Financial reports which include updated obligation and carryover balances on the Increment Received Worksheet and the 9-month Budget vs. Actual.

Commissioner Coles made a motion to approve the financial reports as presented, seconded by Carstensen. Motion carried by voice vote.

**Executive Session.** Commissioner Crosby made a motion to enter into Executive Session per Idaho Code Section 74-206 (1)(b) to consider the evaluation of an employee, staff member or individual agent. And further that no final action or making of any final decision shall be made in the Executive Session, and that the Executive Session shall last no longer than ten (10) minutes. Seconded by

Clemensen. ROLL CALL: Baltzell – Aye; Carstensen – Aye; Crosby – Aye; Clemensen – Aye; Coles – Aye; Davis – Aye. Motion carried. Executive Session started at 9:00. Director Fountain left the room.

Executive Session ended at 9:10 am.

Baltzell stated the Chairman of the Personnel Committee will meet with the Executive Director regarding recommendation of salary adjustment as discussed in executive session. Commissioner Clemensen made a motion to approve that action, seconded by Coles. Motion carried by voice vote.

**FY 2020 Budget Workshop.** Commissioner Crosby presented the FY 2020 Budget. A slight decrease in tax increment ranging from 5 to 12% is being projected in the Expo, Center Point and West Seltice II Districts. The EPF district will see a 17.5% increase due to continued construction in the Tullamore area. Carryover revenues in the EPF district continue to be accrued to make future payments on the Greensferry Overpass and payments to the City for major sewer improvements.

Operating expenses continue to represent less than 2% of the projected revenue. The income and expenses projected for FY 2020 are \$8,701,424 which are in balance as required. (Budget notes attached)

Commissioner Coles made a motion to tentatively approve the FY 2020 budget and authorize staff to advertise the budget hearing in the Press, seconded by Carstensen.

**Staff Report.** Fountain stated she attended the Health Corridor Master Plan workshop in Coeur d'Alene and explained the process they are going through to get public input on a new URD.

### **Commissioner Comments**

Commissioner Crosby stated it was helpful to have City Staff in attendance to answer questions on the new Downtown District.

**Adjournment.** Baltzell asked for a motion to adjourn. Commissioner Coles made the motion, seconded by Clemensen. All in favor by voice vote. Meeting was adjourned at 9:20 am.

Respectfully submitted,



Diane Fountain, Executive Director



Jerry Baltzell, Chairman

**URBAN RENEWAL COMMISSION – BUDGET PRESENTATION NOTES**  
**Fiscal Year 2020 Budget**

Good Morning: Here are the key aspects of the Post Falls Urban Renewal Commission's Fiscal Year 2020 budget for the year commencing on 10/1/2019 and ending on 9/30/2020:

**REVENUES:**

- Tax increment income is projected for each existing Urban Renewal District and is based on property values determined by the Kootenai County Assessor's Office. The tax rate for each of the taxing districts is not currently known, and will be finalized by each of those entities at budget hearings later this year. The tax increment is, therefore projected on current tax rates for each of the underlying taxing districts, which set those rates.
- We are conservatively projecting a slight decrease in the tax increment projected to be received in the Expo, Center Point and West Seltice Districts. The projected decrease averages 8.6% and ranges from 5% in the Expo District to 12% in the West Seltice District, where we have no recent development.
- We are projecting a 17.5% increase in the tax increment to be received in the East Post Falls District reflecting the continuing new construction in the Tullimore area.
- We are projecting tax increment from the newly created Technology District based on current and continued residential construction within the boundaries of the District.
- Overall, the projected tax increment for all five existing Districts is anticipated to increase only seven tenths of 1% (or \$36,083) from the **actual** increment received in FY 2018.

- No “other income” is anticipated, and we do not anticipate the need to transfer funds from the General Fund to meet Agency operating costs.
- Interest income has been projected at \$18,000, despite the fact that the Agency has received in excess of \$50,000 in interest income during this year. Interest income is projected to decrease due to the fact that we continue to repay debt and disburse accrued increment for completed public improvements.
- Carry over revenue is tax increment collected in prior periods within a District which will be applied to pay for public improvements currently underway or planned for the future. Those funds will only be paid out when the public improvements are completed and paid for by the Proponent, and all costs documented and reviewed by the Agency’s independent engineers. Additionally, the improvements must be approved by the City, and dedicated to, and accepted by, the City before reimbursement is made.

The Agency is only projecting carry over revenues in 2020 for the East Post Falls District, which reflects revenues that will be accrued to make future payments on the bonds issued to finance the Greensferry Overpass, and revenues to pay for major sewer improvements in that District.

- We are not projecting any borrowings in 2020.
- Total Revenues projected for FY 2020 are \$4,983,231. Carry over revenues from prior year’s total \$3,718,193. The Agency is projecting total funds available for FY 2020 of \$8,701,424.

**EXPENSES:**

- Our main expenditures in 2020 will be Debt Repayment and reimbursement of completed and dedicated public improvements.

- Proponent Reimbursement for approved and completed public improvements - including DEBT REPAYMENT and interest expense associated with the debt, is projected to increase by \$1,678,594 to \$8,555,424. This increase is a result of reimbursement being paid for completed, dedicated and accepted public improvements, and our continued focus on paying down borrowed funds as quickly as possible.
- Projected proponent reimbursements assume all existing improvements set forth in the approved District Plans will be completed within FY 2020. If improvements are not completed or approved and dedicated within FY 2020, those projected funds will be “carried over” to future fiscal years as explained previously.
- Over the course of FY 2020 it is the Agency’s intention to continue to aggressively pay down the outstanding bonds that were issued to build the Greensferry Overpass. The outstanding balance of those bonds, as of 6/30/2018 is \$3,674,564.

- **OPERATING EXPENSES:**

- The Operating Expenses of the Urban Renewal Agency continue to represent less than 2% of our projected revenue. Our FY 2019 Operating Expenses were budgeted at \$130,000. We are projecting a 12% increase in operating expenses for FY 2020 to \$146,000.

- We are projecting an increase in the following line items:
  - Audit
  - Employee wages and related expenses
  - Engineering services associated with reviewing approved and completed public improvements
  - Insurance
  - Phone
  - And maintenance of our website, as we increase security.
- We are projecting a decrease in expenses for

- Unemployment taxes
  - Post office box rental
  - Computer repair and configuration
  - Computer hardware costs
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- **Total Expenses for FY 2020 are forecast at \$8,701,424.**
  - **Of that total, \$8,555.424 or 98.3% of our Expenses are allocated for debt repayment and funds being reimbursed to proponents for completed, approved and dedicated public improvements.**
  - **The remaining 1.7% of the forecast expenses or \$146,000 are operating expenses (including contingency) associated with operating and administering the Post Falls Urban Renewal Agency.**
  - The Income and Expenses projected in the 2019 budget balance, as is required..

**QUESTIONS?**