RESOLUTION NO. HURA 2013-5

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF HAILEY, IDAHO A/K/A/ HAILEY URBAN RENEWAL AGENCY:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF HAILEY, IDAHO A/K/A THE HAILEY URBAN RENEWAL AGENCY, RECOMMENDING AND ADOPTING THE GATEWAY DISTRICT URBAN RENEWAL PROJECT URBAN RENEWAL PLAN, WHICH PLAN INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING THE CHAIR AND SECRETARY TO TAKE APPROPRIATE ACTION AND PROVIDING FOR THE RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Hailey, Idaho, also known as the Hailey Urban Renewal Agency, an independent public body corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, a duly created and functioning urban renewal agency for Hailey, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency, an independent public body, corporate and politic, is an 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, as amended and supplemented ("Law");

WHEREAS, on or about January 25, 2010, by Resolution No. 2010-02 the City Council ("City Council") of the city of Hailey ("City") found that deteriorating areas exist in the City; therefore, for the purposes of the Law, the City Council created an urban renewal agency pursuant to Chapter 20, Title 50, Idaho Code, authorizing it to transact business and exercise the powers granted by the Law and Act upon making the findings of necessity required for creating said Agency;

WHEREAS, pursuant to Resolution No. 2010-02, the Mayor, with the advice and consent of the City Council, appointed a Board of Commissioners of the Agency;

WHEREAS, Hailey Ordinance No. 1081, adopted April 11, 2011, amends Hailey Municipal Code by adding a new Chapter 2.40, entitled Hailey Urban Renewal Agency, and, among other things, established a three to nine member board of commissioners for the Hailey Urban Renewal Agency;

WHEREAS, on or about June 13, 2011, by Resolution No. 2011-15, the City Council amended Resolution No. 2010-02 to include a map of the deteriorated or deteriorating areas as designated as existing within the City of Hailey by Resolution No. 2010-02;

WHEREAS, the Agency, has retained Kushlan and Associates, LLC ("Kushlan") to study

the area in question and to prepare an eligibility report (the "Report"), which would examine the designated urban renewal area for the purpose of determining whether such area is a deteriorating area and deteriorated area as defined by Idaho Code, Section 50-2018(9) and 50-2903(8)(b);

WHEREAS, Kushlan has completed the study and identifies the area contained in the Report, and describes a potential project area, and provides additional information concerning the proposed project area;

WHEREAS, the Report dated April 5, 2013, has been submitted to the Agency for their consideration and approval at the Agency's meeting of April 5, 2013;

WHEREAS, the Agency accepted the Report by way of Resolution No. 2013-3 at the April 5, 2013, meeting of the Agency Board;

WHEREAS, at its April 15, 2013, meeting the City considered the Report for designation of an urban renewal area;

WHEREAS, by approval of the City's Resolution No. 2013-3, the City directed the Agency to commence preparation of an urban renewal plan for the area designated;

WHEREAS, pursuant to Idaho Code Section 50-2008, an urban renewal project may not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or deteriorating area, or combination thereof, and designated such area as appropriate for an urban renewal project;

WHEREAS, Idaho Code Section 50-2906, also requires that in order to adopt an urban renewal plan containing a revenue allocation financing provision, the local governing body must make a finding or determination that the area included in such plan is a deteriorated area or deteriorating area;

WHEREAS, the Agency has embarked on an Urban Renewal Project referred to as the Gateway District Urban Renewal Project Urban Renewal Plan ("Gateway District Plan") to redevelop a portion of Hailey, pursuant to the Law and the Local Economic Development Act, as amended, Chapter 29, Title 50, Idaho Code (hereinafter the "Act");

WHEREAS, the Gateway District Plan proposes to create an urban renewal area commonly known as the Gateway District Area, which area is generally bounded by McKercher Boulevard on the north, Highway 75 on the south, the alley between 1st Avenue and Main Street on the east, and 120 feet west of the River Street right-of-way on the west;

WHEREAS, the Agency has prepared the proposed Gateway District Plan for the area previously designated as eligible for urban renewal planning but eliminating certain parcels and properties in order to comply with the statutory requirements concerning the base assessment roll;

WHEREAS, the Act authorizes certain urban renewal agencies (including the Agency), to adopt revenue allocation financing provisions as part of their urban renewal plans;

WHEREAS, in order to implement the provisions of the Act and the Law either the Agency may prepare a plan, or any person, public or private, may submit such plan to the Agency;

WHEREAS, such Gateway District Plan also contains provisions of revenue allocation financing as allowed by the Act;

WHEREAS, in order to implement the provisions of the Act, the Agency shall prepare and adopt a plan for each revenue allocation area and submit the Gateway District Plan and recommendation for approval thereof to the City;

WHEREAS, as required by the Act, the Agency has reviewed the information within the Gateway District Plan concerning use of revenue allocation funds and approved such information and considered the Gateway District Plan at its meetings of July 31, 2013 and August 21, 2013;

WHEREAS, such Gateway District Plan will be tendered to the Planning and Zoning Commission and to the City for their consideration and review as required by the Law and the Act;

WHEREAS, under the Act, the Gateway Plan shall include a statement: (1) describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality; (2) listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area; (3) an economic feasibility study; (4) a detailed list of estimated project costs; (5) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property in the revenue allocation area; and (6) a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred; (7) a termination date for the plan and the revenue allocation area as provided for in section 50-2903(2); and (8) a description of the disposition or retention of any assets of the agency upon the termination date;

WHEREAS, it is necessary and in the best interests of the citizens of Hailey to recommend approval of the Gateway District Plan and to adopt, as part of the Gateway District Plan, revenue allocation financing provisions that will help finance urban renewal projects to be completed in accordance with the Gateway District Plan (as now or hereafter amended), in order to (1) encourage private development in the urban renewal area; (2) to prevent and arrest decay of the Gateway District Area due to the inability of existing financing methods to provide needed public improvements; (3) to encourage taxing districts to cooperate in the allocation of future tax revenues arising in the Gateway District Plan Area in order to facilitate the long-term growth of their common tax base; (4) to encourage the long-term growth of their common tax base; (5) to encourage private investment within the city and (6) to further the public purposes of the Agency;

WHEREAS, the Board of Commissioners of the Agency finds that the equalized assessed valuation of the taxable property in the revenue allocation area described in Attachments 1 and 2 of the Gateway District Plan is likely to increase as a result of initiation of urban renewal projects in accordance with the Gateway District Plan;

WHEREAS, under the Law and Act, any such plan should provide for (1) a feasible method for the location of families who will be displaced from the urban renewal area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families; (2) the urban renewal plan should conform to the general plan of the municipality as a whole; (3) the urban renewal plan should give due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of the children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan should afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise;

WHEREAS, if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency, such area shall not be so acquired unless (1) if it is to be developed for residential uses, the local governing body shall determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality, or (2) if it is to be developed for nonresidential uses, the local governing body shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in the Law, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area;

WHEREAS, the base assessment roll of the Gateway District Area cannot exceed ten percent (10%) of the Base Assessment Value of Hailey;

WHEREAS, the Agency Board finds it in the best interests of the Agency and the public to formally adopt the Gateway District Plan, as set forth in Exhibit 1 attached hereto, and to forward it to the Mayor and City, and recommend its adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF HAILEY, IDAHO, A/K/A/ HAILEY URBAN RENEWAL AGENCY, AS FOLLOWS:

Section 1. That the above statements are true and correct.

Section 2: It is hereby found and determined that the project area as defined in the Gateway District Plan is a deteriorated or a deteriorating area as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Urban Renewal Law.

Section 3: That the Agency specifically adopts the Gateway District Plan.

Section 4: That the Agency recommends that the Gateway District Plan, a copy of which is attached hereto as Exhibit 1, and incorporated herein by reference, be adopted by the City, including those sections, modifications, or text discussed at the July 31, 2013 and August 21, 2013, Board meetings.

Section 5: That this Resolution constitutes the necessary action of the Agency under the Act, Section 50-2905, recommending approval by the City and that the Gateway District Plan includes a statement: (1) describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality; (2) listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area; (3) an economic feasibility study; (4) a detailed list of estimated project costs; (5) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property in the revenue allocation area; and (6) a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred; (7) a termination date for the plan and the revenue allocation area as provided for in section 50-2903(2); and (8) a description of the disposition or retention of any assets of the agency upon the termination date.

Section 6: It is hereby found and determined that:

(a) The Gateway District Plan gives due consideration to the provision of adequate park and recreation areas and facilities that may be desirable for neighborhood improvement (recognizing the commercial component of the Gateway District Plan and the need for public improvements), and shows consideration for the health, safety, and welfare of any residents or businesses in the general vicinity of the urban renewal area covered by the Gateway District Plan.

(b) The Gateway District Plan affords maximum opportunity consistent with the sound needs of Hailey as a whole for the rehabilitation and redevelopment of the project area by private enterprises.

(c) The Gateway District Plan provides a feasible method for relocation of any displaced families residing within the project area.

(d) The project area and revenue allocation area may contain certain open land, that the Agency does not intend to acquire any open land on any widespread basis, and that the project area is planned to be redeveloped in a manner that will include both residential and non-residential uses.

Provided, however, that if portions of the project area and revenue allocation area are deemed "open land" the criteria set forth in the Law and Act have been met.

(e) The portion of the project area which is identified for non-residential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns and the need for the correlation of this area with other areas of Hailey.

(f) As currently constituted, the base assessment roll of the Gateway District Area does not exceed ten percent (10%) of the assessed value of Hailey.

(g) The Gateway District Plan includes a revenue allocation provision and the Agency has determined that the equalized assessed valuation of the revenue allocation area will likely increase as the result of the initiation of an urban renewal project.

(h) The Plan is sufficiently complete to indicate any land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area. Additionally, the Plan provides and the Board hereby adopts the following policies concerning property acquisition:

(i) The Agency intends to invoke the right of eminent domain only in the rarest of circumstances and in full compliance with statutory provisions.

(ii) Any owner participation agreement between the Agency and the property owner shall contain a provision that will address the right of the Agency to purchase the property from the property owner through a determined price or a formula to establish the purchase price.

Section 7: The Chair, Secretary, and Administrator of the Agency are hereby authorized and directed to take all steps necessary and convenient to submit the proposed Gateway District Plan for approval by the City, including but not limited to the preparation of the notice of public hearing on adoption of the revenue allocation financing provisions by the City and submittal of the Gateway District Plan to the various taxing entities as required by Idaho Code Section 50-2906.

Section 8: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of the city of Hailey, Idaho, on August 21, 2013. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on August 21, 2013.

HAILEY URBAN RENEWAL AGENCY

_____
Chair

ATTEST:

By_____
Secretary

Exhibit 1
(see next page)

URBAN RENEWAL PLAN

FOR THE GATEWAY DISTRICT URBAN RENEWAL PROJECT

HAILEY URBAN RENEWAL AGENCY

CITY OF HAILEY, IDAHO

Ordinance No. _____
Adopted _____
Effective _____

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URBAN RENEWAL PLAN FOR THE GATEWAY DISTRICT URBAN RENEWAL PROJECT HAILEY URBAN RENEWAL AGENCY CITY OF HAILEY, IDAHO

1. INTRODUCTION

This is the Urban Renewal Plan (the "Plan") for the Gateway District Urban Renewal Project (the "Project") in the city of Hailey, Idaho (the "City"), and consists of the text contained herein and the following attachments:

- Map of the Urban Renewal Project Area and Revenue Allocation Area (Attachment 1)
- Description of the Urban Renewal Project Area and Revenue Allocation Area (Attachment 2)
- Private Properties Which May be Acquired by the Agency (Limited to Public Improvements and Facilities) (Attachment 3)
- Map Depicting Expected Land Uses and Current Zoning within the Project Area (Attachment 4),
- The Proposed Public Improvements Within the Revenue Allocation Area,
- The Detailed List of Estimated Project Costs, the Methods of Financing all Estimated Projects (Attachment 5), and
- The Economic Feasibility Study (Attachment 5)

The term "Project" is used herein to describe the overall activities defined in this Plan and conforms to the statutory definitions of an urban renewal project. Reference is specifically made to Idaho Code Section 50-2018(10) for the various activities contemplated by the term "Project." Such activities include both private and public development of property within the urban renewal area. The term "Project" is not meant to refer to a specific activity or development scheme. The Gateway District Project Area is also referred to as the Project Area.

This Plan was prepared by the Board of Commissioners, consultants, and staff of the Agency and reviewed and recommended by the Agency, pursuant to the Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code, as amended) (the "Law") and the Local Economic Development Act (Chapter 29, Title 50, Idaho Code, as amended) (the "Act"), and all applicable local laws and ordinances. All development and Projects described in this Plan conform to the Hailey Comprehensive Plan, the Hailey Capital Improvements Plan and the Downtown Hailey Strategy, all of which are hereby incorporated herein by this reference as they presently exist and as they may be amended from time to time.

The Agency may create several planning documents that generally describe the overall Project and identify certain specific public and private capital improvement projects. Because of the changing nature of the Project, these documents, by necessity, must be dynamic and flexible. The Agency anticipates that these documents will be modified as circumstances warrant. Any modification, however, shall not be deemed as an amendment of this Plan. No modification will be deemed effective if it is in conflict with this Plan. The planning documents are purposely flexible and do not constitute specific portions of the Plan. Provided, however, prior to the adoption of any planning document or proposed modification to any planning document, the Agency shall notify the City and publish a public notice of such proposed modification at least thirty (30) days prior to the consideration of such proposed modification, thus providing the City and any other interested person or entity an opportunity to comment on said proposed modification. The Board of Commissioners of the Agency (the "Board") shall consider any such comments and determine whether to adopt the modification. The planning documents apply to redevelopment activity within the Project Area as described herein. In the event of any conflict between this Plan and the appended documents, the provisions of this Plan shall control. The Agency intends to rely heavily on any applicable City design standards which may cover all or part of the Project Area.

This Plan provides the Agency with powers, duties and obligations to implement and further the program generally formulated in this Plan for the redevelopment, rehabilitation and revitalization of the area within the boundaries of the Project Area. The Agency retains all powers allowed by the Law and Act. Because of the long-term nature of this Plan, and the need to retain in the Agency flexibility to respond to market and economic conditions, property owner and developer interests and opportunities from time to time presented for redevelopment, this Plan does not present a precise plan or establish specific projects for the redevelopment, rehabilitation and revitalization of any area within the Project Area, nor does this Plan present specific proposals in an attempt to solve or alleviate the concerns and problems of the community relating to the Project Area. Instead, this Plan presents a process and a basic framework within which specific plans will be presented, specific projects will be established, and specific solutions will be proposed and by which tools are provided to the Agency to fashion, develop and proceed with such specific plans, projects and solutions.

Implementation of this Plan will require public co-investment to help stimulate desired private development. Typically, the public will fund enhanced public improvements like utilities, streets, and sidewalks which, in turn, create an attractive setting for adjacent private investment for industrial, office, and commercial facilities.

The particular projects or redevelopment projects by private entities described herein are not intended to be an exclusive or exhaustive list of potential redevelopment activity. Allowed projects are those activities which comply with the Law and the Act and meet the overall objectives of this Plan. The public-private relationship is crucial in the successful redevelopment of the Project Area.

The purpose of the Law will be attained through the implementation of the Plan. The master goals of this Plan are:

a. The elimination of environmental deficiencies in the Project Area, including, among others, deteriorated and inadequate public improvements including certain streets and improvements; improvements to public utilities including water and sewer improvements, fire protection systems, railroad spurs and crossings (as allowed by law); streetlights; other public improvements; removal, burying, or relocation of overhead utilities; extension of electrical distribution lines and transformers; improvement of irrigation and drainage ditches; improvement of storm drainage facilities; and laterals; and environmental remediation of brownfield sites;

b. The assembly of land into parcels suitable for modern, integrated development with improved urban development standards, including setbacks, parking, pedestrian and vehicular circulation in the Project Area;

c. The revitalization, redesign and development of undeveloped or underdeveloped areas which are stagnant or improperly utilized especially through the creation of job opportunities for skilled labor, affordable workforce housing, a central town plaza and parking lots and structures;

d. The strengthening of the economic base of the Project Area and the community by the installation of needed site improvements and public facilities to stimulate new commercial expansion, employment and economic growth especially through the creation of a robust and sustainable workforce and infrastructure;

e. To provide adequate land for parks and open spaces, pedestrian walkways, street rights-of-way, and parking facilities;

f. To provide improvements to the streets, rights-of-way and other public infrastructures;

g. The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements that provide unity and integrity to the Projects, including commitment of funds for planning studies, achieving high standards of development, and leveraging such development to achieve public objectives and efficient use of scarce resources;

h. The opportunity of providing public art within the Project Area;

i. The strengthening of the economic base by encouraging private development, thus increasing the assessed valuation of properties within the Project Area, and benefiting the various taxing districts in which the urban renewal area is located;

j. The provision of public service utilities such as water system improvements and sewer system improvements (which may be located outside the Project Area); and storm drainage facilities improvements; and

k. The funding of necessary public infrastructure to accommodate both public and private development.

The Agency shall undertake the Projects in furtherance of said goals in order to eliminate deteriorated or deteriorating areas, to eliminate the development or spread of deteriorated or deteriorating areas and for purposes of rehabilitation and conservation in the Project Area. Said objectives are consistent with Idaho Code Section 50-2903(13) of the Act.

The purposes and undertakings of the Projects and this Plan are consistent with the purposes of the Act as set forth in Section 50-2901 Idaho Code, as amended, which include the following:

a. To provide for the allocation of a portion of the property taxes levied against taxable property located in the Project Area (specified below) for a limited period of time to assist in the financing of this Plan;

b. To encourage private development in the Project Area;

c. To prevent or arrest the decay of the Project Area due to the inability of existing financing methods to promote needed public improvements;

d. To encourage taxing districts to cooperate in the allocation of future tax revenues arising in the Project Area in order to facilitate long-term growth of their common tax base; and

e. To encourage private investment within the Project Area.

1.1 General Procedures of the Agency

The Agency is a public body, corporate and politic, as defined and described under the Law and the Act. The Agency is also governed by its bylaws as authorized by the Law and adopted by the Agency. Under the Law, the Agency is governed by the Idaho open meeting

law, the Public Records Act, the Ethics in Government Act, financial reporting requirements, and the competitive bidding requirements under Chapter 28, Title 67, Idaho Code.

Generally, the Agency shall conduct all meetings in open session and allow meaningful public input as mandated by the issue considered or by any statutory or regulatory provision. Whenever in this Plan it is stated that the Agency may modify, change, or adopt certain policy statements or contents of this Plan not requiring a formal amendment to the Plan as required by the Law or the Act, it shall be deemed to mean a consideration by the Board of such policy or procedure, duly noticed upon the Agency meeting agenda, considered by the Agency at an open public meeting, and adopted by a majority of the Board members present, constituting a quorum, unless any bylaw, provision of law, or provision herein provides otherwise.

1.2 Provisions Necessary to Meet State and Local Requirements

1.2.1 Conformance with State of Idaho Urban Renewal Law of 1965, as Amended

a. The laws of the state of Idaho require that an urban renewal plan be prepared for an area certified as an urban renewal area by the Hailey City Council. The Project Area was certified by the Council by Resolution 2011-15 on June 13th, 2011.

b. With the adoption of Resolution No. 2011-15, the City Council found the Project Area to be a deteriorated and deteriorating area existing in the City as defined by the Law and Act, and authorized the preparation of an urban renewal plan.

c. In accordance with the Law this Plan was submitted to the Planning and Zoning Commission of the City. After consideration of the Plan, the Commission reported to the City Council that this Plan is in conformity with the City of Hailey Comprehensive Plan.

d. Pursuant to the Law, and Act, the City Council having published due notice thereof, a public hearing was held on this Plan. Notice of the hearing was duly published in a newspaper having general circulation. The City Council adopted this Plan on _____ __, 2013, by Ordinance No. _____.

1.2.2 History and Current Conditions of the Area

The Project Area includes the oldest part of the City. Presently, the land values exceed the improvement values throughout the Project Area. The central part of the area consists of the historic downtown with many of the buildings built in a zero lot line configuration between 1880 and in the early 20th century. The balance of the area has developed over time and represents various building styles and construction types. Much of the area consists of very low densities with many structures showing signs of deterioration. Standards controlling

development have evolved over time, leaving much of the area in question in a sub-standard state, as public infrastructure has not been updated to reflect current community expectations.

While many properties within the Project Area have received ongoing required maintenance, others have not, demonstrating a level of deterioration that, if allowed to continue, would result in unsafe conditions or economic and structural obsolescence. Many structures are more than 50 years old and are seriously dilapidated.

While street rights-of-way provide adequate access to public streets in most locations throughout the Study Area, both River and First Streets in the Project Area exhibit constrictions that may be difficult to rectify. In Sub-area 1 as identified in the Eligibility Report, Fourth Street appears to dead-end one lot north of State Highway 75 with through-access to the highway being over an undeveloped lot.

More importantly, however is the lack of continuous street improvements meeting current standards throughout the area. This is particularly problematic in the lack of pedestrian facilities to serve the most active area of Hailey. People, by necessity, walk in the street and conflict with vehicles either driving through the area or maneuvering into or out of undesignated parking spaces. Drainage facilities normally provided with current City standards do not exist in much of the area allowing for ponding of water. Deficiencies are identified in the City's water system planning documents that would limit development in parts of the Project Area.

A major focus of determining the eligibility of this area for urban renewal designation dealt with the economic underdevelopment of the areas under review. More than half of all properties within the study area reflect improvement values that are less than the land value. As noted above, this represents a significant level of under-investment compared with other properties located in Hailey were improvements have been made.

To correct for these historical and present deficiencies, the Plan includes the development of residential, commercial, and light industrial property and enhancement of infrastructure, including street and water system improvements, and public parks, open spaces, and/or other public recreation areas. Part of the Project Area is underdeveloped and is not being used to its highest and best use due to deteriorating structures, inadequate street layout, insanitary and unsafe conditions and inadequate utility infrastructure needed for a larger development.

The preparation and approval of an urban renewal plan, including a revenue allocation financing provision, gives the City additional resources to solve the public infrastructure problems in this area. Revenue allocation financing should help to improve the situation. In effect, property taxes generated by new developments within the area may be used by the City's urban renewal agency to finance a variety of needed public improvements and facilities.

Finally, some of the new developments may also generate new jobs in the community that would, in turn, benefit area residents.

1.2.3 Purpose of Activities

The description of activities, public improvements, and the conservatively estimated costs of those items are intended to create a baseline of the Agency's anticipated activity. The Agency reserves the right to change amounts from one category to another, and to respond to development interests that could significantly enhance projected revenues and necessitate investment in infrastructure not anticipated at this stage in the development of the Plan. The items and amounts are not intended to relate to any one particular development, developer, or owner. Rather, the Agency intends to discuss and negotiate with any owner or developer who seeks Agency assistance. During such negotiation, the Agency will determine, on an individual basis, the eligibility of the activities sought for Agency funding, the amount the Agency may fund by way of percentage or other criteria including the need for such assistance. The Agency will also take into account the amount of revenue allocation proceeds estimated to be generated from the developer's activities. The Agency also reserves the right to establish by way of policy, its funding percentage or participation, which would apply to all developers and owners.

Throughout this Plan, there are references to Agency activities, Agency funding, and the acquisition, development, and contribution of public improvements. Such references do not necessarily constitute a full, final, and formal commitment by the Agency but, rather, grant to the Agency the discretion to participate as stated subject to achieving the objectives of this Plan and provided such activity is deemed eligible under the Law and the Act. In some respects the activities listed in Attachment 5 are concepts which will be determined or prioritized as the overall Project Area develops.

The Agency reserves the right to prioritize the projects described in this Plan. The Agency also reserves the right to retain its flexibility in funding the various activities. The Agency also reserves its discretion and flexibility in deciding which improvements should be funded and what level, whether using its own funds or funds generated by other sources.

The activities listed in Attachment 5 are also prioritized by way of importance to the Agency by the amounts funded, and by year of funding, with earlier years reflecting the more important activities, achievement of higher objectives, long-term goals, and commitments. As required by the Law and Act, the Agency will adopt more specific budgets annually.

2. DESCRIPTION OF PROJECT AREA

The boundaries of the Description of the Urban Renewal Project Area and Revenue Allocation Area are described in Attachment 2, which is attached hereto and incorporated herein by reference, and are shown on the Map of the Urban Renewal Project Area and Revenue Allocation Area, attached hereto as Attachment 1 and incorporated herein by reference. For purposes of boundary descriptions and use of proceeds for payment of improvements, the boundary shall be deemed to extend to the outer boundary of rights-of-way or other natural boundary unless otherwise stated.

3. PROPOSED REDEVELOPMENT ACTIONS

3.1 General

The Agency proposes to eliminate and prevent the spread of deteriorating conditions and deterioration in the Project Area by:

a. The acquisition of certain real property (if needed);

b. The demolition or removal of certain buildings and improvements for public rights-of-way for streets, utilities, walkways, and other improvements, for public facility building sites, to eliminate unhealthful, unsanitary, or unsafe conditions, enhance density, eliminate obsolete or other uses detrimental to the public welfare or otherwise to remove or to prevent the spread of deteriorating or deteriorated conditions;

c. The provision for participation by property owners within the Project Area to achieve the objectives of this Plan;

d. The management of any property acquired by and under the ownership and control of the Agency;

e. The provision for relocation assistance to displaced Project occupants, as required by law;

f. The installation, construction, or reconstruction of streets, railroad spurs (as allowed by law), utilities, including electrical distribution and transmission lines in underground configuration, if needed to encourage new developments, fiber optic or other communication systems, parking facilities, and other public improvements, including, but not limited to, irrigation and drainage laterals and ditches, canal crossings, storm drain systems, water and sewer improvements, fire protection systems, streetlights and other public improvements, including community facilities owned or occupied by the Agency or other public agencies,

including the City's walkways, public open spaces, community centers, cultural centers and visitors or information centers as may be deemed appropriate by the Board of Commissioners;

g. The disposition of property for uses in accordance with this Plan;

h. The redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;

i. The rehabilitation of structures and improvements by present owners, their successors, and the Agency;

j. The preparation and assembly of adequate sites for the development and construction of facilities for industrial, commercial, retail, and governmental use;

k. To the extent allowed by law, lend or invest federal funds to facilitate redevelopment; and

l. The construction of foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights, sites for buildings to be used for residential, commercial, industrial, and other uses contemplated by the Plan, and to provide utilities to the development site.

In the accomplishment of these purposes and activities and in the implementation and furtherance of this Plan, the Agency is authorized to use all the powers provided in this Plan and all the powers now or hereafter permitted by law.

3.2 Urban Renewal Plan Objectives

Urban renewal action is necessary in the Project Area to combat problems of deterioration and economic underdevelopment.

The Project Area and Revenue Allocation Area consist of approximately 144 acres of property located within the city limits of the City generally bounded by McKercher Boulevard on the north, Highway 75 on the south, the alley between 1st Avenue and Main Street on the east and 120 feet west of the River Street right-of-way on the west. Please refer to Attachments 1 and 2 for more details. The area has a history of a lack of affordable housing, underdevelopment, inadequate parking, inadequate way finding, a dangerous pedestrian environment, inadequate storm drainage facilities, economic underdevelopment, lack of job opportunities and skilled labor, and other deteriorating factors.

Hence, the Plan for the Project Area is a proposal for public improvements and facilities necessary to provide an improved environment for new job opportunities, street and sidewalk

improvements, an improved environment for economic development including a central town plaza, the elimination of unsanitary and unsafe conditions, potential owner and private-party developers to assemble appropriate development sites where necessary through acquisition, demolition and disposition activities, and prevention of the extension of deterioration and reversal of the deteriorating action of the area.

Air rights and subterranean rights may be disposed of for any permitted use within the Project Area boundaries.

Less than fee acquisition may be utilized by the Agency when and if necessary to promote redevelopment in accordance with the objectives of the Plan.

Temporary project improvements shall be provided to facilitate adequate vehicular and pedestrian circulation.

The provisions of this Plan are applicable to all public and private property in the Project Area. The provisions of the Plan shall be interpreted and applied as objectives and goals, recognizing the need for flexibility in interpretation and implementation, while at the same time not in any way abdicating the rights and privileges of the property owners which are vested in the present and future zoning classifications of the properties. All development under an owner participation agreement shall conform to those standards specified in Section 3.3.1 of this Plan.

This Plan must be practical in order to succeed. Particular attention has been paid to how it can be implemented, given the changing nature of market conditions. Transforming the Project Area into a vital, thriving part of the community requires an assertive strategy. The following list represents the key elements of that effort.

a. Initiate simultaneous projects designed to revitalize the Project Area. From street and utility improvements to significant new development, the Agency plans a key role in creating the necessary momentum to get and keep things going.

b. Develop new commercial opportunities and encourage economic development.

Without direct public intervention, much of the Project Area could conceivably remain unchanged for the next several years. It is anticipated success will come through at least one public-private partnership. The Plan creates the necessary flexible framework for the Project Area to support the City's economic development.

Land use in the Project Area will be modified to the extent that buildings currently vacant and land now devoted to scattered inconsistent uses will be converted to residential, commercial, public and private parking, and/or public/semi-public uses.

In implementing the activities described in this Plan, the Agency shall give due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children and seniors residing in the general vicinity of the site covered by the Plan

3.3 Participation Opportunities and Agreement

3.3.1 Participation Agreements

The Agency shall enter into an owner participation agreement with any existing or future owner of property in the Project Area, in the event the property owner seeks and/or receives assistance from the Agency in the redevelopment of the property. In that event, the Agency may allow for an existing or future owner of property to remove his property and/or structure from future Agency acquisition subject to entering into an owner participation agreement. Each structure and building in the Project Area to be rehabilitated or new projects to be constructed as a condition of the owner participation agreement between the Agency and the owner pursuant to this Plan will be considered to be satisfactorily rehabilitated and constructed, and the Agency will so certify, if the rehabilitated or new structure meets the following standards through an executed owner participation agreement to meet conditions described below.

a. Any such property within the Project Area shall be required to conform to all applicable provisions, requirements, and regulations of this Plan. The owner participation agreement may require as a condition of financial participation by the Agency a commitment by the property owner to meet the greater objectives of the land use elements identified in the Comprehensive Plan, and applicable zoning ordinances. Upon completion of any rehabilitation or new development, each structure must be safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years.

b. Any owner shall give due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children and seniors residing in the general vicinity of the site covered by the Plan.

c. All such buildings or portions of buildings which are to remain within the Project Area shall be rehabilitated in conformity with all applicable codes and ordinances of the City.

d. Any new construction shall conform to all applicable codes and ordinances of the City as they now exist and as they may be amended from time to time.

e. Any new construction shall conform to all applicable provisions, requirements, and regulations of this Plan.

All such agreements will address phasing issues, justification and eligibility of project costs, and achievement of the objectives of the Plan. Agency shall retain its discretion in the funding level of its participation.

In such participation agreements, participants who retain real property shall be required to join in the recordation of such documents as may be necessary to make the provisions of this Plan applicable to their properties. Whether or not a participant enters into a participation agreement with the Agency, the provisions of this Plan are applicable to all public and private property in the Project Area.

In the event a participant fails or refuses to rehabilitate, develop, use, and maintain its real property pursuant to this Plan and a participation agreement, the real property or any interest therein may be acquired by the Agency in accordance with Section 3.5.1 of this Plan and sold or leased for rehabilitation or development in accordance with this Plan. The owner participation agreement shall contain a provision that will address the right of the Agency to purchase the property from the property owner through a determined price or a formula to establish the purchase price.

Further, the Agency is hereby empowered to pursue all legal and equitable remedies available to it to enforce the terms and conditions of such participation agreements including, without limitation, specific performance.

Owner participation agreements may be used to implement the following objectives:

a. Encouraging established businesses to revitalize deteriorating areas of their parcels to accelerate the enhancement of the street environment in the Plan area.

b. Subject to the limitations of the Law and the Act, providing incentives to existing business owners to encourage continued utilization and expansion of existing permitted uses to prevent properties from falling into disuse, a proliferation of vacant and deteriorated parcels and a reduction in area employment.

c. Allowing existing nonconforming uses to continue in accordance with City regulations and to accommodate improvements and expansions allowed by City regulations.

d. Subject to the limitations of the Act, providing incentives to improve nonconforming properties so they implement the design guidelines contained in this Plan to the

extent possible and to encourage an orderly transition from nonconforming to conforming uses over the next twenty (20) years.

3.3.2 Impact Fees

For any development covered by an owner participation agreement or disposition and development agreement, the Agency shall have the authority, but not the obligation, to consider the payment of all or part of any impact fee assessed on the development from revenue allocation proceeds to the extent allowed by law.

3.4 Cooperation with Public Bodies

Certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, undertaking, construction, or operation of this Project. The Agency shall seek the aid and cooperation of such public bodies and shall attempt to coordinate this Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency will seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. All plans for development of property in the Project Area by a public body shall be subject to Agency approval, in the event the Agency is providing any financial assistance.

The Agency may impose on all public bodies the planning and design controls contained in this Plan to insure that present uses and any future development by public bodies will conform to the requirements of this Plan. The Agency is authorized to financially (and otherwise) assist any public entity in the cost of the acquisition, maintenance and development of land, buildings, facilities, structures, or other improvements within the Project Area.

The Agency specifically intends to cooperate to the extent allowable by law with the City in the acquisition of property and the construction of public improvements. The Agency shall also cooperate with the City on various relocation, screening, or underground projects, the providing of fiber optic capability, and the funding of water and sewer improvements. To the extent any public entity, including the City, has funded certain improvements such as water and sewer facilities, the Agency may reimburse those entities for those expenses. The Agency shall also cooperate with any public entity having jurisdiction over rights-of-way for the improvement of roads within the Project Area and with the public bodies responsible for water and sewer improvements. The Agency also intends to cooperate and seek available assistance from state and federal sources for economic development.

In the event the Agency is participating in the public development by way of financial incentive or otherwise, the public body shall enter into a participation agreement with the Agency and then shall be bound by the Plan and other land use elements and shall conform to those standards specified in Section 3.3.1 of this Plan.

3.5 Property Acquisition

3.5.1 Real Property

Only as specifically authorized herein, the Agency may acquire, through the voluntary measures described below, but is not required to acquire, any real property located in the Project Area where it is determined that the property is needed for construction of public improvements, required to eliminate or mitigate the deteriorated or deteriorating conditions, and as otherwise allowed by law. The acquisition shall be by any means authorized by law, including, but not limited to, the Law, the Act, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, but shall not include the right to invoke eminent domain authority except as authorized herein. It is important to note, however, that only in the rarest of circumstances will the Hailey Urban Renewal Agency invoke the right of eminent domain. The Agency is authorized to acquire either the entire fee or any other interest in real property less than a fee, including structures and fixtures upon the real property, without acquiring the land upon which those structures and fixtures are located. The Agency intends to invoke the right of eminent domain only in the rarest of circumstances and in full compliance with the statutory provisions.

The Agency shall not acquire real property to be retained by an owner pursuant to a participation agreement if the owner fully performed under the agreement.

The Agency intends to acquire any real property through voluntary or consensual gift, devise, exchange, or purchase. Such acquisition of property may be for the development of the public improvements identified in this Plan or for the assembly of properties for the redevelopment of those properties to achieve the objectives of this Plan. Such properties may include properties owned by private parties or public entities. This Plan does not anticipate the Agency's widespread use of its resources for property acquisition, except for the construction of public improvements and any ability to engage in certain demonstration projects and other major objectives outlined in this Plan and to assemble certain critical or strategic parcels to dispose to the private sector to assist in the redevelopment of the Project Area.

In the event the Agency identifies certain property which should be acquired to develop certain public improvements intended to be constructed under the provisions of this Plan, the Agency shall coordinate such property acquisition with any other public entity (e.g., without

limitation, the City, the state of Idaho, or any of its authorized agencies), including the assistance of the Agency of funds to acquire said property either through a voluntary acquisition or the public entity's invoking of its eminent domain authority.

The Agency is authorized by this Plan to acquire the properties identified in Attachment 3 hereto. Otherwise, Agency acquisition of any other real property shall be accomplished only following a formal amendment to this Plan that will include an exhibit identifying the property to be acquired.

It is in the public interest and is necessary, in order to eliminate the conditions requiring redevelopment and in order to execute this Plan, for the power of eminent domain to be employed by the Agency to acquire real property in the Project Area, which cannot be acquired by gift, devise, exchange, purchase, or any other lawful method.

Under the provisions of the Act, the urban renewal plan "shall be sufficiently complete to indicate such land acquisition, demolition, and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area." Idaho Code § 50-2018(12). The Agency has not identified any particular parcel for acquisition for the construction of public improvements. These activities are generally described in Attachment 3. The Agency may also acquire property for the purpose of developing public parking facilities, providing public open space, providing public utilities, and enhancing the opportunity for other uses. At the present time, the Agency cannot specifically identify which parcels may be necessary for acquisition. The Agency reserves the right to determine which properties, if any, should be acquired. Generally, the Agency will invoke its acquisition authority only for the elimination or mitigation of deteriorated or deteriorating buildings, structures, or properties in order to enhance public open space in the Project Area or to assist or participate in site reclamation, remediation, or elimination of deteriorating or deteriorated areas, and then only by voluntary means. However, the Agency's authority to invoke eminent domain to acquire real property for disposition to private parties for economic development is limited by Idaho Code § 7-701A.

3.5.2 Personal Property

Generally, personal property shall not be acquired. However, where necessary in the execution of this Plan and where allowed by law, the Agency is authorized to acquire personal property in the Project Area by any lawful means, including eminent domain. For purposes of this Plan, acquisition of certain permanent fixtures or improvements upon real property shall be governed by this section. The Agency retains the right to purchase those fixtures or improvements (including buildings) for the purpose of eliminating certain deteriorated or deteriorated structures to facilitate the redevelopment the real property upon which the buildings and structures are located. Such acquisition shall be based upon appraised value of the structures and negotiation with the owner of the structures. The Agency shall take into

account, before committing to such acquisition, any environmental or other liability present or potentially present in such structures. In the event, the Agency determines to acquire such property; it shall do so upon the successful negotiation of an owner participation agreement in compliance with the terms of Section 3.3.1 of this Plan. In addition, such owner shall commit to the redevelopment of the real property and to maintain the real property in a safe and clean manner. The Agency shall acquire such property by way of any acceptable conveyance.

3.6 Property Management

During such time such property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for redevelopment, and such rental or lease shall be pursuant to such policies as the Agency may adopt.

3.7 Relocation of Persons (including Individuals and Families), Business Concerns, and Others Displaced by the Project

If the Agency receives federal funds for real estate acquisition and relocation, the Agency shall comply with 24 C.F.R. Part 42, implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The Agency may also undertake relocation activities for those not entitled to benefit under federal law, as the Agency may deem appropriate for which funds are available. The Agency's activities should not result in the displacement of families within the area. In the event the Agency's activities result in displacement, the Agency shall compensate such residents by providing reasonable moving expenses into decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such families. The Agency will not participate in any private redevelopment activity which will result in displacement of families unless a method exists for the relocation of displaced families in decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such families. For any other activity, the Agency will comply with the provisions of the Law regarding relocation.

The Agency reserves the right to extend benefits for relocation to those not otherwise entitled to relocation benefits as a matter of state law under the Act or the Law. The Agency may determine to use as a reference the relocation benefits and guidelines promulgated by the federal government, the state government, or local government, including the State Department of Transportation. The intent of this section is to allow the Agency sufficient flexibility to award relocation benefits on some rational basis, or by payment of some lump sum per case basis. The Agency may also consider the analysis of replacement value for the compensation awarded to either owner occupants or businesses displaced by the Agency to achieve the objectives of this Plan. The Agency may adopt relocation guidelines which would define the extent of relocation assistance in non-federally-assisted projects and which

relocation assistance to the greatest extent feasible would be uniform. The Agency shall also coordinate with the various local, state, or federal agencies concerning relocation assistance.

For displacement of families, the Agency shall comply with, at a minimum, the standards set forth in the Law. The Agency shall also comply with all applicable state laws concerning relocation benefits. If such a program is considered, it shall be adopted by resolution of the Agency Board.

3.8 Demolition, Clearance, and Building Site Preparation

3.8.1 Demolition and Clearance

The Agency is authorized (but not required) to demolish and clear buildings, structures, and other improvements from any real property in the Project Area as necessary to carry out the purposes of this Plan.

3.8.2 Preparation of Building Sites

The Agency is authorized (but not required) to prepare, or cause to be prepared, as building sites any real property in the Project Area owned by the Agency, including rock removal and site preparation. In connection therewith, the Agency may cause, provide for, or undertake the installation or construction of streets, utilities, parks, pedestrian walkways, traffic signals, storm drainage facilities, and other public improvements necessary to carry out this Plan. The Agency is also authorized (but not required) to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for industrial, commercial, private, public, and other uses provided in this Plan. To the extent allowed by the Law and Act, the Agency may assist in the preparation of building sites by way of reclamation, remediation, or elimination of deteriorated conditions. The Agency is also authorized (but not required) to purchase certain site or building improvements for purpose of site preparation and development.

3.9 Property Disposition and Development

3.9.1 Real Property Disposition and Development

General

For the purposes of this Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise

dispose of any interest in real property under the reuse provisions set forth in Idaho Code Section 50-2011 and as otherwise allowed by law. To the extent permitted by law, the Agency is authorized to dispose of real property by negotiated lease, sale, or transfer without public bidding.

Real property acquired by the Agency may be conveyed by the Agency and, where beneficial to the Project Area, without charge to any public body as allowed by law. All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in this Plan.

All purchasers or lessees of property acquired from the Agency shall be obligated to use the property for the purposes designated in this Plan, to begin and complete development of the property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this Plan.

The Agency shall give due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children and seniors residing in the general vicinity of the site covered by the Plan.

Disposition and Development Documents

To provide adequate safeguards to ensure that the provisions of this Plan will be carried out and to prevent the recurrence of deteriorating conditions, all real property sold, leased, or conveyed by the Agency, as well as all property subject to participation agreements, is subject to the provisions of this Plan.

The Agency shall reserve such powers and controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is carried out pursuant to this Plan.

Leases, deeds, contracts, agreements, and declarations of restrictions of the Agency may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan. Where appropriate, as determined by the Agency, such documents, or portions thereof, shall be recorded in the office of the Recorder of Blaine County.

All property in the Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon race, color, creed, religion, sex, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Project Area. All property sold, leased, conveyed or subject to a participation agreement shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease, or other transfer of land in the

Project Area shall contain such nondiscrimination and non-segregation clauses as required by law.

The land and/or air rights and subterranean rights acquired by the Agency will be disposed of subject to an agreement between the Agency and the Developers. The Developers including owners and participants, will be required by the contractual agreement to observe the Land Use and Building Requirements provision of this Plan and to submit a Redevelopment Schedule satisfactory to the Agency. Schedule revisions will be made only at the option of the Agency.

As required by law or as determined in the Agency's discretion to be in the best interest of the Agency and the public, the following requirements and obligations shall be included in the agreement:

That the Developers, their successors and assigns agree:

a. That a plan and time schedule for the proposed development shall be submitted to the Agency;

b. That the purchase or lease of the land and/or subterranean rights and/or air rights is for the purpose of redevelopment and not for speculation;

c. That the building of improvements will be commenced and completed as jointly scheduled and determined by the Agency and the Developer(s);

d. That there will be no discrimination against any person or group of persons because of handicap, age, race, sex, creed, color, national origin or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises or any improvements erected or to be erected thereon, therein conveyed nor will the Developer himself or any person claiming under or through him establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, or vendees in the premises or any improvements erected, or to be erected thereon, therein conveyed. The above provision will be perpetual and will be appended to the land disposed of within the Project Area by the Agency;

e. That the site and construction plans will be submitted to the Agency for review as to conformity with the provisions and purposes of this Plan;

f. That at the discretion of the Agency a bond or other surety will be provided acceptable to the Agency to ensure performance under the contract of the sale;

g. That rehabilitation of any existing structure, other than temporary structures, must assure that the structure is safe and sound in all physical respects and be refurbished and

altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years;

h. All such buildings or portions of the buildings which are to remain within the Project Area shall be reconstructed in conformity with all applicable codes and ordinances of the City as they presently exist and as the same may be modified from time to time;

i. All new construction shall have a minimum estimated life of no less than twenty (20) years.

j. That the Agency receives adequate assurance acceptable to the Agency to ensure performance under the contract for sale.

k. All such buildings or portions of the buildings which are to remain within the Project Area shall be reconstructed in conformity with all applicable codes and ordinances of the City.

All disposition and development documents and owner participation agreements shall be governed by the provisions of Sections 3.3.1 and 3.9 of this Plan.

The Agency also reserves the right to determine the extent of its participation based upon the achievements of the objectives of this Plan

Development by the Agency

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop or construct any publicly owned building, facility, structure, or other improvement within the Project Area for itself or for any public body or entity. Specifically, the Agency may pay for, install, or construct the buildings, facilities, structures, and other improvements identified in Attachment 5, attached hereto and incorporated herein by reference, and may acquire or pay for the land required therefore.

The Agency may also prepare properties for development by renovation or other means as allowed by law. The Agency may also as allowed by law assist in the development of private projects.

In addition to the public improvements authorized under Idaho Code Section 50-2007, 50-2018, and 50-2903(9), (13), and (14), the Agency is authorized to install and construct, or to cause to be installed and constructed, within the Project Area for itself or for any public body or entity, or to purchase, or to pay for, public improvements and public facilities, including, but not limited to, the following: (1) creation of robust and sustainable job opportunities; (2) street and infrastructure improvements necessary for economic revitalization and property investment; (3) a central town plaza; (4) landscaped areas; (5) parking facilities and structures; (6) sanitary sewers; (7) flood control facilities and storm drains; (8) water mains; (9) utilities;

(10) pedestrian paths and malls; (11) signals and signage; (12) sidewalks; (13) alleys; (14) public transit conveyances and facilities; (15) geothermal; (16) "Wi-Fi" and other communications infrastructure; (17) bicycle facilities; (18) public art; and (19) restoration and preservation of historical artifacts and properties; and affordable workforce housing.

Any public facility ultimately owned by the Agency shall be operated and managed in such a manner to preserve the public purpose and public nature of the facility. Any lease agreement with a private entity or management contract agreement shall include all necessary provisions sufficient to protect the public interest and public purpose.

The Agency may enter into contracts, leases, and agreements with the City, or other public body or private entity, pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code Section 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under subdivision (2)(b) of Section 50-2908 of the Act and Section 5.4 to this Plan or out of any other available funds.

Development Plans

All development plans prepared, pursuant to disposition and development or owner participation agreements (whether public or private), shall be submitted to the Agency for approval and architectural review through the City Building Department. All development in the Project Area must conform to those standards adopted by the City at the time of application submittal.

3.10 Personal Property Disposition

For the purposes of this Plan, the Agency is authorized to lease, sell, exchange, transfer, assign, pledge, encumber, or otherwise dispose of personal property which is acquired by the Agency.

3.11 Rehabilitation and Conservation

The Agency is authorized to rehabilitate, renovate, and conserve, or to cause to be rehabilitated, renovated, and conserved, any building or structure in the Project Area owned by the Agency for preparation of redevelopment and disposition. The Agency is also authorized and directed to advise, encourage, and assist in the rehabilitation and conservation of property in the Project Area not owned by the Agency.

As necessary in carrying out this Plan, the Agency is authorized to move, or to cause to be moved, any substandard structure or building or any structure or building which can be relocated to a location within or outside the Project Area.

3.12 Use of Revenue Allocation Funds in Private or Public Development

Under the Law, the Agency has the authority to lend or invest funds obtained from the federal government for the purposes of the Law if allowable under federal laws or regulations. The federal funds that may be available to the Agency are governed by regulations promulgated by the Department of Housing and Urban Development for the Idaho Community Development Block Grant Program ("ICDBG"), the Economic Development Administration, the Small Business Administration, or other federal agencies. In order to enhance such grants, the Agency's use of revenue allocation funds is critical.

Under those regulations the Agency may participate with the private sector in the development and financing of those private projects that will attain certain federal objectives.

The Agency may, therefore, use the federal funds for the provision of assistance to private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms to support, for any other activity necessary or appropriate to carry out an economic development project.

As allowed by law, the Agency may also use funds from any other sources for any purpose set forth under the Law or Act.

The Agency may enter into contracts, leases, and agreements with the City, or other public body or private entity, pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code Section 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under subdivision 2(b) of Section 50-2908 of the Local Economic Development Act and Section 5.4 to this Plan or out of any other available funds.

3.13 Conforming Owners

The Agency may, at the Agency's sole and absolute discretion, determine that certain real property within the Project Area presently meets the requirements of this Plan, and the owner of such property will be permitted to remain as a conforming owner without a participation agreement with the Agency, provided such owner continues to operate, use, and maintain the real property within the requirements of this Plan.

3.14 Arts Funding

The Agency encourages public art and performing arts through joint ventures with private developers and in cooperation with the City. Whenever possible, any Agency arts

funding will be used to leverage additional contributions from developers, other private sources, and public or quasi-public entitles.

4. USES PERMITTED IN THE REVENUE PROJECT AREA

4.1 Redevelopment Plan Map and Development Strategy

The description of the Project Area and the Revenue Allocation Area Boundary Map, attached hereto as Attachments 1 and 2 and incorporated by reference describe the location of the Revenue Allocation Area Boundaries. The proposed land uses to be permitted in the Project Area for all land, public and private, shall be any use allowed under the applicable City of Hailey Subdivision and Zoning Ordinances as they currently exist and as the same may be amended from time to time.

4.2 Designated Land Uses

The Agency intends to rely upon the overall land use designations and zoning classifications of the City, as depicted on Attachment 4 and as set forth in the City Comprehensive Plan, including the future land use map and zoning classifications. For the most part, the Project Area is proposed as industrial and commercial development. Provided, however, nothing herein within this Plan shall be deemed to be granting any particular right to zoning classification or use.

4.3 Other Land Uses

4.3.1 Public Rights-of-Way

The major public streets within the Project Area are 1st Avenue, 3rd Avenue, 4th Avenue, alleys between 1st Avenue and Main Street, alleys between River Street and Main Street, Broadford, Bullion, Carbonate, Cedar, E. Chestnut, Croy, Elm, Galena, Main Street, Maple, McKercher, Myrtle, Pine, Queen of the Hills, River Street, Silver, Spruce, and Walnut. In addition to the anticipated improvements by the Agency in the public rights-of-way as discussed in this Plan, the public rights-of-way are used to link the various Projects within the Project Area to each other.

Additional public streets, alleys, and easements may be created in the Project Area as need for proper development. Existing streets, alleys and easements may be abandoned, closed, expanded or modified as necessary for proper development of the Project, in conjunction with any applicable policies and standards of the City regarding changes to dedicated rights-of-way.

Any changes in the existing interior or exterior street layout shall be in accordance with the objectives of this Plan and the City's design standards; shall be effectuated in the manner prescribed by State and local law; and shall be guided by the following criteria:

a. A balancing of the needs of proposed and potential new developments for adequate vehicular access, vehicular parking, and delivery loading docks with the similar needs of any existing developments permitted to remain. Such balancing shall take into consideration the rights of existing owners and tenants under the rules for owner and tenant participation adopted by the Agency for the Project and any participation agreements executed thereunder;

b. The requirements imposed by such factors as topography, traffic safety, and aesthetics; and

c. The potential need to serve not only the Project Area and new or existing developments, but to also serve areas outside the Project by providing convenient and efficient vehicular access and movement.

The public rights-of-way may be used for vehicular and/or pedestrian traffic, as well as for public improvements, public and private utilities, and activities typically found in public rights-of-way.

4.3.2 Other Public, Semi-Public, Institutional, and Nonprofit Uses

The Agency is also authorized to permit the maintenance, establishment or enlargement of public, semi-public, institutional, or nonprofit uses, including park and recreational facilities; educational, fraternal, employee; philanthropic and charitable institutions; utilities; governmental facilities; railroad rights-of-way and equipment; and facilities of other similar associations or organizations. All such uses shall, to the extent possible, conform to the provisions of this Plan applicable to the uses in the specific area involved. The Agency may impose such other reasonable requirements and/or restrictions as may be necessary to protect the development and use of the Project Area.

4.3.3 Interim Uses

Pending the ultimate development of land by developers and participants, the Agency is authorized to use or permit the use of any land in the Project Area for interim uses that are not in conformity with the uses permitted in this Plan. However, any interim use must comply with applicable Hailey City Code as it presently exists and as it may be amended from time to time.

4.4 General Controls and Limitations

All real property in the Project Area, under the provisions of either a disposition and development agreement or owner participation agreement is made subject to the controls and requirements of this Plan. No such real property shall be developed, rehabilitated, or otherwise changed after the date of the adoption of this Plan, except in conformance with the provisions of this Plan.

4.4.1 Construction

All construction in the Project Area shall comply with all applicable state and local laws and codes in effect presently and as the same may be amended from time to time. In addition to applicable codes, ordinances, or other requirements governing development in the Project Area, additional specific performance and development standards may be adopted by the Agency to control and direct redevelopment activities in the Project Area in the event of a disposition and development agreement or owner participation agreement.

4.4.2 Rehabilitation and Retention of Properties

Any existing structure within the Project Area, subject to either a disposition and development agreement or owner participation agreement, approved by the Agency for retention and rehabilitation, shall be repaired, altered, reconstructed, or rehabilitated in such a manner that it will be safe and sound in all physical respects and be attractive in appearance and not detrimental to the surrounding uses.

4.4.3 Limitation on Type, Size, Height of Building

The type, size and height of buildings shall be as limited by applicable federal, state and local statutes, ordinances, and regulations.

4.4.4 Open Spaces, Landscaping, Light, Air and Privacy

The issues of open space, landscaping, light, air and privacy shall be governed by applicable federal, state and local ordinances.

4.4.5 Signs

All signs shall conform to City sign ordinances as they now exist or are hereafter amended.

4.4.6 Utilities

The Agency shall require that all utilities be placed underground whenever physically and economically feasible.

4.4.7 Incompatible Uses

No use or structure which by reason of appearance, traffic, smoke, glare, noise, odor, or similar factors which would be incompatible with the surrounding areas or structures shall be permitted in any part of the Project Area.

4.4.8 Non-discrimination and Non-segregation

There shall be no discrimination or segregation based upon race, color, creed, religion, sex, age, marital status, national origin, disability/handicap, or ancestry permitted in the sale, lease sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Project Area.

4.4.9 Subdivision of Parcels

Any parcel in the Project Area shall be subdivided only in compliance with the City Subdivision Ordinance as it presently exists and as it may be amended from time to time.

4.4.10 Minor Variations

Under exceptional circumstances, the Agency is authorized to permit a variation from the limits, restrictions, and controls established by this Plan. In order to permit such variation, the Agency must determine that:

a. The application of certain provisions of this Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of this Plan;

b. There are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions, and controls;

c. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area; and

d. Permitting a variation will not be contrary to the objectives of this Plan.

No variation shall be granted which changes a basic land use or which permits other than a minor departure from the provisions of this Plan. In permitting any such variation, the Agency shall impose such conditions as are necessary to protect this public peace, health, safety, or welfare and to assure compliance with the purposes of this Plan. Any variation permitted by the Agency hereunder shall not supersede any other approval required under City codes and ordinances.

4.4.11 Off-Street Loading

Any development and improvements shall provide for off-street loading as required by the City ordinances as they now exist or are hereafter amended.

4.4.12 Off-Street Parking

All new construction in the area shall provide off-street parking as required by the City ordinances as they now exist or are hereafter amended. The off-street parking requirement may be met by a public parking facility, including a parking garage and/or parking lot, within proximity to the new construction.

4.5 Design for Development

Within the limits, restrictions, and controls established in this Plan, the Agency is authorized to establish heights of buildings, land coverage, setback requirements, design criteria, traffic circulation, traffic access, and other development and design controls necessary for proper development of both private and public areas within the Project Area. Any development must also comply with the City's zoning ordinance regarding heights, setbacks, and other like standards.

In the case of property which is the subject of a disposition and development or participation agreement with the Agency, no new improvement shall be constructed, and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated, except in accordance with this Plan. Under those agreements the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. One of the objectives of this Plan is to create an attractive and pleasant environment in the Project Area. Therefore, such plans shall give consideration to good design, open space, and other amenities to enhance the aesthetic quality of the Project Area. The Agency shall not approve any plans

that do not comply with this Plan. The Agency reserves the right to impose such design standards on an ad hoc, case-by-case basis through the approval process of the owner participation agreement or disposition and development agreement. Any change to such approved design must be consented to by the Agency and such consent may be conditioned upon reduction of Agency's financial participation towards the Project.

In the event the Agency adopts design standards or controls, those provisions will thereafter apply to each site or portion thereof in the Project Area. Those controls and standards will be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standards and provisions of any applicable City building or zoning ordinances; provided, however, each and every development shall comply with all applicable City zoning and building ordinance.

4.6 Nonconforming Uses

The Agency may permit an existing use to remain in an existing building and site usage in good condition, which use does not conform to the provisions of this Plan, provided that such use is generally compatible with existing and proposed developments and uses in the Project Area. The owner of such a property must be willing to enter into a participation agreement and agree to the imposition of such reasonable restrictions as may be necessary to protect the development and use of the Project Area.

The Agency may authorize additions, alterations, repairs, or other improvements in the Project Area for uses which do not conform to the provisions of this Plan where such improvements are within a portion of the Project where, in the determination of the Agency, such improvements would be compatible with surrounding Project uses and development.

All nonconforming uses shall also comply with the City Ordinances.

4.7 Design Guidelines for Development under a Disposition and Development Agreement or Owner Participation Agreement

Under an owner participation agreement or a disposition and development agreement the design guidelines and land use elements of the Plan shall be achieved to the greatest extent feasible, though the Agency retains the authority to grant minor variations under Section 4.4.10 of this Plan and subject to a negotiated agreement between the Agency and the developer or property owner.

Under those agreements, the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. In such agreements, the Agency may impose additional design controls. One of the objectives of this Plan is to create an attractive pedestrian environment in the Project Area. Therefore, such plans shall give consideration to good design and amenities to enhance the aesthetic quality of the Project Area. These additional design standards or controls will be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standard and provisions of any applicable City building or zoning ordinances; provided, however, each and every development shall comply with all applicable City zoning and building ordinances.

5. METHODS OF FINANCING THE PROJECT

5.1 General Description of the Proposed Financing Method

The Agency is authorized to finance the Projects with financial assistance from the City, State of Idaho, federal government, interest income, Agency bonds, donations, loans from private financial institutions, the lease or sale of Agency-owned property, or any other available source, public or private, including assistance from any taxing district or any public entity.

The Agency is also authorized to obtain advances, borrow funds, and create indebtedness in carrying out this Plan. The Agency may also consider an interfund transfer from other urban renewal project areas. The principal and interest on such advances, funds, and indebtedness may be paid from any funds available to the Agency. The City, as it is able, may also supply additional assistance through City loans and grants for various public facilities.

The City or any other public agency may expend money to assist the Agency in carrying out this Project.

5.2 Revenue Bond Funds

As allowed by law and subject to restrictions as are imposed by law, the Agency is authorized to issue bonds from time to time, if it deems appropriate to do so, in order to finance all or any part of the Project. Neither the members of the Agency nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

5.3 Other Loans and Grants

Any other loans, grants, guarantees, or financial assistance from the United States, the state of Idaho, including ICDBG funds, or any other public or private source will be utilized if available. The Agency may consider funding sources through Local Improvement Districts as authorized by state law. Neither the members of the Agency nor any persons executing such loans or grants shall be liable on the loans or grants by reason of their issuance.

The Agency also intends to seek appropriate private contributions, where applicable, to assist in the funding of the activities described herein.

5.4 Revenue Allocation Financing Provisions

The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, effective retroactively to January 1, 2013. These revenue allocation provisions shall apply to all taxing districts in which are located in or overlap the Project Area described on Attachments 1 and 2 to this Plan. The Agency shall take all actions necessary or convenient to implement these revenue allocation financing provisions. The Agency specifically finds that the equalized assessed valuation of property within the Project Area is likely to increase as a result of the initiation of the Projects.

The Agency, acting by one or more resolutions adopted by its Board, is hereby authorized to apply all or any portion of the revenues allocated to the Agency pursuant to the Act to pay such costs as are incurred or to pledge all or any portion of such revenues to the repayment of any moneys borrowed, indebtedness incurred, or bonds issued by the Agency to finance or to refinance the Project Costs (as defined in Idaho Code Section 50-2903(14) of one or more urban renewal projects.

Upon enactment of an ordinance by the governing body of the City, finally adopting these revenue allocation financing provisions and defining the Project Area described herein as part of the Plan, there shall hereby be created a special fund of the Agency into which the County Treasurer shall deposit allocated revenues as provided in Idaho Code Section 50-2908. The Agency shall use such funds solely in accordance with Idaho Code Section 50-2909 and solely for the purpose of providing funds to pay the Project Costs, including any incidental costs, of such urban renewal projects as the Agency may determine by resolution or resolutions of its Board.

A statement listing proposed public improvements and facilities, an economic feasibility study, estimated project costs, fiscal impact upon other taxing districts, and methods of financing project costs required by Idaho Code Section 50-2905 is included in Attachments 5.1 and 5.2 to this Plan. This statement necessarily incorporates estimates and projections based on the Agency's present knowledge and expectations. The Agency is hereby authorized to modify the presently anticipated Projects and use of revenue allocation financing of the related

Project Costs if the Board deems such modifications necessary or convenient to effectuate the general objectives of the Plan.

The Agency may expend revenue allocation proceeds on an annual basis without the issuance of bonds. The Agency may obtain advances or loans from the City or private entities in order to immediately commence construction of certain of the public improvements. Revenues will continue to be allocated to the Agency until the improvements identified in Attachment 5 are completed or until any obligation to the City or other public entity or private entity or any other revenue allocation area are fulfilled. Attachments 5.1 and 5.2 incorporate estimates and projections based on the Agency's present knowledge and expectations concerning the length of time to complete the improvements. The activity may take longer depending on the significance and timeliness of development. Alternatively, the activity may be completed earlier if revenue allocation proceeds are greater or the Agency obtains additional funds.

The revenue allocation proceeds are hereby irrevocably pledged to the payment of the principal and interest on the advance of monies, making of loans, or the incurring of any indebtedness such as bonds, notes, and other obligations (whether funded, refunded, assumed, or otherwise) by the Agency to finance or refinance the Project in whole or in part.

The Agency is authorized to make such pledges as to specific advances, loans, and indebtedness as appropriate in carrying out the Projects.

The Agency reserves the right to either pay for Project Costs from available revenue (pay as you go basis) or borrow funds by incurring debt through notes or other obligations.

The Agency is authorized to make such pledges as to specific advances, loans, and indebtedness as appropriate in carrying out the Project.

Revenue allocation proceeds are deemed to be only a part of the proposed funding sources for the payment of public improvements and other project improvements. Additionally, project funding is proposed to be phased for the improvements, allowing various sources of funds to be accumulated for use.

5.4.1 Economic Feasibility Study

Attachment 5 constitutes the Economic Feasibility Study ("Study") adopted by the Agency and City. The Study constitutes the financial analysis required by the Act and is based upon existing information from the Agency and City. Projections are based upon input from the Agency, property owners, developers, and others.

5.4.2 Assumptions and Conditions/Economic Feasibility Statement

The information contained in Attachment 5 assumes certain completed and projected actions. Under the provisions of the Act, the revenue allocation shall continue until the debt or other obligations or other project activity is completed or satisfied. All debt is projected to be repaid no later than the duration period of the Plan. The total amount of bonded indebtedness (and all other loans or indebtedness) and the amount of revenue generated by revenue allocation are dependent upon the extent and timing of private development. Should all of the development take place as projected, the project indebtedness could be extinguished earlier, dependent upon the bond sale documents or other legal obligations. Should private development take longer to materialize or should the private development be substantially less than projected, then the amount of revenue generated will be substantially reduced and debt may continue for its full term.

The Plan and attachments incorporate estimates and projections based on the Agency's present knowledge and expectations. The Agency may modify the project if the Board deems such modifications necessary to effectuate the Plan. The Plan proposes certain public improvements, including utility and street improvements, which will facilitate development in the Project Area.

The assumptions set forth in the Study are based upon the best information available to the Agency through public sources or discussions with property owners, developers, and others. The information has been analyzed by the Agency and its consultants in order to provide an analysis that meets the requirements set forth under the Law and Act. At the point in time when the Agency may seek a loan from lenders or others, a more detailed and then-current financial pro forma will be presented to those lenders or underwriters for analysis to determine the borrowing capacity of the Agency. As set forth herein, the Agency reserves the right to fund the Project on a "pay as you go" basis. The Agency Board will prioritize the activities set forth in this Plan and determine what funds are available and what activities can be funded. The Agency will establish those priorities through its mandated annual budgetary process.

The assumptions concerning revenue allocation proceeds are based upon certain assessed value increases and assumed tax levy rates.

House Bill 1 adopted by the 58th Idaho Legislature convening in Special Session in August 2006 (codified at Idaho Code Section 33-802) repealed the operation and maintenance property tax levy imposed by school districts. House Bill 1 also repealed Idaho Code Section 50-2908(2)(a)(iii) which required certain revenue allocation funds to be disbursed to school districts. The financial analysis set forth in Attachment 5B has taken into account the provisions of Idaho Code § 33-802.

House Bill 315 adopted by the 62nd Idaho Legislature in 2013 amends Idaho Code Section 63-602KK, and provides for personal property tax exemption to businesses. Application of the exemption may have the effect of reducing the base value and/or reducing the increment value. The financial analysis set forth in Attachment 5B has taken into account the provisions of Idaho Code Section 63-602KK.

5.4.3 Ten Percent Limitation

Under the Act, the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed valuation for the entire City. According to the Blaine County Assessor, the base assessment roll for the Project Area as of January 1, 2013, [confirm: including personal property, utilities and less any homeowner's exemption] is $67,496,712.00. The total assessed value for the City as of January 1, 2013, less homeowner's exemptions, is $704,379,047. Therefore, the 10% limit is $70,437,904.70. The base assessment roll for the revenue allocation areas does not exceed ten percent (10%) of the assessed value for the City.

5.4.4 Financial Limitation

The Study identifies several capital improvement projects. Use of any particular financing source for any particular purpose is not assured or identified. Use of the funding source shall be conditioned on any limiting authority. If revenue allocation funds are unavailable, then the Agency will need to use a different funding source for that improvement.

The amount of funds available to the Agency from revenue allocation financing is directly related to the assessed value of new improvements within the Project Area. Under the Act, the Agency is allowed the revenue allocation generated from inflationary increases and new development value. Increases have been assumed based upon the projected value of new development as that development occurs along with possible land reassessment based on a construction start.

The Study, with the various estimates and projections, constitutes an economic feasibility study. Costs and revenues are analyzed, and the analysis shows the need for public capital funds during the project. Multiple financing sources including proposed revenue allocation notes and bonds, annual revenue allocations, developer contributions, city contributions, and other funds are shown. This Study identifies the kind, number, and location of all proposed public works or improvements, a detailed list of estimated project costs, a description of the methods of financing illustrating project costs, and the time when relate costs or monetary obligations are to be incurred. See Idaho Code § 50-2905. Based on these funding sources, the conclusion is that the project is feasible.

The information contained in the Study assumes certain projected actions. First, the Agency has the option of seeking note issues through a bank loan, developer contributions, and the advance from the Agency's other revenue allocation area. Under the provisions of the Act, the revenue allocation may continue until the end of the Plan term. Second, the total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Should the development take place as projected, indebtedness would be extinguished earlier, dependent upon the note documents and legal obligations therein. Should private development take longer to materialize or should the private development be substantially less than projected, then the amount of revenue generated will be substantially reduced and bonds may continue for their full term.

The proposed timing for the public improvements may very well have to be modified depending upon the availability of some of the funds and the Agency's ability to sell an initial issue of notes or bonds.

Attachment 5 includes a list of those public improvements which the Agency intends to construct through the term of the Plan. The costs of improvements are estimates only. Final costs will be determined by way of construction contract public bidding or by an agreement between the developer/owner and Agency.

The listing of public improvements does not commit the Agency to any particular improvement, any particular cost, or any particular order of construction. The Agency reserves its discretion and flexibility in deciding which improvements are more critical for redevelopment, and the Agency intends to coordinate its public improvements with associated development by private developers/owners. The Agency also intends to coordinate its participation in the public improvements with the receipt of certain grants or loans which may require the Agency's participation in some combination with the grant and loan funding.

Generally, the Agency expects to develop those improvements identified in Attachment 5 first, in conjunction with industrial private development generating the increment as identified in Attachment 5.

The Plan has shown that the equalized valuation of the Project Area as defined in the Plan is likely to increase as a result of the initiation and completion of urban renewal projects pursuant to the Plan.

5.5 Participation with Local Improvement Districts

Under the Idaho Local Improvement District Code, Chapter 17, Title 50, Idaho Code, the City has the authority to establish local improvement districts, including without limitation local business improvement districts for various public facilities, including, but not limited to, streets,

curbs, gutters, sidewalks, drains, landscaping, and other like facilities. To the extent allowed by the Law and the Act, the Agency reserves the authority to participate in the funding of local improvement district facilities and local business improvement district facilities. This participation may include either direct funding to reduce the overall cost of the LID or BLID or to participate as an assessed entity to finance the LID or BLID project.

5.6 Issuance of Debt

Any debt incurred by the Agency as allowed by the Law and Act shall be secured by revenues identified in the debt resolution or revenue allocation funds as allowed by the Act. All such debt shall be repaid within the duration of this Plan.

5.7 Impact on Other Taxing Districts and Levy Rate

A specific delineation of tax dollars generated by revenue allocation upon each taxing district has not been prepared. The overall impact of the revenue allocation project is shown in the Study. Pursuant to Idaho Code, Section 63-802, taxing entities are constrained in establishing levy rates by a function of the amount each budget of each taxing district can increase on an annual basis. The amounts set forth in the Study would constitute the amounts distributed to other taxing entities from the Project Area if there were no urban renewal project. Each individual district's share of that amount would be determined by its particular levy rate as compared to the other districts in any given year. Therefore, the impact of revenue allocation is more of a product of the imposition of Section 63-802. In addition, without the revenue allocation district and its ability to pay for public improvements and public facilities, fewer substantial improvements within the Project Area would be expected in the next five to ten years, hence there would be lower increases in assessed valuation to be used by the taxing entities.

If the overall levy rate is less than assumed, the Agency will receive fewer funds from revenue allocation. The assessed value for each property in a revenue allocation area consists of a base value and an increment value. The base value is the assessed value as of January 1 of the year in which a revenue allocation area is approved by a municipality, with periodic adjustments allowed by Idaho state code. The increment value is the difference between the base assessed value and current assessed value in any given year while the property is in a revenue allocation area. Under Section § 63-802, Idaho Code, taxing entities are constrained in establishing levy rates by the amount each budget of each taxing district can increase on an annual basis. Taxing entities submit proposed budgets to the County Board of Commissioners, which budgets are required to comply with the limitations set forth in Section 63-802, Idaho Code.

The County Board of Commissioners calculates the levy rate required to produce the proposed budget amount for each taxing entity using the assessed values which are subject to each taxing entity's levy rate. Assessed values in urban renewal districts which are subject to revenue allocation (incremental values) are not included in this calculation. The combined levy rate for the taxing entities is applied to the incremental property values in a revenue allocation area to determine the amount of property tax revenue which is allocated to an urban renewal agency. The property taxes generated by the property values in the urban renewal districts that are not subject to revenue allocation and by properties outside revenue allocation areas are distributed to the other taxing entities. Properties in revenue allocation areas are subject to the same levy rate as they would be outside a revenue allocation area. The difference is how the revenue is distributed.

In addition, without the revenue allocation area and its ability to pay for public improvements and public facilities, fewer substantial improvements within the revenue allocation area would be expected in the next five to ten years; hence, there would be lower increases in assessed valuation to be used by the other taxing entities. If the overall levy rate is less than as assumed, the Agency shall receive fewer funds from revenue allocation.

One result of Section 63-802, Idaho Code and Section 63-301A, Idaho Code is the likely reduction of the levy rate as assessed values increase for property within each taxing entity's jurisdiction. If the overall levy rate is less than as assumed, the Agency shall receive fewer funds from revenue allocation. Section 63-301A, Idaho Code, prohibits taxing entities from including, as part of the new construction roll, the increased value related to new construction within a revenue allocation area until the revenue allocation authority is terminated. Any new construction within the Project Area will no longer be available for inclusion by the taxing entities to increase their budgets. Less tax revenue will be available to those taxing entities. Upon termination of this Plan, the taxing entities will be able to include the accumulated new construction roll value in setting the following year's budget, and revenue from such value is not limited to the three percent increase allowed in Section 63-802(1)(a).

Generally, the impact on the taxing entities would be to determine the Agency's projected revenue and disburse those funds in the same ratio as the respective levy rates in the revenue allocation area of each taxing district. For Tax Year 2012, those districts and rates are as follows:

Taxing Districts Levy Rates:

Blaine County ……0.1138801
City of Hailey……0.3456724
School District
Plant Levy……0.0710826
Stabilization Levy…… 0.3873643
Blaine County Ambulance…… 0.0204395
Cemetery District……0.0136291

TOTAL LEVY[1]……	0.9658963
School Plant Levy (see below)……	0.0710826
Net Levy for Urban Renewal Purposes……	0.8948137

As noted above, Section 63-802, Idaho Code, may have the effect of reducing the levy rate as assessed values increase for property within each taxing entity's jurisdiction; however, it is unclear how Section 63-602KK may impact the levy rate. The Study has made certain assumptions concerning the levy rate. The levy rate is estimated to decrease .5% a year for the life of the revenue allocation area. The annual increment value is expected to be driven by an assumed 5% annual increase in land value and an annual 2% increase in improvement value with larger increases expected in year 2013 due to a probable commercial development. If the overall levy rate is less than projected or if assessed values increase less than projected, the Agency shall receive fewer funds from revenue allocation. If levy rates and/or assessed values exceed projections, the Agency shall receive more funds from revenue allocation.

The 2008 Idaho Legislature passed and Governor Otter signed House Bill 470 as amended in the Idaho Senate, which bill became effective retroactive to January 1, 2008 (Session Laws, Chapter 253). The bill amended Idaho Code Sections 50-2908, 63-803, and 63-811. In brief, the bill provided that an urban renewal agency shall not be entitled to revenue allocation proceeds from certain levy increases which are allowed by either specific statutory authorization or approved by an election of the qualified electors of the particular taxing district. Therefore, for any levy election held after January 1, 2008, the Agency will not receive revenue allocation funds which would have been generated by imposing that levy on the assessed valuation within the Project Area. Additionally, as this Plan has been adopted after January 1, 2008, any voter approved levy adopted prior to January 1, 2008, will not be available for use by the Agency. The Study which is attached as Attachment 5 has taken this statute into account. The levy rates as shown above are the aggregate levy rates for the [school district and City and County as of 2013 less the voter approved Plant Levy as required by law. The Study therefore has assumed the impact of House Bill 470.

5.8 Phasing and Other Fund Sources

The Agency anticipates funding only a portion of the entire cost of the public improvements shown on Attachment 5. Other sources of funds shall include developer contributions and City participation. Agency participation shall be determined by the amount of revenue allocation funds generated.

5.9 Lease Revenue, Parking Revenue, and Bonds

[1] Net of School District and City bond levy rates.

Under the Law, the Agency is authorized to issue revenue bonds to finance certain public improvements identified in the Plan. Under that type of financing, the public entity would pay the Agency a lease payment annually, which provides certain funds to the Agency to retire the bond debt. Another variation of this type of financing is sometimes referred to as conduit financing, which provides a mechanism where the Agency uses its bonding authority for the Project, with the end user making payments to the Agency to retire the bond debt. These sources of revenues are not related to revenue allocation funds and may not be particularly noted in the Study, because of the "pass through" aspects of the financing. Under the Act, the economic feasibility study focuses on the revenue allocation aspects of the Agency's financial model.

These financing models typically are for a longer period of time than the 20-year period set forth in the Act. However, these financing models do not involve revenue allocation funds, but rather funds from the end users which provide a funding source for the Agency to continue to own and operate the facility beyond the term of the Plan as allowed by Idaho Code Section 50-2905(7) as those resources involve funds not related to revenue allocation funds.

6. ACTIONS BY THE CITY

The City shall aid and cooperate with the Agency in carrying out this Plan and shall take all actions necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread in the area of conditions causing deterioration. Actions by the City shall include, but not be limited to, the following:

a. Institution and completion of proceedings necessary for changes and improvements in private and publicly-owned property, rights-of-way, or public utilities within or affecting the Project Area;

b. Revision of zoning (if necessary) within the Project Area to permit the land uses and development authorized by this Plan;

c. Imposition wherever necessary (by conditional use permits or other means) of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use;

d. Provision for administrative enforcement of this Plan by the City after development. The City and the Agency may develop and provide for enforcement of a program for continued maintenance by owners of all real property, both public and private, within the Project Area throughout the duration of this Plan;

e. Building code enforcement;

f. Performance of the above actions and of all other functions and services relating to public peace, health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays;

g. Institution and completion of proceedings necessary for the establishment of a local improvement district under Chapter 17, Title 50, Idaho Code;

h. The undertaking and completing of any other proceedings necessary to carry out the Projects;

i. Administration of Idaho Community Development Block Grant and other state and federal grant funds that may be made available for the Project;

j. Appropriate agreements with the Agency for administration, supporting services, funding sources, and the like;

k. The waiver of any hookup or installation fee for sewer, water, or other utility services for any facility owned by any public agency, including the Agency and facility;

l. Imposition, whenever necessary (by conditional use permits or other means as appropriate), of controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.

m. Joint funding of certain public improvements, including but not limited to improvements to sewer treatment facilities; and

n. Use of public entity labor, services, and materials for construction of the public improvements listed in this Plan.

The foregoing actions to be taken by the City do not constitute any commitment for financial outlays by the City.

6.1 Maintenance of Public Improvements

The Agency has not identified any commitment or obligation for long-term maintenance of the public improvements identified. The Agency will need to address this issue with the appropriate entity, public or private, who has benefited from or is involved in the ongoing preservation of the public improvement.

7. ENFORCEMENT

The administration and enforcement of this Plan, including the preparation and execution of any documents implementing this Plan, shall be performed by the Agency and/or the City.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by court litigation instituted by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, reentry, injunctions, or any other remedies appropriate to the purposes of this Plan. In addition, any recorded provisions which are expressly for the benefit of owners of property in the Project Area may be enforced by such owners.

8. PLAN DURATION, TERMINATION DATE AND DISPOSITION OF ASSETS

Except for the nondiscrimination and non-segregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective. The provisions of other documents formulated pursuant to this Plan shall be effective no longer than 20 years from the date the ordinance is adopted by the Hailey City Council, (the "Plan Termination Date") which is twenty years (20) years from the date of adoption of the Plan by the City Council in 2013. The revenue allocation authority will expire on December 31, 2033, except for revenues received in 2034. The revenue allocation area and revenue allocation financing provisions shall expire on no longer than 20 years from the date the ordinance is adopted by the Hailey City Council (the "Revenue Allocation Area Termination Date"), except for any revenue allocation proceeds received in calendar year 2034.

This Plan shall terminate no later than December 31, 2033, except for revenues which may be received in 2034. Either on January 1, **2033**, or if the Agency determines an earlier terminate date:

a. When the Project Area plan budget estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness, and bonds have been paid in full or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the Agency funded through revenue allocation proceeds shall be satisfied and the Agency has determined no additional project costs need be funded through revenue allocation financing, the allocation of revenues under Section 50-2908, Idaho Code, shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the affected taxing districts in which the Project Area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the Project

Area; and the powers granted to the urban renewal agency under Section 50-2909, Idaho Code, shall thereupon terminate.

b. In determining the termination date, the Plan shall recognize that the Agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the Plan.

c. For the fiscal year that immediately predates the terminate date, the Agency shall adopt and publish a budget specifically for the projected revenues and expenses of the Plan and make a determination as to whether the revenue allocation area can be terminated before January 1 of the termination year pursuant to the terms of Section 50-2909(4), Idaho Code. In the event that the Agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by September 1, the Agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the State Tax Commission, recommending the adoption of an ordinance for termination of the revenue allocation area by December 31 of the current year, and declaring a surplus to be distributed as described in Section 50-2909, Idaho Code, should a surplus be determined to exist. The Agency shall cause the ordinance to be filed with the office of the county recorder and the Idaho State Tax Commission as provided in Section 63-215, Idaho Code.

Upon termination of the revenue allocation authority of the Plan to the extent the Agency owns or possesses any assets, the Agency shall dispose of any remaining assets by granting or conveying or dedicating such assets to the City.

As allowed by Idaho Code Section 50-2905(7), the Agency may retain assets or revenues generated from such assets as loans; the Agency shall have resources other than revenue allocation funds to operate and manage such assets. Similarly, facilities which provide a least income stream to the Agency for full retirement of the facility debt will allow the Agency to meet debt services obligations and provide for the continued operation and management of the facility.

For those assets which do not provide such resources or revenues, the Agency will likely convey such assets to the City, depending on the nature of the asset.

Upon termination of the revenue allocation authority of the Plan, to the extent the Agency owns or possesses any assets, the Agency shall dispose of any remaining assets by granting or conveying or dedicating such assets to the City.

9. PROCEDURE FOR AMENDMENT

The Plan may be further modified at any time by the Agency provided that, if modified after disposition of real property in the Project Area, the modifications must be consented to by the Developer or Developers or his successor or successors of such real property whose interest is substantially affected by the proposed modification. Where the proposed modification will substantially change the Plan, the modifications must be approved by the City Council in the same manner as the original Plan. Substantial changes for City Council approval purposes shall be regarded as revisions in project boundaries, land uses permitted, land acquisition, and other changes which will violate the objectives of this Plan.

10. SEVERABILITY

If any one or more of the provisions contained in this Plan to be performed on the part of the Agency shall be declared by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be null and void and shall be deemed separable from the remaining provisions in this Plan and shall in no way affect the validity of the other provisions of this Plan.

11. ANNUAL REPORT

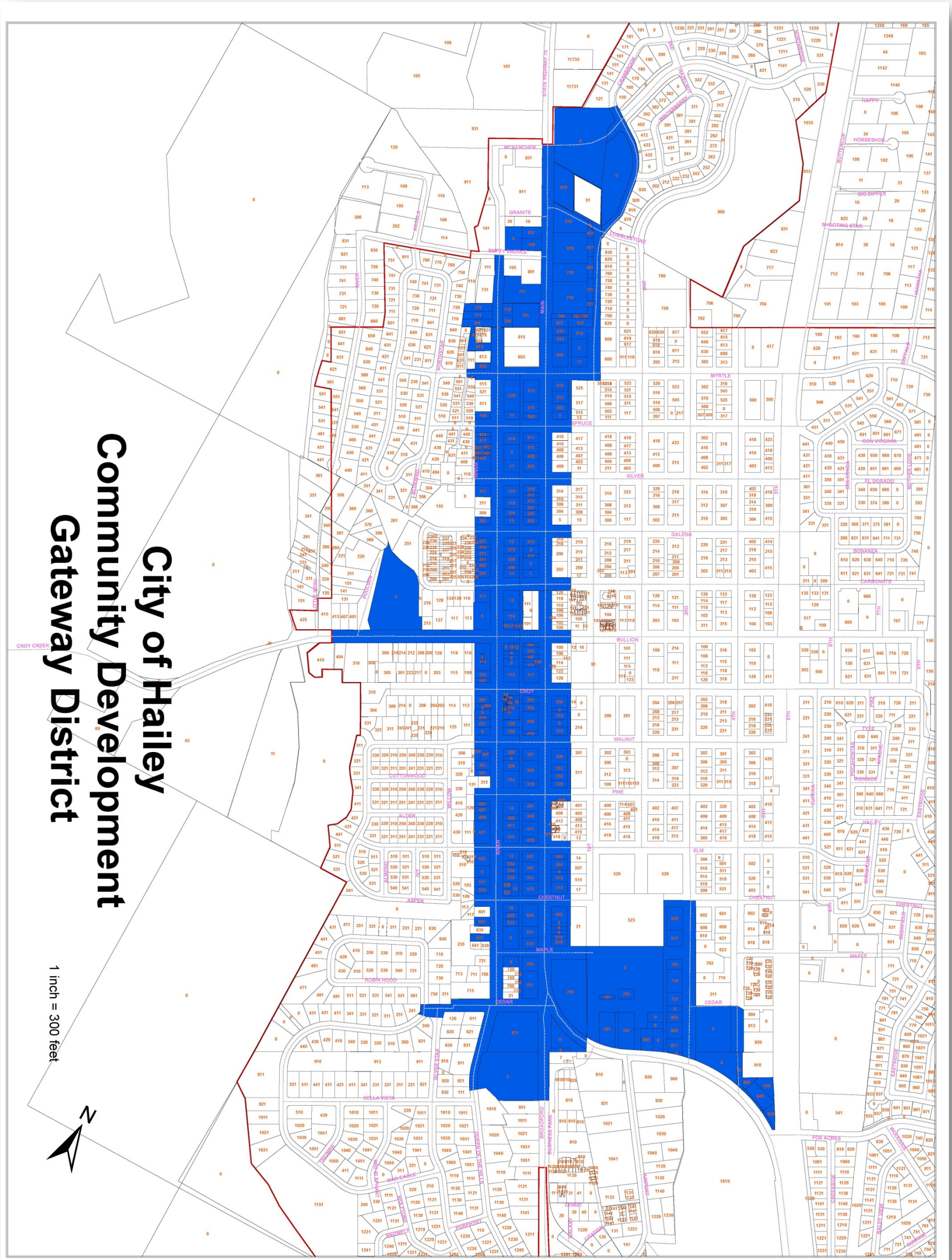
Under the Law, the Agency is required to file with the City, on or before March 31 of each year, a report of the Agency's activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such calendar year.
This annual report shall be considered at a public meeting to report these findings and take comments from the public.

12. APPENDICES, ATTACHMENTS, EXHIBITS, TABLES

All attachments and tables referenced in this Plan are attached and incorporated herein by their reference. All other documents referenced in this Plan but not attached are incorporated by their reference as if set forth fully.

ATTACHMENT 1

Map of the Urban Renewal Project Area and Revenue Allocation Area



ATTACHMENT 2

Description of the Urban Renewal Project Area and Revenue Allocation Area

PROPERTY DESCRIPTION FOR THE GATEWAY DISTRICT URBAN RENEWAL PROJECT AREA

A parcel of land located within Sections 4, 9, 10, 15 and 16, Township 2 North, Range 18 East, Boise Meridian, City of Hailey, Blaine County, Idaho, the boundary of which is more particularly described as follows:

Commencing at Blaine County GIS Monument 2N18E9N1/4 marking the North 1/4 corner of said Section 9, said point lying North 89º25'56" West, 2629.34 feet from Blaine County GIS Monument 2N18E9NE marking the Northeast corner of said Section 9;

Thence North 75º59'32" West, 1469.85 feet to marking the intersection of the centerline of McKercher Boulevard and the westerly right of way for Main Street/State Highway 75, said point also being an angle point in the northerly Hailey City Limit Boundary and the TRUE POINT OF BEGINNING;

Thence North 61º42'28 East, 80.00 feet along said city limit boundary crossing the State Highway 75/Main Street right of way to a point along its easterly right of way;

Thence continuing North 28º17'32" West, 282.92 feet along said easterly right of way to an angle point on said city limit boundary, also being a point along the westerly boundary for Lot 2, Block 1, Northridge VIII;

Thence North 61º47'32" East, 413.69 feet to along the northerly boundary of said lot to the westerly right of way for Cranbrook Road;

Thence North 42º39'06" East, 76.52 feet across said Cranbrook Road to its easterly right of way;

Thence along said easterly right of way 18.96 feet along a curve to the left with a radius of 120.00 feet, a central angle of 09º03'02" and a chord bearing and distance of South 51º52'25" East, 18.94 feet to a point along the easterly right of way for First Avenue;

Thence following twelve courses and distances along said easterly right of way for First Avenue:

South 56º23'59" East, 105.20 feet;

South 56º14'09" East, 141.67 feet;

363.41 feet along a curve to the right with a radius of 430.00 feet, a central angle of 48º25'21" and a chord bearing and distance of South 32º10'57" East, 352.69 feet;

South 07º50º15" East, 250.88 feet;

51.82 feet along a curve to the right with a radius of 119.00 feet, a central angle of 24º56'59" and a chord bearing and distance of South 04º38'15" West, 51.41 feet;

South 17º06º44" West, 121.78 feet;

8.51 feet along a curve to the left with a radius of 59.00 feet, a central angle of 08º16'02" and a chord bearing and distance of South 12º58'47" West, 8.51 feet;

South 08º50'50" West, 67.47 feet;

38.55 feet along a curve to the right with a radius of 59.00 feet, a central angle of 37º26'03" and a chord bearing and distance of South 09º52'17" East, 37.87 feet;

South 28º35'24" East, 647.31 feet to its intersection with the original Hailey Townsite boundary;

South 28º44'21" East, 349.94 feet to the centerline of Myrtle Street;

South 28º44'52" East, 49.96 feet to the southerly right of way for Myrtle Street;

Thence South 61º12'52" West, 49.98 feet along said southerly right of way to its intersection with the centerline for First Avenue;

Thence continuing South 61º14'00" West, 170.05 feet along said southerly right of way for Myrtle Street to the easterly alley right of way for Block 64;

Thence South 28º45'01" East, 299.70 feet along said alley right of way to the northerly right of way for Spruce Street;

Thence South 28º44'59" East, 100.00 feet across said northerly right of way to the easterly alley right of way for Block 57;

Thence South 61º14'25" West, 146.01 feet along the southerly right of way for Spruce Street to the easterly right of way for Main Street;

Thence South 28º45'04" East, 299.75 feet along said right of way to the northerly right of way for Silver Street;

Thence North 61º12'49" East, 146.00 feet along said northerly right of way to the easterly alley right of way for Block 57;

Thence South 28º45'13" East, 100.00 feet across Silver Street to the easterly alley right of way for Block 52;

Thence South 61º12'49" West, 145.99 feet along the southerly right of way for Silver Street to the easterly right of way for Main Street;

Thence South 28º45'48" East, 299.72 feet along said easterly right of way to the northerly right of way for Galena Street;

Thence North 61º14'14" East, 145.96 feet along said northerly right of way to the easterly alley right of way for Block 52;

Thence South 28º45'04" East, 100.00 feet across Galena Street to the easterly alley right of way for Block 45;

Thence South 61º14'14" West, 145.96 feet along the southerly right of way for Galena Street to the easterly right of way for Main Street;

Thence South 28º44'44" East, 299.86 feet along said easterly right of way to the northerly right of way for Carbonate Street;

Thence North 61º13'51" East, 145.95 feet along said northerly right of way to the easterly alley right of way for Block 45;

Thence South 28º45'04" East, 100.00 feet across Carbonate Street to the easterly alley right of way for Block 40;

Thence South 61º13'51" West, 145.96 feet along the southerly right of way Carbonate Street to the easterly right of way for Main Street;

Thence South 28º44'51" East, 299.77 feet along said easterly right of way to the northerly right of way for Bullion Street;

Thence North 61º13'13" East, 146.01 feet along said northerly right of way to the easterly alley right of way for Block 40;

Thence South 28º45'27" East, 100.00 feet across Bullion Street to the easterly alley right of way for Block 33;

Thence South 61º13'13" West, 146.03 feet along the southerly right of way for Bullion Street to the easterly right of way for Main Street;

Thence South 28º44'53" East, 299.70 feet along said easterly right of way to the northerly right of way for Croy Street;

Thence North 61º14'07" East, 146.07 feet along said northerly right of way to the easterly alley right of way for Block 33;

Thence South 28º44'52" East, 100.00 feet across Croy Street to the easterly alley right of way for Block 28;

Thence South 28º44'20" East, 300.07 feet along said alley right of way to the northerly right of way for Walnut Street;

Thence South 28º44'28" East, 100.00 feet across Walnut Street to the easterly alley right of way for Block 21;

Thence South 28º44'36" East, 300.14 feet along said alley right of way to the northerly right of way for Pine Street;

Thence South 28º45'05" East, 100.00 feet across Pine Street to the easterly alley right of way for Block 16;

Thence South 61º13'19" West, 145.95 feet along the southerly right of way for Pine Street to the easterly right of way for Main Street;

Thence South 28º45'02" East, 300.17 feet along said easterly right of way to the northerly right of way for Elm Street;

Thence North 61º12'06" East, 146.00 feet along said northerly right of way to the easterly alley right of way for Block 16;

Thence South 28º45'16" East, 100.00 feet across Elm Street to the easterly alley right of way for Block 9;

Thence South 28º44'58" East, 300.17 feet along said alley right of way to the northerly right of way for Chestnut Street;

Thence South 28º45'18" East, 100.00 feet across Chestnut Street to the easterly alley right of way for Block 4;

Thence South 28º45'17" East, 300.06 feet along said alley right of way to a point along the northerly boundary for Wertheimer Park Subdivision;

Thence North 61º13'09" East, 705.97 feet along said northerly boundary to the westerly alley right of way for Block 2;

Thence North 28º46'07" West, 350.10 feet along said alley right of way to the centerline of Chestnut Street;

Thence North 61º13'05" East, 195.91 feet along said centerline to its intersection with the centerline of Third Avenue;

Thence continuing North 61º12'44" East, 50.00 feet along said centerline to the easterly right of way for Third Avenue;

Thence continuing along said easterly right of way for Third Avenue for the following three courses and distances:

South 28º46'24" East, 350.06 feet to the northerly right of way for Maple Street;
South 28º46'15" East, 50.00 feet to the centerline of Maple Street;
South 28º45'35" East, 400.14 feet to the centerline of Cedar Street;

Thence North 61º10'46" East, 315.80 feet along said centerline to its intersection with the centerline of Fourth Avenue;

Thence South 87º50'01" East, 58.27 feet across said Fourth Avenue to the northwest corner of Block 137;

Thence South 28º43'48" East, 320.56 feet along the easterly right of way for said Fourth Avenue;

Thence continuing South 61º15'58" West, 9.81 feet along a jog in said easterly right of way;

Thence continuing South 28º45'44" East, 192.00 feet along said easterly right of way to the northerly boundary for R. Davis Business Center Subdivision;

Thence North 61º01'35" East, 230.90 feet along said northerly boundary;

Thence 398.58 feet along a curve to the left with a radius of 5929.58 feet, a central angle of 03º51'05" and a chord bearing and distance of South 30º50'06" East, 398.50 feet along the easterly boundary of said subdivision;

Thence South 63º07'30" West, 21.78 feet along the southerly boundary of said subdivision to a point on the northerly right of way for State Highway 75;

Thence 1124.30 feet along a non-tangential curve to the left with a radius of 1081.80 feet, a central angle of 59º32'49" and a chord bearing and distance of North 85º12'32" West, 1074.38 feet along said northerly right of way to a point of tangency;

Thence continuing South 65º04'49" West, 235.06 feet along said northerly right of way to a point of curvature;

Thence continuing 299.47 feet along a non-tangential curve to the right with a radius of 597.00 feet, a central angle of 28º44'26" and a chord bearing and distance of South 79º24'21" West, 296.34 feet along said northerly right of way to a point;

Thence South 28º44'40" East, 115.10 feet across said State Highway 75 to a point along the northerly boundary of the Hailey Business Park access parcel;

Thence South 61º09'32" West, 275.86 feet to the easterly right of way for Broadford Road;

Thence South 28º45'21" East, 370.48 feet along said easterly right of way to a point;

Thence South 61º15'56" West, 388.68 feet across said Broadford Road right of way and along the southerly boundary for Lot 1, Cedar Street Church Subdivision;

Thence continuing North 66º13'36" West, 27.56 feet along said lot boundary;

Thence continuing North 75º15'26" West, 108.19 feet along said lot boundary;

Thence South 51º49'56" West, 64.76 feet along said lot boundary to the westerly right of way for Queen of the Hills Drive;

Thence South 54º55'23" West, 60.00 feet across said drive to a point along its westerly right of way;

Thence 198.47 feet along a curve to the right with a radius of 550.00 feet, a central angle of 20º40'32" and a chord bearing and distance of North 24º44'43" West, 197.40 feet along said westerly right of way;

Thence continuing North 14º27'12" West, 396.45 feet along said westerly right of way;

Thence continuing along said westerly right of way 18.20 feet along a curve to the left with a radius of 10.00 feet, a central angle of 104º18'18" and a chord bearing and distance of North 66º36'21" West, 15.79 feet to a point on the right of way for Cedar Street;

Thence South 61º14'30" West, 299.60 feet along said right of way;

Thence 40.19 feet along a curve to the left with a radius of 1150.57 feet, a central angle of 02º00'05" and a chord bearing and distance of South 14º59'04" East, 40.19 feet along said easterly right of way;

Thence South 61º14'30" West, 116.60 feet across said drive to a point common to the northerly boundary of Lot 1, Block 2, Cedar Bend Subdivision and the southerly right of way for Cedar Street;

Thence South 82º38'38" West, 73.55 feet across said Cedar Street right of way to a point common to the southeasterly boundary for Lot 1, Block 1, Cedar Bend Subdivision and the right of way for Cedar Street;

Thence North 20º58'29" E, 21.98 feet along said lot boundary and the northerly right of way for Cedar Street;

Thence North 28º43'30" West, 57.99 feet along said northerly right of way;

Thence continuing North 61º14'30" East, 231.20 feet along said northerly right of way;

Thence continuing North 28º44'45" West, 40.00 feet along said northerly right of way;

Thence continuing North 61º14'30" East, 295.74 feet along said northerly right of way to the westerly right of way for River Street;

Thence North 28º44'53" West, 349.56 feet along said westerly right of way to its point of intersection with an extension of the Maple Street right of way centerline;

Thence North 28º44'15" West, 85.01 feet along said westerly right of way to the southeast corner of Lot 2A, Maple Subdivision;

Thence South 61º14'08" West, 149.76 feet along the southerly boundary of said lot;

Thence North 29º07'05" West, 59.00 feet along the westerly boundary of said lot;

Thence North 61º14'08" East, 150.15 feet along the northerly boundary of said lot to westerly right of way for River Street;

Thence North 28º44'15" West, 56.16 feet along said westerly right of way to the southeast corner of Lot 5, Block 6;

Thence South 61º14'48" West, 120.00 feet along the southerly boundary of said lot;

Thence North 28º44'12" West, 72.13 feet to the northwesterly corner of the south 12' of Lot 3, Block 6;

Thence North 61º15'35" East, 120.00 feet along the northerly boundary of said south 12' to the westerly right of way for River Street;

Thence North 28º44'15" West, 78.07 feet along said westerly right of way to the southerly right of way for Chestnut Street;

Thence South 61º16'06" West, 120.00 feet along said southerly right of way;

Thence North 28º44'15" West, 49.98 feet to the centerline of Chestnut Street;

Thence North 28º45'10" West, 399.83 feet to the centerline of Elm Street;

Thence North 28º45'17" West, 400 feet to the centerline of Pine Street;

Thence North 28º45'43" West, 50.00 feet across Pine Street to its northerly right of way;

Thence North 61º12'46" East, 120.00 feet along said northerly right of way to the westerly right of way for River Street;

Thence North 28º45'43" West, 90.01 feet along said westerly right of way to the northeast corner of Lot 8A, Block 19;

Thence South 61º12'40" West, 120.00 along the northerly boundary of said lot to the southwesterly corner of Lot 7, Block 19;

Thence North 28º45'43" West, 260.02 feet to the centerline of Walnut Street;

Thence North 28º45'12" West, 400.48 feet through the easterly alley right of way for Block 30 to the centerline of the Croy Street right of way;

Thence North 28º44'27" West, 349.63 feet through the easterly alley right of way for Block 31 to the southerly right of way for Bullion Street;

Thence South 61º13'04" West, 1084.97 feet along said southerly right of way to a point along the westerly Hailey City Limit Boundary;

Thence North 28º48'28" West, 100.00 feet across the Bullion Street right of way and along said City Limit Boundary;

Thence North 61º13'04" East, 293.08 feet along the northerly right of way for Bullion Street to the westerly boundary for Hailey Hop Porter Park;

Thence along said boundary for Hailey Hop Porter Park for the following fourteen courses and distances, per Blaine County Assessor record descriptions:

North 44º46'56" West, 75.00 feet;
North 15º46'56" West, 558.22 feet;
North 26º57'48" East, 26.24 feet;
North 21º17'35" West, 42.46 feet;
South 49º03'02" East, 83.49 feet;
South 69º10'57" East, 21.99 feet;
South 75º43'43" East, 97.65 feet;
South 83º06'56" East, 51.80 feet;
South 81º26'56" East, 50.50 feet;
South 59º46'56" East, 52.00 feet;
South 40º26'56" East, 56.00 feet;
South 28º46'56" East, 250.90 feet;
North 60º55'19" East, 25.05 feet;
South 28º45'10" East, 100.00 feet to the northerly right of way for Bullion Street;

Thence North 61º14'12" East, 390.00 feet along said northerly right of way to the southeast corner of Lot 4, Gleneden Subdivision;

Thence North 28º45'10" West, 209.84 feet along the northerly boundary of said lot and a portion of Lot 2, said Gleneden Subdivision;

Thence North 61º14'50" East, 10.00 feet to the easterly right of way for the alley within Block 42;

Thence North 28º45'10" West, 139.97 feet along said alley right of way to the centerline of Carbonate Street;

Thence North 28º44'47" West, 399.76 feet to the centerline of Galena Street;

Thence North 28º45'19" West, 109.82 feet to the southwesterly corner of Lot 8, Block 54;

Thence North 61º12'04" East, 120.00 feet along the southerly boundary of said lot to the westerly right of way for River Street;

Thence North 28º45'19" West, 149.92 feet along said westerly right of way to the southeasterly corner of Lot 3, said Block 54;

Thence South 61º13'13" West, 120.00 feet along the southerly boundary of said lot;

Thence North 28º45'19" West, 140.03 feet to the centerline of Silver Street;

Thence North 28º45'02" West, 399.80 feet to the centerline of Spruce Street;

Thence North 28º46'35" West, 109.76 feet to the southwesterly corner of Lot 8, Block 66;

Thence North 61º13'13" East, 120.00 feet to the westerly right of way for River Street;

Thence North 28º46'35" West, 239.14 feet along said westerly right of way to the southerly right of way for Myrtle Street;

Thence South 61º08'24" West, 120.00 feet along said southerly right of way;

Thence North 28º46'35" West, 20.00 feet along said southerly right of way;

Thence South 61º08'24" West, 64.56 feet along said southerly right of way;

Thence North 28º51'36" West, 60.00 feet across Myrtle Street to its northerly right of way;

Thence North 61º08'24" East, 64.63 feet along said northerly right of way to the southwesterly corner of Lot 10, Block 67;

Thence North 28º43'52" West, 50.00 feet along the westerly boundary of said lot;

Thence North 61º08'24" East, 120.00 feet along the northerly boundary of said lot to the westerly right of way for River Street;

Thence North 28º43'52" West, 90.08 feet along said westerly right of way to the southeasterly corner of Lot 1, Johnson-McMurdo Subdivision;

Thence South 61º20'10" West, 180.23 feet along the southerly boundary of said lot;

Thence North 19º12'05" West, 182.39 feet along the westerly boundary of said lot to a point on the southerly boundary of Lot 1, Block 2, Bow and Arrow Subdivision;

Thence South 61º12'25" West, 74.60 feet along said southerly boundary;

Thence North 21º13'43" West, 180.99 feet to the northwest corner of Lot 3, Block 2, Bow and Arrow Subdivision;

Thence North 61º14'35" East, 210.94 feet along the northerly boundary of said lot to the westerly right of way for River Street;

Thence North 24º03'35" West, 209.75 feet along said westerly right of way to the southeasterly corner of Lot 1, Block 1, Saddle River Subdivision;

Thence North 28º44'22" West, 159.30 feet along said westerly right of way to the centerline of Empty Saddle Trail;

Thence North 62º29'22" East, 70.02 feet across River Street to a point along its easterly right of way;

Thence South 28º44'22" East, 158.40 feet along said easterly right of way to the southwesterly corner of Lot 1, Block 2, Saddle River Subdivision;

Thence North 61º45'10" East, 131.87 feet along the southerly boundary of said lot to a point on the westerly boundary of Lot 2, Block 2, Saddle River Subdivision;

Thence South 28º17'32" East, 60.00 feet to the southwesterly corner of said lot;

Thence North 61º45'10" East, 150.00 feet along the southerly boundary of said lot to the westerly right of way for Main Street;

Thence North 28º17'32" West, 249.74 feet along said westerly right of way to the northerly right of way for Empty Saddle Trail;

Thence South 62º28'10" West, 275.87 feet along said northerly right of way to the easterly right of way for River Street;

Thence North 28º45'34" West, 181.30 feet along said easterly right of way to the northwesterly corner of Lot 4B, North Hailey Plaza Subdivision;

Thence North 61º42'26" East, 277.32 feet along the northerly boundary of said Lot 4B and Lot 5 of said subdivision to the westerly right of way for Main Street;

Thence North 28º17'32" West, 631.20 feet along said westerly right of way to its intersection with the centerline of McKercher Boulevard and the TRUE POINT OF BEGINNING;

SAID PARCEL CONTAINING 149.29 ACRES, MORE OR LESS.

EXCEPTING THEREFROM THE FOLLOWING FIVE AREAS:

Gateway Subdivision

A parcel of land located within Section 9, Township 2 North, Range 18 East, Boise Meridian, City of Hailey, Blaine County, Idaho, also known as Gateway Subdivision, the boundary of which is more particularly described as follows:

Commencing at Blaine County GIS Monument 2N18E9N1/4 marking the North 1/4 corner of said Section 9, said point lying North 89º25'56" West, 2629.34 feet from Blaine County GIS Monument 2N18E9NE marking the Northeast corner of said Section 9;

Thence North 87°39'58" West, 754.70 feet to the southeasterly corner of said Gateway Subdivision and the TRUE POINT OF BEGINNING;

Thence North 89°19'27" West, 239.92 feet to the southwesterly corner of said subdivision;

North 28°15'25" West, 274.98 feet to the northwesterly corner of said subdivision;

South 89°17'55" East, 239.73 feet to the northeasterly corner of said subdivision;

South 28°18'09" East, 274.98 feet to the southeasterly corner of said subdivision and the TRUE POINT OF BEGINNING; containing 1.32 acres, more or less.

Block 68, Original Hailey Townsite

A parcel of land located within Section 9, Township 2 North, Range 18 East, Boise Meridian, City of Hailey, Blaine County, Idaho, also known as Block 68, Original Hailey Townsite, the boundary of which is more particularly described as follows:

Commencing at Blaine County GIS Monument 2N18E9N1/4 marking the North 1/4 corner of said Section 9, said point lying North 89º25'56" West, 2629.34 feet from Blaine County GIS Monument 2N18E9NE marking the Northeast corner of said Section 9;

Thence South 41°35'29" West, 1168.41 feet to the northeasterly corner of said block and the TRUE POINT OF BEGINNING;

South 28º45'44" East, 299.78 feet to the southeasterly corner of said block;
South 61º08'25" West, 266.10 feet to the southwesterly corner of said block;
North 28º43'52" West, 300.30 feet to the northwesterly corner of said block;
North 61º15'02" East, 265.93 feet to the northeasterly corner of said Block 68 and the TRUE POINT OF BEGINNING, containing 1.83 acres, more or less.

Evergreen Condominiums

A parcel of land located within Section 9, Township 2 North, Range 18 East, Boise Meridian, City of Hailey, Blaine County, Idaho, also known as Evergreen Condominiums, the boundary of which is more particularly described as follows:

Commencing at Blaine County GIS Monument 2N18E9N1/4 marking the North 1/4 corner of said Section 9, said point lying North 89º25'56" West, 2629.34 feet from Blaine County GIS Monument 2N18E9NE marking the Northeast corner of said Section 9;

Thence South 46°14'12" West, 1518.06 feet to the northeasterly corner of said Evergreen Condominiums and the TRUE POINT OF BEGINNING;

South 28º43'52" East, 120.30 feet to the southeasterly corner of said condominiums;

Thence South 61º20'00" West, 120.13 feet to the southwesterly corner of said condominiums;

Thence North 28º40'15" West, 120.03 feet to the northwesterly corner of said condominiums;

Thence North 61º12'25" East, 120.00 feet to the northeasterly corner of said condominiums and the TRUE POINT OF BEGINNING, containing 0.33 acres, more or less.

Bullion Square Condominiums
A parcel of land located within Section 9, Township 2 North, Range 18 East, Boise Meridian, City of Hailey, Blaine County, Idaho, also known as Bullion Square Condominiums, the boundary of which is more particularly described as follows:

Commencing at Blaine County GIS Monument 2N18E9N1/4 marking the North 1/4 corner of said Section 9, said point lying North 89º25'56" West, 2629.34 feet from Blaine County GIS Monument 2N18E9NE marking the Northeast corner of said Section 9;

Thence South 04°03'12" East, 2632.72 feet to the northeasterly corner of said Bullion Square Condominiums and the TRUE POINT OF BEGINNING;

Thence South 28º44'51" East, 299.77 feet to the southeasterly corner of said condominiums;

Thence South 61º14'27" West, 119.97 feet to the southwesterly corner of said condominiums;
Thence North 28º45'00" West, 299.75 feet to the northwesterly corner of said condominiums;
Thence North 61º13'54" East, 119.98 feet to the northeasterly corner of said condominiums and the TRUE POINT OF BEGINNING, containing 0.83 acres, more or less.
Old Town Bungalows Townhomes and Amended Lot 16A, Block 129, Original Hailey Townsite
A parcel of land located within Sections 9 and 16, Township 2 North, Range 18 East, Boise Meridian, City of Hailey, Blaine County, Idaho, also known as Old Town Bungalows Townhomes and Amended Lot 16A, Block 129, Original Hailey Townsite, the boundary of which is more particularly described as follows:

Commencing at Blaine County GIS Monument 2N18E9N1/4 marking the North 1/4 corner of said Section 9, said point lying North 89º25'56" West, 2629.34 feet from Blaine County GIS Monument 2N18E9NE marking the Northeast corner of said Section 9;

Thence South 15°24'09" East, 5397.74 feet to the northeasterly corner of said Old Town Bungalows Townhomes and the TRUE POINT OF BEGINNING;

Thence South 28º44'58" East, 239.95 feet along said boundary to its southeasterly corner;

Thence South 61º11'01" West, 119.90 feet along said boundary to its southwesterly corner;
Thence North 28º44'53" West, 240.02 feet along said boundary to its northwesterly corner;
Thence North 61º12'57" East, 119.89 feet along said boundary to its northeasterly corner;
and the TRUE POINT OF BEGINNING, containing 0.66 acres, more or less.
THE PREVIOUS FIVE EXCEPTIONS EQUALING A TOTAL OF 4.97 ACRES, MORE OR LESS, RESULTING IN A TOTAL HAILEY URBAN REDEVELOPMENT AUTHORITY AREA OF 144.32 ACRES, MORE OR LESS.

END OF DESCRIPTION.

ATTACHMENT 3

Private Properties Which May be Acquired by the Agency

(Limited to Public Improvements and Facilities)

1. Property is intended to be acquired that is necessary for the extension or expansion of certain rights-of-way. No other particular properties have been identified for acquisition by the Agency. The Agency does not intend to purchase property for future development by private persons.

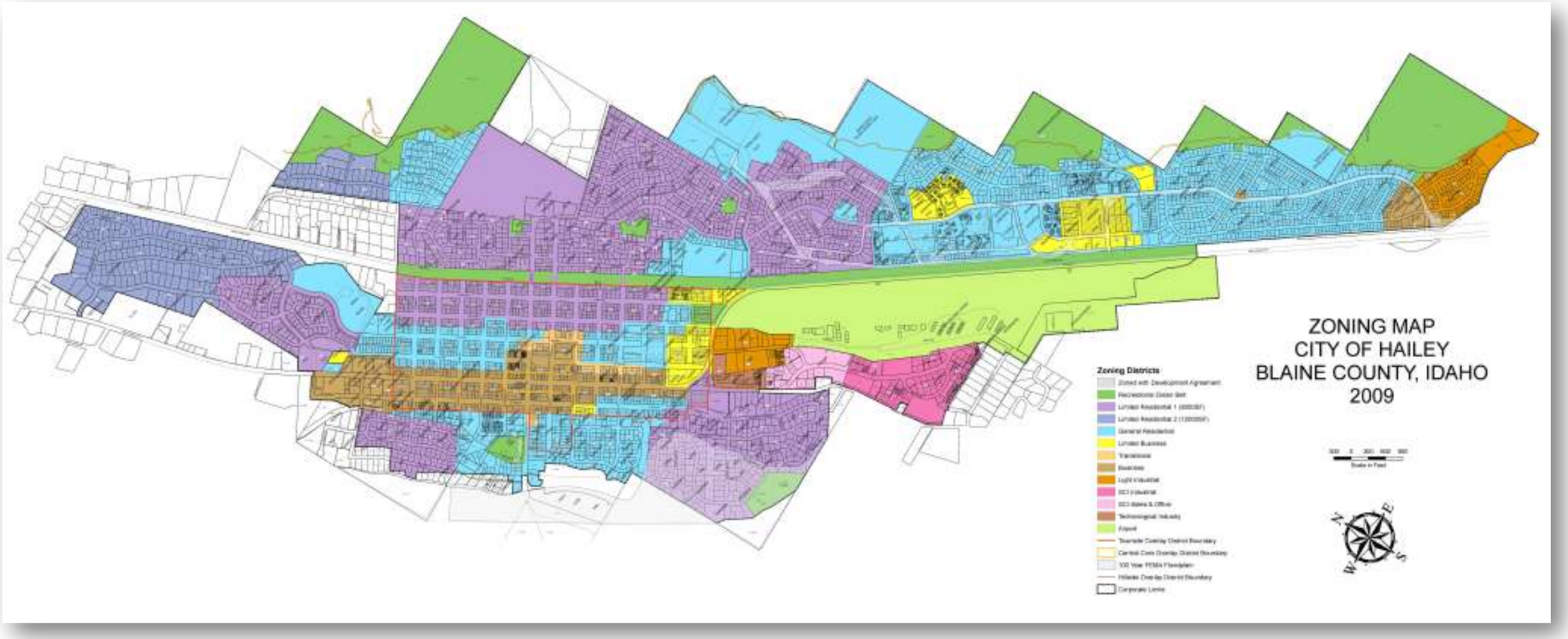
2. The Agency reserves the right to acquire any additional right-of-way or access routes near or around existing or planned rights-of-way.

3. The Agency reserves the right to acquire property needed for the development of public improvements and public facilities and/or further remediation of environmental condition.

ATTACHMENT 4

Map Depicting Expected Land Uses and Current Zoning within Revenue Allocation Area

(see next page)


ZONING MAP
CITY OF HAILEY
BLAINE COUNTY, IDAHO
2009
Zoning Districts

ATTACHMENT 5.1

Public Improvements within the Revenue Allocation Area

This attachment includes a project list of proposed public works or improvements within the Project area. The Project area includes streets, alleys and other public right-of-way.

The Hailey URA Public Improvement List identifies needed investments in capital facilities by the Hailey URA. Capital facilities generally have long useful lives and significant costs. Some of the improvement projects contained in the Hailey URA Public Improvement List are also contained in the City of Hailey Capital Improvement Plan (CIP) or have been identified in the "Hailey Downtown Strategy." Some improvement projects included in the Hailey URA Public Improvement List have evolved upon consideration of these and various other city plans and polices, including the Comprehensive Plan, have grant funding allocated. The project list is not an appropriation or approval of any specific project. The identification of projects needs to be flexible and updated periodically to respond to changing circumstances. The Hailey URA covers the 20-year period 2013 to 2033.

The Hailey URA is estimated to generate $8,680,451 in tax increment revenue between 2013 and 2033 in addition to the initial $50,000 loan from the City of Hailey to activate the program. The total from both sources is estimated to be $8,730,451. There are presently $8,072,000 of project costs identified in the Public Improvement List for the URA as well as a sum of $649,020 for administrative costs over the life of the district. Total estimated expenditures therefore, equal $8,721,020 leaving a positive program balance of $9,431 at the end of the term. See attached cash flow analysis for detailed estimates.

Secure funding includes revenue allocation funds and is money the URA is highly likely to receive. The funds may not be in the URA's possession at the beginning of the Plan period, but it is virtually certain that the URA will receive the funds. The URA may need to take specific actions to generate the funding, but those actions are within the URA's powers. Despite the high probability of secure funding, no project can proceed until a specific, enforceable funding plan is in place.

Potential funding is money that might be received by the URA. In every case the URA is eligible for the funding, and the source of funding exists under current law. However, each potential funding source requires one or more additional steps or decisions before the URA can obtain the resources, and the ultimate decision is outside of the URA's independent control. Grant funds are an example of potential funding.

Unfunded projects, or portions of projects lack secure or potential funding.

The amount of tax increment contributed to each project will vary. These projects will be funded in part from a variety of other revenue sources. The timing of each project and the availability of all revenue sources will determine the final combination of funding sources.

The plan proposes certain public improvements that will facilitate development and support rehabilitation in the Project area. The investments will be funded from a variety of financing methods and sources. The primary method of financing will be through the use of tax increment revenue (i.e., incremental property taxes from the revenue allocation area). This plan anticipates that the tax increment revenue may be used to pay for improvements on a pay-as-you-go basis, or through the issuance of bonds, or a combination of both.

Other sources of funding for project may include, but are not limited to:

- Local Improvement District (LID)
- Business Improvement District (BID)
- Local Option Tax (LOT) from the City of Hailey in support of Economic Development projects that pertain to the Hailey Urban Renewal Agency's Plan for the Gateway District.
- Development Impact Fees
- Franchise Fees
- Grants from federal, state, regional agencies and/or private entities
- Other bonds, notes and/or loans
- Improvements and/or payments by developers
- Jointly funded partnerships with local agencies

The total project costs and the amount of tax increment contributed to each project are estimates. The estimated project costs and revenues are based on the URA's present knowledge and expectations. The URA may modify the project and/or the plan if the Board deems such modifications necessary to effectuate the plan. The timing of each project and the availability of all revenue sources will determine the final combination of funding sources.

Summary of Projects

The following table summarizes the estimated total project costs for each project. Specific project funding will be reviewed by the Hailey Urban Renewal Board during the annual budget cycle.

Urban Renewal Agency Projects: Gateway District	
Street Improvements	$6,129,000.00
Includes Drainage Improvements	
Includes Landscaping	
Includes Arterial and Collector Streets	
Water System Improvements	$150,000.00
Downtown Public Infrastructure Improvements	$1,525,000.00
Includes Plaza and Town Square	
Public Art	$60,000.00
Other Public Facilities	$158,000.00
Total Project Costs	**$8,072,020.00**

Cost of Improvements by Year (2014-2033)

Year	Secure Funding (Tax Increment Revenue)	Potential Funding	Unfunded	Total Project Liabilities
2014	$0.00	$0.00	$0.00	$25,000
2015	$50,415.00	$0.00	$0.00	$75,374.00
2016	$84,090.00	$0.00	$0.00	$45,502.00
2017	$118,696.00	$0.00	$0.00	$87,804.00
2018	$154,269.00	$0.00	$0.00	$143,140.00
2019	$190,851.00	$0.00	$0.00	$258,628.00
2020	$228,842.00	$0.00	$0.00	$241,272.00
2021	$267,206.00	$0.00	$0.00	$265,000.00
2022	$307,069.00	$0.00	$0.00	$309,000.00
2023	$348,117.00	$0.00	$0.00	$348,000.00
2024	$390,400.00	$0.00	$0.00	$385,000.00
2025	$433,969.00	$0.00	$0.00	$435,000.00
2026	$478,877.00	$0.00	$0.00	$475,000.00
2027	$525,181.00	$0.00	$0.00	$533,000.00
2028	$572,939.00	$0.00	$0.00	$570,000.00
2029	$622,211.00	$0.00	$0.00	$625,000.00
2030	$673,061.00	$0.00	$0.00	$660,000.00
2031	$725,555.00	$0.00	$0.00	$730,000.00
2032	$779,762.00	$0.00	$0.00	$780,000.00
2033	$835,754.00	$0.00	$0.00	$835,000.00
2034	$893,607.00	$0.00	$0.00	$895,000.00
2035	$0.00	$0.00	$0.00	$0.00
Total	$8,680,451.00	$0.00	$0.00	$8,721,720.00

Note: The negative amount reflected in liabilities exceeding Tax Increment revenues is due to the accounting for the receipt and repayment of the initial City of Hailey loan

ATTACHMENT 5.2

Economic Feasibility Study

The Hailey URA Plan is economically feasible because the proposed development is consistent with the City's Comprehensive Plan, the amount of growth in the area is consistent with the growth projected in the Comprehensive Plan and the revenue from the URA equals or exceeds the estimated costs of the projects to be funded by the URA.

The economic feasibility of the Hailey URA Plan is based on the following factors:

- The amount of development proposed in the Project area
- The amount of tax revenue to be generated by the proposed development
- The amount of other revenue to be received for URA public improvement projects
- The cost of URA public improvement projects to be funded by the URA's tax increment revenue. If revenue equals or exceeds project costs, the URA Plan is economically feasible.

The following is a summary of the analysis and estimates of the factors used to determine the economic feasibility of Hailey's URA Plan.

Hailey URA Financial Feasibility Analysis

Summary:

Over the course of the Revenue Allocation District, $8,680,451 of Tax Increment Revenue will be generated. Fifteen percent (15%) will be used annually for administration of the Urban Renewal District for a total of $614,020 for administration costs over the 20-year lifespan of the District. Administrative expense has been capped at $35,000 annually.

At this time, no Revenue bonds are planned for the Project Area; however, a debt scenario was developed to determine the viability and impact of debt financing should the Commission determine such action was in the best interest of the Project. An interest rate of 6.0% was assumed for an estimated $2,000,000 bond issued in 2016 to advance project timing. Debt service in support of that bond issue would continue through the remaining life of the Project Area. Interest cost over that period would amount to $1,037,882 thereby reducing total resources available for investments funded by tax increment proceeds to $5,482,484 after subtracting repayment of the initial City $50,000 advance, annual administration costs and assumed debt service costs.

At the conclusion of the Gateway District in 2033, the termination plan will submit any unspent funds by September 2034 to the County Treasurer to distribute to the taxing districts according to their levy percentages.

The graph entitled "Projected Revenues and Expenses gives a more detailed outlook on the revenues and expenses of the Gateway District.

The following assumptions were made in the formulation of the Financial Feasibility Analysis:

- Land Value Increase @ 5% / Yr
- Improvement Value Increase @ 2% / Yr.
- $1,000.000 average annual new Construction Value
- Tax Rate declines .5% / yr
- Total Cost of Improvements over the life of the project: $8,072,020
- Tax rate does not include debt service for bonds issues after 2007 or the School District Plant levy excluded by law.

The Financial Feasibility Analysis shows that the project is 100% financially feasible and will generate adequate funds within the project area to fully fund the necessary capital improvements. The Agency will pursue outside funding sources to augment tax increment revenues, minimize debt, and advance project schedules as well as potentially reducing the number of years the project will be necessary. The Agency is committed to closing the district as soon as the project is deemed complete and all infrastructure improvements are made and financial obligations satisfied. This would result in a benefit to the taxing districts and taxpayers supporting those districts.

Gateway Urban Renewal District: Projected Revenues and Expenses

(See next page)

Gateway Urban Renewal District

Projected Revenue and Expenses 2013 - 2034

(Preliminary Projections basesd upon current conservative estimates of revenues and costs)

Assumes no debt service -- bond issue would alter timing of projects and resource distribution

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Balance	$ -	$ 25,000.00	$ 41.00	$ 38,629.00	$ 69,521.00	$ 80,650.00	$ 12,873.00	$ 83.00	$ 2,289.00	$ 358.00	$ 475.00
Source of Funds											
Revenue Allocation	$ -	$ 50,415.00	$ 84,090.00	$ 118,696.00	$ 154,269.00	$ 190,851.00	$ 228,482.00	$ 267,206.00	$ 307,069.00	$ 348,117.00	$ 390,340.00
City Advance	$ 50,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenue Bond	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Funds Available	$ 50,000.00	$ 75,415.00	$ 84,131.00	$ 157,325.00	$ 223,790.00	$ 271,501.00	$ 241,355.00	$ 267,289.00	$ 309,358.00	$ 348,475.00	$ 390,815.00
Use of Funds											
Street Improvements	$ -			$ 50,000.00	$ 100,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00	$ 169,000.00	$ 200,000.00	$ 200,000.00
Water System Improvements	$ -	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 10,000.00	$ -	$ -
Downtown Plaza	$ -				$ -	$ 50,000.00	$ 37,000.00	$ 60,000.00	$ 85,000.00	$ 113,000.00	$ 150,000.00
Public Art	$ -					$ 10,000.00			$ 10,000.00		
Other Public Facilties	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repay City Advance	$ -	$ 37,812.00	$ 12,888.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Admin. and Professional Services	$ 25,000.00	$ 17,562.00	$ 12,614.00	$ 17,804.00	$ 23,140.00	$ 28,628.00	$ 34,272.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00
Miscellaneous	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Use of Funds	$ 25,000.00	$ 75,374.00	$ 45,502.00	$ 87,804.00	$ 143,140.00	$ 258,628.00	$ 241,272.00	$ 265,000.00	$ 309,000.00	$ 348,000.00	$ 385,000.00
Ending Balance	$ 25,000.00	$ 41.00	$ 38,629.00	$ 69,521.00	$ 80,650.00	$ 12,873.00	$ 83.00	$ 2,289.00	$ 358.00	$ 475.00	$ 5,815.00

Beginning Balance	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
	$ 5,815.00	$ 4,784.00	$ 8,661.00	$ 842.00	$ 3,781.00	$ 992.00	$ 14,053.00	$ 9,608.00	$ 9,370.00	$ 10,124.00	
Source of Funds											
Revenue Allocation	$ 433,969.00	$ 478,877.00	$ 525,181.00	$ 572,939.00	$ 622,211.00	$ 673,061.00	$ 725,555.00	$ 779,762.00	$ 835,754.00	$ 893,607.00	$ 8,680,451.00
City Advance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000.00
Revenue Bond	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Funds Available	$ 439,784.00	$ 483,661.00	$ 533,842.00	$ 573,781.00	$ 625,992.00	$ 674,053.00	$ 739,608.00	$ 789,370.00	$ 845,124.00	$ 903,731.00	$ 8,730,451.00
Use of Funds											$ -
											$ -
Street Improvements	$ 250,000.00	$ 270,000.00	$ 300,000.00	$ 300,000.00	$ 400,000.00	$ 510,000.00	$ 585,000.00	$ 745,000.00	$ 800,000.00	$ 800,000.00	$ 6,129,000.00
Water System Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 150,000.00
Downtown Plaza	$ 140,000.00	$ 150,000.00	$ 150,000.00	$ 200,000.00	$ 190,000.00	$ 100,000.00	$ 100,000.00	$ -	$ -	$ -	$ 1,525,000.00
Public Art	$ 10,000.00			$ 10,000.00			$ 10,000.00			$ 10,000.00	$ 60,000.00
Other Public Facilties *		$ 20,000.00	$ 48,000.00	$ 25,000.00	$ -	$ 15,000.00	$ -	$ -	$ -	$ 50,000.00	$ 158,000.00
Repay City Advance **	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000.00
Admin. and Professional Services ***	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 649,020.00
Miscellaneous ****	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Use of Funds	$ 435,000.00	$ 475,000.00	$ 533,000.00	$ 570,000.00	$ 625,000.00	$ 660,000.00	$ 730,000.00	$ 780,000.00	$ 835,000.00	$ 895,000.00	$ 8,721,020.00
Ending Balance	$ 4,784.00	$ 8,661.00	$ 842.00	$ 3,781.00	$ 992.00	$ 14,053.00	$ 9,608.00	$ 9,370.00	$ 10,124.00	$ 8,731.00	

** Unspecified allocation to respond to unforseen partnerships and initiatives*

*** Memorandum of Understanding between City of Hailey and Hailey Urban Renewal Agency provides for payment of 75% of annual Revenue Allocation until initial funding repaid.*

**** Provides for 15% of annual revenue allocation paid to City of Hailey for adminstrative and professional support. Capped at $35,000 annually*

***** Provides for unforseen projects costs such as possible debt service associated with a future bond issue*

Calculations recognize that Blaine County School District Plant Levy is not available for Tax Increment Purposes

Calculations assume Blaine County School District Stabilization Levy is available for Tax Increment Purposes