

RESOLUTION NO. 2021-006

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF HAILEY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF HAILEY, IDAHO, RECOMMENDING AND ADOPTING THE URBAN RENEWAL PLAN FOR THE AIRPORT WAY DISTRICT URBAN RENEWAL PROJECT, WHICH PLAN INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING AND DIRECTING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR OF THE AGENCY TO TAKE APPROPRIATE ACTION; AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR AND SECRETARY OF THE AGENCY TO MAKE CERTAIN TECHNICAL CHANGES; PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

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, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the "Law") and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the "Act"), as a duly created and functioning urban renewal agency for Hailey, Idaho, (hereinafter referred to as the "Agency");

WHEREAS, the City Council ("City Council") of the city of Hailey, Idaho (the "City"), after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Gateway District Urban Renewal Project (the "Gateway Plan");

WHEREAS, following said public hearing the City Council adopted its Ordinance No. 1138 on October 15, 2013, approving the Gateway Plan and making certain findings, including establishing the Gateway District revenue allocation area (the "Gateway District Project Area");

WHEREAS, pursuant to Idaho Code § 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 § 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, or a combination thereof;

WHEREAS, based on inquiries and information presented by certain public entities, certain interested parties and property owners, the Agency commenced certain discussions concerning examination of an area as appropriate for an urban renewal project;

WHEREAS, in early 2021, the Agency authorized Kushlan | Associates to commence an eligibility study and preparation of an eligibility report of an area located in the south westerly part of the City and west of the Friedman Memorial Airport consisting of approximately 40 acres (not including rights-of-way). The area is generally bounded by State Highway 75 on the north, Airport Way and Aviation Drive on the east, south of Dornier Way on the south, and Broadford Road on the west (the “Study Area”);

WHEREAS, the Agency obtained the Airport Way Urban Renewal District Eligibility Report, dated April 2021 (the “Report”), which examined the Study Area, an area within the area of operation of the City, for the purpose of determining whether such area was a deteriorating area and/or a deteriorated area as defined by Idaho Code §§ 50-2018(8), (9), and 50-2903(8);

WHEREAS, pursuant to Idaho Code §§ 50-2018(8), (9) and 50-2903(8), which define a deteriorating area and a deteriorated area, many of the conditions necessary to be present in such an area are found in the Study Area, to wit:

- a. presence of a substantial number of deteriorated or deteriorating structures and deterioration of site;
- b. age or obsolescence;
- c. predominance of defective or inadequate street layout;
- d. insanitary or unsafe conditions; and
- e. diversity of ownership;

WHEREAS, under the Law and Act, Idaho Code Sections 50-2903(8)(f) and 50-2018(8) and (9), the definition of a deteriorating area shall not apply to any agricultural operation as defined in section 22-4502(2), Idaho Code, absent the consent of the owner of the agricultural operation except for an agricultural operation that has not been used for three (3) consecutive years;

WHEREAS, the Report concludes there are not any parcels in the Study Area subject to such consent;

WHEREAS, the effects of the listed conditions cited in the Report result in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare in its present condition or use;

WHEREAS, the Agency Board, on May 13, 2021, adopted Resolution No. 2021-004 accepting the Report and authorized the Agency Chair to transmit the Report to the City Council requesting its consideration for designation of an urban renewal area and requesting the City Council to direct the Agency to prepare an urban renewal plan for the Study Area, which plan may include a revenue allocation area as allowed by the Act;

WHEREAS, the City Council, by Resolution No. Resolution 2021-057, dated May 24, 2021, declared the Study Area described in the Report to be a deteriorated area or a deteriorating area, or a combination thereof, as defined by Chapters 20 and 29 of Title 50, Idaho Code, as amended, that such area is appropriate for an urban renewal project and directed the Agency to commence preparation an urban renewal plan for the area designated;

WHEREAS, the Agency has embarked on an urban renewal project referred to as the Urban Renewal Plan for the Airport Way District Urban Renewal Project (the "Airport Way District Plan") to develop and/or redevelop a portion of the City, pursuant to the Law and the Act, as amended;

WHEREAS, the Airport Way District Plan proposes to create an urban renewal area commonly known as the Airport Way District Project Area, which area is shown on the "Boundary Map of Airport Way District Urban Renewal Project Area and Revenue Allocation Area" and described in the "Legal Description of Airport Way District Urban Renewal Project Area and Revenue Allocation Area," which are attached to the Airport Way Urban Renewal District Plan as Attachments 1 and 2 respectively;

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, the Agency and its consultants have prepared the proposed Airport Way District Plan for the area previously designated as eligible for urban renewal planning;

WHEREAS, the Act authorizes the Agency to adopt revenue allocation financing provisions as part of an urban renewal plan;

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

WHEREAS, in order to implement the provisions of the Law and Act, the Agency shall prepare and adopt the Airport Way District Plan and submit the Airport Way District Plan and recommendation for approval thereof to the City;

WHEREAS, as required by the Law and Act, the Agency has reviewed the information within the Airport Way District Plan concerning the use of revenue allocation funds and approved such information and considered the Airport Way District Plan at its meeting on September 14, 2021;

WHEREAS, the Agency, at several Agency Board meetings during 2021, has considered public improvements related to the Airport Way District Project Area;

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

WHEREAS, under the Act, the Airport Way District Plan shall include with specificity the following: (1) a statement 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) a statement 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 Idaho Code § 50-2903(20); 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 the City to recommend approval of the Airport Way District Plan and to adopt, as part of the Airport Way District Plan, revenue allocation financing provisions that will help finance urban renewal projects to be completed in accordance with the Airport Way District Plan in order to: (1) encourage private development in the urban renewal area; (2) prevent and arrest decay of the Airport Way District Project Area due to the inability of existing financing methods to provide needed public improvements; (3) encourage taxing districts to cooperate in the allocation of future tax revenues arising in the Airport Way District Project Area in order to facilitate the long-term growth of their common tax base; (4) encourage the long-term growth of their common tax base; (5) encourage private investment within the city; and (6) further the public purposes of the Agency;

WHEREAS, the Agency Board finds that the equalized assessed valuation of the taxable property in the revenue allocation area described in Attachments 1 and 2 of the Airport Way District Plan is likely to increase as a result of initiation of urban renewal projects in accordance with the Airport Way 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 this act, 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 Airport Way District Project Area, together with the base assessment roll values of the Gateway District Project Area cannot exceed ten percent (10%) of the current assessed values of all the taxable property in the City;

WHEREAS, the boundaries of the Airport Way District Project Area do not overlap the boundaries of a highway district;

WHEREAS, Agency staff and consultants recommend the Agency Board accept the Airport Way District Plan and forward it to the City Council; and,

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

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

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

Section 2. It is hereby found and determined that the Airport Way District Project Area as defined in the Airport Way District Plan is a deteriorated area or a deteriorating area as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Law.

Section 3. That the Agency specifically adopts the Airport Way District Plan along with any changes discussed at the September 14, 2021 Agency Board meeting, including but not limited to finalization of Attachments to the Plan, confirmation of levy rates, confirmation of the affected taxing districts, updated list of projects, estimated location or siting of improvements, updated map or legal description and any modifications to the economic feasibility study previously prepared by Agency Consultant, Kushlan | Associates.

Section 4. That the Agency recommends that the Airport Way District Plan, a copy of which is attached hereto as **Exhibit 1**, and incorporated herein by reference, be adopted by the City Council, including those sections, modifications, text, or insertion and/or replacement of Attachments as discussed at the September 14, 2021, Agency Board meeting.

Section 5. That this Resolution constitutes the necessary action of the Agency under the Act, Idaho Code § 50-2905, recommending approval by the City and that the Airport Way District Plan includes with specificity the following: (1) a statement 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) a statement 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 Idaho Code § 50-2903(20); 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 Airport Way 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 and industrial components of the Airport Way 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 Airport Way District Plan.

(b) The Airport Way District Plan affords maximum opportunity consistent with the sound needs of the City as a whole for the rehabilitation, development and redevelopment of the Airport Way Project Area by private enterprises.

(c) The Airport Way District Plan provides a feasible method for relocation of any displaced families residing within the Airport Way District Urban Renewal Project Area.

(d) The portion of the Airport Way District Project Area which is identified for residential uses is necessary and appropriate as the City Council may find there is a shortage of housing of sound standards and design which is decent, safe and sanitary in the City; 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 City.

(e) The portion of the Airport Way District Project Area which is identified for non-residential uses, the City Council may find 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 the City.

(f) The base assessment roll of the proposed Airport Way District Project Area, together with the base assessment roll values of the Gateway District Project Area, do not exceed ten percent (10%) of the current assessed values of all the taxable property in the City.

(g) The Airport Way 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.


Section 7. That this Resolution constitutes the necessary action of the Agency under the Law, Section 50-2008, Idaho Code and the Act.

Section 8. The Chair, Vice-Chair, or Executive Director and the Secretary of the Agency are hereby authorized and directed to take all steps necessary and convenient to submit the proposed Airport Way District Plan for approval by the City Council, 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 Airport Way District Plan to the various taxing entities as required by Idaho Code § 50-2906.

Section 9. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED By the Urban Renewal Agency of Hailey, Idaho, on September 14, 2021. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on September 14, 2021.

URBAN RENEWAL AGENCY OF HAILEY

By  \_\_\_\_\_  
Chair

ATTEST:

By  \_\_\_\_\_  
Secretary



**Exhibit 1**

Urban Renewal Plan for the Airport Way District Urban Renewal Project

4824-3086-2563, v. 5

**URBAN RENEWAL PLAN FOR THE  
AIRPORT WAY DISTRICT URBAN RENEWAL PROJECT**

**HAILEY URBAN RENEWAL AGENCY**

**CITY OF HAILEY, IDAHO**

**Ordinance No. \_\_\_\_\_**

**Adopted \_\_\_\_\_**

**Effective \_\_\_\_\_**

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## **Attachments**

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| Attachment 1 | Boundary Map of Airport Way District Urban Renewal Project Area and Revenue Allocation Area      |
| Attachment 2 | Legal Description of Airport Way District Urban Renewal Project Area and Revenue Allocation Area |
| Attachment 3 | Properties Which May be Acquired by the Agency   |
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| Attachment 5 | Economic Feasibility Study   |

## 100 INTRODUCTION

This is the Urban Renewal Plan (the “Plan”) for the Airport Way District Urban Renewal Project (the “Project”) in the city of Hailey (the “City”), county of Blaine, state of Idaho.

This Plan was prepared by the Board of Commissioners (the “Agency Board”) of the Urban Renewal Agency of the City of Hailey (the “Agency”), its consultants, and staff, and reviewed and recommended by the Agency pursuant to the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the “Law”), the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”), and all applicable local laws and ordinances.

The Plan includes the following attachments: Attachment 1 -Boundary Map of Airport Way District Urban Renewal Project Area and Revenue Allocation Area; Attachment 2 -Legal Description of Airport Way District Urban Renewal Project Area and Revenue Allocation Area; Attachment 3 - Private Properties Which May be Acquired by the Agency; Attachment 4 -Map Depicting Expected Land Use and Current Zoning Map of the Project Area; and Attachment 5 - Economic Feasibility Study (“Study”). Collectively, Attachments 1-5 may be referred to as the “Plan Attachments” and are incorporated herein and shall be considered a part of this Plan.

The term “Project” is used herein to describe the overall activities defined in this Plan and conforms to the statutory definition of an urban renewal project. Reference is specifically made to Idaho Code Sections 50-2018(10) and 50-2903(13) 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 Airport Way District Project Area is also referred to as the “Project Area” or “Revenue Allocation Area.”

### Plan Required Information

Idaho Code Section 50-2905 identifies what information the Plan must include with specificity as follows:

- (1) A statement 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) A statement 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 on the revenue allocation area;
- (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(20), Idaho Code. 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 urban renewal plan; and
- (8) A description of the disposition or retention of any assets of the agency upon the termination date. Provided however, nothing herein shall prevent the agency from retaining assets or revenues generated from such assets as long as the agency shall have resources other than revenue allocation funds to operate and manage such assets.

As further described below, this Plan includes the above information with specificity.

The proposed redevelopment of the Project Area as described in this Plan conforms to the City of Hailey 2010 Comprehensive Plan (the “Comprehensive Plan”), adopted by the Hailey City Council (the “City Council”), and as subsequently amended. The Agency intends to utilize and rely heavily on the City’s applicable zoning and design standards which may cover the Project Area.

**This Plan is subject to the Plan modification limitations and reporting requirements set forth in Idaho Code Section 50-2903A. Subject to limited exceptions as set forth in Idaho Code Section 50-2903A, if this Plan is modified by City Council ordinance, then the base value for the year immediately following the year in which modification occurs shall include the current year’s equalized assessed value of the taxable property in the revenue allocation area, effectively eliminating the Agency’s revenue stream.**

**A modification shall not be deemed to occur when “[t]here is a plan amendment to make technical or ministerial changes to a plan that does not involve an increase in the use of revenues allocated to the agency.” Idaho Code § 50-2903A(1)(a)(i). Annual adjustments as more specifically set forth in the Agency’s annual budget will be required to account for more/less estimated revenue, project timing and prioritization of projects. Any adjustments for these stated purposes are technical and ministerial and are not modifications under Idaho Code Section 50-2903A.**

This Plan provides the Agency with powers, duties, and obligations to implement and further the program generally formulated in this Plan for the development, 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. This Plan presents a process and a basic framework within which plan implementation, including contracts, agreements and ancillary documents will be presented and by which tools are provided to the Agency to fashion, develop, and proceed with plan implementation. The Plan has balanced the need for flexibility over the twenty (20)-year timeframe of the Plan to implement the improvements identified in Attachment 5, with the need for specificity as required by Idaho Code Section 50-2905. The Plan narrative addresses the required elements of a plan set forth in Idaho Code Sections 50-2905(1), (5), (7) and (8). Attachment 5, together with the Plan narrative, meets the specificity requirement for the required plan elements set forth in Idaho Code Sections 50-2905(2)-(6), recognizing that actual Agency expenditures are prioritized each fiscal year during the required annual budgeting process.

### Specific Plan Objectives

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 development and redevelopment of the Project Area. Typically, the public will fund enhanced public improvements like utilities, streets, and sidewalks which, in turn, establish the necessary infrastructure to support adjacent private investment for a mixed-use development consisting of commercial (including, but not limited to office and retail), medical, educational, recreational, governmental, or institutional facilities, light industrial, and increased density residential facilities.

The purposes of the Law and Act will be attained through the implementation of the Plan. The priorities of this Plan are:

- a. The installation and construction of public improvements and improvements to existing and new roadways and intersections in the Project Area, including the installation of streetscape improvements, which for purposes of this Plan, the term “streetscapes” includes sidewalks, lighting, signage and wayfinding, landscaping, public art, bicycle and pedestrian facilities and similar amenities, curb and gutter and related improvements and upgrades between the curb and right-of-way line; installation and construction of public parking facilities (surface lots and/or structured facilities); improvements to public utilities including water and sewer improvements, and fire protection systems; installation and/or improvements to power, gas and fiber optic facilities; improvement of irrigation and drainage ditches and laterals; and improvement of storm drainage facilities;
- b. The planning, design, and construction of public improvements to support increased density workforce and/or other community housing opportunities;



- c. The replanning, redesign, and development of undeveloped or underdeveloped areas which are stagnant or improperly utilized because of underserved utilities, and other site conditions;
- d. The planning, design, construction and reconstruction of roads and street corridors to support access management, including the potential for an additional access point on to Broadford Road, and to allow pedestrian and other multi-modal transportation options, including bicycles, to move through the Project Area, and to increase connectivity to the broader community;
- e. The creation of a gateway entrance into the City, designated by public art, wayfinding and/or other signage;
- f. The strengthening of the economic base of the Project Area and the community by the installation of needed public improvements to stimulate new private development providing employment and economic growth;
- g. The provision of adequate land for open space, street rights-of-way and pedestrian and bicycle rights-of-way, including pathways;
- h. The provision of public service utilities, which are necessary to the development of the Project Area, such as water system improvements, sewer system improvements, and improvements to storm drainage facilities;
- i. In conjunction with the City, the establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area, 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;
- j. The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Project Area as a whole and benefiting the various taxing districts in which the urban renewal area is located; and
- k. The funding of necessary public infrastructure to accommodate both public and private development.

## **101 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 and the Ethics in Government Act of 2015, Chapters 1, 2 and 4 of Title

74, Idaho Code; reporting requirements pursuant to Idaho Code Sections 67-450B, 67-1076<sup>1</sup>, 50-2903A and 50-2913; and the competitive bidding requirements under Chapter 28, Title 67, Idaho Code, as well as other procurement or other public improvement delivery methods.

Subject to limited exceptions, 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.

The Agency may adopt separate policy statements. Any modification to any policy statement is a technical or ministerial adjustment and is not a modification to this Plan under Idaho Code Section 50-2903A.

**102 Provisions Necessary to Meet State and Local Requirements:  
Conformance with Idaho Code Sections 50-2008 and 50-2906**

Idaho law requires that the City Council, by resolution, must determine a geographic area be a deteriorated area or a deteriorating area, or a combination thereof, and designate such area as appropriate for an urban renewal project prior to preparation of an urban renewal plan. A consultant was retained to study a proposed project area (the “Study Area”) and prepare an eligibility report (“Report”). The Report was submitted to the Agency. The Agency accepted the Report by Agency Resolution No. 2021-004 on May 13, 2021, and thereafter submitted the Report to the City Council for its consideration.

The Study Area was deemed by the City Council to be a deteriorating area and/or a deteriorated area as defined by the Law and Act, and therefore eligible for an urban renewal project by adoption of Resolution No. 2021.057 on May 24, 2021. With the adoption of Resolution No. 2021.057, the City Council authorized the preparation of an urban renewal plan by the Agency.

The Plan was prepared and submitted to the Agency for its review and approval. The Agency approved the Plan by the adoption of Agency Resolution No. \_\_\_\_\_ on \_\_\_\_\_, 2021, and submitted the Plan to the City Council with its recommendation for adoption.

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, by resolution, reported to the City Council that this Plan is in conformity with the City’s Comprehensive Plan.

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 published in the *Idaho Mountain Express*, a newspaper having general circulation in the City. The City Council adopted this Plan on \_\_\_\_\_, 2021, by Ordinance No. \_\_\_\_\_.

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<sup>1</sup> Pursuant to House Bill 73, passed during the 2021 Legislative Session, significantly effective as of January 1, 2021, with the remaining sections in full force and effect on and after January 1, 2022, Idaho Code Section 67-450E is replaced by Idaho Code Section 67-1076.

### **103 History and Current Conditions of the Area**

As more specifically described in the Report, the Project Area is approximately 40 acres (not including rights-of-way) and is located entirely within City limits in the south westerly part of the City and west of the Friedman Memorial Airport. The area is generally bounded by State Highway 75 on the north, Airport Way and Aviation Drive on the east, south of Dornier Way on the south, and Broadford Road on the west. The Project Area is a predominantly commercial and industrial area, which also permits mixed-use projects allowing for higher density residential facilities, as well as six (6) parcels under ownership of public entities. Of the privately held parcels, approximately 15.05 acres is vacant property, none of which has been used for an agricultural operation or forestry purposes within the past three years. The Project Area includes mixed zoning for light industrial, limited manufacturing and research and design uses, public, commercial, office and residential uses. This area is underdeveloped, and current uses may not be wholly consistent with the City's vision set forth in the Comprehensive Plan.

The Project Area is accessed by way of Airport Way from State Highway 75 and includes a number of intersecting low-volume streets. Currently, Airport Way/Aviation Way provides the primary access to the Project Area, with limited secondary access from Broadford Road, which is located a substantial distance from the most developed part of the Project Area. This is significant due to the location of critical uses in this area, including the City's maintenance facilities, the medical clinic, and the Blaine County Public Safety Complex. Should the northern end of Airport Way be blocked for any reason, access to and from these critical community facilities would be severely hampered.

The Project Area has not developed evenly and there are significant gaps in the area's public infrastructure. Many of the local streets within the Project Area do not have curb, gutter or sidewalks, or related streetscape improvements, such as regular street-lighting. Storm drainage facilities are also lacking in areas creating significant safety issues to all users of the roadway during periods where there is ponding of water from rain and snowmelt. This condition also creates short- and long-term maintenance issues to the roadway. Further, pedestrian and bicycle facilities are inconsistent throughout the Project Area forcing multiple users into the roadway, which can create user conflict and presents safety concerns. In general, water and sewer facilities exist in or near areas necessary to support the desired level of development; however, improvements to the system may be necessary to support the intended usage growth.

The Plan proposes improvements to public infrastructure and other publicly-owned assets throughout the Project Area, creating the framework for the development of a thriving mixed-use light industrial, commercial, office, high-density residential area, with connectivity to the broader community, as well as other public facilities and public improvements, including but not limited to streets, streetscapes, water, sewer, and storm drainage improvements, public parking, public art, open space and pedestrian/bike paths and trails.

The Project Area is underdeveloped and is not being used to its highest and best use due to the presence of a substantial number of deteriorating structures, deterioration of site, age and obsolescence, a predominance of defective or inadequate street layout, insanitary or unsafe

conditions, and diversity of ownership. The foregoing conditions have resulted in economic underdevelopment of the area and have arrested or impaired growth in the Project Area.

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 Agency to finance a variety of needed public improvements and facilities. Finally, some of the new developments and improvements may also generate new jobs in the community that would, in turn, benefit area residents.

It is unlikely individual developers or public partners will take on the prohibitive costs of constructing the necessary infrastructure in the Project Area without the ability of revenue allocation to help offset at least some of these costs. But for urban renewal and revenue allocation financing the proposed office, commercial, mixed-use higher density residential and light industrial developments and related public improvements would not occur.

#### **104 Purpose of Activities**

Attachment 5 includes identification of the proposed public improvements necessary for the contemplated development in the Project Area with specificity. The description of activities, public improvements, and the estimated costs of those items are intended to create an outside limit of the Agency's activity. Due to the inherent difficulty in projecting future levy rates, future taxable value, and the future costs of construction, the Agency reserves the right to:

- a. Change funding amounts from one Project to another.
- b. Re- prioritize the Projects described in this Plan and the Plan Attachments.
- c. Retain flexibility in funding the various activities in order to best meet the Plan and the needs of the Project Area.
- d. Retain flexibility in determining whether to use the Agency's funds or funds generated by other sources.
- e. Alter the location of proposed improvements described in this Plan and identified in Attachment 5 to support development when it occurs. The information included in this Plan and in Attachment 5 describes a realistic siting of proposed public improvements within the Project Area recognizing it is difficult to project with any certainty where the improvements will be sited until any future projects submit plans to the City for design review and permitting.

**The Agency intends to discuss and negotiate with any owner or developer of parcels within the Project Area seeking Agency assistance during the duration of the Plan and Project Area.** 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 and may prioritize certain projects or types of projects.

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. The activities listed in this Plan and in Attachment 5 will be determined or prioritized as the overall Project Area develops and through the annual budget setting process.

The activities listed in this Plan and in Attachment 5 are intended to be funded as revenue allocation proceeds are available and based on annual prioritization of projects, prioritized by way of importance and feasibility to the Agency by the amounts funded. Use of revenue allocation proceeds in the Project Area will help to achieve higher objectives, long term goals, and commitments. The projected timing of funding is primarily a function of market conditions and the availability of financial resources but is also strategic, considering the timing of private development partnership opportunities and the ability of certain strategic activities to stimulate development at given points in time within the planned 20-year period of the urban renewal district and revenue allocation area.

The Study (Attachment 5) has described a list of prioritized public improvements and other related activities with an estimated cost in 2021 dollars of approximately \$4,090,000.00 for street improvements, streetscapes, water and sewer facility improvements, pedestrian and bicycle facilities, open space, property acquisition, wayfinding/signage, public art, public parking facilities, and other public improvements related to private development of mixed-use office, commercial, light industrial, and higher density residential buildings. This amount does not take into account inflationary factors, such as increasing construction costs, which would increase that figure depending on when the owner, developer and/or Agency is able to develop, construct or initiate those activities. The Study has concluded the capacity of revenue allocation funds through the term of the Plan based on the assumed development projects and assessed value increases will likely generate an estimated \$4,708,202.00. The Agency reserves the discretion and flexibility to use revenue allocation proceeds in excess of the amounts predicted in the event higher increases in assessed values occur during the term of the Plan for the improvements and activities identified. Additionally, the Agency reserves the discretion and flexibility to use other sources of funds unrelated to revenue allocation to assist in the funding of the improvements and activities identified.

## **200 DESCRIPTION OF PROJECT AREA**

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

## **300 PROPOSED REDEVELOPMENT ACTIONS**

### **301 General**

The Agency proposes to eliminate and prevent the spread of deteriorating conditions and deterioration in the Project Area by employing a strategy to improve and develop public and private lands, to improve transportation and mobility options, and to grow the economy in the Project Area. Implementation of the strategy includes, but is not limited to the following actions:

- a. The engineering, design, installation, construction, reconstruction, and/or improvement of streets, including improvements to Highway 75 and Airport Way, the extension of Aviation Drive to Broadford Road and a possible new emergency southerly egress from Airport Way, as well as installation and/or improvements to streetscapes throughout the Project Area, which for purposes of this Plan, the term “streetscapes” includes sidewalks, lighting, signage and wayfinding, landscaping, public art, bicycle and pedestrian facilities and similar amenities, curb and gutter and related improvements and upgrades, and an entry arch at the entrance to Airport Way from Highway 75;
- b. The engineering, design, installation, construction, and/or reconstruction of storm water management infrastructure to support compliance with federal, state, and local regulations for storm water discharge and to support private development;
- c. The engineering, design, installation, construction, and/or reconstruction of utilities (within and outside of the Project Area) including but not limited to improvements and upgrades to the water distribution system, water capacity improvements, water storage upgrades, sewer system improvements and upgrades, gravity interceptor, and improvements, and upgrades to power, gas, fiber optics, communications, and other such facilities. Construction of utilities outside of the Project Area are directly related to the growth and development within the Project Area, but cannot be sited within the Project Area;

- d. Removal, burying, or relocation of overhead utilities; removal or relocation of underground utilities; extension of electrical distribution lines and transformers; improvement of irrigation and drainage ditches and laterals; undergrounding or piping of laterals; addition of fiber optic lines or other communication systems; addition or improvements to gas and power facilities; public parking facilities, and other public improvements, including but not limited to, adequate fire flows, storm drainage facilities, pedestrian and bicycle facilities, adequate water distribution systems, roadways, streetscapes, and public open spaces that may be deemed appropriate by the Board;
- e. The provision for participation by property owners and developers within the Project Area to achieve the objectives of this Plan;
- f. The management of any property acquired by and under the ownership and control of the Agency;
- g. The provision for relocation assistance to displaced Project Area occupants and/or businesses as a result of any Agency activity, as may be required by law;
- h. The development or redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;
- i. The acquisition of real property for public right-of-way improvements, bicycle and pedestrian facilities and pathways, public parking facilities (surface lots and/or structured parking facilities), utility undergrounding, streetscape improvements and to incent economic development and/or affordable/workforce/community housing opportunities to create development opportunities consistent with the Plan, including but not limited to future disposition to qualified developers and for qualified developments, including economic development, and/or development by other public entities;
- j. The demolition or removal of certain buildings and/or improvements for public rights-of-way, bicycle and pedestrian facilities, utility undergrounding, pathways and streetscape improvements to encourage and enhance transportation and mobility options, decrease underutilized parcels, to eliminate unhealthful, unsanitary, or unsafe conditions, eliminate obsolete or other uses detrimental to the public welfare or otherwise to remove or to prevent the spread of deteriorating or deteriorated conditions and to promote economic growth and development or redevelopment;
- k. The disposition of real property through a competitive process in accordance with this Plan, Idaho law, including Idaho Code Section 50-2011, and any disposition policies adopted by the Agency;

- l. The rehabilitation and adaptive reuse and repurposing of existing structures and improvements;
- m. The preparation and assembly of adequate sites for the development and construction of facilities for mixed-use office, commercial, light industrial, and higher density residential areas, community, educational and recreational facilities, as well as light manufacturing and research and design opportunities;
- n. To the extent allowed by law, lend or invest federal or state funds to facilitate redevelopment;
- o. The environmental assessment and remediation of brownfield sites, or sites where environmental conditions detrimental to redevelopment exist;
- p. In collaboration with property owners and other stakeholders, working with the City to amend zoning regulations (if necessary) and standards and guidelines for the design of streetscape, pedestrian and bicycle corridors, open space and other like public spaces applicable to the Project Area as needed to support implementation of this Plan;
- q. The provision of financial and other assistance to encourage and attract business enterprise including but not limited to start-ups and microbusiness, local and small-to-mid-sized companies, light industrial and manufacturing, and research and design opportunities;
- r. In conjunction with the City, the establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area, 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.
- s. Other related improvements to those set forth above as further set forth in Attachment 5.

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 as permitted by the Law and the Act.

### **302 Urban Renewal Plan Objectives**

Urban renewal activity is necessary in the Project Area to combat problems of physical deterioration or deteriorating conditions. As set forth in greater detail in Section 103, the Project Area has a history of stagnant growth and development compared to the downtown area of the City based on deteriorated or deteriorating conditions that have arrested or impaired growth in



the Project Area primarily attributed to: underdeveloped properties; inadequate pedestrian and bicycle connectivity and mobility; the presence of a substantial number of deteriorating structures; deterioration of site; age and obsolescence; a predominance of defective or inadequate street layout; unsanitary or unsafe conditions; and diversity of ownership. The Plan for the Project Area is a proposal to work in partnership with public and private entities to improve, develop, and grow the economy within the Project Area by the implementation of a strategy and program set forth in Section 301.

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 303 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 a proactive strategy. The following 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 public or private development, the Agency plays a key role in creating the necessary momentum to get and keep things going.
- b. Develop new mixed-use light industrial, office, commercial, and higher density residential (including affordable/workforce/community housing projects) facilities, as well as encourage other economic development opportunities.
- c. Initiate projects designed to encourage economic development, as well as, affordable, community and workforce housing options and increased transportation and mobility options to provide greater connectivity throughout the Project Area and into the broader community.

Without direct public intervention, the Project Area has and could conceivably remain unchanged and in a deteriorated and/or deteriorating condition for the next twenty (20) years. The Plan creates the necessary flexible framework for the Project Area to support the City's economic development while complying with the "specificity" requirement set forth in Idaho Code Section 50-2905.

Land use in the Project Area may be modified to the extent that the existing brownfields, and underutilized, underdeveloped, deteriorated, deteriorating and vacant land, and land now devoted to scattered inconsistent uses may be converted to a mixed-use, office, commercial, light industrial and higher density residential area. In implementing the activities described in this Plan, the Agency shall give due consideration to the provision of adequate park, open space and

community and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of residents in the general vicinity of the Project Area covered by the Plan, recognizing the mixed-use nature of the Project Area. Additional considerations include overall streetscape improvements and special consideration for transportation and mobility options.

### **303 Participation Opportunities and Participation Agreements**

The Agency may enter into various development participation agreements with any existing or future owners of property in the Project Area, in the event such a property owner seeks and/or receives assistance from the Agency in the development and/or redevelopment of the property. The term “participation agreement” or “owner participation agreement” is intended to include all participation agreements with a property owner, including reimbursement agreements, grant agreements, and other participation agreements. In that event, the Agency may allow for an existing or future owner of property to remove the property and/or structure from future Agency acquisition subject to entering into an owner participation agreement. It is anticipated the Agency will enter into an owner participation agreement with the current owner/developer of property within the Project Area and/or its related entities. The Agency may also enter into owner participation agreements with other future owners and developers within the Project Area throughout the duration of this Plan in order to implement the infrastructure improvements set forth in this Plan.

Each structure and building in the Project Area to be rehabilitated or 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 pursuant to the requirements of the Law and Act, if the rehabilitated or new structure meets the standards set forth in an executed owner participation agreement and complies with the applicable provisions of this Plan, local codes and ordinances, and the Idaho Code.

**All owner participation agreements will address development timing, justification and eligibility of project costs, and achievement of the objectives of the Plan. The Agency shall retain its discretion in the funding level of its participation. Obligations under owner participation agreements shall terminate no later than the termination date of this Plan—December 31, 2041. The Agency shall retain its discretion to negotiate an earlier date to accomplish all obligations under any owner participation agreement.**

In all owner 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 an owner 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 under an owner participation agreement fails or refuses to rehabilitate, develop, use, and maintain its real property pursuant to this Plan and an owner participation agreement, the real property or any interest therein may be acquired by the Agency

in accordance with Section 305.1 of this Plan and sold or leased for rehabilitation or development in accordance with this Plan.

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

- Encouraging property owners to revitalize and/or remediate deteriorated areas or deteriorating areas of their parcels to accelerate development in the Project Area.
- Subject to the limitations of the Law and the Act, providing incentives to property owners to encourage utilization and expansion of existing permitted uses during the transition period to prevent a decline in the employment base and a proliferation of vacant and deteriorated parcels in the Project Area during the extended development and/or redevelopment of the Project Area.
- To accommodate improvements and expansions allowed by City regulations and generally consistent with this Plan for the Project Area.
- Subject to the limitations of the Law and 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 through the term of the Plan.
- Provide for advance funding by the developer/owner participant of those certain public improvements related to or needed for the private development. In that event, the Agency will agree as set out in the owner participation agreement to reimburse a portion of, or all of, the costs of public improvements identified in the participation agreement from the revenue allocation generated by the private development. Though no specific advance funding by a developer/owner participant is shown in Attachment 5, this Plan specifically allows for such an advance.

### **304 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.

Subject to applicable authority, the Agency may impose on all public bodies the planning and design controls contained in this Plan to ensure 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 public land, buildings, facilities, structures, or other improvements of the Project Area as allowed by the Law and the Act.

The Agency intends to cooperate to the extent allowable with the City for the engineering, design, installation, construction, and/or reconstruction of public infrastructure improvements, including, but not limited to water, sewer, storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets, roads, curbs, gutters, sidewalks, public parking facilities, walkways, and bicycle and pedestrian facilities and pathways. The Agency shall also cooperate with the City on various relocation, screening, or underground projects and the providing of fiber optic capability. To the extent any public entity, including the City, has funded certain improvements such as roadway improvements, streetscapes, bicycle and pedestrian facilities, water and sewer facilities or storm drainage improvements, the Agency may reimburse those entities for those expenses. The Agency also intends to cooperate and seek available assistance from state, federal and other 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 an agreement with the Agency and then shall be bound by the Plan and other land use elements and shall take into consideration those standards specified in Section 303 of this Plan.

This Plan does not financially bind or obligate the City, Agency and/or any other public entity to any project or property acquisition; rather, for purposes of determining the economic feasibility of the Plan certain projects and expenditures have been estimated and included in the analysis. The City has not committed to fund any public infrastructure improvements within the Project Area. Such decisions concerning capital improvement projects and/or other expenditures are made by the City annually pursuant to its budget and appropriations process. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in any owner participation agreement and in the annual budget adopted by the Agency Board.

## **305 Property Acquisition**

### **305.1 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, to facilitate economic development, including acquisition of real property intended for disposition to qualified developers through a competitive process, 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 by Idaho law and provided herein. 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 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. Acquisition of property may be for the assembly of properties for redevelopment to achieve Plan goals including public benefits. Such properties may include properties owned by private parties or public entities. This Plan anticipates the Agency's use of its resources for property acquisition.

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 Agency funds to acquire said property either through a voluntary acquisition or the invocation of eminent domain authority as limited by Idaho Code Section 7-701A.

The Agency is authorized by this Plan and Idaho Code Sections 50-2010 and 50-2018(12) to acquire the properties for the uses identified in Attachment 3 hereto for the purposes set forth in this Plan. The Agency has identified its intent to acquire and/or participate in the development of certain public improvements, including, but not limited to those identified in Section 301 of the Plan and/or Attachment 5 hereto. Further, the Agency may acquire real property to facilitate commercial and/or economic development projects by assembling and disposing of developable parcels. The Agency's property acquisition will result in remediating deteriorating conditions in the Project Area by facilitating the development of mixed-use light industrial, office, commercial, and higher density residential projects within the Project Area areas. The public improvements are intended to be dedicated to the City upon completion. The Agency reserves the right to determine which properties identified, if any, should be acquired.

It is in the public interest and is necessary, in order to eliminate the conditions requiring development and/or redevelopment and in order to execute this Plan, for the power of eminent domain to be employed by the Agency, or by the City with the Agency acting in an advisory capacity,<sup>2</sup> to acquire real property in the Project Area for the public improvements identified in this Plan, which cannot be acquired by gift, devise, exchange, purchase, or any other lawful method, subject to the limitations set forth in Idaho Code Section 7-701A.

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 generally described those properties by use as set out in Attachment 3 for acquisition for the construction of public improvements. The Agency

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<sup>2</sup> House Bill 1044, adopted by the Idaho Legislature during the 2021 Legislative Session, limited the Agency's ability to exercise eminent domain.

may also acquire property for the purpose of developing streetscape, public parking facilities and public utilities. The Agency reserves the right to determine which properties identified, if any, should be acquired.

### **305.2 Personal Property**

Generally, personal property shall not be acquired. However, where necessary in the execution of this Plan, the Agency is authorized to acquire personal property in the Project Area by any lawful means, including eminent domain as limited by Idaho Code Section 7-701A for the purpose of developing the public improvements described in Section 305.1.

### **306 Property Management**

During the time real 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 development and/or redevelopment, and such rental or lease shall be pursuant to such policies as the Agency may adopt.

### **307 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 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 as may be warranted.

In the event the Agency's activities result in 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 and shall also coordinate with the various local, state, or federal agencies concerning relocation assistance.

### **308 Demolition, Clearance and Site Preparation**

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.

Further, 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 site preparation and/or environmental remediation. In connection therewith, the Agency may cause, provide for, or undertake the installation or construction of streets, utilities, parks, pedestrian walkways, public parking facilities, drainage facilities, and other public improvements necessary to carry out this plan.

### **309 Property Disposition and Development**

#### **309.1. Disposition by the Agency**

For the purposes of this Plan, the Agency is authorized to sell, lease, lease/purchase, 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 law, including Idaho Code Section 50-2011 and pursuant to any disposition policies adopted by the Agency. 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.

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

#### **309.2 Disposition and Development Agreements**

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 is subject to the provisions of this Plan.

The Agency shall reserve such powers and controls in the disposition and development documents as the Agency deems 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, lease/purchases, 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, Idaho.

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, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, disability/handicap, tenure, or enjoyment of property in the Project Area. All property sold, leased, conveyed, or subject to a disposition and development 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 nonsegregation clauses as required by law.

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 disposition and development agreement.

That the developers, their successors, and assigns agree:

- a. That a detailed scope and schedule for the proposed development shall be submitted to and agreed upon by 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 the site and construction plans will be submitted to the Agency for review as to conformity with the provisions and purposes of this Plan.
- e. All new construction shall have a minimum estimated life as may be reasonable for the proposed development.
- f. That rehabilitation of any existing structure 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.
- g. That the Agency receives adequate assurance acceptable to the Agency to ensure performance under the contract for sale.
- 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.



- i. All disposition and development documents shall be governed by the provisions of Section 409 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. Obligations under any disposition and development agreement and deed covenants, except for covenants which run with the land, beyond the termination date of this Plan, shall terminate no later than December 31, 2041. The Agency shall retain its discretion to negotiate an earlier date to accomplish all obligations under any disposition and development agreement.**

### **309.3. Development by the Agency**

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct public improvements within the Project Area for itself or for any public body or entity, which public improvements are or would be of benefit to the Project Area. Specifically, the Agency may pay for, install, or construct the public improvements authorized under Idaho Code Sections 50-2007, 50-2018(10) and (13), and 50-2903(9), (13), and (14), and as otherwise identified in this Plan and in Attachment 5 and may acquire or pay for the land required, therefore.

Any public facility ultimately owned by the Agency shall be operated and managed in such a manner to preserve the public purpose 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 Idaho Code Section 50-2908(2)(b) and Section 500 to this Plan or out of any other available funds.

### **310 Development Plans**

All development plans (whether public or private) prepared, pursuant to disposition and development agreement or owner participation agreement, shall be submitted to the Agency Board for approval and review. All development in the Project Area must conform to those standards specified in Section 409 and all applicable City ordinances.

### **311 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.

### **312 Participation with Others**

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 Community Development Block Grant Program (“CDBG”), 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 or participate with the private or public sector with regard to any programs administered by the Idaho Department of Commerce for any purpose set forth under the Law or Act. Further, as allowed by law, the Agency may also use funds distributed pursuant to the American Rescue Plan Act (“ARPA”) either allocated directly or as a transfer from an ARPA beneficiary, or other similar federal funding that may become available.

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 Idaho Code Section 50-2908(2)(b) and Section 500 to this Plan or out of any other available funds.

### **313 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.

### **314 Arts and Cultural Funding**

The Agency may dedicate resources for the construction or purchase of facilities for the placement and maintenance of public art and arts projects may be selected and provided by the Agency, separately from any construction costs of developers. Though not required, the Agency

Board generally makes selections of the works of art with assistance from the City and the Hailey Arts and Historic Preservation Commission and may include review and approval of the City Council.

When possible, any Agency arts funding will be used to leverage additional contributions from developers, other private sources, and public or quasi-public entities for purposes of including public art within the streetscape projects identified in this Plan.

## **400 USES PERMITTED IN THE PROJECT AREA**

### **401 Designated Land Uses**

The Agency intends to rely upon the overall land use designations and zoning classifications of the City, as may be amended, and as depicted on Attachment 4 and as set forth in the City's Comprehensive Plan and within the City's zoning ordinance and requirements, including the future land use map and zoning classifications, as may be amended. For the most part, the Project Area will include a mix of uses including mixed-use light industrial, office, commercial, and higher-density residential developments, as well as public, medical and governmental uses. Such improvements are consistent with the current zoning designations. Provided, however, nothing herein within this Plan shall be deemed to be granting any particular right to zoning classification or use.

### **402 Public Rights-of-Way**

The Project Area contains existing maintained public rights-of-way included within the boundaries of the Project Area, as set forth on Attachment 1. Any new roadways, including new collectors and/or arterials to be engineered, designed, installed, and constructed in the Project Area, will be constructed in conjunction with any applicable policies and design standards of the City (and State and Federal standards if applicable) regarding dedicated rights-of-way. Additional public streets, alleys, and easements may be created in the Project Area as needed for proper development, and other potential roadways generally described in this Plan and in Attachment 5.

Development may require creation, improvement, or extension of existing streets and easements in the Project Area. Existing dirt roadways, streets, easements, and irrigation or drainage laterals or ditches may be abandoned, closed, or modified as necessary for proper development of the Project Area, in conjunction with any applicable policies and standards of the City regarding changes to dedicated rights-of-way, and appropriate irrigation or drainage districts regarding changes to laterals or ditches.

Any development, maintenance and future changes to the existing interior or exterior street layout shall be in accordance with the objectives of this Plan, and the City or the Idaho Department of Transportation's design standards, as may be applicable; 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 pedestrian and vehicular access (including cars, trucks, bicycles, etc.), 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 Area by providing convenient and efficient vehicular access and movement.

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

#### **403 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.

#### **404 Interim Uses**

Pending the ultimate development of land by developers and participants, the Agency is authorized to use or allow 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 City Code.

#### **405 Development in the Project Area Subject to the Plan**

All real property in the Project Area, under the provisions of either a disposition and development agreement or an 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.

#### **406 Construction Shall Comply with Applicable Federal, State, and Local Laws and Ordinances and Agency Development Standards**

All construction in the Project Area shall comply with all applicable state laws, the City Code, as may be amended from time to time, and any applicable City Council ordinances pending codification, including but not limited to, regulations concerning the type, size, density, and height of buildings; open space, landscaping, light, air, and privacy; the undergrounding of utilities; limitation or prohibition of development that is incompatible with the surrounding area by reason of appearance, traffic, smoke, glare, noise, odor, or similar factors; energy efficiency; parcel subdivision; off-street loading and off-street parking requirements.

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.

#### **407 Minor Variations**

Under exceptional circumstances, the Agency is authorized to allow a variation from the limits, restrictions, and controls established by this Plan. In order to allow 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. Allowing a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area; and
- d. Allowing 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 allowing any such variation, the Agency shall impose such conditions as are necessary to protect the public peace, health, safety, or welfare and to assure compliance with the purposes of the Plan. Any variation allowed by the Agency hereunder shall not supersede any other approval required under City codes and ordinances and shall not be considered a modification to the Plan.

#### **408 Nonconforming Uses**

The Agency may allow 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 an owner 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 Area 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 codes and ordinances.

#### **409 Design Guidelines for Development under a Disposition and Development Agreement or Owner Participation Agreement**

Within the limits, restrictions, and controls established in this Plan, the Agency is authorized to incorporate heights of buildings, density, 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 as conditions of approval in applicable Agency agreements, including but not limited to disposition and development agreements and owner participation agreements. Any development must also comply with the City's zoning ordinance regarding heights, setbacks, density, and other like standards.

In the case of property which is the subject of a disposition and development agreement or an owner 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 a disposition and development agreement and an owner participation 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 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. 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 find that any approved plans do 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. These additional design standards or controls will be implemented through the provisions of any disposition and development agreement or owner participation agreement. 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.

## **500 METHODS OF FINANCING THE PROJECT**

### **501 General Description of the Proposed Financing Methods**

The Agency is authorized to finance this Project with revenue allocation funds, financial assistance from the City (loans, grants, other financial assistance), state of Idaho, federal government or other public entities, interest income, developer advanced funds, donations, loans from private financial institutions (bonds, notes, line of credit), the lease or sale of Agency-owned property, public parking revenue, 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, lines of credit, borrow funds, and create indebtedness in carrying out this Plan. The Agency may also consider an inter-fund transfer or grant from the City or an existing revenue allocation area. 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 improvements and facilities. The City or any other public agency, as properly budgeted, may expend money to assist the Agency in carrying out this Project.

As allowed by law and subject to restrictions as are imposed by law, the Agency is authorized to issue notes or 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.

### **502 Revenue Allocation Financing Provisions**

The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, effective retroactively to January 1, 2021. These revenue allocation provisions shall apply to all taxing districts which are located in or overlap the Revenue Allocation Area shown and 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 Revenue Allocation Area is likely to increase as a result of the initiation of the Project.

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 as costs are incurred (pay-as-you-go) or to reimburse a developer or property owner for advance funded public infrastructure or to pledge all or any portion of such revenues to the repayment of any moneys advance-funded by developers or owners, borrowed, indebtedness incurred, or notes 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.

The Agency may consider a note or line of credit issued by a bank or lending institution premised upon revenue allocation funds generated by a substantial private development contemplated by the Study as defined in section 502.1, which would allow the Agency to more quickly fund the public improvements contemplated by this Plan. Likewise, a developer/owner advanced funding of certain eligible public infrastructure improvements to be reimbursed pursuant to an owner participation agreement could achieve the same purpose.

Upon enactment of a City Council ordinance finally adopting these revenue allocation financing provisions and defining the Revenue Allocation 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, a schedule of improvements, 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 this Plan and in Attachment 5 to this Plan. This statement necessarily incorporates estimates and projections based on the Agency's and the consultants' present knowledge and expectations. The Agency is hereby authorized to adjust the presently anticipated urban renewal projects and use of revenue allocation financing of the related Project Costs if the Board deems such adjustment necessary or convenient to effectuate the general objectives of the Plan in order to account for revenue inconsistencies, market adjustments, future priorities, owner participation agreement applicants, and unknown future costs. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in the annual budget.

The Agency may appropriate funds consisting of revenue allocation proceeds on an annual basis without the issuance of notes or bonds. The Agency may also obtain advances or loans from the City<sup>3</sup>, or from the Agency's other revenue allocation area, or private entity and financial institutions in order to immediately commence construction of certain of the public improvements. Developer advanced funding of public improvements could also achieve the same purpose. The revenue allocation proceeds are hereby irrevocably pledged for the payment of the principal and interest on the advance of monies or making of loans or the incurring of any

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<sup>3</sup> The City has not committed funding for any public improvement projects. Any City funding would be subject to annual budgeting and appropriation.



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, including reimbursement to developers for the cost of eligible public improvements.

Revenues will continue to be allocated to the Agency until termination of the revenue allocation area as set forth in Section 800. Attachment 5 incorporates estimates and projections based on the Agency's and the consultants' present knowledge and expectations concerning the length of time to complete the improvements and estimated future revenues. 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 from another source.

The revenue allocation proceeds are hereby irrevocably pledged for the payment of the principal and interest on the advance of monies or 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, including reimbursement to any owner/developer for the cost of eligible public improvements pursuant to an owner participation agreement.

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

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.

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.

### **502.1 Economic Feasibility Study**

Attachment 5 constitutes the Economic Feasibility Study ("Study") prepared by Kushlan | Associates. The Study constitutes the financial analysis required by the Act and is based upon existing information from property owners, developers, the Agency, City, and others.

### **502.2 Assumptions and Conditions/Economic Feasibility Statement**

The information contained in Attachment 5 assumes certain completed and projected actions. All debt is projected to be repaid no later than the duration period of the Plan. The total amount of indebtedness (and all other loans or indebtedness), developer reimbursement and the amount of revenue generated by revenue allocation are dependent upon the extent and timing of private development. Should all of the projected 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 the Plan Attachments incorporate estimates and projections based on the Agency's and consultants' present knowledge and expectations. The Plan proposes certain public improvements as set forth in this Plan and in Attachment 5, which will facilitate development in the Revenue Allocation Area.

The assumptions set forth in the Study are based upon the best information available to the Agency and consultants through public sources or discussions with property owners, developers, City staff 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 the 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 list of public improvements, or activities within this Plan and in Attachment 5 are annually prioritized by way of importance to the Agency, by feasibility based on estimated revenues to be received, amounts funded, and by year of funding, dependent upon available funds. The projected timing of funding is primarily a function of the availability of financial resources and market conditions but is also strategic, considering the timing of private development partnership opportunities and the ability of certain strategic activities to stimulate development at given points in time within the duration of the Plan and Project Area.

The assumptions concerning revenue allocation proceeds are based upon certain anticipated or projected new developments, assessed value increases, and assumed levy rates as more specifically set forth in Attachment 5. In projecting new construction, the Study considered parcels identified as expected to develop over the life of the Project Area, communications with potential developers and City staff, and historical market absorption rates for light industrial, office, commercial, and residential projects. Further, the financial analysis set forth in Attachment 5 has taken into account and excluded levies that do not flow to the Agency consistent with Idaho Code Section 50-2908.

The types of new construction expected in the Project Area are mixed-use light industrial, office, commercial, and higher density residential (including affordable, workforce and community housing opportunities), and related public improvements. The Project Area has potential for a significant increase in mixed-use light industrial, office, commercial, and higher density residential project growth due to the location of the Project Area. However, without a method to construct the identified public improvements such as adequate fire flows, storm drainage facilities, pedestrian and bicycle facilities, adequate water distribution and sewer

collection systems, public parking facilities, roadways, curbs, gutters, and streetscapes, development is unlikely to occur in much of the Project Area.

It is understood that application of certain exemptions, including the homeowners' exemption and Idaho Code Section 63-602K, which provides for personal property tax exemption to businesses, may have the effect of reducing the increment value, which in turn reduces revenue.

### **502.3 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 taxable value for the entire City. According to the Blaine County Assessor, the assessed taxable value for the City as of January 1, 2020<sup>4</sup>, less homeowner's exemptions is \$1,126,647,293.00. Therefore, the 10% limit is \$112,664,729.00.

The adjusted base assessed value of the existing revenue allocation area and the proposed Project Area as of January 1, 2020, is as follows:

Gateway District	\$67,496,712
Airport Way District	\$34,116,251

The adjusted base values for the existing revenue allocation area and the estimated base value for the proposed Project Area, less homeowners' exemptions, is \$101,612,753, which is less than 10% of the City's 2020 taxable value.

### **502.4 Financial Limitation**

The Study identifies a number of capital improvement projects. Use of any particular financing or funding source for any particular purpose is not assured or identified. Use of the funding source shall be conditioned on any limitations set forth in the Law, the Act, by contract, or by other federal regulations. 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 Revenue Allocation 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.

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<sup>4</sup> Due to the timing of the assessment process and creation of this Plan, the 2020 certified values have been used to establish compliance with the 10% limitation. Using the 2020 values, the total adjusted base value of the existing revenue allocation area combined with the value of this Project Area are approximately 9% of the total taxable value of the City. Even assuming an increase in values for 2021, the combined adjusted base values of the revenue allocation areas would not exceed 10% of the current assessed taxable value for the entire City.

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, bonds, annual revenue allocations, developer contributions, City contributions, interfund loan, property disposition, and other funds are shown. This Study identifies the kind, number, and location of all anticipated public works or improvements, a detailed list of estimated project costs, a description of the methods of financing the estimated project costs, and the time when related costs or monetary obligations are to be incurred.<sup>5</sup> Based on these funding sources, the conclusion is that the Project is feasible.

The Agency reserves the discretion and flexibility to use revenue allocation proceeds in excess of the amounts projected in the Study for the purpose of funding the additional identified projects and improvements. The projections in the Study are based on reasonable assumptions and existing market conditions. However, should the Project Area result in greater than anticipated revenues, the Agency specifically reserves the ability to fund the additional activities and projects identified in this Plan. Further, the Agency reserves the discretion and flexibility to use other sources of funds unrelated to revenue allocation to assist in the funding of the improvements and activities identified, including but not limited to owner participation agreements and disposition and development agreements. The Agency may also, re-prioritize projects pursuant to market conditions, project timing, funding availability, and other considerations as more specifically detailed in the annual budget.

The proposed timing for the public improvements may very well have to be adjusted depending upon the availability of some of the funds and the Agency's ability to finance any portion of the Project. **Any adjustment to Project timing or funding is technical or ministerial in nature and shall not be considered a modification of the Plan pursuant to Idaho Code Section 50-2903A.**

Attachment 5 and Section 301 lists those public improvements the Agency intends to construct through the term of the Plan. The costs of improvements are estimates only as it is impossible to know with any certainty what the costs of improvements will be in future years. There is general recognition that construction costs fluctuate and are impacted by future unknowns, such as, the cost of materials and laborers. 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 City or Agency to any particular level of funding; rather, identification of the activity in the Plan allows the Agency to negotiate the terms of any reimbursement with the developer and/or City. This Plan does not financially bind or obligate the City or Agency to any project or property acquisition; rather, for purposes of determining the economic feasibility of the Plan certain projects and expenditures have been estimated and included in the analysis. The City has not committed to fund any public infrastructure improvements within the Project Area. Such decisions concerning capital improvement projects and/or other expenditures are made by the City annually pursuant to its budget and appropriations process. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in any participation agreement and in the

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<sup>5</sup> See Idaho Code § 50-2905.

annual budget adopted by the Agency Board. The proposed location and siting of the proposed public infrastructure within the Project Area and other improvement projects in the Project Area are generally described in Attachment 5, recognizing that the specific location of the projects will depend on the type and timing of development. A change in the location of the improvements does not constitute a modification of this Plan.

The Agency reserves its discretion and flexibility in deciding which improvements are more critical for development, 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 private development within the Project Area generating the increment as identified in Attachment 5.

The Plan has shown that the equalized valuation of the Revenue Allocation 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.

#### **502.5 Participation with Local Improvement Districts and/or Business Improvement Districts**

Under the Idaho Local Improvement ("LID") District Code, Chapter 17, Title 50, Idaho Code, the City has the authority to establish local improvement districts for various public facilities, including, but not limited to, streets, curbs, gutters, sidewalks, storm drains, landscaping, and other like facilities. To the extent allowed by the Law and the Act, the Agency reserves the authority, but not the obligation, to participate in the funding of local improvement district facilities. This participation may include either direct funding to reduce the overall cost of the LID or to participate as an assessed entity to finance the LID project. Similarly, to the extent allowed by the Law and the Act, the Agency reserves the authority, but not the obligation, to participate in the funding of the purposes specified under the Business Improvement Districts Code, Chapter 26, Title 50, Idaho Code.

#### **502.6 Issuance of Debt and Debt Limitation**

Any debt incurred by the Agency as allowed by the Law and the 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, except as may be authorized by law.

#### **502.7 Impact on Other Taxing Districts and Levy Rate**

An estimate of the overall impact of the revenue allocation project on each taxing district is shown in the Study through the new development projections set forth in Attachment 5.

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 law. The increment value is the difference between the adjusted base assessed value and current assessed taxable value in any given year while the property is in a revenue allocation area. Under Idaho Code Section 63-802, taxing entities are constrained in establishing levy rates by the amount each budget of each taxing district can increase on an annual basis.<sup>6</sup> Taxing entities submit proposed budgets to the County Board of Commissioners, which budgets are required to comply with the limitations set forth in Idaho Code Section 63-802. Therefore, the impact of revenue allocation is more of a product of the imposition of Idaho Code Section 63-802, than the effect of urban renewal.

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 base values in the urban renewal districts 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. If the overall levy rate is less than assumed, the Agency will receive fewer funds from revenue allocation.

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 during the term of the Plan; hence, there would be lower increases in assessed valuation to be used by the other taxing entities. The Study's analysis is premised upon the fact the projected development would not occur but for the ability to use revenue allocation funds to fund certain significant public infrastructure improvements.

One result of new construction occurring outside the revenue allocation area (*see* Idaho Code §§ 63-802 and 63-301A) is the likely reduction of the levy rate as assessed values increase for property within each taxing entity's jurisdiction.<sup>7</sup> From and after December 31, 2006, Idaho Code Section 63-301A 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 is not available in the short term for inclusion by the taxing entities to increase their budgets. Upon termination of this Plan and Project Area or deannexation of area, the taxing entities will be able

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<sup>6</sup> House Bill 389 passed during the 2021 Legislative Session, effective in significant part as of January 1, 2021, further limits a taxing entity's ability to increase the property tax portion of its budget. The Study has considered the impact of House Bill 389 on the Project's overall feasibility.

<sup>7</sup> House Bill 389 amended Idaho Code Sections 63-802 and 63-301A by limiting the value placed on the new constructions roll and available to a taxing district for a budget capacity increase. This could result in lower levy rates over time.

to include a percentage<sup>8</sup> of the accumulated new construction roll value in setting the following year's budget and revenue pursuant to Idaho Code Sections 63-802 and 63-301A.

As 2021 certified levy rates are not determined until late September or October 2021, the 2020 certified levy rates have been used in the Study for purposes of the analysis.<sup>9</sup> Those taxing districts and their 2020 certified levy rates are as follows:<sup>10</sup>

<u>Taxing Districts</u>	<u>Levy Rates</u>
Blaine County Ambulance Service	.000209456
Blaine County	.001033078
Blaine County Recreation	.000134686
Blaine County Road & Bridge	.0
Blaine School #61	.002861153
Flood Control #9	.000011468
City of Hailey	.002192806
Hailey Cemetery	.000122206
Hailey City Bond	.0
TOTAL <sup>11</sup>	.006564853

The Study has made certain assumptions concerning the levy rate. The levy rate is estimated to be lower than the combined 2020 certified levy rate to adjust for the impact of House Bill 389, as well as considering the rapidly increasing property values. As the actual impact of the property value fluctuations on the levy rate is unknown, the Study has assumed a combined levy rate of 0.00594, which for purposes of the Study is held constant for the duration of the Plan. The increment value is expected to increase annually by 8% over the term of the Plan; land values are projected to inflate at 3% annually and improvement values are projected to inflate at 5% annually. Significant new development value is projected to be placed on the tax rolls in years 2024, 2027, 2030, 2034 and 2038, with annual projected new development of \$75,000 in the remaining years. If the overall levy rate is less than projected, or the land values do not increase as expected, or expected development fails to occur as estimated, the Agency shall receive fewer funds from revenue allocation.

Pursuant to Idaho Code Section 50-2908, the Agency is not 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, 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. The Study has taken this statute into account.

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<sup>8</sup> Pursuant to House Bill 389, 80% of the total eligible increment value is added to the new construction roll.

<sup>9</sup> Due to the timing of the taxing districts' budget and levy setting process, certification of the 2021 levy rates did not occur until after this Plan had been prepared and considered by the Agency. In order to provide a basis to analyze the impact on the taxing entities, the 2020 levy rates are used. Use of the 2020 levy rates provides a more accurate base than estimating the 2021 levy rates.

<sup>10</sup> It is unclear how the personal property tax exemption set forth in Idaho Code Section 63-602KK, and as amended by House Bill 389, effective January 1, 2022, may impact the levy rate.

<sup>11</sup> Net of voter approved bonds and levies.

### **503 Phasing and Other Fund Sources**

The Agency anticipates funding only a portion of the entire cost of the public improvement shown in this Plan and on Attachment 5. Other sources of funds may include City funding (as may be budgeted annually by the City) and other public entity partners, federal/grant funding, and developer participation. Agency participation will be determined by the amount of revenue allocation funds generated. It is important to note this Plan does not financially bind or obligate the City, Agency and/or any other public entity to any project or property acquisition. Agency and/or other public entity participation in any project shall be determined by the amount of revenue allocation funds generated and pursuant to the annual budgeting process.

### **504 Lease Revenue, Parking Revenue, and Bonds**

Under the Law (*see* Idaho Code § 50-2012), 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 are not 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(8) as those resources involve funds not related to revenue allocation funds.

### **505 Membership Dues and Support of Community Economic Development**

The Act is premised, in part, upon economic development being a valid public purpose. To the extent allowed by the Law and the Act, the Agency reserves the authority to use revenue allocation funds to contract with non-profit and charitable organizations established for the purpose of supporting economic development and job creation. Additionally, the Agency reserves the authority to expend revenue allocation funds to join, participate and support non-profit organizations established to support Agency best practices and administration. The District Operating Expenses identified in the Study shall be deemed to include expenditures for the purposes described in this section as may be deemed appropriate during the annual budgetary process.



## 600 ACTIONS BY THE CITY AND OTHER PUBLIC ENTITIES

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 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 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 and Zoning 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 development and/or 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, or a business improvement district.
- h. The undertaking and completing of any other proceedings necessary to carry out the Project.
- i. Administration of Community Development Block Grant funds and/or other grants and/or federal funding that may be made available for this Project.
- j. Appropriate agreements with the Agency for administration, supporting services, funding sources, and the like.

- k. Joint funding of certain public improvements, including but not limited to those identified in this Plan and Attachment 5 to the Plan.
- l. Use of public entity labor, services, and materials for construction of the public improvements listed in this Plan.
- m. Coordination of the development agreements entered into by the City and developer with the goals of the Plan.
- n. Assist with coordinating and implementing the public improvements in the Project Area identified in the Study.

**The foregoing actions, if taken by the City, do not constitute any commitment for financial outlays by the City.**

In addition to the above, other public entities 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.

#### **601 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. The Agency expects to dedicate public improvements to the City.

#### **700 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.

#### **800 DURATION OF THIS PLAN, TERMINATION, AND ASSET REVIEW**

The provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan, shall be effective for twenty (20) years from the effective date of the Plan subject to modifications and/or extensions set forth in Idaho Code Sections 50-2904 and 50-2905(7). The revenue allocation authority will expire on December 31, 2041, except for any revenue allocation proceeds received in calendar year 2042, as contemplated by Idaho Code Section 50-2905(7). The Agency may use proceeds in 2042 to complete the projects set forth herein. As stated in the Plan, any owner participation agreement or disposition and development agreement obligations will cease as of December 31, 2041.

Idaho Code Section 50-2903(5) provides the Agency shall adopt a resolution of intent to terminate the revenue allocation area by September 1 of the termination year. In order to provide

sufficient notice of termination to the affected taxing districts to allow them to benefit from the increased budget capacity, the Agency will use its best efforts to provide notice of its intent to terminate this Plan and its revenue allocation authority by May 1, 2042, or if the Agency determines an earlier terminate date, then by May 1 of the early termination year:

- a. When the Revenue Allocation 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 Idaho Code Section 50-2908 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 Revenue Allocation Area is located by the County Clerk 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 Revenue Allocation Area; and the powers granted to the urban renewal agency under Idaho Code Section 50-2909 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 termination 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 Idaho Code Section 50-2909(4). 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 May 1, but in any event, no later than 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 Idaho Code Section 50-2909 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 Idaho Code Section 63-215.

Upon termination of the revenue allocation authority of the Plan to the extent the Agency owns or possesses any assets, subject to the following paragraph, the Agency intends to dispose of any remaining assets by granting or conveying or dedicating such assets to the City, unless based on the nature of the asset, disposition to another public entity is more appropriate.

As allowed by Idaho Code Section 50-2905(8), the Agency may retain assets or revenues generated from such assets as long as the Agency shall have resources other than revenue allocation funds to operate and manage such assets. Similarly, facilities which provide a lease 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.

## **900 PROCEDURE FOR AMENDMENT OR MODIFICATION**

To the extent there are any outstanding loans or obligations, this Plan should not be modified pursuant to the provisions set forth in Idaho Code Section 50-2903A. Modification of this Plan results in a reset of the base value for the year immediately following the year in which the modification occurred to include the current year's equalized assessed value of the taxable property in the revenue allocation area, effectively eliminating the Agency's revenue stream as more fully set forth in Idaho Code Section 50-2903A subject to certain limited exceptions contained therein. As more specifically identified above, the Agency's projections are based on estimated values, estimated levy rates, estimated future development, and estimated costs of future construction/improvements. Annual adjustments as more specifically set forth in the Agency's annual budget will be required to account for more/less estimated revenue and prioritization of projects. Any adjustments for these stated purposes are technical and ministerial and are not deemed a modification under Idaho Code Section 50-2903A(1)(a)(i).

## **1000 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.

## **1100 ANNUAL REPORT AND OTHER REPORTING REQUIREMENTS**

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 the financial data and audit reports required under sections 67-1075 and 67-1076, Idaho Code. This annual report shall be considered at a public meeting to report these findings and take comments from the public.

Additionally, the Agency must comply with certain other reporting requirements as set forth in Idaho Code Section 67-450E<sup>12</sup>, the local government registry portal, the tax

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<sup>12</sup> House Bill 73, passed during the 2021 Legislative Session, significantly effective as of January 1, 2021, with the remaining sections in full force and effect on or after January 1, 2022, establishes a uniform accounting system for

commission's plan repository, *see* Idaho Code § 50-2913, and the tax commission's plan modification annual attestation, *see* Idaho Code § 50-2903A. Failure to report the information requested under any of these statutes results in significant penalties, including loss of increment revenue, and the imposition of other compliance measures by the Blaine County Board of County Commissioners.

## **1200 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.

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local governmental entities, including urban renewal agencies, which is to be administered by the State Controller. Going forward, Idaho Code Section 67-450E is amended to Idaho Code Section 67-1076.

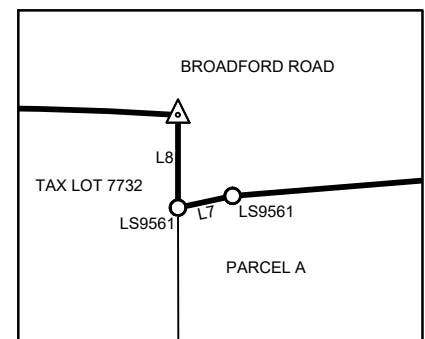
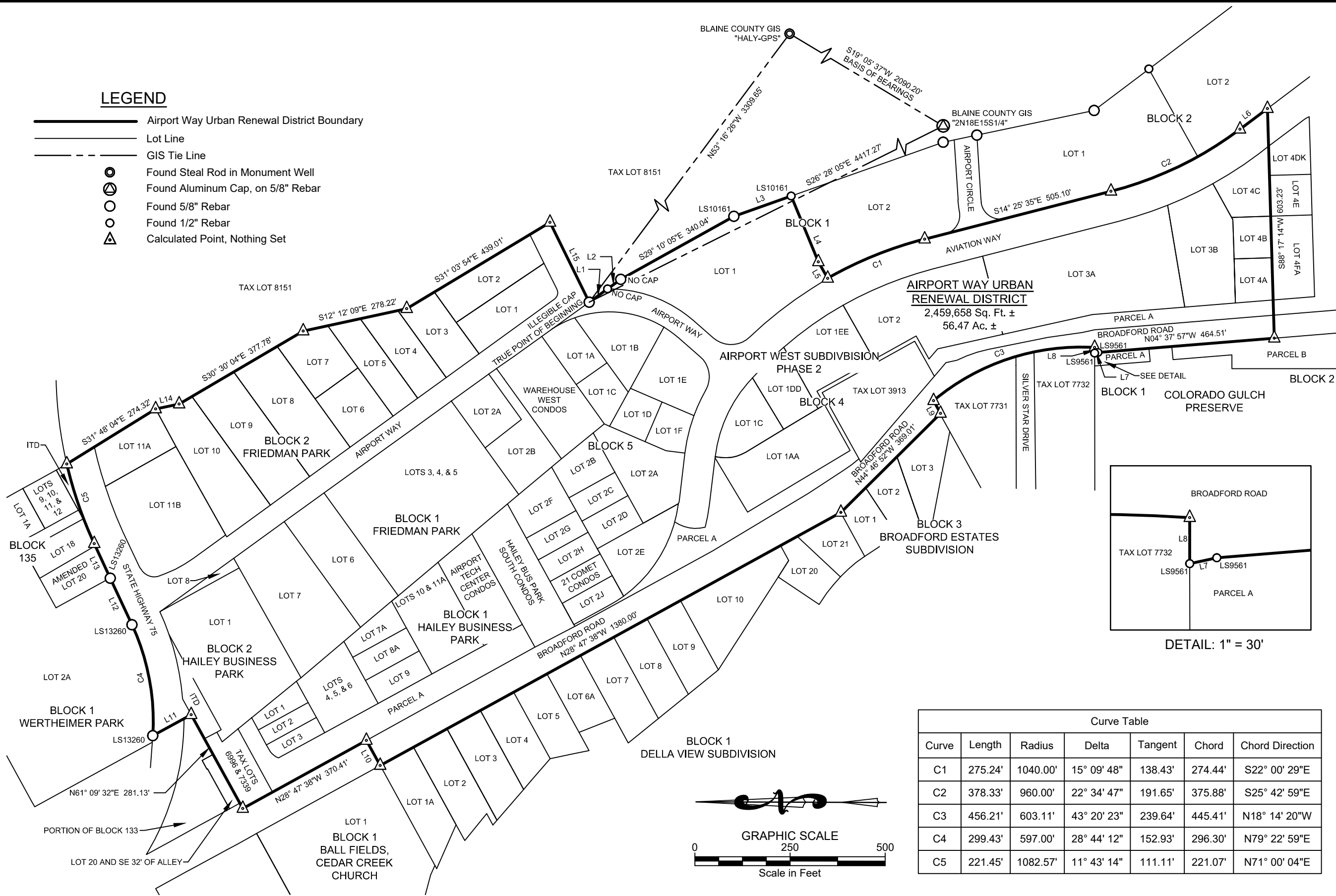
Attachment 1

Boundary Map of Airport Way District Urban Renewal Project Area  
and Revenue Allocation Area

REUSE OF DRAWINGS: These drawings, or any portion thereof, shall not be used on any project or extensions of this project except by agreement in writing with Galena Engineering, Inc.

**LEGEND**

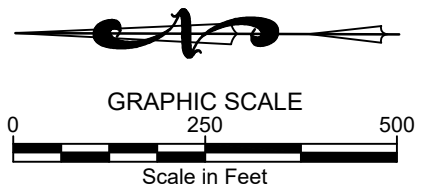
- Airport Way Urban Renewal District Boundary
- Lot Line
- GIS Tie Line
- Found Steel Rod in Monument Well
- Found Aluminum Cap, on 5/8" Rebar
- Found 5/8" Rebar
- Found 1/2" Rebar
- Calculated Point, Nothing Set



DETAIL: 1" = 30'

Line Table		
Line #	Length	Direction
L1	59.62	S35° 51' 27"E
L2	42.68	S35° 57' 18"E
L3	159.47	S19° 27' 29"E
L4	186.97	S67° 30' 55"W
L5	50.00	S60° 24' 36"W
L6	90.13	S37° 00' 22"E
L7	8.72	N12° 09' 26"W
L8	14.51	N89° 55' 57"E
L9	38.19	S61° 10' 48"W
L10	75.00	N61° 11' 59"E
L11	114.98	N28° 44' 40"W
L12	135.00	N65° 04' 49"E
L13	100.02	N65° 03' 08"E
L14	63.24	S11° 49' 14"E
L15	233.57	S63° 48' 37"W

Curve Table						
Curve	Length	Radius	Delta	Tangent	Chord	Chord Direction
C1	275.24'	1040.00'	15° 09' 48"	138.43'	274.44'	S22° 00' 29"E
C2	378.33'	960.00'	22° 34' 47"	191.65'	375.88'	S25° 42' 59"E
C3	456.21'	603.11'	43° 20' 23"	239.64'	445.41'	N18° 14' 20"W
C4	299.43'	597.00'	28° 44' 12"	152.93'	296.30'	N79° 22' 59"E
C5	221.45'	1082.57'	11° 43' 14"	111.11'	221.07'	N71° 00' 04"E



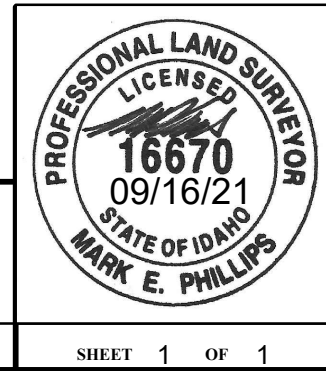
REVISIONS			
NO.	DATE	BY	DESCRIPTION

**GALENA ENGINEERING, INC.**  
**Civil Engineers & Land Surveyors**  
 317 N. River Street  
 Hailey, Idaho 83333  
 (208) 788-1705  
 email: galena@galena-engineering.com

DESIGNED :  
 CHECKED:  
 DETAILED  
 SCALES SHOWN ARE FOR 11" x 17" PRINTS ONLY

AN EXHIBIT SHOWING THE  
**AIRPORT WAY URBAN RENEWAL DISTRICT**  
 WITHIN SECTIONS 10, 15, & 16, T2N, R18E, BM, CITY OF HAILEY, BLAINE COUNTY, IDAHO  
 PREPARED FOR THE CITY OF HAILEY

PROJECT INFORMATION  
 P:\sdsproj\3830-41\dwg\Boundary-Plat\3830-41 Legal Description Exhibit.dwg 09/16/21 11:55:27 AM



Attachment 2

Legal Description of Airport Way District Urban Renewal Project Area and Revenue Allocation  
Area

An area consisting of approximately 40 acres as more particularly described as follows:



# *GALENA ENGINEERING, INC.*

*CIVIL ENGINEERING & LAND SURVEYING*

## **Legal Description of the Airport Way Urban Renewal District**

**Sections 10, 15, & 16, Township 2 North, Range 18 East  
Boise Meridian, City of Hailey, Blaine County, Idaho**

A legal description for a parcel of land located within Sections 10, 15, & 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 a Brass Cap, being Blaine County Control Point "2N18E15N1/4", from which an Aluminum Cap on 5/8" Rebar, being Blaine County Control Point "2N18E15S1/4", lies S00°20'00"W, 5239.42 feet distant, thence proceeding S57°16'20"W, 2376.76 feet to a 5/8" Rebar with Illegible Cap, marking the Centerline of Airport Way along the Easterly Boundary of Airport West Subdivision Phase II, and said point being the TRUE POINT OF BEGINNING:

Thence S35° 51' 27"E, 59.62 feet, along the boundary common to Tax Lot 8151 & Airport West Subdivision Phase II, to a 1/2" rebar with No Cap;

Thence continuing along the boundary common to Tax Lot 8151 & Airport West Subdivision Phase II, S35° 57' 18"E , 42.68 feet, to a 5/8" rebar with No Cap;

Thence continuing along the boundary common to Tax Lot 8151 & Airport West Subdivision Phase II, S29° 10' 05"E, 340.04 feet, to a 5/8" rebar by PLS 10161;

Thence continuing along the boundary common to Tax Lot 8151 & Airport West Subdivision Phase II, S19° 27' 29"E, 159.47 feet, to the Easterly property corner common to Lots 1 & 2, Block 1, Airport West Subdivision Phase II, marked by a 1/2" rebar by PLS 10161;

Thence S67° 30' 55"W, 186.97 feet, along the boundary line common to Lots 1 & 2, Block 1, Airport West Subdivision Phase II, to a point;

Thence continuing along the boundary line common to Lots 1 & 2, Block 1, Airport West Subdivision Phase II, S60° 24' 36"W, 50.00 feet, to the Easterly Right of Way of Aviation Drive;

Thence the following courses along the Easterly Right of Way of Aviation Drive;

Thence 275.24 feet along a curve to the right, with a radius of 1040.00 feet, a delta of 15°09'48", a tangent length of 138.43 feet, and a chord length of 274.44 feet that bears S22°00'29"E, to a point;

Thence S14° 25' 35"E, 505.10 feet, to a point;

Thence 378.33 feet along a curve to the left, with a radius of 960.00 feet, a delta of 22°34'47", a tangent length of 191.65 feet, and a chord length of 375.88 feet that bears S25°42'59"E, to a point;

# *GALENA ENGINEERING, INC.*

## *CIVIL ENGINEERING & LAND SURVEYING*

Thence S37° 00' 22"E, 90.13 feet, to a point;

Thence leaving said Easterly Right of Way of Aviation Drive, S88° 17' 14"W, 603.23 feet, to the Westerly Right of Way of Broadford Road;

Thence the following courses along the Westerly Right of Way of Broadford Road;

Thence N04° 37' 57"W, 464.51 feet, to a 1/2" rebar by PLS 9561;

Thence N12° 09' 26"W, 8.72 feet, to a 1/2" rebar by PLS 9561;

Thence N89° 55' 57"E, 14.51 feet, along the Southerly boundary of Tax Lot 7732, to a point;

Thence along the Easterly boundary of Tax Lots 7731 & 7732, 456.21 feet along a curve to the left, with a radius of 603.11 feet, a delta of 43°20'23", a tangent length of 239.64 feet, and a chord length of 445.41 feet that bears N18°14'20"W, to a point;

Thence S61° 10' 48"W, 38.19 feet, along the Northerly boundary of Tax Lot 7731, to the Southeast property corner of Lot 3, Block 3, Broadford Estates Subdivision;

Thence N44° 46' 52"W, 369.01 feet, to the Northeast property corner of Lot 1, Block 3, Broadford Estates Subdivision, also being the Southeast property corner of Lot 21, Block 1, Della View Subdivision;

Thence N28° 47' 38"W, 1380.00 feet, to the Northeast property corner of Lot 1A, Block 1, Della View Subdivision;

Thence leaving said Westerly Right of Way of Broadford Road, N61° 11' 59"E, 75.00 feet, to the Easterly Right of Way of Broadford Road;

Thence along the Easterly Right of Way of Broadford Road, N28° 47' 38"W, 370.41 feet, to a point that lies along the Southerly boundary of the Hailey Townsite;

Thence N61° 09' 32"E, 281.13 feet, along the Southerly boundary of the Hailey Townsite, to the Southeast corner of Block 133, Hailey Townsite;

Thence N28° 44' 40"W, 114.98 feet, to the Northerly Right of Way of State Highway 75, marked by a 5/8" rebar by PLS 13260;

Thence the following courses along the Northerly Right of Way of State Highway 75;

Thence 299.43 feet along a curve to the left, with a radius of 597.00 feet, a delta of 28°44'12", a tangent length of 152.93 feet, and a chord length of 296.30 feet that bears N79°22'59"E, to a 5/8" rebar by PLS 13260;

Thence N65° 04' 49"E, 135.00 feet, to the Southerly property corner common to Lot 2A, Block

# *GALENA ENGINEERING, INC.*

## *CIVIL ENGINEERING & LAND SURVEYING*

1, Wertheimer Park, and Amended Lot 20, Block 135, Hailey Townsite, marked by a 5/8" rebar by PLS 13260;

Thence N65° 03' 08"E, 100.02 feet, to a point;

Thence 221.45 feet along a curve to the right, with a radius of 1082.57 feet, a delta of 11°43'14", a tangent length of 111.11 feet, and a chord length of 221.07 feet that bears N71°00'04"E, to a point;

Thence leaving said northerly right of way of State Highway 75, S31° 48' 04"E, 274.32 feet, to the Easterly property corner common to Lots 10 & 11A, Block 2, Friedman Park;

Thence the following courses along the Easterly boundary of Friedman Park;

Thence S11° 49' 14"E, 63.24 feet, to the Easterly angle point of Lot 10, Block 2, Friedman Park;

Thence S30° 30' 04"E, 377.78 feet, to the Easterly angle point of Lot 7, Block 2, Friedman Park;

Thence S12° 12' 09"E, 278.22 feet, to the Easterly angle point of Lot 3, Block 2, Friedman Park;

Thence S31° 03' 54"E, 439.01 feet, to the Southeast corner of Friedman Park Subdivision's exterior boundary;

Thence S63° 48' 37"W, 233.57 feet, along the Southerly boundary of Friedman Park Subdivision's exterior boundary, to the TRUE POINT OF BEGINNING, containing 2,459,658 Sq. Ft. (56.47 Ac.), more or less, as determined by computer methods.



## Attachment 3

### Properties (Public and/or Private) Which May Be Acquired by Agency

1. The Agency has not identified any particular parcel for acquisition for the construction of public improvements or for private redevelopment. Properties which may be subject to acquisition include parcels to:
  - a) assemble with adjacent parcels to facilitate development and/or redevelopment;
  - b) assemble with adjacent rights-of-way to improve configuration and enlarge parcels for development and/or redevelopment;
  - c) reconfigure sites for development and possible extension of streets or pathways;
  - d) assemble for future transfer to qualified developers to facilitate the development of mixed-use, residential (including affordable and/or workforce housing), commercial, and industrial areas; or
  - e) assemble for the construction of certain public improvements, including but not limited to streets, streetscapes, water and sewer improvements, gas, fiber and power improvements, environmental and floodplain remediation/site preparation, public parking, community and recreation facilities, parks, pedestrian/bike paths and trails, open space, and other public facilities.
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 to provide adequately sized sites for high priority projects for the development of public improvements (the exact location of which has not been determined).
4. Other parcels may be acquired for the purpose of facilitating catalyst or demonstration projects, constructing public parking, constructing new streets or pathways, enhancing public spaces, or to implement other elements of the urban renewal plan strategy and/or the Plan for the Project Area, including support for affordable and/or workforce housing projects.

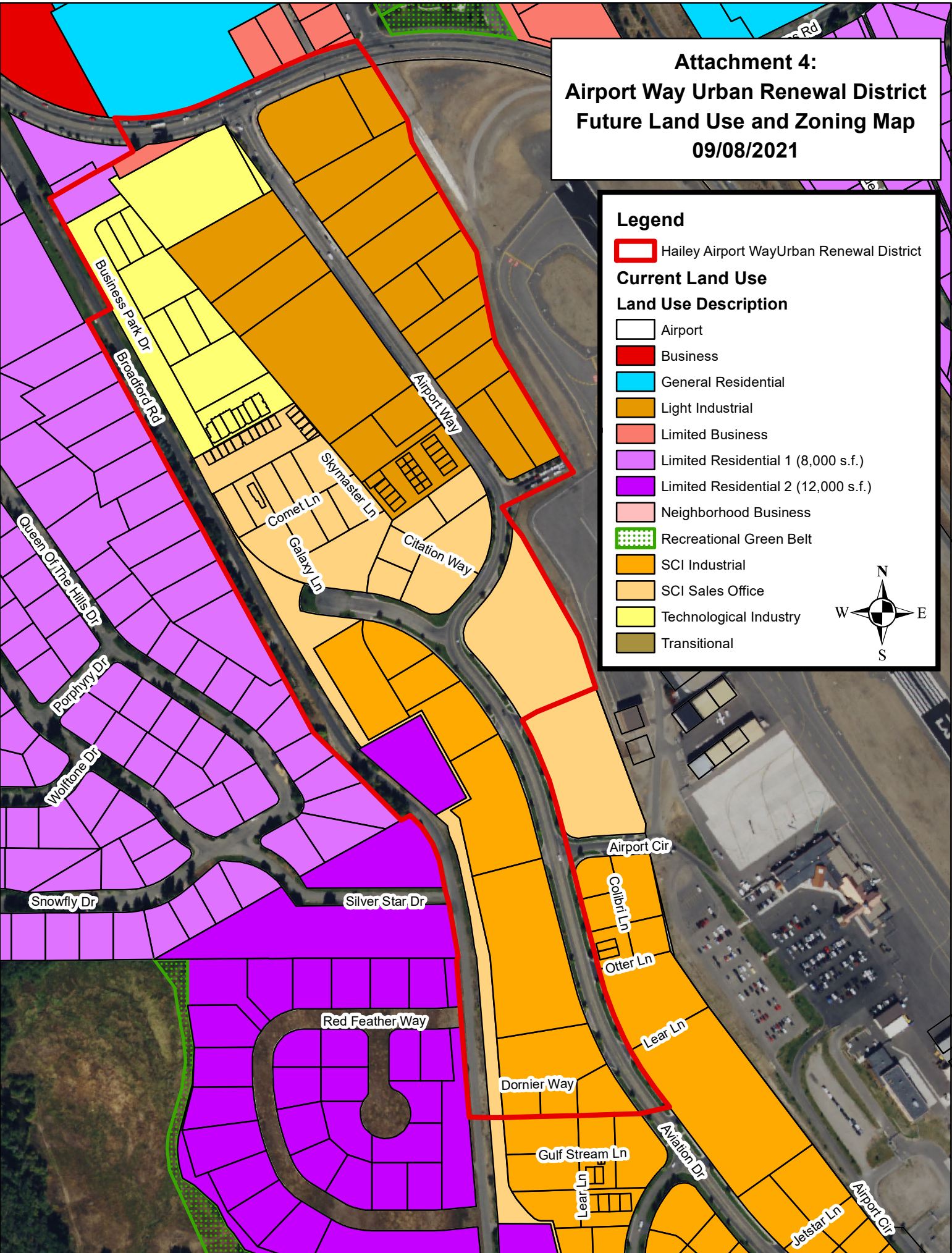
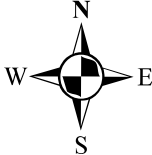
Attachment 4

Map Depicting Expected Land Uses and Current Zoning  
Within Revenue Allocation Area and Project Area

**Attachment 4:  
 Airport Way Urban Renewal District  
 Future Land Use and Zoning Map  
 09/08/2021**

**Legend**

- Hailey Airport Way Urban Renewal District
- Current Land Use**
- Land Use Description**
- Airport
- Business
- General Residential
- Light Industrial
- Limited Business
- Limited Residential 1 (8,000 s.f.)
- Limited Residential 2 (12,000 s.f.)
- Neighborhood Business
- Recreational Green Belt
- SCI Industrial
- SCI Sales Office
- Technological Industry
- Transitional



Attachment 5  
Economic Feasibility Study

4841-8982-8332, v. 5

## ATTACHMENT 5.1

### Public Improvements within the Revenue Allocation Area

This Attachment includes a projected list of proposed public works or improvements within the Airport Way District Project Area (the “Project Area”). The proposed improvements within the Project Area include improvements to streets, utilities, and other public rights-of-way amenities as well as improvements to parks and open space, transit improvements, historic lighting, wayfinding, property acquisition, public art, bicycle and pedestrian facilities, workforce housing and public parking.

The Airport Way District Improvement List set forth below identifies needed investments to support private investment in capital facilities. Capital facilities generally have long useful lives and significant costs. The overall project and the infrastructure to support it are all consistent with the vision articulated in the City of Hailey Comprehensive Plan and as required in City development regulations. The cost estimates provided by the City are based upon prices for similar construction in the area.

Estimated costs expected to be incurred in implementing the urban renewal plan are as follows:

#### Airport Way District Improvement List

Street Improvements	\$1,500,000
Streetscape	\$250,000
Bicycle / Pedestrian Facilities/Open Space	\$250,000
Public Parking Facilities	\$250,000
Sewer Facility Improvements	\$250,000
Water Facility Improvements	\$240,000
Property Acquisition	\$750,000
Wayfinding / Signage	\$250,000
Public Art	\$100,000
Workforce Housing	\$250,000
Total Redevelopment Area Costs	\$4,090,000

The projects and estimated costs have been derived from the City of Hailey and the consultant based upon similar works being carried out in the broader community. The costs are estimated in 2021 dollars and are not inflated. Costs will likely vary from the costs detailed here, as they will be subject to inflation and further project refinement and timing. The cost estimates used in this analysis are considered estimates for the purpose of financial planning.



The Project Area is estimated to generate \$4,708,202 in tax increment revenue between 2022 and 2041<sup>1</sup> in addition to the initial \$50,000 loan from the existing Gateway District Project Area to activate the program.

The total from both sources is estimated to be \$4,758,202. There are presently \$4,090,000 of project costs identified in the Airport Way District Improvement List. It is generally understood that projects will occur on a pay-as-you-go basis recognizing there may be an opportunity for owner/developer advanced funding of projects, which eligible costs would then be reimbursed through an Owner Participation Agreement (OPA), or other similar agreement, from resources derived from the Project Area.

Administrative costs over the 20-year life of the district are estimated at \$595,000<sup>2</sup> or approximately 12.6% of total estimated revenue. The initial inter-district loan to support startup costs is assumed to be repaid at 5% simple interest for a total obligation of \$52,500.

The total estimated expenditures equal \$4,737,500, leaving a \$20,702 positive program balance of at the end of the 20-year term. See attached cash flow analysis for detailed estimates.

The Urban Renewal Plan for the Airport Way District Urban Renewal Project (the "Plan") provides for the Plan and Project Area to extend through its maximum term of 20 years. Due to the operation of the Idaho property tax system, it is anticipated that the final allocation of funds will accrue to the Agency in 2042. However, those resources were not considered in determining the fiscal feasibility of the proposed Project Area.

### Project Funding

Secure funding includes revenue allocation funds and is money the Agency is highly likely to receive. The funds may not be in the Agency's possession at the beginning of the Plan period, but it is virtually certain that the Agency will receive the funds. The Agency may need to take specific actions to generate the funding, but those actions are within their 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 Agency. In every case the Agency 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 Agency can obtain the resources, and the ultimate decision is

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<sup>1</sup> As the Idaho property tax system provides for taxes being paid in arrears, revenue allocation proceeds will be received in FY 2042. However, the final year of income has not been considered in determining the economic feasibility of the Airport District.

<sup>2</sup> The amount of revenue allocation proceeds dedicated to the administration of the Airport District is supplemented by the Inter-district loan to produce the full amount over the life of the District.

outside of the Agency's independent control. An example of potential funding includes capital contributions from public entities and grant funding. Thus, potential funding is not assumed in determining financial feasibility.

Unfunded projects, or portions of projects lack secure or potential funding. At this time, all projects are anticipated to be funded.

The amount of tax increment contributed to the project will vary depending upon the actual cost of infrastructure.

The Plan proposes certain public improvements that will facilitate development in the Project Area. The overall investment package will be funded from a variety of financing methods and sources. The primary method of financing the Agency's obligation will be through the use of tax increment revenue (i.e., incremental property taxes from the revenue allocation area). This Plan permits that at least a portion of the tax increment revenue will be used to reimburse an owner/developer through a negotiated agreement for some or all of the eligible improvement costs. The issuance of bonds is not anticipated in this analysis of financial feasibility.

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

- Local Improvement District (LID)
- Business Improvement District (BID)
- Development Impact Fees
- Franchise Fees
- Grants from federal, state, local, regional agencies and/or private entities
- Other bonds, notes and/or loans
- Improvements and/or payments by developers

The total project costs and the amount of tax increment are estimates. The estimated project costs and revenues are based on the Agency's present knowledge and expectations supported by detailed information from property owners, City and Agency consultants based, in part, upon current construction projects in the broader community.

# Map of Proposed Airport Way District



## Summary of Projects

Based on the Airport Way District Improvement List set forth above, the estimated total costs for the public improvements are \$4,090,000.

### **Cost of Operations and Improvements by Year (2021-2042)**

<b>Year</b>	<b>Secure Funding (TIF &amp; Inter-District Loan)</b>	<b>Potential Funding</b>	<b>District Operating Expenses</b>	<b>Capital and Program Expenses And Repay Inter-district Loan</b>	<b>Total Project Liabilities</b>
2021	\$50,000	\$0	\$0		\$0
2022	\$8,002	\$0	\$25,000		\$25,000
2023	\$17,394	\$0	\$30,000	\$0	\$30,000
2024	\$57,206	\$0	\$30,000	\$25,000	\$55,000
2025	\$68,962	\$0	\$30,000	\$40,000	\$70,000
2026	\$81,255	\$0	\$30,000	\$50,000	\$80,000
2027	\$117,426	\$0	\$30,000	\$90,000	\$120,000
2028	\$132,037	\$0	\$30,000	\$100,000	\$130,000
2029	\$147,324	\$0	\$30,000	\$120,000	\$150,000
2030	\$189,602	\$0	\$30,000	\$157,500	\$187,500
2031	\$207,652	\$0	\$30,000	\$180,000	\$210,000
2032	\$226,543	\$0	\$30,000	\$195,000	\$225,000
2033	\$246,318	\$0	\$30,000	\$220,000	\$250,000
2034	\$290,331	\$0	\$30,000	\$260,000	\$290,000
2035	\$313,165	\$0	\$30,000	\$280,000	\$310,000
2036	\$337,072	\$0	\$30,000	\$310,000	\$340,000
2037	\$362,106	\$0	\$30,000	\$330,000	\$360,000
2038	\$417,573	\$0	\$30,000	\$390,000	\$420,000
2039	\$446,485	\$0	\$30,000	\$410,000	\$440,000
2040	\$476,767	\$0	\$30,000	\$450,000	\$480,000
2041	\$564,982	\$0	\$30,000	\$535,000	\$565,000
2042	\$0	\$0	0		\$0
<b>Total</b>	<b>\$4,758,202</b>	<b>\$0</b>	<b>\$595,000</b>	<b>\$4,142,500</b>	<b>\$4,737,500</b>

Note: This analysis anticipates a positive fund balance of \$20,702 at the end of the project.

## ATTACHMENT 5.2

### Economic Feasibility Study

The Plan, as currently envisioned, is economically feasible because the proposed development is sufficient to fully cover the anticipated cost of redevelopment program.

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

- The amount of development anticipated in the Project Area
- The timing of the proposed taxable development
- The nature of the proposed development
- The amount of tax revenue to be generated by the proposed development
- The cost of public improvement projects
- If revenue equals or exceeds project costs, the Plan is economically feasible.

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

#### **The Economic Feasibility Analysis**

##### **Summary:**

Over the course of the Airport Way District, \$4,708,202 of Tax Increment Revenue will be generated using the development scenarios anticipated by the Agency, in consultation with its consultants and property owners within the Airport Way District. The Economic Feasibility Study assumes \$25,000 will be used in 2024 for administration of the Airport Way District with that amount capped at \$30,000 per year, commencing in 2025 for a total of \$595,000 for administration costs over the 20-year lifespan of the District. The revenue allocation proceeds dedicated to administrative cost is augmented by an inter-district loan (\$50,000) to support the Airport Way District until sufficient revenue allocation resources become available. That loan is anticipated to be repaid by 2030 including 5% interest.

The attached spreadsheets entitled “Airport Way District Revenue Model” and “Airport Way District Cash Flow Analysis” gives a more detailed outlook on the revenues and expenses of the development scenario.

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

- Land Value Increase @ 3%/Year for the duration of the term.
- Improvement Value Increase @ 5%/Year for the duration of the term.
- Tax Rate is reduced 10% and held constant through the life of the Plan
- Total Cost of Improvements over the life of the project: \$4,090,000 (City estimates)
- Tax rate does not include levies excluded pursuant to Idaho Code 50-2908, such as voter approved bonds/levies after 2007, judgment levies or the School District Plant or supplemental levies excluded by law.

The Financial Feasibility Analysis shows that the project will generate adequate funds within the Project Area to fund the necessary capital improvements.

Year	Land Value (+3% annually)	Initial Imprv. Value (+ 5% Annually)	Total Assessed Value	Annual New Const. Value on tax roll	Cum. New Const Value + Inflation @ 5%	Cumulative Homeowner Exemption	Taxable Value	Increment Value (H - Base Value)	Levy Rate (Flat)	Tax Increment Yield	Admin Costs	Funding for Capital Projects / Debt Service	
2021	\$ 13,497,073	\$ 21,062,866	\$ 34,559,939	\$ -	\$ -	\$ 443,688	\$ 34,116,251	\$ -	0.00594				
2022	\$ 13,901,985	\$ 22,116,009	\$ 36,017,994	\$ -	\$ -	\$ 554,610	\$ 35,463,384	\$ 1,347,133	0.00594	\$ 8,002	\$ 800	\$ 7,202	
2023	\$ 14,319,045	\$ 23,221,810	\$ 37,540,855	\$ 75,000	\$ 75,000	\$ 571,248	\$ 37,044,606	\$ 2,928,355	0.00594	\$ 17,394	\$ 1,739	\$ 15,655	
2024	\$ 14,748,616	\$ 24,382,900	\$ 39,131,516	\$ 5,125,000	\$ 5,203,750	\$ 588,386	\$ 43,746,881	\$ 9,630,630	0.00594	\$ 57,206	\$ 5,721	\$ 51,485	
2025	\$ 15,191,075	\$ 25,602,045	\$ 40,793,120	\$ 75,000	\$ 5,538,938	\$ 606,037	\$ 45,726,020	\$ 11,609,769	0.00594	\$ 68,962	\$ 6,896	\$ 62,066	
2026	\$ 15,646,807	\$ 26,882,148	\$ 42,528,954	\$ 75,000	\$ 5,890,884	\$ 624,218	\$ 47,795,620	\$ 13,679,369	0.00594	\$ 81,255	\$ 8,126	\$ 73,130	
2027	\$ 16,116,211	\$ 28,226,255	\$ 44,342,466	\$ 4,000,000	\$ 10,185,429	\$ 642,945	\$ 53,884,950	\$ 19,768,699	0.00594	\$ 117,426	\$ 11,743	\$ 105,683	
2028	\$ 16,599,697	\$ 29,637,568	\$ 46,237,265	\$ 75,000	\$ 10,769,700	\$ 662,233	\$ 56,344,732	\$ 22,228,481	0.00594	\$ 132,037	\$ 13,204	\$ 118,833	
2029	\$ 17,097,688	\$ 31,119,446	\$ 48,217,134	\$ 75,000	\$ 11,383,185	\$ 682,100	\$ 58,918,219	\$ 24,801,968	0.00594	\$ 147,324	\$ 14,732	\$ 132,591	
2030	\$ 17,610,619	\$ 32,675,418	\$ 50,286,037	\$ 4,500,000	\$ 16,452,344	\$ 702,563	\$ 66,035,818	\$ 31,919,567	0.00594	\$ 189,602	\$ 18,960	\$ 170,642	
2031	\$ 18,138,937	\$ 34,309,189	\$ 52,448,127	\$ 75,000	\$ 17,349,961	\$ 723,640	\$ 69,074,448	\$ 34,958,197	0.00594	\$ 207,652	\$ 20,765	\$ 186,887	
2032	\$ 18,683,106	\$ 36,024,649	\$ 54,707,754	\$ 75,000	\$ 18,292,460	\$ 745,349	\$ 72,254,864	\$ 38,138,613	0.00594	\$ 226,543	\$ 22,654	\$ 203,889	
2033	\$ 19,243,599	\$ 37,825,881	\$ 57,069,480	\$ 75,000	\$ 19,282,083	\$ 767,710	\$ 75,583,853	\$ 41,467,602	0.00594	\$ 246,318	\$ 24,632	\$ 221,686	
2034	\$ 19,820,907	\$ 39,717,175	\$ 59,538,082	\$ 4,000,000	\$ 24,246,187	\$ 790,741	\$ 82,993,527	\$ 48,877,276	0.00594	\$ 290,331	\$ 29,033	\$ 261,298	
2035	\$ 20,415,534	\$ 41,703,034	\$ 62,118,568	\$ 75,000	\$ 25,533,496	\$ 814,463	\$ 86,837,600	\$ 52,721,349	0.00594	\$ 313,165	\$ 30,000	\$ 283,165	
2036	\$ 21,028,000	\$ 43,788,186	\$ 64,816,186	\$ 75,000	\$ 26,885,171	\$ 838,897	\$ 90,862,459	\$ 56,746,208	0.00594	\$ 337,072	\$ 30,000	\$ 307,072	
2037	\$ 21,658,840	\$ 45,977,595	\$ 67,636,435	\$ 75,000	\$ 28,304,429	\$ 864,064	\$ 95,076,800	\$ 60,960,549	0.00594	\$ 362,106	\$ 30,000	\$ 332,106	
2038	\$ 22,308,605	\$ 48,276,475	\$ 70,585,080	\$ 5,000,000	\$ 34,719,651	\$ 889,986	\$ 104,414,744	\$ 70,298,493	0.00594	\$ 417,573	\$ 30,000	\$ 387,573	
2039	\$ 22,977,863	\$ 50,690,298	\$ 73,668,162	\$ 75,000	\$ 36,530,633	\$ 916,686	\$ 109,282,109	\$ 75,165,858	0.00594	\$ 446,485	\$ 30,000	\$ 416,485	
2040	\$ 23,667,199	\$ 53,224,813	\$ 76,892,013	\$ 75,000	\$ 38,432,165	\$ 944,186	\$ 114,379,991	\$ 80,263,740	0.00594	\$ 476,767	\$ 30,000	\$ 446,767	
2041	\$ 24,377,215	\$ 55,886,054	\$ 80,263,269	\$ 75,000	\$ 40,428,773	\$ 972,512	\$ 119,719,530	\$ 85,603,279	0.0066	\$ 564,982	\$ 30,000	\$ 534,982	
				<b>\$ 23,675,000</b>							<b>\$ 4,708,202</b>	<b>\$ 386,466</b>	<b>\$ 4,319,197</b>

**Assumptions:**

Values based on Blaine County Assessor 2020 Data (latest certified numbers)

Land values inflate at 3% per year

Improvement values inflate at 5 % per year

Tax Rate reduced by 10% and held constant through life of the District

District operating expenses shown at \$25,000 for 2022 then capped at \$30,000/year

Balance of Revenue Allocation Yield will be available for capital investment and/or debt service

**Airport Way Urban Renewal District**  
**Cash Flow Analysis ~ Current Tax Rate Reduced by 10% Then Remains Constant**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Beginning Balance</b>	\$ -	\$ 50,000	\$ 33,002	\$ 20,396	\$ 22,602	\$ 21,564	\$ 22,819	\$ 20,245	\$ 22,282	\$ 19,606	\$ 21,708
<b>Source of Funds</b>											
<b>Total Revenue Allocation</b>	\$ -	\$ 8,002	\$ 17,394	\$ 57,206	\$ 68,962	\$ 81,255	\$ 117,426	\$ 132,037	\$ 147,324	\$ 189,602	\$ 207,652
<b>HURA Inter-District Loan *</b>	\$ 50,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Funds Available</b>	\$ 50,000	\$ 58,002	\$ 50,396	\$ 77,602	\$ 91,564	\$ 102,819	\$ 140,245	\$ 152,282	\$ 169,606	\$ 209,208	\$ 229,360
<b>Use of Funds</b>											
<b>District Operating Expenses</b>	\$ -	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
<b>Repay Inter-District Loan @ 5%</b>	\$ -	\$ -	\$ -		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 2,500	\$ -
<b>Capital &amp; Program Expenses</b>		\$ -	\$ -	\$ 25,000	\$ 30,000	\$ 40,000	\$ 80,000	\$ 90,000	\$ 110,000	\$ 155,000	\$ 180,000
<b>Total Use of Funds</b>	\$ -	\$ 25,000	\$ 30,000	\$ 55,000	\$ 70,000	\$ 80,000	\$ 120,000	\$ 130,000	\$ 150,000	\$ 187,500	\$ 210,000
<b>Ending Balance</b>	\$ 50,000	\$ 33,002	\$ 20,396	\$ 22,602	\$ 21,564	\$ 22,819	\$ 20,245	\$ 22,282	\$ 19,606	\$ 21,708	\$ 19,360
	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	Total
<b>Beginning Balance</b>	\$ 19,360	\$ 20,903	\$ 17,221	\$ 17,552	\$ 20,717	\$ 17,789	\$ 19,895	\$ 17,468	\$ 23,953	\$ 20,720	
<b>Source of Funds</b>											
<b>Total Revenue Allocation</b>	\$ 226,543	\$ 246,318	\$ 290,331	\$ 313,165	\$ 337,072	\$ 362,106	\$ 417,573	\$ 446,485	\$ 476,767	\$ 564,982	\$ 4,708,202
<b>HURA Inter-District Loan</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
<b>Total Funds Available</b>	\$ 245,903	\$ 267,221	\$ 307,552	\$ 330,717	\$ 357,789	\$ 379,895	\$ 437,468	\$ 463,953	\$ 500,720	\$ 585,702	\$ 4,758,202
<b>Use of Funds</b>											
<b>District Operating Expenses</b>	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 595,000
<b>Repay Inter-district Loan @ 5%</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,500
<b>Capital &amp; Program Expenses</b>	\$ 195,000	\$ 220,000	\$ 260,000	\$ 280,000	\$ 310,000	\$ 330,000	\$ 390,000	\$ 410,000	\$ 450,000	\$ 535,000	\$ 4,090,000
<b>Total Use of Funds</b>	\$ 225,000	\$ 250,000	\$ 290,000	\$ 310,000	\$ 340,000	\$ 360,000	\$ 420,000	\$ 440,000	\$ 480,000	\$ 565,000	\$ 4,737,500
<b>Ending Balance</b>	\$ 20,903	\$ 17,221	\$ 17,552	\$ 20,717	\$ 17,789	\$ 19,895	\$ 17,468	\$ 23,953	\$ 20,720	\$ 20,702	
<b>Assumptions</b>											
Initial District Start-up costs supported by HURA Inter-district Loan of \$50,000 to be repaid at 5% Interest											
District operating Expenses shown at \$25,000 in 2022 then capped at \$30,000, Yr.											
Land Values will increase at 3% annually for life of the District											
Improvement Values will increase at 5% for life of the District											
Includes \$23,675,000 in taxable investment over the life of the District											
Tax Rate reduced by 10% then held constant for the life of the District											
Capital & Program Expenses Include projects identified on the Airport Way District Improvement List											
Homeowners' Exemption increased by 25% for 2021 then inflated at 3% for indexing											