

**URBAN RENEWAL PLAN FOR THE
WEST RATHDRUM URBAN RENEWAL PROJECT**

RATHDRUM URBAN RENEWAL AGENCY

RATHDRUM, IDAHO

**Ordinance No. 583
Adopted November 13, 2019
Effective November 16, 2019**

TABLE OF CONTENTS

		Page
100	INTRODUCTION	1
101	General Procedures of the Agency	4
102	Procedures Necessary to Meet State and Local Requirements: Conformance with Idaho Code Sections 50-2008 and 50-2906	5
103	History and Current Conditions of the Area	6
104	Purpose of Activities	7
105	Open Land Criteria	9
200	DESCRIPTION OF PROJECT AREA.....	9
300	PROPOSED REDEVELOPMENT ACTIONS	10
301	General.....	10
302	Urban Renewal Plan Objectives	12
303	Participation Opportunities and Participation Agreements.....	13
304	Cooperation with Public Bodies	15
305	Property Acquisition	16
	305.1 Real Property 16	
	305.2 Personal Property	17
306	Property Management.....	17
307	Relocation of Persons (Including Individuals and Families), Business Concerns, and Others Displaced by the Project.....	18
308	Demolition, Clearance and Site Preparation.....	18
309	Property Disposition and Development	18
	309.1. Disposition by the Agency.....	18
	309.2 Disposition and Development Agreements	19
	309.3. Development by the Agency.....	20
310	Development Plans	21
311	Personal Property Disposition.....	21
312	Participation with Others	21
313	Conforming Owners.....	22
314	[RESERVED]	22
400	USES PERMITTED IN THE PROJECT AREA.....	22
401	Designated Land Uses.....	22
402	Public Rights-of-Way	22
403	[RESERVED]	23
404	Interim Uses	23
405	Development in the Project Area Subject to the Plan.....	23
406	Construction Shall Comply with Applicable Federal, State, and Local Laws and Ordinances and Agency Development Standards.....	23
407	Minor Variations	24
408	Design for Development under a Disposition and Development Agreement or Owner Participation Agreement	25

409	Nonconforming Uses	25
500	METHODS OF FINANCING THE PROJECT	26
501	General Description of the Proposed Financing Methods	26
502	Revenue Allocation Financing Provisions.....	26
	502.1 Economic Feasibility Study	27
	502.2 Assumptions and Conditions/Economic Feasibility Statement	28
	502.3 Ten Percent Limitation	29
	502.4 Financial Limitation.....	29
	502.5 Participation with Local Improvement Districts.....	31
	502.6 Issuance of Debt and Debt Limitation	31
	502.7 Impact on Other Taxing Districts and Levy Rate	31
503	Lease Revenue and Bonds	33
504	Membership Dues and Support of Community Economic Development	34
600	ACTIONS BY THE CITY.....	34
601	Maintenance of Public Improvements	35
700	ENFORCEMENT	36
800	DURATION OF THIS PLAN, TERMINATION, AND ASSET REVIEW	36
900	PROCEDURE FOR AMENDMENT OR MODIFICATION	37
1000	SEVERABILITY	38
1100	ANNUAL REPORT AND OTHER REPORTING REQUIREMENTS	38
1200	APPENDICES, ATTACHMENTS, EXHIBITS, TABLES	38

Attachments

Attachment 1	Boundary Map of West Rathdrum Urban Renewal Project Area and Revenue Allocation Area
Attachment 2	Legal Description of West Rathdrum Urban Renewal Project Area and Revenue Allocation Area
Attachment 3	Properties Which May be Acquired by the Agency
Attachment 4	Map Depicting Expected Land Uses and Current Zoning Map of the Project Area
Attachment 5	Economic Feasibility Study
Attachment 6	Agricultural Operation Consents

100 INTRODUCTION

This is the Urban Renewal Plan (the “Plan”) for the West Rathdrum Urban Renewal Project (the “Project”) in the city of Rathdrum (the “City”), county of Kootenai, state of Idaho. Attachments 1 through 6 attached hereto (collectively, the “Plan Attachments”) 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 §§ 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 West Rathdrum Project Area is also referred to as the “Project Area.”

This Plan was prepared by the Board of Commissioners (the “Agency Board”) of the Urban Renewal Agency of the City of Rathdrum (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.

Idaho Code § 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.

This Plan includes the above information with specificity.

The proposed development of the Project Area as described in this Plan conforms to the City of Rathdrum 2014 Comprehensive Plan (the “Comprehensive Plan”), adopted by the Rathdrum City Council (the “City Council”), as may be amended from time to time. The City is currently in the process of working on an update to the Comprehensive Plan, which update is anticipated to be completed and adopted prior to December 31, 2020. The Agency intends to rely heavily on the City’s applicable zoning and design standards.

This Plan is subject to the Plan modification limitations and reporting requirements set forth in Idaho Code § 50-2903A. Subject to limited exceptions as set forth in Idaho Code § 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. Should the Agency have any outstanding financial obligations, the City shall not adopt an ordinance modifying this Plan unless written consent has been obtained by any creditors, including but not limited to lending institutions and developers who have entered into reimbursement agreements with the Agency.

A modification shall not be deemed to occur when “[t]here is a plan amendment to support growth of an existing commercial or industrial project in an existing revenue allocation area...” Idaho Code § 50-2903A(1)(a)(iv). The proposed development of the Project Area is primarily a commercial and/or industrial project. Any adjustment to the list of improvements and/or revenue stream to support growth of the proposed commercial and/or industrial project is not a modification under Idaho Code § 50-2903A.

Further, 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 and prioritization of projects. Any adjustments for these stated purposes are technical and ministerial and are not modifications under Idaho Code § 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 § 50-2905. Attachment 5 specifically considers multiple buildout scenarios relying on realistic concept site plans for Site 1 (Options A and B) and for Site 2 (Options A and B).

The Plan narrative addresses the required elements of a plan set forth in Idaho Code § 50-2905(1), (5), (7) and (8). Attachment 5, together with the Plan narrative, meet the specificity requirement for the required plan elements set forth in Idaho Code § 50-2905(2)-(6), recognizing that actual Agency expenditures are prioritized each fiscal year during the required annual budgeting process.

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, which in this case includes industrial and commercial facilities.

The purposes of the Law and Act will be attained through, and the major goals of this Plan, are:

- a. The installation and construction of public improvements, including new collector and arterial streets; improvements to existing roadways and intersections, including the installation of traffic signals; installation of curbs, gutters and streetscapes, which for purposes of this Plan, the term “streetscapes” includes sidewalks, lighting, landscaping, benches, bike racks, public art and similar amenities between the curb and right of way line; installation and/or improvements to fiber optic facilities; improvements to public utilities including water and sewer improvements, and fire protection systems; removal, burying, or relocation of overhead utilities; extension of electrical distribution lines and transformers; improvement of irrigation and drainage ditches and laterals; and improvement of storm drainage facilities;
- b. The planning, design and construction of the proposed improvements to Lancaster Road, Greensferry Road, Rio Grande Road, Highway 41, Wyoming Road and OK Corral Road;

- c. The replanning, redesign, and development of undeveloped or underdeveloped areas which are stagnant or improperly utilized because of limited traffic access, underserved utilities, and other site conditions, including underground gas lines and overhead transmission lines;
- d. 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;
- e. The provision of adequate land for open space, street rights-of-way and pedestrian rights-of-way, including pathways;
- f. The reconstruction and improvement of street corridors to allow traffic flows to move through the Project Area along with the accompanying utility connections, through the Project Area;
- g. The provision of public service utilities, which may be sited outside of the Project Area, but are necessary to the development of the Project Area, such as water system improvements, sewer system improvements and improvements to storm drainage facilities;
- h. 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;
- i. 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
- j. 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. 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 §§ 67-450B, 67-450E, 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 § 50-2903A.

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

The City Council created the Agency by Resolution No. 73, dated February 14, 1995 as provided in Idaho Code §§ 50-2005 and 50-2006. 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 and prepare an eligibility report. The eligibility report was submitted to the Agency. The Agency accepted the eligibility report by Agency Resolution No. 2018-006 on December 5, 2018, and thereafter submitted the eligibility report to the City Council for its consideration.

The area studied was deemed by the City Council to be a deteriorating area and/or a deteriorated area and therefore eligible for an urban renewal project by adoption of Resolution No. 2018-297 on December 12, 2018. With the adoption of Resolution No. 2018-297, the City Council authorized the preparation of an urban renewal plan.

After adoption of Resolution No. 2018-297 by the City Council, additional property adjacent to the Study Area, was annexed into the City. A consultant was retained to study the additional area and to prepare a revised eligibility report, including the area previously studied in the 2018 report as well as the additional area. The revised eligibility report was submitted to the Agency. The Agency accepted the revised eligibility report by Agency Resolution No. 2019-001 on June 6, 2019, and thereafter submitted the revised eligibility report to the City Council for its consideration.

The additional area studied was deemed by the City Council to be a deteriorating area and/or a deteriorated area and therefore eligible for an urban renewal project by adoption of Resolution No. 2019-299 on June 26, 2019. With the adoption of Resolution No. 2019-299, the City Council authorized the preparation of an urban renewal plan for the entire 334 acres.

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. 2019-003 on October 1, 2019 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 *Coeur d'Alene Press*, a newspaper having general circulation in the City. The City Council adopted this Plan on November 13, 2019, by Ordinance No. 583.

103 History and Current Conditions of the Area

The Project Area contains approximately 334 undeveloped acres zoned Industrial and R-3 (Multi-Family Residential – High Density) and is located outside of the downtown core in the southwest part of the City. The Project Area consists of parcels south of Lancaster Road, north of W. Wyoming Road and east and west of Greensferry Road. The proposed Rathdrum Industrial Park 1 is partially bounded by W. Lancaster Road to the north and N. Greensferry to the west, including the adjacent roadways. This area within the Project Area may be referred to as “Site 1.” The proposed Rathdrum Industrial Park 2 is partially bounded by OK Corral Road on the north, North Greensferry Road to the east, and W. Wyoming road to the south, including the adjacent roadways. This area within the Project Area may be referred to as “Site 2.”

The Project Area is currently undeveloped, with some non-irrigated pastureland covered with noxious weeds. Most of the Project Area is no longer engaged in agricultural uses and would remain in this transitional state until costly public infrastructure is extended to support development. Existing land uses surrounding the Project Area include residential, mining and agricultural land. The Project Area is traversed by two major electrical transmission lines, and buried gas pipelines, which severely restrict construction within the easements and represents a significant deterrent to development.

The Project Area lacks the public infrastructure necessary to properly serve economic development contemplated by the City’s zoning and Comprehensive Plan. Lancaster Road, Wyoming and Greensferry Road do not comply with current City standards requiring curbs, swales for storm drainage, sidewalks or pedestrian paths and illumination. The roadway improvements were not designed to accommodate the projected levels of commercial and industrial traffic contemplated in City planning documents. Further, due to existing safety concerns at the existing intersections, traffic signals are needed. Currently, there is no internal street network in the Project Area.

Municipal water currently stubs out near the centerline of W. Lancaster Road east of the eastern boundary of the Project site. As the Project Area is undeveloped vacant land, once developed consistent with zoning designations, extensions will be necessary to serve the Project Area and fire flows may need to be upgraded to adequately protect a more densely developed environment. Similarly, sewer service will need to be enhanced to serve development.

The Plan proposes improvements to public infrastructure and other publicly owned assets throughout the Project Area, creating the opportunity for industrial and commercial economic

development, as well as the opportunity for expanded residential housing stock. The Project Area is underdeveloped or vacant and is not being used to its highest and best use due to deterioration of site and other improvements, the age and obsolescence of infrastructure, the predominance of defective or inadequate street layout, outmoded street patterns, need for modern traffic requirements, faulty lot layouts, insanitary and unsafe conditions, and inadequate utility infrastructure needed for industrial and commercial development. The foregoing conditions 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 Project Area may be used by the Agency to finance a variety of needed public improvements and facilities. Finally, the contemplated industrial and commercial developments will generate new jobs in the community that would, in turn, benefit area residents.

It is unlikely individual developers 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 industrial and commercial developments would not occur.

104 Purpose of Activities

Attachment 5 includes identification of the proposed public improvements necessary for the contemplated development on Site 1 (Options A and B) and Site 2 (Options A and B) 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, absorption rates for commercial and residential facilities, and the future costs of construction, the Agency reserves the right to:

- a. change funding amounts from one Project to another;
- b. to 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 set forth in Attachment 5 to support development when it occurs. The information included in Attachment 5 presents realistic alternative development scenarios 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 the parcels within the Project Area seeking Agency assistance during the duration of the Plan and Project Area. During such negotiation, the Agency will determine the eligibility of the activities sought for Agency funding, the amount the Agency may fund by way of percentage or other criteria including the need for such assistance. The Agency will also take into account the amount of revenue allocation proceeds estimated to be generated from the developer's activities. The Agency also reserves the right to establish by way of policy, its funding percentage or participation, which would apply to all developers and owners.

Throughout this Plan, there are references to Agency activities, Agency funding, and the acquisition, development, and contribution of public improvements. Such references do not necessarily constitute a full, final, and formal commitment by the Agency but, rather, grant to the Agency the discretion to participate as stated subject to achieving the objectives of this Plan and provided such activity is deemed eligible under the Law and the Act. The activities listed 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 Attachments 5 are also prioritized by way of importance to the Agency by the amounts funded, and by year of funding, with earlier years reflecting the more important activities, achievement of higher objectives, long term goals, and commitments. 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 a given point 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 2019 dollars of approximately \$43,438,100 for improvements related to Option A (Site 1 and Site 2) and \$46,117,100 for improvements related to Option B (Site 1 and Site 2). These amounts do not take into account inflationary factors, such as increasing construction costs, which would increase those figures 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 \$92,266,022 if only the proposed power plant is sited on Site 1 or Site 2; \$130,405,099 if Site 1 and Site 2 are 50% developed; and \$178,896,679 if Site 1 and Site 2 are 100% developed¹. 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.

¹ Cumulative revenue allocation estimates are not discounted to present value.

105 Open Land Criteria

The Project Area includes open land requiring the area meet the conditions set forth in Idaho Code § 50-2008(d). These conditions include defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout, all of which are included in one form or another in the definitions of deteriorated area or deteriorating area set forth in Idaho Code §§ 50-2018(8), (9) and 50-2903(8). The issues listed only in Idaho Code § 50-2008(d)(4)(2) (the open land section) include economic disuse, unsuitable topography, and “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.”

Open land areas qualify for Agency acquisition and development for residential uses if the City Council determines 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 will be increased as a result of the clearance of deteriorated areas, that the conditions of blight in the area and the shortage of decent, safe and sanitary housing contributes to an increase in the spread of disease and crime and constitutes 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. Due to the City’s expected growth the need for housing is significant. Further, the existing zoning designations in the Project Area allow for increased residential density, surrounding potential industrial and commercial projects.

Open land areas qualify for Agency acquisition and development for primarily nonresidential uses if acquisition is necessary to facilitate the proper growth and development of the Project Area in accordance with City planning objectives if any of the deteriorating area conditions set forth in Idaho Code §§ 50-2018(8), (9) and 50-2903(8) apply. But such areas also qualify if any of the issues listed only in 50-2008(d)(4)(2) apply. The lack of water and sewer facilities, large parcel size, a deficient street system, lack of fire protection facilities and economic disuse are all conditions which delay or impair development of the open land areas and satisfy the open land conditions as more fully supported by the Rathdrum Industrial District Urban Renewal Eligibility Report, prepared by J-U-B Engineers, Inc., dated May 2019.

This Plan does not anticipate or intend Agency acquisition of property within the Project Area. However, should the Agency determine the need to acquire property as further set forth in Attachment 3, then the open land areas qualify for Agency acquisition and development.

200 DESCRIPTION OF PROJECT AREA

The boundaries of the Project Area and the Revenue Allocation Area are shown on the Project Area and Revenue Allocation Boundary Map, attached hereto as Attachment 1 and incorporated herein by reference, and are described in the Legal Description of the 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 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, 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, 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;
- b. The provision for participation by property owners and developers within the Project Area to achieve the economic development objectives of this Plan;
- c. The engineering, design, installation, construction, and/or reconstruction of streets, including but not limited to improvements and upgrades to N. Greensferry Road, W. Lancaster Road, W. Wyoming Road, Highway 41, Rio Grande Road, OK Corral Road and related pedestrian facilities, intersection improvements and traffic signals;
- d. 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, booster system upgrades, water capacity improvements, water storage upgrades, sewer system improvements and upgrades, gravity interceptor, and improvements and upgrades to power and gas 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, and include a new water tank, water basin wastewater improvements and/or a gravity interceptor;
- e. 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; addition of fiber optic lines or other communication systems; parking facilities, and other public improvements, including but not limited to, fire protection systems, roadways, curbs, gutters, and streetscapes, which for purposes of this Plan, the term streetscapes includes sidewalks, lighting, landscaping, benches, bike racks, public art and similar amenities between the curb and right-of-way line; and other public improvements, including public open spaces that may be deemed appropriate by the Board;

- f. The acquisition of real property for public right-of-way improvements, pedestrian facilities, utility undergrounding and streetscape improvements 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;
- g. The disposition of real property through a competitive process in accordance with this Plan, Idaho law, including Idaho Code § 50-2011, and any disposition policies adopted by the Agency;
- h. The demolition or removal of certain buildings and/or improvements for public rights-of-way, pedestrian facilities, utility undergrounding 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;
- i. The management of any property acquired by and under the ownership and control of the Agency;
- j. The development or redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;
- k. The construction and financial support of infrastructure necessary for the provision of improved transit and alternative transportation;
- l. The provision of financial and other assistance to encourage and attract business enterprise including but not limited to start-ups and microbusinesses, mid-sized companies and large-scale corporations and industries;
- m. The rehabilitation of structures and improvements by present owners, their successors, and the Agency;
- n. The preparation and assembly of adequate sites for the development and construction of facilities for residential, commercial, industrial and governmental use;
- o. To the extent allowed by law, lend or invest federal funds to facilitate development and/or redevelopment;
- p. The environmental assessment and remediation of brownfield sites, or sites where environmental conditions detrimental to development and/or redevelopment exist;

- q. 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, multi-use pathways, parks and open space, and other like public spaces applicable to the Project Area as needed to support implementation of this Plan;
- r. The construction and financial support of infrastructure necessary for the provision of improved transit and mobility systems, including alternative forms of transportation;
- s. 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; and
- t. 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 other areas of the City based on deteriorated or deteriorating conditions that have arrested or impaired growth in the Project Area primarily attributed to: deterioration of site, predominance of defective or inadequate street layout, faulty lot layout, unsafe conditions, outmoded street patterns, obsolete platting and obsolescence. 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 any development 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 an assertive 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 residential, commercial and industrial opportunities.
- c. Secure and improve certain public open space in critical areas.
- d. Initiate projects designed to increase workforce transportation and mobility options.

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 § 50-2905.

Land use in the Project Area will be modified to the extent that the existing brownfields, and underutilized, underdeveloped, and vacant land and land now devoted to scattered inconsistent uses will be converted to residential, commercial and industrial uses. In implementing the activities described in this Plan, the Agency shall give due consideration to the provision of adequate park and 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 site covered by the Plan, recognizing the primary commercial and industrial nature of the Project Area.

303 Participation Opportunities and Participation Agreements

The Agency shall enter into an owner participation agreement (which term includes all types of reimbursement agreements) with any existing or future owner of property in the Project Area, in the event the property owner receives assistance from the Agency in the development and/or redevelopment of the property. 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 Site 1 and Site 2 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, and the Agency will so certify, if the rehabilitated or new structure meets the standards set forth in an executed owner participation agreement and meets the conditions described below:

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

All owner participation agreements will address phasing issues, 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, 2039. 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 a participation agreement with the Agency, the provisions of this Plan are applicable to all public and private property in the Project Area.

In the event a participant fails or refuses to rehabilitate, develop, use, and maintain its real property pursuant to this Plan and a participation agreement, the real property or any interest therein may be acquired by the Agency in accordance with Section 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.
- Allowing existing nonconforming uses to continue in accordance with City regulations and to accommodate improvements and expansions allowed by City regulations.
- 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 over the next twenty (20) years.
- 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 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.

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 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, walkways, parking facilities and unoccupied auxiliary structures. 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, 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 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. 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 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. Such properties may include properties owned by private parties or public entities. This Plan allows 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 the Agency of funds to acquire said property either through a voluntary acquisition or the invocation of eminent domain authority as limited by Idaho Code § 7-701A.

The Agency is authorized by this Plan and Idaho Code §§ 50-2010 and 50-2018(12) to acquire the properties 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 streets, streetscapes, lighting, water and sewer improvements, drainage facilities, intersection improvements, including the installation of traffic signals, parking, parks and open space, multi-use paths and trails, power and gas improvements and/or relocations, and other related public infrastructure improvements. Further, the Agency may acquire real property to facilitate commercial and industrial development 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 residential, commercial and industrial uses. 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. The open land areas qualify for Agency acquisition as further set forth in Section 105 of this Plan.

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 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.

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 may also acquire property for the purpose of developing streetscape 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 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.

In the event the Agency's activities result in displacement, 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 rock removal and site preparation. In connection therewith, the Agency may cause, provide for, or undertake the installation or construction of streets, utilities, parks and open space, multi-use paths and trails, 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 § 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 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 Kootenai 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 participation agreement shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease, or other transfer of land in the Project Area shall contain such nondiscrimination and 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 of no less than twenty (20) years.
- 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 408 of this Plan.
- j. All other requirements and obligations as set forth in the existing Participation Policy.

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, 2039. 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 Section 50-2007, 50-2018(10) and (13), and 50-2903(9), (13), and (14), and as otherwise identified 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 § 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under Idaho Code § 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 a 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 408 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.

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 § 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under Idaho Code § 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 [RESERVED]

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 tentatively depicted on Attachment 4 and as set forth in the City's Comprehensive Plan and within the Rathdrum 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 high-density residential, commercial and industrial development. 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 as shown on Attachment 1, including but not limited to W. Lancaster Road, Rio Grande Road, N. Greensferry Road, OK Corral Road, and W. Wyoming Road. Any new roadways, including new collectors and/or arterials to be engineered, designed, installed and constructed in the interior of Site 1 and Site 2, will be constructed in conjunction with any applicable policies and design standards of the City (and State and Federal standards, as the case may be) 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 shown in Attachment 5.

Existing dirt roadways, streets, alleys, easements, and irrigation or drainage laterals or ditches (if any) may be improved, abandoned, closed, vacated, expanded or modified as necessary for proper development of the Project Area, in accordance with any applicable policies and standards of the Idaho Transportation Department, Kootenai County or the City regarding changes to dedicated rights-of-way.

Any development, maintenance and future changes in the 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 vehicular access, vehicular parking, and delivery loading docks with the similar needs of any existing developments permitted to remain. Such balancing shall take into consideration the rights of existing owners and tenants under the rules for owner and tenant participation adopted by the Agency for the Project and any participation agreements executed thereunder;
- b. The requirements imposed by such factors as topography, traffic safety, and aesthetics;
- 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; and
- d. Street connectivity should be maximized, and the design and/or construction of permanent cul-de-sacs and dead-end streets should be minimized to the greatest extent practicable.

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

403 [RESERVED]

404 Interim Uses

Pending the ultimate development of land by developers and participants, the Agency is authorized to use or permit the use of any land in the Project Area for interim uses that are not in conformity with the uses permitted in this Plan. However, any interim use must comply with applicable 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 Rathdrum 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; parcel subdivision; off-street loading and off-street parking requirements.

In addition to the Rathdrum City Code, 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 permit a variation from the limits, restrictions, and controls established by this Plan. In order to permit such variation, the Agency must determine that:

- a. The application of certain provisions of this Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of this Plan;
- b. There are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions, and controls;
- c. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area; and
- d. Permitting a variation will not be contrary to the objectives of this Plan.

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

408 Design 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 establish 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. 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 those agreements the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. One of the objectives of this Plan is to create an attractive and pleasant environment in the Project Area. Therefore, such plans shall give consideration to good design, open space, and other amenities to enhance the aesthetic quality of the Project Area. The Agency shall not approve any plans that do not comply with this Plan. The Agency reserves the right to impose such design standards on an ad hoc, case by case basis through the approval process of the owner participation agreement or disposition and development agreement. Any change to such approved design must be consented to by the Agency and such consent may be conditioned upon reduction of Agency's financial participation towards the Project.

In the event the Agency adopts design standards or controls, those provisions will thereafter apply to each site or portion thereof in the Project Area. Those controls and standards will be implemented through the provisions of any disposition and development agreement or owner participation agreement. 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.

409 Nonconforming Uses

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

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 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.

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, 2019. 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 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 § 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 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 § 50-2908. The Agency shall use such funds solely in accordance with Idaho Code § 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 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 § 50-2905 is included in this Plan and in Attachment 5 to this Plan. This information necessarily incorporates estimates and projections based on the Agency's and 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 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 or Agency, 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 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 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.

502.1 Economic Feasibility Study

The West Rathdrum Urban Renewal District Economic Feasibility Study, dated September __, 2019, attached hereto as Attachment 5 constitutes the economic feasibility study

(“Study”) for the Project Area prepared by Alivia Metts, The Metts Group. 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 bonded indebtedness, developer reimbursement and all other loans or indebtedness, and the amount of revenue generated by revenue allocation are dependent upon the extent and timing of private development. Should all of the proposed 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 consultant’s present knowledge and expectations. The Plan proposes certain public improvements as set forth in Attachment 5, which will facilitate residential, commercial and industrial 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 Act. At the point in time when the Agency may seek a loan from lenders or others, a more detailed and then-current financial pro forma will be presented to those lenders or underwriters for analysis to determine the borrowing capacity of the Agency. As set forth herein, the Agency reserves the right to fund the Project on a “pay as you go” basis. The Agency Board will prioritize the activities set forth in this Plan and determine what funds are available and what activities can be funded. The Agency will establish those priorities through its mandated annual budgetary process.

The assumptions concerning revenue allocation proceeds are based upon certain anticipated development, assessed value increases and assumed levy rates as more specifically set forth in Attachment 5. 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 § 50-2908. The types of new construction expected in the Project Area are high-density residential, industrial and commercial facilities and improvements. The Project Area has potential for a significant increase in industrial and commercial growth due to the location of the Project Area. However, without a method to construct the identified public improvements development is unlikely to occur in much of the Project Area.

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 Kootenai County Assessor, the assessed taxable value² for the City as of January 1, 2018³, less homeowner's exemptions is \$723,140,894.00; therefore, the 10% limit is \$72,314,089.00.

The estimated base value for the proposed Project Area is \$1,340,079.00⁴, which is less than 10% of the City's 2018 taxable value.

502.4 Financial Limitation

The Study identifies several 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. For purposes of determining feasibility, the Study reviews and analyzes four potential development scenarios over the duration of the Project Area, including no development, development of the power plant only, 50% developed and 100% developed.

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 annual revenue allocations and developer contributions are shown. This Study identifies the kind, number, and location of all proposed public works or improvements, a detailed list of estimated project costs, a description of the methods of financing the estimated project costs, and the time when related costs or monetary obligations are to be incurred. See Idaho Code § 50-2905. Based on these funding sources, the conclusion is that the project is feasible under all development scenarios except in the case of no development.

² Includes taxable real and personal property.

³ Due to the timing of the assessment process and creation of this Plan, the 2018 values have been used to establish compliance with the 10% limitation. Using the 2018 values, the estimated base value of the proposed revenue allocation area is less than .2% of the total taxable value of the City. Even assuming an increase in values for 2019, the base value of the revenue allocation area would not exceed 10% of the current assessed taxable value for the entire City.

⁴ The estimated base value assumes the agricultural exemption has been removed and that the increase in value will be allocated to the base.

The projections in the Study are based on reasonable assumptions and existing market conditions. First, the Agency has projected developer funding to assist with the administrative costs for establishing the new Project Area pursuant to a memorandum of understanding with the Agency. Should the Project Area be established and generate sufficient revenue allocation funds, the developer funded amount is anticipated to be repaid over the duration of the Project Area pursuant to the terms of any owner participation agreement. Second, the Study, relying significantly on developer input, has projected alternative development scenarios indicating a significant industrial development within the Project Area and/or significant residential, commercial and industrial development. These developments and/or improvements are expected to generate significant revenue allocation funds as early as calendar year 2023. Third, the Study projects the existing owner/developer will advance fund many of the public improvements necessary for the development to occur, which amounts subject to reimbursement will be reimbursed to the existing owner/developer pursuant to the terms of an owner participation agreement. Fourth, the Study anticipates the City may advance fund public improvements necessary for the development to occur, which have a broader municipal impact beyond the boundaries of the Project Area. The amounts funded, if any, will be reimbursed to the City pursuant to the terms of a reimbursement agreement. Fifth, the Study projects future owner/developers may advance fund certain public improvements consistent with the development contemplated in this Plan, which amounts subject to reimbursement will be reimbursed to the owner/developer pursuant to the terms of an owner participation agreement. Sixth, under the provisions of the Act, the revenue allocation may continue until the end of the Plan term. Seventh, the total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development.

Finally, 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 bonds, notes, participation agreements and disposition and development agreements. The Agency may also, re-prioritize projects and the location of those projects pursuant to market conditions, project timing, funding availability, etc. 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 § 50-2903A.**

Attachment 5 identifies those public improvements the Agency may directly fund in whole or reimburse a future owner, developer and/or public entity for 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 identification of public improvements does not commit the 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 owner, developer and/or public entities. This Plan does not financially bind or obligate the 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. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in any participation agreement and in the annual budget adopted by the Agency Board. The proposed location and siting of roads and utilities in the Project Area is generally shown in Attachment 5 recognizing that the specific location of roads and utilities will depend on the type and timing of development. The change in location of the improvements shown in Attachment 5 does not constitute a modification to the 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. Where applicable, 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, 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

Under the Idaho Local Improvement 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.

502.6 Issuance of Debt and Debt Limitation

Any debt incurred by the Agency as allowed by the Law and Act shall be secured by revenues identified in the debt resolution or revenue allocation funds as allowed by the Act. All such debt shall be repaid within the duration of this Plan, 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 § 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. 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 § 63-802. Therefore, the impact of revenue allocation is more a product of the imposition of Idaho Code § 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 calculation⁵. 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 proposed 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 (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. From and after December 31, 2006, Idaho Code § 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 budget capacity. Upon termination of this Plan or deannexation of area, the taxing entities will be able to include the

⁵ There are exceptions to this assertion set forth in I.C. § 50-2908, where certain levies do not generate revenue for the Agency, and therefore, the full value of the Project Area is used to set the levy rate.

accumulated new construction roll value in setting the following year's budget and revenue from such value is not limited to the three percent increase allowed in Idaho Code § 63-802(1)(a).

As 2019 certified levy rates are not determined until late September 2019, the 2018 certified levy rates have been used in the Study for purposes of the analysis.⁶ Those taxing districts and rates are as follows:

<u>Taxing District Levies:</u>	
Kootenai County	.002737167
Post Falls Highway District #1	.000514042
City of Rathdrum	.005222298
Lakeland School District No. 272	.000675947
Kootenai Ambulance	.000152201
Northern Lakes Fire	.001253698
North Idaho College	.000885375
Community Library Network	.000330314
TOTAL:	.01771042

The Study has made certain assumptions concerning the levy rate. The levy rate is conservatively estimated to be .015241033 and is projected to stay level for the life of the revenue allocation area. Additionally, the Study assumes a combined annual inflationary increase of 1.6% in land value and improvement value over the term of the Plan. 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 § 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.

503 Lease Revenue and Bonds

Under the Law (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

⁶ Due to the timing of the taxing districts' budget and levy setting process, certification of the 2019 levy rates did not occur until this Plan had been prepared and was in the process of being considered by the Agency. In order to provide a basis to analyze the impact on the taxing entities, the 2018 levy rates are used. Use of the 2018 levy rates provides a more accurate base than estimating the 2019 levy rates.

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 § 50-2905(8) as those resources involve funds not related to revenue allocation funds.

504 Membership Dues and Support of Community Economic Development

The Act is premised 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 line item of Agency Operating Expense 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

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 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. The undertaking and completing of any other proceedings necessary to carry out the Project.
- h. Administration of Community Development Block Grant funds that may be made available for this Project.
- i. Appropriate agreements with the Agency for administration, supporting services, funding sources, and the like.
- j. Use of public entity labor, services, and materials for construction of the public improvements listed in this Plan.
- k. Coordination of the development agreements entered into by the City and developer with the goals of the Plan.
- l. Assist with coordinating and implementing the public improvements in the Project Area identified in the Study.
- m. Contribute land for right-of-way improvements at no cost to support construction of the public improvements listed in this Plan.
- n. Institution and completion of proceedings necessary for the establishment of a local improvement district under Chapter 17, Title 50, Idaho Code.
- o. Joint funding of certain public improvements, including but not limited to improvements to sewer treatment facilities and water system and storage facilities.

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

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

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, 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 §§ 50-2904 and 50-2905(7). The revenue allocation authority will expire on December 31, 2039, except for any revenue allocation proceeds received in calendar year 2040, as contemplated by Idaho Code § 50-2905(7). The Agency may use proceeds in 2040 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, 2039.

Idaho Code § 50-2903(5) provides the Agency shall adopt a resolution of intent to terminate the revenue allocation area by September 1. 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, 2040, 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 § 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 § 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 § 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 § 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 § 63-215.

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

As allowed by Idaho Code § 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 is any outstanding loans or obligations, this Plan shall not be modified pursuant to the provisions set forth in Idaho Code § 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 § 50-2903A subject to certain limited exceptions contained therein, including the exception to allow an amendment to support growth of an existing commercial or industrial project. I.C. § 50-2903A(1)(a)(iv). 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 § 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 a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such calendar year. This annual report shall be considered at a public meeting to report these findings and take comments from the public.

Additionally, the Agency must comply with certain other reporting requirements as set forth in Idaho Code § 67-450E, the local government registry portal, Idaho Code § 50-2913, the tax commission plan repository, and Idaho Code § 50-2903A, the tax commission's plan modification annual attestation. 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 Kootenai County Board of County Commissioners.

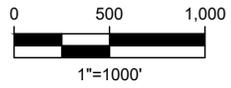
1200 APPENDICES, ATTACHMENTS, EXHIBITS, TABLES

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.

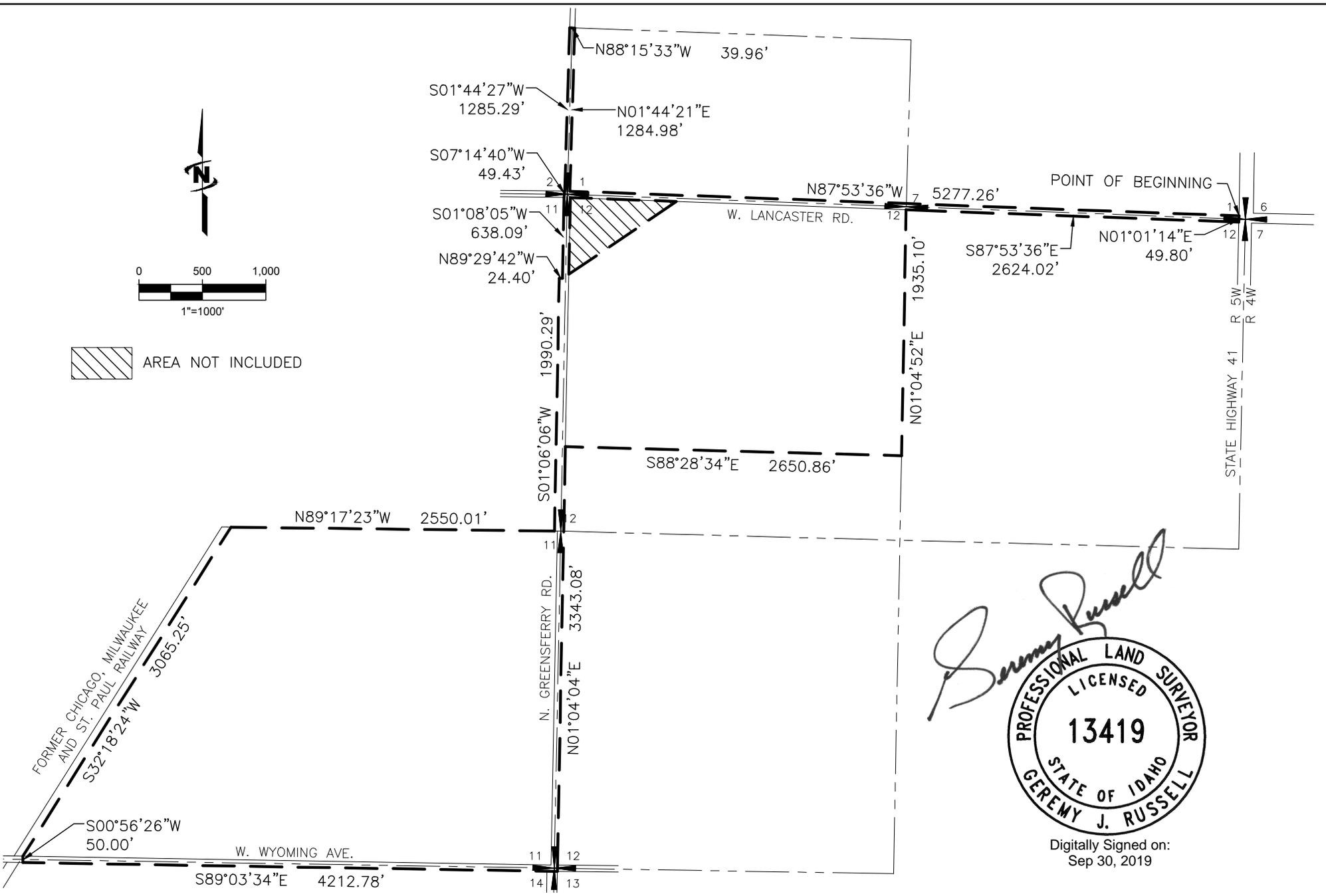
Attachment 1

Project Area and Revenue Allocation Area Boundary Map

Plot Date: 9/30/2019 4:49 PM. Plotted By: David Grebe
Date Created: 9/26/2019. I:\DATA\FILES\PUBLIC\PROJECTS\JUB\20-18-019 BEYOND GREEN INC\CAD\SURVEY\GITY OF RATHDRUM\EASEMENT\MOBILITY OF RATHDRUM.URD.BNDY.DWG



 AREA NOT INCLUDED



Jeremy Russell


Digitally Signed on:
Sep 30, 2019

WEST RATHDRUM URBAN RENEWAL DISTRICT BOUNDARY

A PORTION OF SECTIONS 1, 2, 11, 12, 13, AND 14,
TOWNSHIP 51 NORTH, RANGE 5 WEST, B.M.,
CITY OF RATHDRUM, KOOTENAI COUNTY, IDAHO



J-U-B ENGINEERS, INC.

LAST UPDATE: 9/26/2019
PLOT DATE: 9/30/2019
FILE: CITY OF RATHDRUM.URD.BNDY

Attachment 2

Legal Description of Project Area and Revenue Allocation Area

An area consisting of approximately 334 acres as more particularly described as follows:

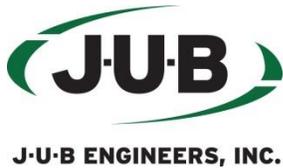


EXHIBIT ____

LEGAL DESCRIPTION
of the
WEST RATHDRUM URBAN RENEWAL DISTRICT BOUNDARY

September 26, 2019

That portion of Sections 1, 11, 12, 13, and 14, Township 51 North, Range 5 West, B.M., City of Rathdrum, Kootenai County, Idaho, Kootenai County, Idaho, described as follows:

BEGINNING at the intersection of the westerly right-of-way line of State Highway 41 and the northerly right-of-way line of Lancaster Road;

thence North $87^{\circ}53'36''$ West along said northerly right-of-way line a distance of 5,277.26 feet, more or less, to the easterly right-of-way line of Greensferry Road;

thence North $01^{\circ}44'21''$ East along said easterly right-of-way line a distance of 1,284.98 feet, more or less, to the north line of the SW1/4 of the SW1/4 of said Section 1;

thence North $88^{\circ}15'33''$ West along said north line (and the westerly extension thereof), a distance of 39.96 feet, more or less, to the westerly right-of-way line of said Greensferry Road;

thence South $01^{\circ}44'27''$ West along said westerly right-of-way line, a distance of 1,285.29 feet, more or less, to the intersection of said westerly right-of-way line of Greensferry Road and the northerly right-of-way line of said Lancaster Road;

thence leaving said intersection, South $07^{\circ}14'40''$ West, a distance of 49.43 feet, more or less, to the intersection of said westerly right-of-way line of Greensferry Road the southerly right-of-way line of said Lancaster Road;

thence continuing along said westerly right-of-way line of Greensferry Road the following three (3) courses:

1. South $01^{\circ}08'05''$ West, a distance of 638.09 feet;
2. North $89^{\circ}29'42''$ West, a distance of 24.40 feet;
3. South $01^{\circ}06'06''$ West, a distance of 1,990.29 feet, more or less, to the north line of the SE1/4 of said Section 11;

thence North $89^{\circ}17'23''$ West along said north line, a distance of 2,550.01 feet, more or less, to the easterly right-of-way line the former Chicago, Milwaukee and St. Paul Railway right-of-way line;

thence South $32^{\circ}18'24''$ West along said easterly right-of-way line, a distance of 3,065.25 feet, more or less to the intersection of said easterly right-of-way line and the northerly right-of-way line of Wyoming Avenue;

thence leaving said northerly right-of-way line, South 00° 56' 26" West, a distance of 50.00 feet, more or less, to the southerly right-of-way line of said Wyoming Avenue;

thence South 89° 03' 34" East along said southerly right-of-way line of Wyoming Avenue, a distance of 4,212.78 feet, more or less, to the easterly right-of-way line of said Greensferry Road;

thence North 01° 04' 04" East along said easterly right-of-way line of Greensferry Road, a distance of 3,343.08 feet, more or less, to the south line of the N1/2 of the S1/2 of the NW1/4 of said Section 12;

thence South 88° 28' 34" East along said south line of the N1/2 of the S1/2 of the NW1/4 of said Section 12, a distance of 2,650.86 feet, more or less, to the east line of said NW1/4;

thence North 01° 04' 52" East along said east line, a distance of 1,935.10 feet, more or less, to the southerly right-of-way line of said Lancaster Road;

thence South 87° 53' 36" East along said southerly right-of-way line, a distance of 2,624.02 feet, more or less, to the westerly right-of-way line of said State Highway 41;

thence North 01° 01' 14" East, a distance of 49.80 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM:

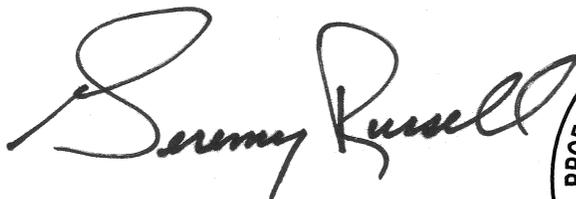
That portion of the NW1/4 of the NW1/4 of Section 12, Township 51 North, Range 5 West, Boise Meridian, Kootenai County, Idaho, described as follows:

COMMENCING at the northwest corner of said Section 12 (from which the East 1/4 corner of said Section 12 bears South 01° 06' 21" West, 2,652.75 feet); thence South 43° 01' 23" East, a distance of 35.29 feet, more or less, to a point on the southerly right-of-way line of West Lancaster Road, said point being the POINT OF BEGINNING.

thence South 87° 53' 36" East, along said southerly right-of-way line, 836.25 feet, more or less, to the intersection of the northwesterly boundary of a 100-foot wide Pacific Gas Transmission Company right-of-way agreement, recorded December 9, 1960, Book 184 of Deeds, Page 167, records of Kootenai County;

thence South 55° 54' 20" West, along said northwesterly boundary, 1,023.60 feet, more or less, to a point on the easterly right-of-way line of North Greensferry Road;

thence North 01° 08' 05" East, along said easterly right-of-way line, 604.65 feet, more or less, to the POINT OF BEGINNING.



Digitally Signed:
Sep 30, 2019



Attachment 3

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

1. The Agency has not identified any particular parcel for the construction of public improvements or for private redevelopment. Properties which may be subject to acquisition included parcels to:
2.
 - 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 high-density residential, industrial and commercial;
 - e. assemble for the construction of certain public improvements, including but not limited to streets, streetscapes, water and sewer improvements, parking, community and recreation facilities, parks and open space, multi-use paths and trails, and other public facilities.
3. The Agency reserves the right to acquire any additional right-of-way or access routes near or around existing or planned rights-of-way.
4. 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).
5. 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 any master plan for the Project Area.

Attachment 4

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



LEGEND		
R-1		SINGLE FAMILY RESIDENTIAL. (LOW DENSITY)
R-2S		SINGLE FAMILY (MEDIUM DENSITY)
R-2D		SINGLE FAMILY/DUPLEX 2004 (MEDIUM DENSITY)
R-2		SINGLE FAMILY & DUPLEX RESIDENTIAL. (MEDIUM DENSITY)
R-3		MULTI-FAMILY RESIDENTIAL. (HIGH DENSITY)
C-1		GENERAL COMMERCIAL
C-2		HIGHWAY/SERVICE COMMERCIAL
I		INDUSTRIAL DISTRICT
P		PUBLIC USE DISTRICT
O		PARKS & OPEN SPACE
		CITY LIMITS
		ACI BOUNDARY
		"LINE OF DEMARCATION"

Attachment 5

Economic Feasibility Study

WEST RATHDRUM URBAN RENEWAL DISTRICT ECONOMIC FEASIBILITY STUDY

September 27, 2019

Prepared by:
The Metts Group

Prepared for:
Rathdrum Urban Renewal Agency



Table of Contents

Introduction	2
Boundary	2
Existing Conditions	4
Zoning	4
Existing and Planned Infrastructure	4
Social Conditions	6
Financial Analysis	8
Future Development	8
Projected Assessed Values	11
Projected Tax Increment Revenue	12
Taxing Districts	17
Jobs	19
Conclusion	20
Appendices	21

Introduction

Urban renewal and revenue allocation financing are one of the most significant tools available to Idaho communities for attracting and retaining businesses, generating economic development, promoting job creation and encouraging development of deteriorating and underutilized areas.

The State of Idaho provides limited options for cities and counties to use in financing site preparation, infrastructure and other needed incentives necessary to attract and retain businesses. Revenue allocation financing allows communities to make a site “ready” for development, including extending water, sewer, streets and other improvements that reduce the cost to businesses of relocating or expanding. Revenue allocation financing also allows Idaho cities and counties to compete with other areas in attracting industry and business to Idaho.

This feasibility report focuses on a study area of approximately 318 acres which was recently annexed into the City of Rathdrum (City). The City’s population has grown 16 percent from 2010 to 2017 according to U.S. Census data, or at annual rate of 1.9 percent.

This study lays the groundwork to assess the feasibility of this new district from an economic perspective. The public benefits resulting from this partnered development include:

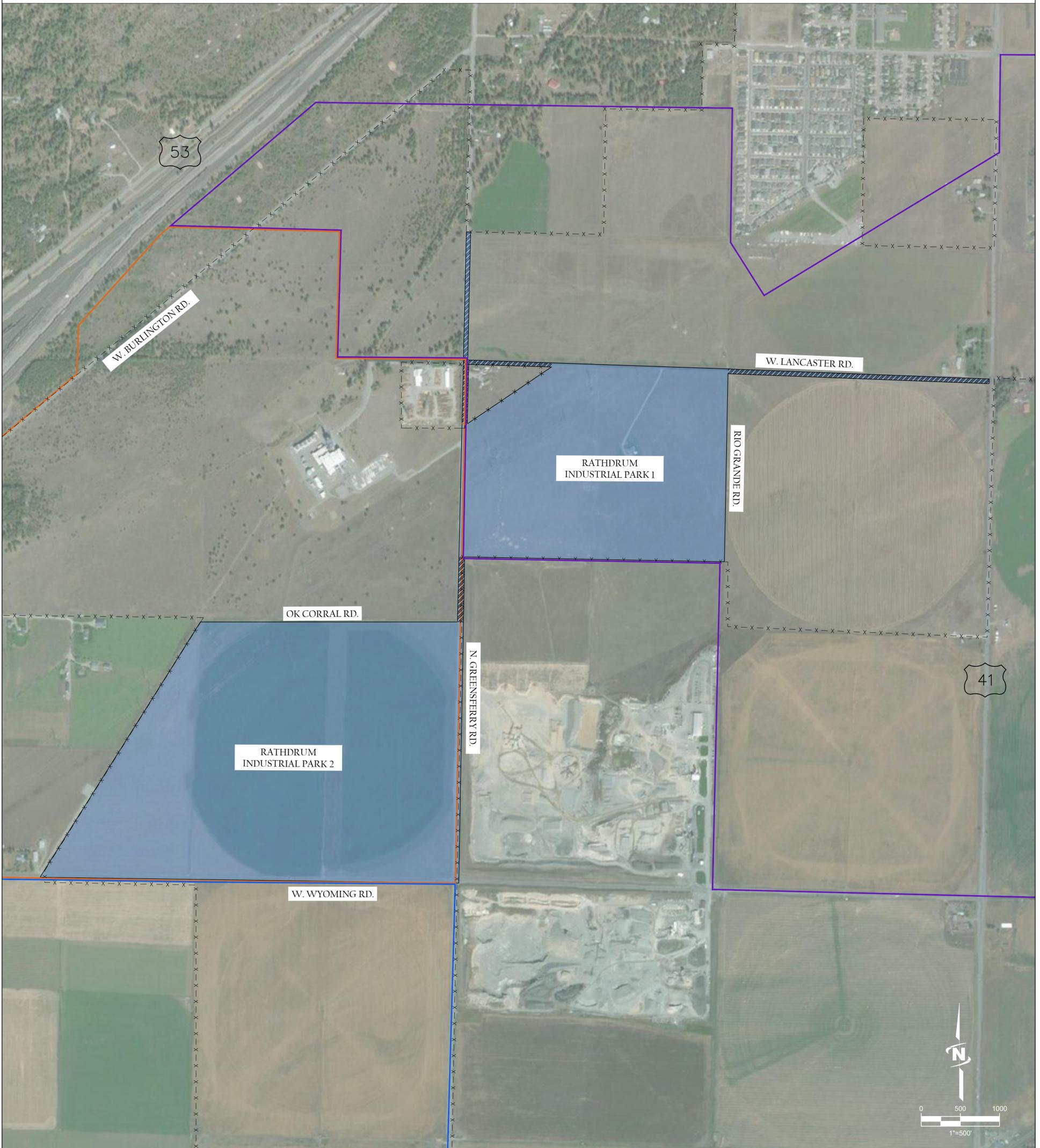
- Job creation from the initial project as well as potential for “spinoff” developments
- Underutilized property or land can be developed to a productive use
- Infrastructure upgrades enhance capacity for surrounding area and community at large
- Improvements to local transportation systems benefit the community at large
- Increasing local tax base may mean property owners enjoy lower levy rates in the future
- Increased local tax base also bodes well for enrollment in the public schools and overall budget
- Successful projects generate increased sales and income taxes for the state

Boundary

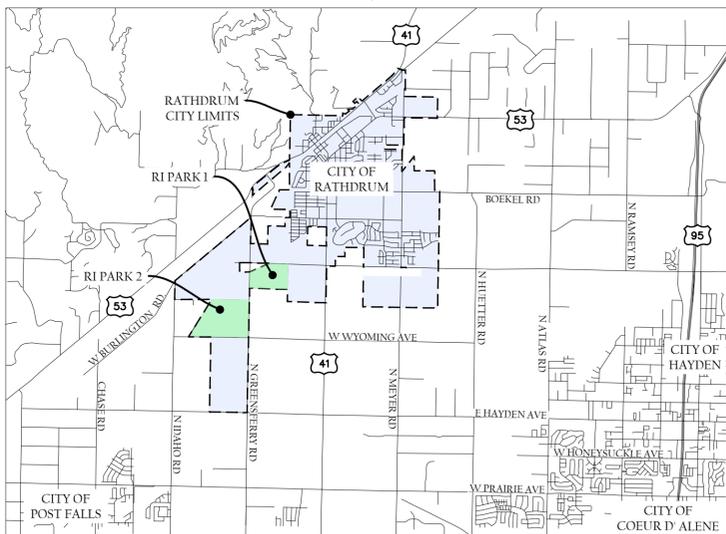
The subject area examined in this report is generally described as north of W. Wyoming Avenue, south of W. Lancaster Road, east of Taela Lane, and west of N. Highway 41 and located in the northwest quadrant of the area created by these four roadways. This boundary was developed jointly by City of Rathdrum staff, Rathdrum Urban Renewal Agency, and J-U-B Engineers, Inc.

While this boundary is being used for this study, if an urban renewal plan is recommended, the boundary could be adjusted at that time to eliminate properties. The boundary area will be reviewed in accordance with Idaho Statute governing urban renewal and for the financial capacity of the area to produce tax increment revenues.

WEST RATHDRUM URBAN RENEWAL DISTRICT OVERVIEW MAP



VICINITY MAP
1" = 6,450'



LEGEND

- RATHDRUM CITY LIMITS BOUNDARY — X — X —
- WASTEWATER MASTER PLAN
 - LS #10 BASIN ———
 - LS #4 BASIN ———
 - GREENSFERRY BASIN ———
- FUTURE U.R.D. ■
- OFF SITE INFRASTRUCTURE ▨



Existing Conditions

Zoning

The current district boundary encompasses approximately 318 acres. The area primarily consists of large lots which are raw and undeveloped, with some non-irrigated pastureland covered with noxious weeds. The area was recently annexed into the City with Industrial and Multi-Family Residential (High Density) zoning districts. A large portion of the area is no longer engaged in agricultural uses and would remain in its transitional state until infrastructure (water and sewer) is extended to the site to support development consistent with the City's zoning and Comprehensive Plan.

Table 1 provides a breakdown of the current zoning within the proposed district.

Table 1. Breakdown of Current Zoning within West Rathdrum Urban Renewal District

	ACREAGE	% OF TOTAL ACREAGE
Industrial	268	83%
R-3 Multi-Family Residential	50	17%
TOTAL	318	100.0%

Note: these stated acreages do not include the public right-of-ways

Development projects contained within this study adhere to the City's future land use and zoning plans (as of June 2019 City of Rathdrum documentation).

Existing and Planned Infrastructure

Information contained in this section was obtained from the City of Rathdrum, KMPO, and the Rathdrum Industrial District Urban Renewal Eligibility Report, Revised May 2019.

Roadways

A list of major roads within the proposed district are listed below.

<u>Name</u>	<u>Classification</u>
Lancaster Rd	Minor Arterial
Greensferry Rd	Minor Arterial
Wyoming Ave	Minor Arterial
OK Corral	Proposed Collector

Current standards for the City streets require adequate travel lanes, curb, gutter, swales for stormwater drainage, sidewalks or pedestrian paths and illumination. In contrast Lancaster, Wyoming and Greens ferry roads do not have the required travel lanes, curb, gutter, pedestrian facilities or illumination.

Transmission Facilities

The study area is dominated by two high-voltage transmission lines, one owned by the BPA, and the second by Avista. TransCanada owns a buried gas pipeline which extends from California to Canada in an easement alongside the transmission lines. These three lines are placed in easements which together occupy 625 feet in width and occupy an estimated 35 acres, or roughly 10 percent of the subject study

area. While 10 percent of the study area is encumbered with the large utility transmission lines, the same lines may make the remaining portions of the industrial zoned areas ideal for the construction of a combined cycle power plant to the north of the proposed Urban Renewal District (URD). Therefore, such a “power plant” is analyzed in this report as a development option.

The transmission facilities and easements have a dramatic effect on the development potential of the study area. According to the BPA, generally land uses within these utility easements are limited to agriculture and open space. Due to safety concerns, structures or trees are not permitted. Construction and excavation plans are to be submitted to TransCanada, BPA, or Avista as applicable and early consultation, even with long range plans, is recommended. Local streets, pathways and utility crossings may be permitted provided safety standards are met. Such safety standards may increase construction and maintenance costs for such improvements. These easements were compatible with agricultural uses. As the City’s growth encircles these easements, the restrictions are necessary for safety of the public. These easements encumber both public and private development in the immediate area and results in underutilization of the parcels in the study area.

Water Distribution System

An existing 12-inch water main from the development to the north of the study area stubs out near the centerline of W. Lancaster Road roughly one hundred feet east of the eastern boundary of the project site. To foster future development within this area, a water distribution system will have to be developed in the interior of the study area. A breakdown of proposed infrastructure improvements within the West Rathdrum Urban Renewal District are included in the appendix.

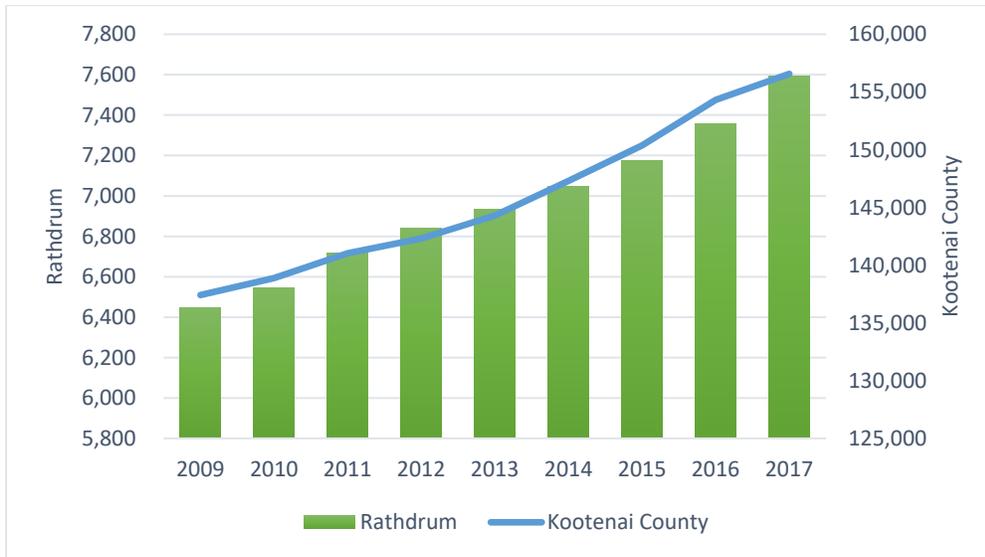
Sewer Collection System

As with the water distribution system, an existing 12-inch sewer main from the development to the north stubs out near the center line of W. Lancaster Road roughly one hundred feet east of the eastern boundary of the project site. To foster future development within this area, a sewer collection system will have to be developed in the interior of the study area.

Social Conditions

Population

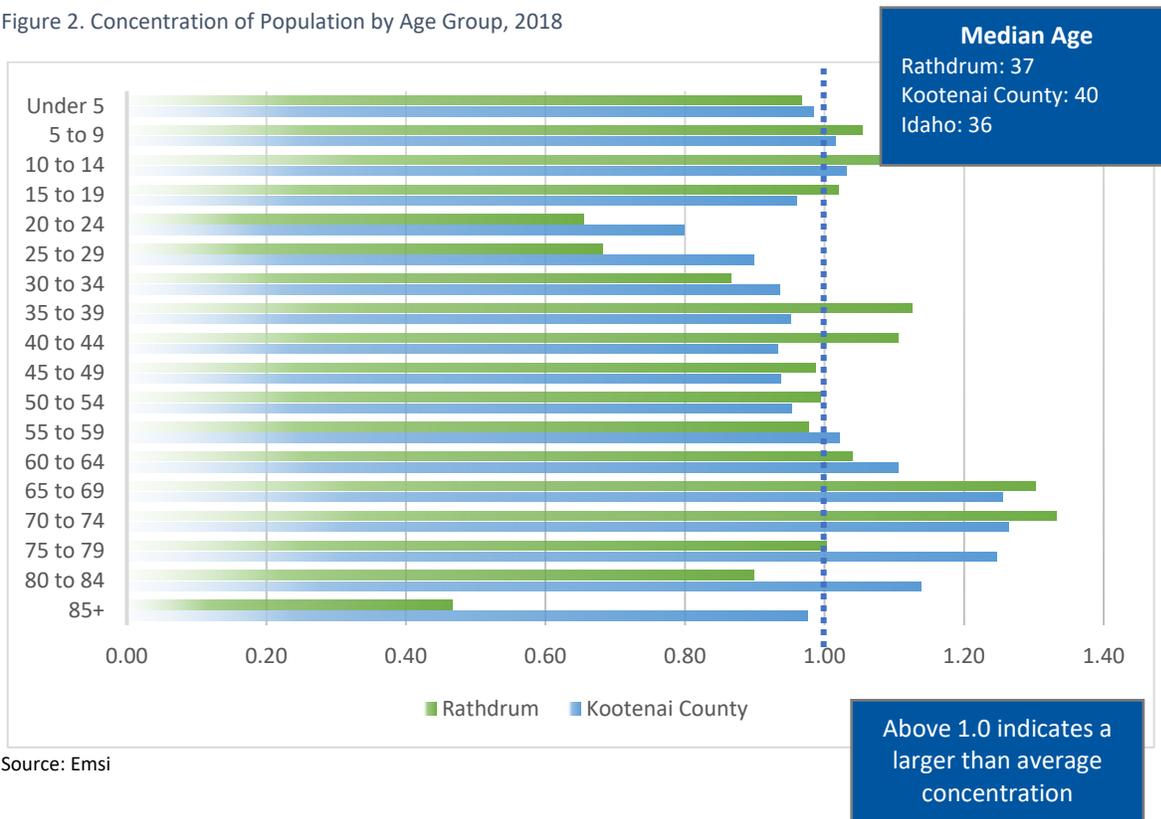
Figure 1. Population Trends



Source: U.S. Census

Age

Figure 2. Concentration of Population by Age Group, 2018



Source: Emsi

Households

Table 3. Change in Households, Rathdrum

HHs	Number	Y-o-Y % change
2012	2,584	1.1%
2013	2,544	-1.5%
2014	2,505	-1.5%
2015	2,641	5.4%
2016	2,701	2.3%
2017	2,720	0.7%

Source: U.S. Census

Average household size: 2.8

Table 2. Change in Housing Units, Rathdrum

Housing Units	Number	Y-o-Y % change
2012	2,730	-0.6%
2013	2,679	-1.9%
2014	2,677	-0.1%
2015	2,873	7.3%
2016	2,909	1.3%
2017	3,009	3.4%

Source: U.S. Census

Housing Units

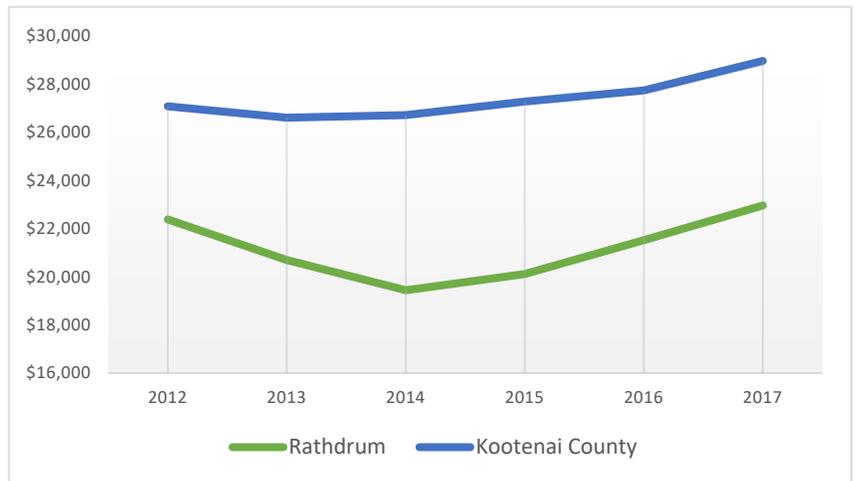
There are over 3,000 housing units in the City of Rathdrum. Of those, 2,720 are occupied and have a home ownership rate of 79%, compared to the County at 70%.

Income

Per capita income is measured in terms of a family's "money income." Money income includes wages and salaries plus other income such as social security and unemployment benefits.

Adjusted for inflation, per capita income has increased 2.6% in Rathdrum since 2012, compared to 7% in Kootenai County.

Figure 3. Per Capita Income Trends (adjusted in 2018 dollars)



Source: U.S. Census

Financial Analysis

Taxable Value of Property in Area

The estimated total assessed value of all properties in the proposed district boundary is \$1,340,079 (assessment year 2018¹). This is roughly 0.2 percent of the City’s final assessed value amount in 2018. For this study, we use the 2018 assessed value of \$1,340,079. If an urban renewal plan is adopted, the Kootenai County Assessor will calculate the base using tax accounts for all properties in the district boundary, which may differ slightly from the value assessment roll as of January 1, 2019.

Table 4. Total Estimated Assessed Value

West Rathdrum Urban Renewal District (assessed 2018)	\$1,340,079
City of Rathdrum (2018 final assessment)	\$723,140,894

Sources: Kootenai County Auditor and Assessor

Permits

There are no existing permits open within the proposed district boundary.

Future Development

Projections for future development in the proposed district are shown in the table below. Any of the proposed zones can be developed at any time. Project cost estimates for the West Rathdrum Urban Renewal District were provided by J-U-B Engineers, Inc. (see Appendix A for more detail). For assessment purposes, infrastructure improvements were distributed evenly amongst each building.

J-U-B Engineers, Inc. supplied two different buildout scenarios, Option A and Option B, for planning purposes. Only Option A was analyzed for the feasibility of the proposed district. The details of Option B are included in the appendix of this report, including associated building and infrastructure costs. Both options include two sites—Rathdrum Industrial Park Site 1 and Site 2. Option B presents a reasonable development alternative and, based on estimated costs, is also feasible.

The timing of the proposed buildout was based on existing infrastructure and how it benefits other areas across the Prairie. Absorption will play a large role in this proposed buildout as building improvements are extensive. Vacancy rates for industrial buildings around the area are less than 5 percent as shown in the most recent Summer 2018 Valbridge Properties Vacancy Survey. Industrial and office buildings in general are being constructed for owner occupancy in today’s market, or a custom build if an investor has a tenant in hand. However, high construction costs are holding back any spec development and affordable rents are making construction marginally feasible from an investment standpoint.

¹ includes the City of Rathdrum levy rate even though the parcels were not annexed into the City until 2019. The assessment value excludes the agricultural exemption that will come off the tax rolls once the infrastructure is in the ground.

Thus, we provide four different buildout scenarios (no-build, power plant only, 50% buildout, 100% buildout) to provide the Rathdrum Urban Renewal Agency with the conservative and most comprehensive picture of what to expect from a tax increment revenue perspective.

Industrial Park 1 (Option A)									
Buildings	Number of Buildings	Square Feet	\$ / SF	Building Cost	Construction Contingency (20%)	Bldg Cost + Construction Contingency	Assessed Value per SF ¹ (\$2018)	Projected Assessed Value per Bldg (\$2018)	Total Projected Assessed Value (\$2018)
12,000 sf (Ind)	43	12,000	\$200	\$103,200,000	\$20,640,000	\$123,840,000	\$51	\$612,000	\$26,316,000
13,000 sf (Ind)	1	13,000	\$200	\$2,600,000	\$520,000	\$3,120,000	\$50	\$650,000	\$650,000
18,300 sf (Ind)	9	18,300	\$175	\$28,822,500	\$5,764,500	\$34,587,000	\$48	\$878,400	\$7,905,600
18,600 sf (Ind)	2	18,600	\$175	\$6,510,000	\$1,302,000	\$7,812,000	\$48	\$892,800	\$1,785,600
19,300 sf (Ind)	1	19,300	\$175	\$3,377,500	\$675,500	\$4,053,000	\$47	\$907,100	\$907,100
23,000 sf (Ind)	1	23,000	\$150	\$3,450,000	\$690,000	\$4,140,000	\$46	\$1,058,000	\$1,058,000
25,500 sf (Ind)	1	25,500	\$150	\$3,825,000	\$765,000	\$4,590,000	\$41	\$1,045,500	\$1,045,500
26,000 sf (Ind)	1	26,000	\$150	\$3,900,000	\$780,000	\$4,680,000	\$41	\$1,066,000	\$1,066,000
36,000 sf (MF)	14	36,000	\$150	\$75,600,000	\$15,120,000	\$90,720,000	\$226	\$8,146,658	\$114,053,212
Totals	73	191,700	\$169	\$231,285,000	\$46,257,000	\$277,542,000	\$66	\$2,120,370	\$154,787,012

Industrial Park 2 (Option A)									
Buildings	Number of Buildings	Square Feet	\$ / SF	Building Cost	Construction Contingency (20%)	Bldg Cost + Construction Contingency	Assessed Value per SF ¹ (\$2018)	Projected Assessed Value per Bldg (\$2018)	Total Projected Assessed Value (\$2018)
12,000 sf (Ind)	48	12,000	\$200	\$115,200,000	\$23,040,000	\$138,240,000	\$51	\$612,000	\$29,376,000
17,000 sf (Ind)	40	17,000	\$175	\$119,000,000	\$23,800,000	\$142,800,000	\$49	\$833,000	\$33,320,000
25,000 sf (Ind)	1	25,000	\$150	\$3,750,000	\$750,000	\$4,500,000	\$44	\$1,100,000	\$1,100,000
500,000 sf	1	500,000	\$800	\$400,000,000	\$80,000,000	\$480,000,000	\$720	\$360,000,000	\$360,000,000
Storage Units	192	200	\$100	\$3,840,000	\$768,000	\$4,608,000	\$51	\$4,500,000	\$4,500,000
Community Cen	1	7,500	\$175	\$1,312,500	\$262,500	\$1,575,000	\$215	\$1,614,000	\$1,614,000
18,411 sf (MF)	21	18,411	\$175	\$67,660,425	\$13,532,085	\$81,192,510	\$318	\$5,847,490	\$122,797,292
25,650 sf (MF)	20	25,650	\$175	\$89,775,000	\$17,955,000	\$107,730,000	\$318	\$8,146,658	\$162,933,160
6,150 sf (Senior	25	6,150	\$175	\$26,906,250	\$5,381,250	\$32,287,500	\$318	\$1,953,292	\$48,832,307
2,050 sf (Senior	9	2,050	\$175	\$3,228,750	\$645,750	\$3,874,500	\$318	\$651,097	\$5,859,877
Totals	167	601,961	\$230	\$830,672,925	\$166,134,585	\$996,807,510	\$240	\$4,552,605	\$770,332,635

West Rathdrum Urban Renewal District SUMMARY									
TOTALS	Number of Buildings	Square Feet	Average \$ / SF	Building Cost	Construction Contingency (20%)	Bldg Cost + Construction Contingency	Average Assessed Value per SF ¹ (\$2018)	Projected Assessed Value per Bldg (weighted average) in \$2018	Total Projected Assessed Value (\$2018)
	240	793,661	\$201	\$1,061,957,925	\$212,391,585	\$1,274,349,510	\$158	\$3,318,143	\$925,119,647

Table 5 outlines the estimated project costs for the two proposed industrial parks within Option A. Costs associated with public infrastructure within the proposed district boundaries of the two industrial parks total up to roughly \$27M, over two percent of total project costs. An additional \$16.4M are estimated for infrastructure improvements outside the industrial parks, some of which are contained within the district boundary and some outside. Such costs include improvements to Lancaster and Greensferry roads, a 12" gravity interceptor, and a lift station—all of which serve other areas in addition to the industrial parks. A breakdown of the estimated infrastructure and building costs for the proposed industrial parks for both Option A and Option B are detailed in the appendix.

Please note that some of these estimates will change as projects move forward and are more defined. However, other potential future infrastructure projects have been included in the project priority list prepared by J-U-B Engineers, Inc. contained in the appendix of this report.

Table 5. Estimated Project Cost– West Rathdrum Urban Renewal District

PROPOSED "WEST RATHDRUM URBAN RENEWAL DISTRICT" INDUSTRIAL PARK "OPTION A" SITES Project Reimbursement Priority List INFRASTRUCTURE COST ESTIMATE SUMMARY 20-Sep-19	
Project Description	Estimated Total Cost
Priority 1 ON-SITE INFRASTRUCTURE IMPROVEMENTS (Within URD)	
Rathdrum Industrial Park 1, Option A	\$ 8,332,000
Rathdrum Industrial Park 2, Option A	\$ 18,686,000
Subtotal On-Site Improvements	\$ 27,018,000.00
Priority 2 OFF-SITE INFRASTRUCTURE IMPROVEMENTS (Within URD)	
Lancaster Road (serves others)	\$ 2,809,500
Greensferry Road (serves others)	\$ 1,549,600
Greensferry Basin 12" Gravity Interceptor (serves others)	\$ 248,000
Subtotal Off-Site Improvements	\$ 4,607,100.00
Priority 3 REQUIRED FUTURE INFRASTRUCTURE PROJECTS (Benefits Area Beyond URD)	
1 MG Water Tank (Composite-Elevated, Working Volume) (serves others)	\$ 4,500,000
LS#4 Basin Wastewater Improvements ¹ (serves others)	\$ 7,313,000
Subtotal Potential Future Infrastructure Projects	\$ 11,813,000.00

1. Reference City Wastewater Plan for detailed breakdown
2. Priority reimbursements are to the developer/proponent first which will allow the developer to be competitive in market place, be successful and create additional tax increment for priority 2 and 3 projects.
3. If the improvements listed under Priority 3 above become necessary/required, the City or user will be responsible for funding and constructing the needed improvements. The Developer will support the City's or user's request for reimbursement through the URD for such improvements, pursuant to the above schedule.
4. The City agrees to support and facilitate Developer's reimbursement for costs associated with needed infrastructure through all available mechanisms, including but not limited to, "late comer" fees. The City and Developer shall enter into a recovery agreement within 180 days of the URD being created.

PROPOSED "WEST RATHDRUM URBAN RENEWAL DISTRICT" INDUSTRIAL PARK "OPTION A" SITES ESTIMATED INFRASTRUCTURE BUILDOUT SCHEDULE 20-Sep-19			
Year	Type	Project Description	Estimated Total Cost
PARK 1 DEVELOPMENT			
2020-2025	Internal Infrastructure	Rathdrum Industrial Park 1, Option A, Phase I	\$ 4,166,000
2025-2030	Internal Infrastructure	Rathdrum Industrial Park 2, Option A, Phase I	\$ 9,343,000
	Frontage Road	Greensferry Road, Phase I (serves others)	\$ 774,800
PARK 2 DEVELOPMENT			
2030-2035	Internal Infrastructure	Rathdrum Industrial Park 1, Option A, Phase II	\$ 4,166,000
	Frontage Road	Lancaster Road (serves others)	\$ 2,809,500
	Utility	Greensferry Basin 12" Gravity Interceptor (serves others)	\$ 248,000
2035-2040	Internal Infrastructure	Rathdrum Industrial Park 2, Option A, Phase II	\$ 9,343,000
	Frontage Road	Greensferry Road, Phase II (serves others)	\$ 774,800
	Utility	1 MG Water Tank (Composite-Elevated, Working Volume) (serves others)	\$ 4,500,000
	Utility	LS#4 Basin Wastewater Improvements (serves others)	\$ 7,313,000
Subtotal Potential Future Infrastructure Projects			\$ 43,438,100.00

- Notes:
1. The above schedule is an estimate and subject to change based on market demands, type of land use, funding, other funding sources (i.e. grants), etc.
 2. The developer, City, Agency and other benefited property owners will revisit the schedule as needed based on market demands, land use, other funding sources, etc.

Source: J-U-B Engineers, Inc.

Projected Assessed Values

Historical assessed value growth in the City of Rathdrum is shown in Table 6.

Table 6. Historical Assessed Value Growth, City of Rathdrum (adjusted in 2017 dollars)

Year	Historical Assessed Values	Adjusted in \$2018	% Change (adjusted for inflation)
2008	\$603,104,628	\$703,397,971	---
2009	\$570,470,683	\$667,712,734	-5.1%
2010	\$508,417,737	\$585,478,813	-12.3%
2011	\$488,512,012	\$545,341,686	-6.9%
2012	\$433,095,939	\$473,085,421	-13.2%
2013	\$448,793,469	\$483,765,494	2.3%
2014	\$487,692,190	\$517,297,080	6.9%
2015	\$514,336,846	\$544,912,376	5.3%
2016	\$558,345,071	\$584,167,390	7.2%
2017	\$630,191,034	\$645,582,878	10.5%
2018	\$723,140,894	\$723,140,894	12.0%

The projected property assessed values based on the four major buildout scenarios identified within the proposed West Rathdrum Urban Renewal District boundary are shown in Table 7. The growth percentages shown reflect very conservative assumptions based on historical assessed values and account for inflationary adjustments. Each buildout scenario was based on similar buildings and their current assessed values based on average assessed values per square feet. However, the power plant was based on 90% of the building cost since income generation is unknown at this time. The power plant inflates all scenarios because of its large contribution. The different growth scenarios show the proposed projects in four scenarios and are distributed evenly across each proposed building in the District for assessment purposes.

Projected Property Assessed Value at End of District Life

NO DEVELOPMENT: 1.8M

POWER PLANT ONLY: \$451M

50% DEVELOPED: \$711M

100% DEVELOPED: \$1.06B

- 1) a worst-case scenario where none of the proposed projects are built out;
- 2) a conservative scenario where only the proposed power plant is developed and no other developments occur;
- 3) a moderate scenario where 50% of all proposed developments are built (power plant still developed); and
- 4) the best-case scenario where all the proposed developments shown in the tables above are built out by the end of the district's life in 2039 (**increment is collected through 2040**) – if district is established in 2019.

As mentioned earlier, the timing of the proposed buildout was based on existing infrastructure and the benefits dispersed across other areas around the Prairie. Absorption also plays a large role in this proposed buildout as building improvements are extensive and demand currently favors rental spaces

over investor or spec industrial development due to high construction costs and reasonable rental rates. The following buildout scenarios provide a conservative, yet, holistic approach.

Table 7. Projected Assessed Value Growth by Growth Scenario

Year	No Development		Power Plant only		50% Developed		100% Developed	
	Projected Assessed Value	Inflation	Projected Assessed Value	Percent Growth	Projected Assessed Value	Percent Growth	Projected Assessed Value	Percent Growth
2019	\$1,340,079	1.6%	\$1,340,079	---	\$1,340,079	---	\$1,340,079	---
2020	\$1,361,520	1.6%	\$1,361,520	1.6%	\$6,754,660	404.0%	\$13,509,320	908.1%
2021	\$1,383,305	1.6%	\$1,383,305	1.6%	\$12,281,735	81.8%	\$24,563,469	81.8%
2022	\$1,405,437	1.6%	\$1,405,437	1.6%	\$15,844,242	29.0%	\$31,688,485	29.0%
2023	\$1,427,924	1.6%	\$1,427,924	1.6%	\$64,977,698	310.1%	\$129,955,397	310.1%
2024	\$1,450,771	1.6%	\$1,450,771	1.6%	\$79,672,000	22.6%	\$159,343,999	22.6%
2025	\$1,473,984	1.6%	\$361,473,984	24816.0%	\$440,946,751	453.5%	\$521,893,503	227.5%
2026	\$1,497,567	1.6%	\$367,257,567	1.6%	\$447,371,900	1.5%	\$534,743,799	2.5%
2027	\$1,521,528	1.6%	\$373,133,688	1.6%	\$460,427,850	2.9%	\$560,855,700	4.9%
2028	\$1,545,873	1.6%	\$379,103,827	1.6%	\$480,371,388	4.3%	\$600,742,775	7.1%
2029	\$1,570,607	1.6%	\$385,169,489	1.6%	\$497,873,729	3.6%	\$635,747,459	5.8%
2030	\$1,595,737	1.6%	\$391,332,200	1.6%	\$514,519,709	3.3%	\$669,039,418	5.2%
2031	\$1,621,268	1.6%	\$397,593,516	1.6%	\$532,092,011	3.4%	\$704,184,023	5.3%
2032	\$1,647,209	1.6%	\$403,955,012	1.6%	\$545,872,142	2.6%	\$731,744,283	3.9%
2033	\$1,673,564	1.6%	\$410,418,292	1.6%	\$572,092,741	4.8%	\$784,185,482	7.2%
2034	\$1,700,341	1.6%	\$416,984,985	1.6%	\$589,926,225	3.1%	\$819,852,450	4.5%
2035	\$1,727,546	1.6%	\$423,656,745	1.6%	\$616,851,689	4.6%	\$873,703,379	6.6%
2036	\$1,755,187	1.6%	\$430,435,252	1.6%	\$644,207,961	4.4%	\$928,415,923	6.3%
2037	\$1,783,270	1.6%	\$437,322,217	1.6%	\$666,254,014	3.4%	\$972,508,028	4.7%
2038	\$1,811,802	1.6%	\$444,319,372	1.6%	\$688,652,803	3.4%	\$1,017,305,607	4.6%
2039	\$1,840,791	1.6%	\$451,428,482	1.6%	\$711,409,973	3.3%	\$1,062,819,947	4.5%

*includes new development and is adjusted for inflation (1.6%); the power plant is estimated in 2025

Projected Tax Increment Revenue

The projected Tax Increment Revenues (TIF) from the assessed value growth broken out in the four build-out scenarios are shown in Table 8, Table 9, Table 10, and Table 11. The 2018 levy rates were used collectively for each of the taxing districts that overlap the West Rathdrum Urban Renewal District boundary. Since the City recently annexed the property, the City of Rathdrum’s associated levy rate was included. By the end of the district’s life, it is estimated that there is potential to generate roughly \$16.2 million in the fiscal year from tax increment if built out 100% and \$10.8 million if only built out half. If only the power plant were to be developed, roughly \$6.9 could be expected to be generated in the fiscal year. Cumulatively, if fully developed, the proposed district is estimated to generate \$179 million in tax increment revenue and \$130 million at 50%, which includes the power plant (see Figure 4).

Figure 4. Projected Tax Increment Revenue at end of West Rathdrum Urban Renewal District life



Table 8. Tax Increment Revenue Projection: No Development Scenario

No Development						
Year	Projected Assessed Value	Base	Increment Value	Tax Rate	Tax Increment Yield	TIF (cumulative)
2019	\$1,340,079	\$1,340,079	---	0.015241033	---	---
2020	\$1,340,079	\$1,340,079	---	0.015241033	---	---
2021	\$1,361,520	\$1,340,079	\$21,441	0.015241033	\$327	\$327
2022	\$1,383,305	\$1,340,079	\$43,226	0.015241033	\$659	\$986
2023	\$1,405,437	\$1,340,079	\$65,358	0.015241033	\$996	\$1,655
2024	\$1,427,924	\$1,340,079	\$87,845	0.015241033	\$1,339	\$2,994
2025	\$1,450,771	\$1,340,079	\$110,692	0.015241033	\$1,687	\$4,681
2026	\$1,473,984	\$1,340,079	\$133,905	0.015241033	\$2,041	\$6,722
2027	\$1,497,567	\$1,340,079	\$157,488	0.015241033	\$2,400	\$9,122
2028	\$1,521,528	\$1,340,079	\$181,449	0.015241033	\$2,765	\$11,887
2029	\$1,545,873	\$1,340,079	\$205,794	0.015241033	\$3,137	\$15,024
2030	\$1,570,607	\$1,340,079	\$230,528	0.015241033	\$3,513	\$18,537
2031	\$1,595,737	\$1,340,079	\$255,658	0.015241033	\$3,896	\$22,434
2032	\$1,621,268	\$1,340,079	\$281,189	0.015241033	\$4,286	\$26,720
2033	\$1,647,209	\$1,340,079	\$307,130	0.015241033	\$4,681	\$31,401
2034	\$1,673,564	\$1,340,079	\$333,485	0.015241033	\$5,083	\$36,483
2035	\$1,700,341	\$1,340,079	\$360,262	0.015241033	\$5,491	\$41,974
2036	\$1,727,546	\$1,340,079	\$387,467	0.015241033	\$5,905	\$47,879
2037	\$1,755,187	\$1,340,079	\$415,108	0.015241033	\$6,327	\$54,206
2038	\$1,783,270	\$1,340,079	\$443,191	0.015241033	\$6,755	\$60,961
2039	\$1,811,802	\$1,340,079	\$471,723	0.015241033	\$7,190	\$68,150
2040	\$1,840,791	\$1,340,079	\$500,712	0.015241033	\$7,631	\$75,782

* is adjusted for inflation (1.6%)

Table 9. Tax Increment Revenue Projection: Power Plant only Scenario

Power Plant only						
Year	Projected Assessed Value	Base	Increment Value	Tax Rate	TIF (annual)	TIF (cumulative)
2019	\$1,340,079	\$1,340,079	---	0.015241033	---	---
2020	\$1,340,079	\$1,340,079	---	0.015241033	---	---
2021	\$1,361,520	\$1,340,079	\$21,441	0.015241033	\$327	\$327
2022	\$1,383,305	\$1,340,079	\$43,226	0.015241033	\$659	\$986
2023	\$1,405,437	\$1,340,079	\$65,358	0.015241033	\$996	\$1,655
2024	\$1,427,924	\$1,340,079	\$87,845	0.015241033	\$1,339	\$2,994
2025	\$1,450,771	\$1,340,079	\$110,692	0.015241033	\$1,687	\$4,681
2026	\$361,473,984	\$1,340,079	\$360,133,905	0.015241033	\$5,488,813	\$5,493,494
2027	\$367,257,567	\$1,340,079	\$365,917,488	0.015241033	\$5,576,961	\$11,070,454
2028	\$373,133,688	\$1,340,079	\$371,793,609	0.015241033	\$5,666,519	\$16,736,973
2029	\$379,103,827	\$1,340,079	\$377,763,748	0.015241033	\$5,757,510	\$22,494,483
2030	\$385,169,489	\$1,340,079	\$383,829,410	0.015241033	\$5,849,957	\$28,344,439
2031	\$391,332,200	\$1,340,079	\$389,992,121	0.015241033	\$5,943,883	\$34,288,322
2032	\$397,593,516	\$1,340,079	\$396,253,437	0.015241033	\$6,039,312	\$40,327,634
2033	\$403,955,012	\$1,340,079	\$402,614,933	0.015241033	\$6,136,267	\$46,463,901
2034	\$410,418,292	\$1,340,079	\$409,078,213	0.015241033	\$6,234,775	\$52,698,676
2035	\$416,984,985	\$1,340,079	\$415,644,906	0.015241033	\$6,334,858	\$59,033,533
2036	\$423,656,745	\$1,340,079	\$422,316,666	0.015241033	\$6,436,542	\$65,470,076
2037	\$430,435,252	\$1,340,079	\$429,095,173	0.015241033	\$6,539,854	\$72,009,929
2038	\$437,322,217	\$1,340,079	\$435,982,138	0.015241033	\$6,644,818	\$78,654,748
2039	\$444,319,372	\$1,340,079	\$442,979,293	0.015241033	\$6,751,462	\$85,406,210
2040	\$451,428,482	\$1,340,079	\$450,088,403	0.015241033	\$6,859,812	\$92,266,022

*includes new development and is adjusted for inflation (1.6%); the power plant is estimated in 2025

Table 10. Tax Increment Revenue Projection: 50% Developed Scenario

50% Developed						
Year	Projected Assessed Value	Base	Increment Value	Tax Rate	TIF (annual)	TIF (cumulative)
2019	\$1,340,079	\$1,340,079	---	0.015241033	---	---
2020	\$1,340,079	\$1,340,079	---	0.015241033	---	---
2021	\$6,754,660	\$1,340,079	\$5,414,581	0.015241033	\$82,524	\$82,524
2022	\$12,281,735	\$1,340,079	\$10,941,656	0.015241033	\$166,762	\$249,286
2023	\$15,844,242	\$1,340,079	\$14,504,163	0.015241033	\$221,058	\$387,821
2024	\$64,977,698	\$1,340,079	\$63,637,619	0.015241033	\$969,903	\$1,357,724
2025	\$79,672,000	\$1,340,079	\$78,331,921	0.015241033	\$1,193,859	\$2,551,583
2026	\$440,946,751	\$1,340,079	\$439,606,672	0.015241033	\$6,700,060	\$9,251,643
2027	\$447,371,900	\$1,340,079	\$446,031,821	0.015241033	\$6,797,986	\$16,049,629
2028	\$460,427,850	\$1,340,079	\$459,087,771	0.015241033	\$6,996,972	\$23,046,600
2029	\$480,371,388	\$1,340,079	\$479,031,309	0.015241033	\$7,300,932	\$30,347,532
2030	\$497,873,729	\$1,340,079	\$496,533,650	0.015241033	\$7,567,686	\$37,915,218
2031	\$514,519,709	\$1,340,079	\$513,179,630	0.015241033	\$7,821,388	\$45,736,606
2032	\$532,092,011	\$1,340,079	\$530,751,932	0.015241033	\$8,089,208	\$53,825,814
2033	\$545,872,142	\$1,340,079	\$544,532,063	0.015241033	\$8,299,231	\$62,125,045
2034	\$572,092,741	\$1,340,079	\$570,752,662	0.015241033	\$8,698,860	\$70,823,905
2035	\$589,926,225	\$1,340,079	\$588,586,146	0.015241033	\$8,970,661	\$79,794,566
2036	\$616,851,689	\$1,340,079	\$615,511,610	0.015241033	\$9,381,033	\$89,175,598
2037	\$644,207,961	\$1,340,079	\$642,867,882	0.015241033	\$9,797,971	\$98,973,569
2038	\$666,254,014	\$1,340,079	\$664,913,935	0.015241033	\$10,133,975	\$109,107,544
2039	\$688,652,803	\$1,340,079	\$687,312,724	0.015241033	\$10,475,356	\$119,582,900
2040	\$711,409,973	\$1,340,079	\$710,069,894	0.015241033	\$10,822,199	\$130,405,099

*includes new development and is adjusted for inflation (1.6%); the power plant is estimated in 2025

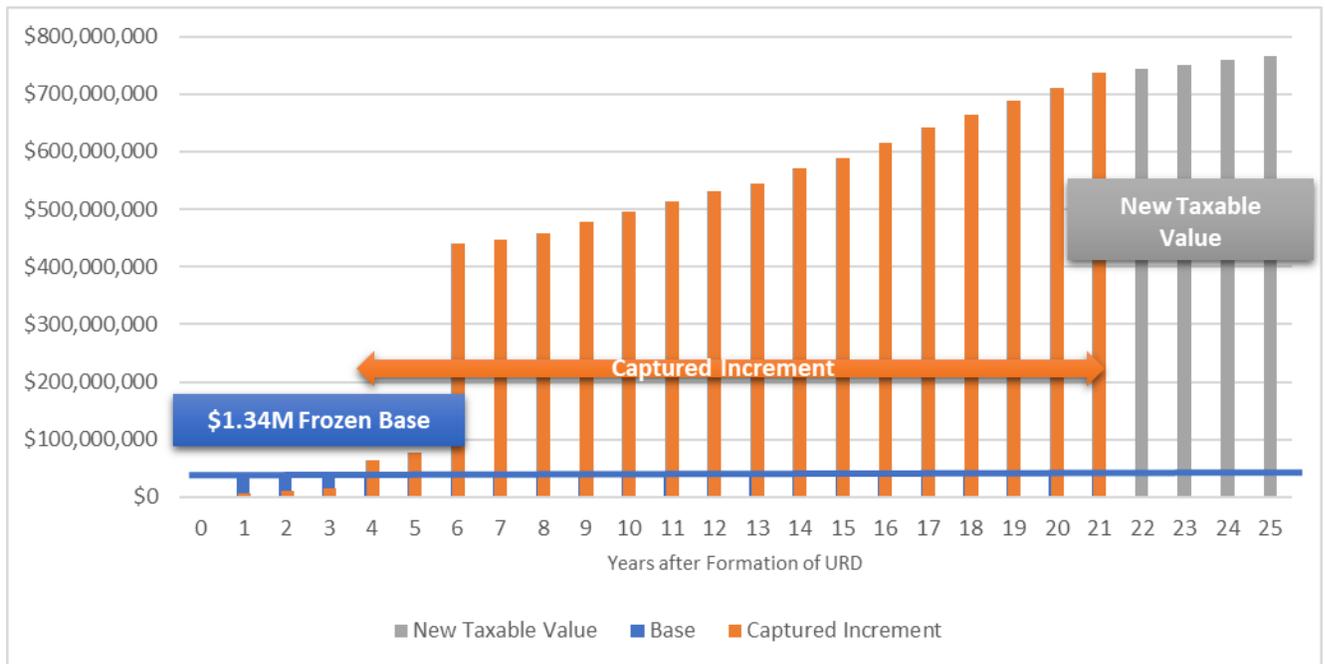
Table 11. Tax Increment Revenue Projection: 100% Developed Scenario

100% Developed						
Year	Projected Assessed Value	Base	Increment Value	Tax Rate	TIF (annual)	TIF (cumulative)
2019	\$1,340,079	\$1,340,079	---	0.015241033	---	---
2020	\$1,340,079	\$1,340,079	---	0.015241033	---	---
2021	\$13,509,320	\$1,340,079	\$12,169,241	0.015241033	\$185,472	\$185,472
2022	\$24,563,469	\$1,340,079	\$23,223,390	0.015241033	\$353,948	\$539,420
2023	\$31,688,485	\$1,340,079	\$30,348,406	0.015241033	\$462,541	\$816,490
2024	\$129,955,397	\$1,340,079	\$128,615,318	0.015241033	\$1,960,230	\$2,776,720
2025	\$159,343,999	\$1,340,079	\$158,003,920	0.015241033	\$2,408,143	\$5,184,863
2026	\$521,893,503	\$1,340,079	\$520,553,424	0.015241033	\$7,933,772	\$13,118,635
2027	\$534,743,799	\$1,340,079	\$533,403,720	0.015241033	\$8,129,624	\$21,248,258
2028	\$560,855,700	\$1,340,079	\$559,515,621	0.015241033	\$8,527,596	\$29,775,854
2029	\$600,742,775	\$1,340,079	\$599,402,696	0.015241033	\$9,135,516	\$38,911,371
2030	\$635,747,459	\$1,340,079	\$634,407,380	0.015241033	\$9,669,024	\$48,580,395
2031	\$669,039,418	\$1,340,079	\$667,699,339	0.015241033	\$10,176,428	\$58,756,822
2032	\$704,184,023	\$1,340,079	\$702,843,944	0.015241033	\$10,712,068	\$69,468,890
2033	\$731,744,283	\$1,340,079	\$730,404,204	0.015241033	\$11,132,115	\$80,601,005
2034	\$784,185,482	\$1,340,079	\$782,845,403	0.015241033	\$11,931,373	\$92,532,377
2035	\$819,852,450	\$1,340,079	\$818,512,371	0.015241033	\$12,474,974	\$105,007,351
2036	\$873,703,379	\$1,340,079	\$872,363,300	0.015241033	\$13,295,718	\$118,303,069
2037	\$928,415,923	\$1,340,079	\$927,075,844	0.015241033	\$14,129,594	\$132,432,663
2038	\$972,508,028	\$1,340,079	\$971,167,949	0.015241033	\$14,801,603	\$147,234,265
2039	\$1,017,305,607	\$1,340,079	\$1,015,965,528	0.015241033	\$15,484,364	\$162,718,629
2040	\$1,062,819,947	\$1,340,079	\$1,061,479,868	0.015241033	\$16,178,050	\$178,896,679

*includes new development and is adjusted for inflation (1.6%); the power plant is estimated in 2025

Figure 5 summarizes the increment revenue throughout the life of the district at 50% development buildout and the new taxable valuable into perpetuity.

Figure 5. Captured Increment throughout life of West Rathdrum Urban Renewal District (if only 50% Development)



Taxing Districts

The assessed value of the properties in an urban renewal district at the time the district is put in place is called the **base** value. The **increment** value is the amount that the assessed value increases above the base after the urban renewal district is put in place. In general, and subject to Idaho Code 50-2908, an agency receives an allocation of revenue from property tax dollars generated from incremental value.

As stated by Kootenai County, taxing districts have the ability to collect their full budget requests. This includes the allowed 3% annual budget increase and forgone amounts. This is because property taxes are budget driven and not assessment driven. Under Idaho Code § 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 and/or by levy limits.

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.

A result of new construction occurring outside the revenue allocation area (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. From and after December 31, 2006, Idaho Code § 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 for inclusion by the taxing entities to increase their budgets. Upon termination of the District or deannexation of area, the taxing entities will be able to include the accumulated new construction roll value in setting the following year’s budget and revenue from such value *is not limited to* the three percent increase allowed in Idaho Code § 63-802(1)(a).

As 2019 certified levy rates are not determined until late September 2019, the 2018 certified levy rates have been used in the Study for purposes of the analysis. Those taxing districts and rates area as follows:

Taxing District Levies:

Community Library	0.0003561190
School District #272	0.0041201330
North Idaho College	0.0008853750
Kootenai - EMS	0.0001522010
Post Falls Highway District - Rathdrum	0.0005140420
Northern Lakes Fire	0.0012536980
Kootenai County	0.0027371670
City of Rathdrum ²	0.0052222980
Total	0.0152410330

The Study has made certain assumptions concerning the levy rate. The levy rate is estimated to stay level for the life of the revenue allocation area. Since the City recently annexed the properties contained within the boundaries of the district, the City of Rathdrum’s levy rate should not be included for 2018. Without the City’s levy rate, the combined levy rate would be 0.0100187350. However, in order to estimate future levy rates, the 2018 associated levy rate was included for purposes of this analysis. More than likely, this rate will be lower in future years due to the tax allocation area. If the overall levy rate is less than projected, or the assessed 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 § 50-2908, the Agency is not entitled to revenue allocation proceeds from certain levy increases (e.g. from bonds) 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.

Dedicating efforts to maintaining a healthy economy is one variable in a viable city. These efforts will produce induced economic benefits in terms of jobs, sales, and expected overall increase in population, including student enrollment. The impact of potential increases in school enrollment—and resulting increase in funding—has the potential to offset some of the impacts felt through allocating these revenues elsewhere for the short-term.

² properties within the West Rathdrum District boundary were annexed after 2018 and, therefore, are not technically included in the County’s combined 2018 levy rate for the District. However, for purposes of this analysis, we included the City’s 2018 levy rate for estimating purposes.

Jobs

Job creation is one of the core outcomes of urban renewal. As a result of business growth within an urban renewal district, the spill-over effects from job creation and the wealth it generates is injected throughout the region.

The proposed buildout of the two industrial parks for Option A were used to estimate the number of jobs and resulting multiplier effects. The economic activity related to these jobs are a result of the millions of dollars of goods and services purchased from local vendors and the wages and benefits paid to local workers. The initial outlay of funds circulates to the business owners and employees that supply the materials, goods and services needed for business. These contractors, businesses, and employees continue the economic ripple effect by purchasing goods and services.

This job impact analysis breaks down the two industrial parks by industry type and then applies a 50% contingency for conservative estimates. Initial jobs were estimated using industry standard—average number of employees per square foot by industry.

During the construction phase, millions of dollars will be spent for the wages and benefits of construction employees. These one-time, short-term impacts were not calculated—only long-term job impacts were produced. However, these workers, as well as employees of all suppliers, will spend a portion of their wages on household consumer goods such as groceries, rent, vehicle expenses, health care, entertainment, etc. Once the development is completed and occupied, commercial activity and new residential households will spend millions of dollars, annually, in the course of their daily activities. This recirculation of the original expenditures multiplies their impact through these indirect and induced effects.

The extent to which the initial expenditures multiply is estimated using economic models that depict the relationships between industries and firms and their employees. These models are built upon expenditure patterns that are reported to the U.S. Bureau of Labor Statistics, the U.S. Census Bureau and the Bureau of Economic Analysis. Data is regionalized so that it reflects and incorporates local conditions such as average wages, expenditure patterns and resource availability and costs.

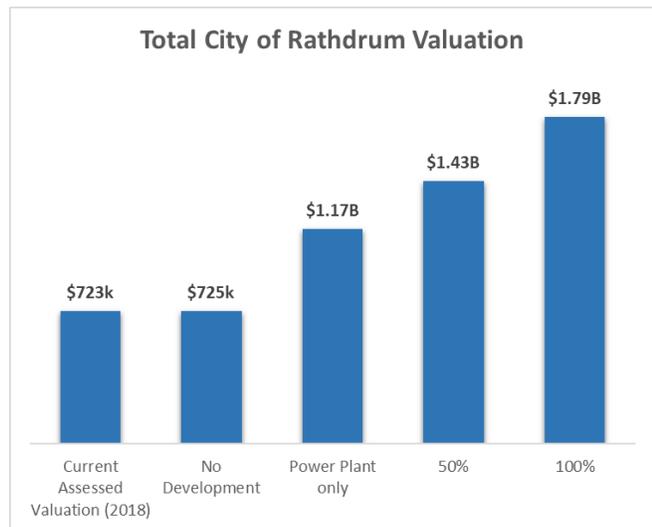
The multipliers used in this analysis were generated by an economic modeling tool produced by Economic Modeling Specialists, Inc. (EMSI) and were cross-referenced with U.S. Bureau of Economic Analysis' RIMS II multipliers.

Table 12. Total Job Impacts

	Total Job Impacts			Total # of Potential Businesses
	Direct	Indirect + Induced	Total	
Industrial Park 1	1,833	110	1,943	59
50% Developed - Industrial Park 1	916	55	971	30
Industrial Park 2 (includes Power Plant)	2,934	442	3,375	92
50% Developed - Industrial Park 2 (includes Power Plant)	1,502	349	1,851	47
Power Plant only	70	256	326	1
TOTAL (Industrial Parks 1 & 2)	4,766	552	5,318	151
50% Developed (Industrial Parks 1 & 2)	2,418	404	2,822	77

Conclusion

Given the current infrastructure and building cost estimates and data to project tax increment revenue, the proposed West Rathdrum Urban Renewal District has the potential to add roughly \$1.1 billion to property tax assessments after the life of the district. If only 50% of the planned development is to occur, approximately \$711 million could be expected, and nearly \$451 million if only the power plant was built—all substantial increases to the existing City’s total current assessed valuation of \$723 million. As noted, the proposed industrial park developments are sizeable and may react slower to the anticipated market based on slower absorption rates.



Increment revenue projected to accrue is upwards of \$179 million if fully developed as planned, \$130 million if only half of the planned development is to occur, and \$92 million if only the power plant was built—the most conservative estimate.

Roughly 25% of the district will have to be built out in order for the proponent/developer to be paid back for all public improvements constructed and 16% if only public improvements within the industrial parks.

Cumulative Estimated Tax Increment Revenue Generated by End of District Life		
Power Plant only	50% Developed	100% Developed
\$92,266,022	\$130,405,099	\$178,896,679

The timing of development and infrastructure improvements will determine when the proponent/developer will be reimbursed.

Based on the amount of private investment that is expected to be made, public infrastructure to be invested, and potential jobs created, the return on investment to the community is significant. **For every \$1 of public investment put into the industrial parks for Option A, another \$29 is invested by the Proponent.** The cumulative tax increment accrued over the life of the district is significantly greater than the proposed investment in public improvements.

The anticipated commercial growth, as a result of the creation of this urban renewal district, will lead to job creation. For planning purposes, the district has the potential to create roughly 4,700 direct jobs if both industrial parks were to be fully built out and approximately 2,400 at 50% buildout—a significant contribution to the existing 3,400 jobs in Rathdrum. The additional 4,700 jobs would create another 550 jobs in other sectors across the community and region. Such impacts which will create an increase of flow of earnings to circulate around the community but, ultimately, increasing tax revenues and the overall tax base—bettering the community as a whole.

Appendices

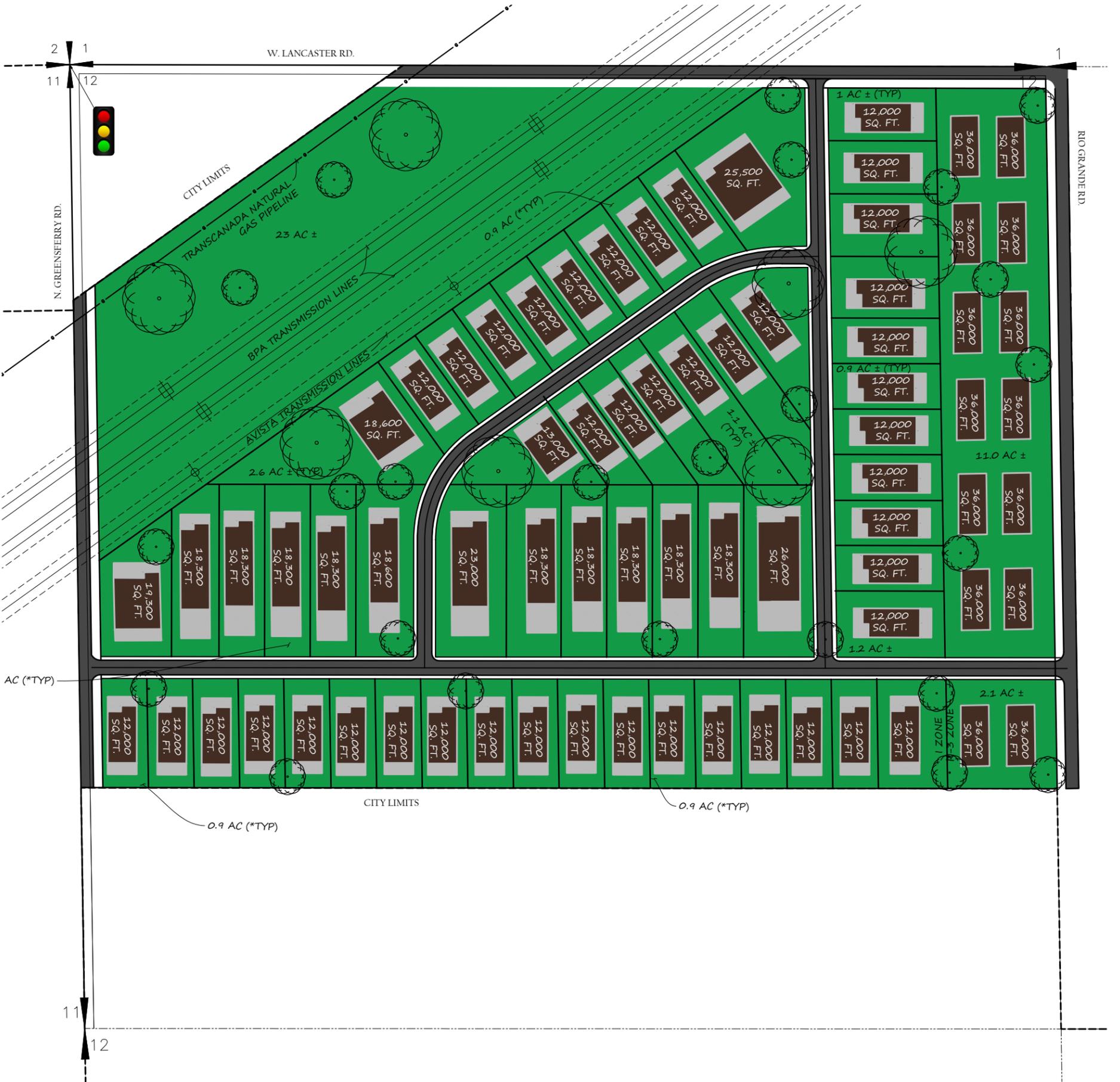
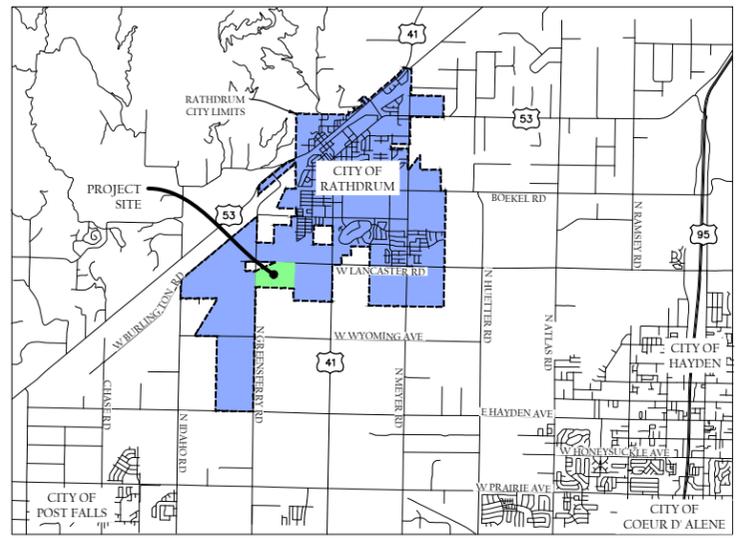
Cash Flow Analysis

West Rathdrum Urban Renewal District
Based on 50% Development and Includes On- and Off-Site Infrastructure Improvements (Priorities 1 and 2 Improvements)

Planning Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Beginning Balance	\$ -	\$ -	\$ -	\$ 70,145	\$ 211,893	\$ 399,793	\$ 466,756	\$ 724,082	\$ 2,921,064	\$ 7,473,648	\$ 12,195,369	\$ 17,175,457	\$ 22,382,285	\$ 27,755,160	\$ 32,332,987	\$ 37,089,333	\$ 42,185,364	\$ 47,512,426	\$ 50,875,304	\$ 54,592,579	\$ 58,595,458
Source of Funds																					
Revenue Allocation	---	\$ 82,524	\$ 166,762	\$ 221,058	\$ 221,058	\$ 969,903	\$ 1,193,859	\$ 6,700,060	\$ 6,797,986	\$ 6,996,972	\$ 7,300,932	\$ 7,567,686	\$ 7,821,388	\$ 8,089,208	\$ 8,299,231	\$ 8,698,860	\$ 8,970,661	\$ 9,381,033	\$ 9,797,971	\$ 10,133,975	\$ 10,475,356
Developer Contribution (OPA)	\$ -	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,275,305	\$ 2,298,000	\$ 2,298,000	\$ 2,298,000	\$ 2,298,000	\$ 4,611,000	\$ 4,611,000	\$ 4,611,000	\$ 4,611,000	\$ 4,611,000
Use of Funds																					
Infrastructure Expenditures																					
Internal Roadways	\$ -	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 2,076,222	\$ 2,076,222	\$ 2,076,222	\$ 2,076,222	\$ 2,076,222	\$ 2,076,222	\$ 2,076,222	\$ 2,076,222	\$ 2,076,222
Utilities												\$ 49,600	\$ 49,600	\$ 49,600	\$ 49,600	\$ 49,600	\$ 2,362,600	\$ 2,362,600	\$ 2,362,600	\$ 2,362,600	\$ 2,362,600
Frontage Roads							\$ 468,250	\$ 468,250	\$ 468,250	\$ 468,250	\$ 468,250	\$ 468,250	\$ 172,178	\$ 172,178	\$ 172,178	\$ 172,178	\$ 172,178	\$ 172,178	\$ 172,178	\$ 172,178	\$ 172,178
Total Infrastructure Expenditures	\$ -	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 757,455	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,275,305	\$ 2,298,000	\$ 2,298,000	\$ 2,298,000	\$ 2,298,000	\$ 4,611,000	\$ 4,611,000	\$ 4,611,000	\$ 4,611,000	\$ 4,611,000
Reimbursement Agreements																					
Available for reimbursement (to City or other Developers)	\$ -	\$ -	\$ 70,145	\$ 211,893	\$ 399,793	\$ 1,224,210	\$ 1,481,536	\$ 6,419,133	\$ 8,699,352	\$ 13,421,074	\$ 18,401,161	\$ 23,607,990	\$ 29,030,465	\$ 34,630,987	\$ 39,387,333	\$ 44,483,364	\$ 49,810,426	\$ 55,486,304	\$ 59,203,579	\$ 63,206,458	\$ 67,499,510
OPA Reimbursement (Beyond Green)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 757,455	\$ 757,455	\$ 3,498,068	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,275,305	\$ 2,298,000	\$ 2,298,000	\$ 2,298,000	\$ 2,298,000	\$ 4,611,000	\$ 4,611,000	\$ 4,611,000	\$ 9,222,000
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 757,455	\$ 757,455	\$ 3,498,068	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,225,705	\$ 1,275,305	\$ 2,298,000	\$ 2,298,000	\$ 2,298,000	\$ 2,298,000	\$ 4,611,000	\$ 4,611,000	\$ 4,611,000	\$ 9,222,000
Total Use of Funds	\$ -	\$ 757,455	\$ 769,833	\$ 782,469	\$ 790,613	\$ 1,660,395	\$ 2,162,238	\$ 5,728,782	\$ 3,471,107	\$ 3,500,955	\$ 3,546,549	\$ 3,636,162	\$ 4,746,513	\$ 5,809,381	\$ 5,840,885	\$ 5,900,829	\$ 8,254,599	\$ 10,629,155	\$ 10,691,696	\$ 10,742,096	\$ 15,404,303
Ending Balance	\$ -	\$ -	\$ 70,145	\$ 211,893	\$ 399,793	\$ 466,756	\$ 724,082	\$ 2,921,064	\$ 7,473,648	\$ 12,195,369	\$ 17,175,457	\$ 22,382,285	\$ 27,755,160	\$ 32,332,987	\$ 37,089,333	\$ 42,185,364	\$ 47,512,426	\$ 50,875,304	\$ 54,592,579	\$ 58,595,458	\$ 58,595,458

RATHDRUM INDUSTRIAL PARK 1 CONCEPT SITE PLAN (OPTION A)

VICINITY MAP
1" = 6,450'

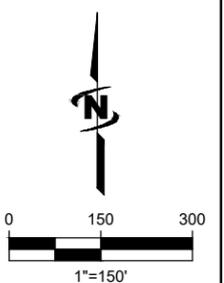


LEGEND

- RATHDRUM CITY LIMITS BOUNDARY
- BUILDING FOOTPRINT
- ROADWAY ASPHALT
- PARKING ASPHALT
- INDUSTRIAL LOTS
- TRAFFIC SIGNAL

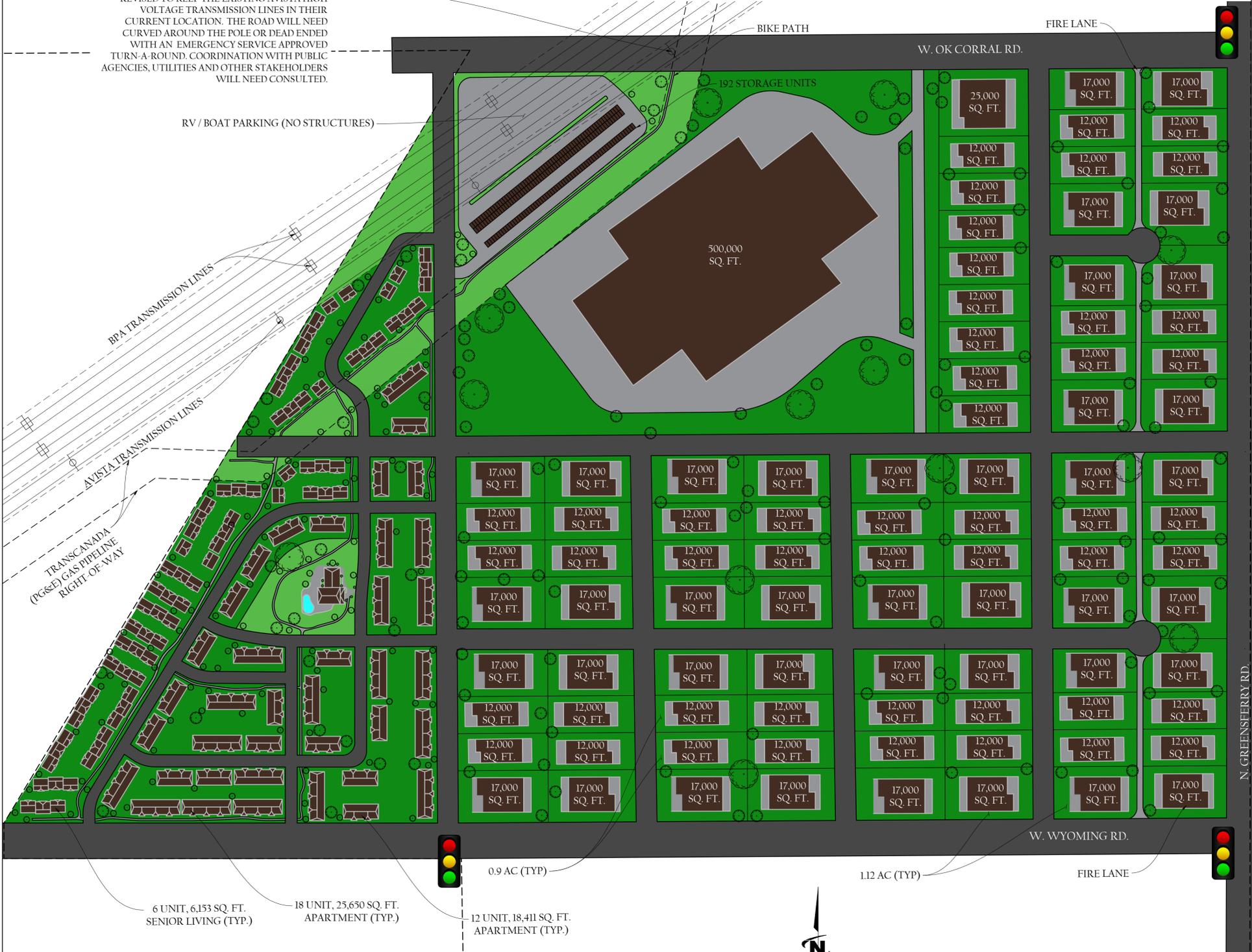
RATHDRUM INDUSTRIAL PARK

- INDUSTRIAL - 92 ACRES+
- R-3 ZONE - 13 ACRES+



RATHDRUM INDUSTRIAL PARK 2 CONCEPT SITE PLAN (OPTION A)

THE TO-AND-THRU ROAD AS SHOWN WILL NEED REVISED TO KEEP THE EXISTING AVISTA HIGH VOLTAGE TRANSMISSION LINES IN THEIR CURRENT LOCATION. THE ROAD WILL NEED CURVED AROUND THE POLE OR DEAD ENDED WITH AN EMERGENCY SERVICE APPROVED TURN-A-ROUND. COORDINATION WITH PUBLIC AGENCIES, UTILITIES AND OTHER STAKEHOLDERS WILL NEED CONSULTED.



6 UNIT, 6,153 SQ. FT. SENIOR LIVING (TYP.)

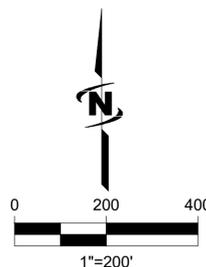
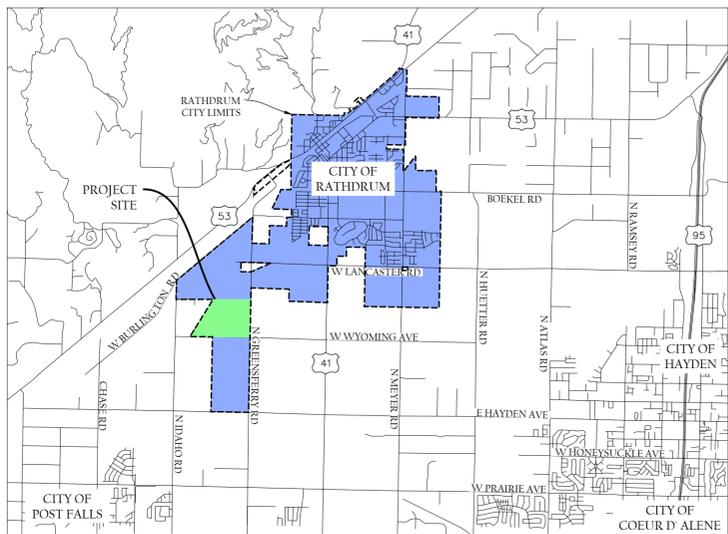
18 UNIT, 25,650 SQ. FT. APARTMENT (TYP.)

12 UNIT, 18,411 SQ. FT. APARTMENT (TYP.)

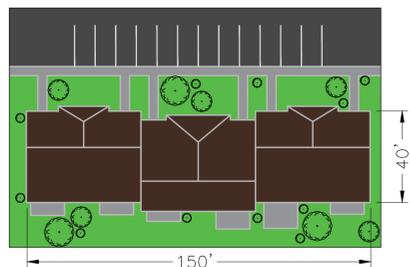
0.9 AC (TYP.)

1.12 AC (TYP.)

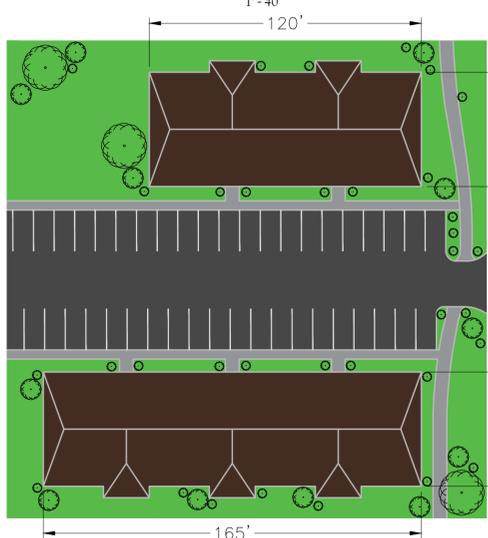
VICINITY MAP
1" = 6,450'



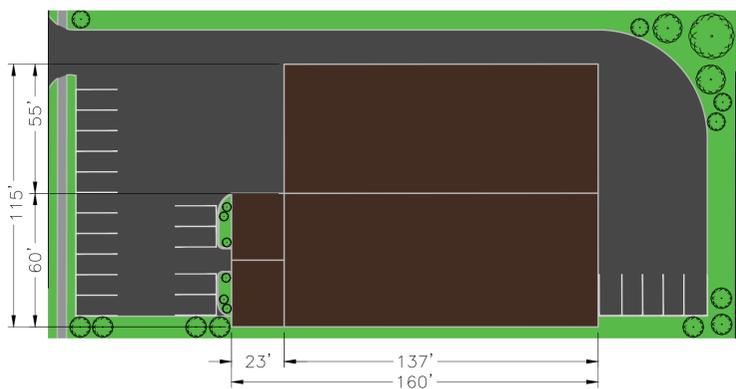
6153 SQ. FT. SENIOR LIVING
DETAIL
1" = 40'



18411 SQ. FT. AND 25650 SQ. FT.
APARTMENTS DETAIL
1" = 40'



17,000 SQ. FT.
INDUSTRIAL DETAIL
1" = 40'



LEGEND

- RATHDRUM CITY LIMITS BOUNDARY
- BUILDING FOOTPRINT
- ROADWAY ASPHALT
- PARKING AND BIKE PATHS
- GREEN SPACE
- INDUSTRIAL AND RESIDENTIAL
- TRAFFIC SIGNAL

RATHDRUM INDUSTRIAL PARK 2 (OPTION A)

- INDUSTRIAL ZONE = 156.4 ACRES+
 - 89 INDUSTRIAL LOTS
 - 48 0.9+ ACRE LOTS
 - 41 1.12+ ACRE LOTS
- 40 AC LOT FOR 500,000 SQ. FT. POWER PLANT
- 192 10'x20' STORAGE UNITS ON LOT NORTH OF GAS LINE
- R-3 ZONE = 36.8 ACRES+
 - 41 APARTMENTS - 16.6 ACRES+
 - 20 25,650+ SQ. FT. 18-UNIT APARTMENTS
 - 21 18,411+ SQ. FT. 12-UNIT APARTMENTS
- SENIOR LIVING = 8.5 ACRES+
 - 25 6,150+ SQ. FT. 6-UNIT HOME
 - 9 2,050+ SQ. FT. 2-UNIT HOMES
- COMMUNITY CENTER
- 6,587+ FEET OF BIKE / WALKING PATH
- WATER - CITY OF RATHDRUM
- SEWER - CITY OF RATHDRUM
- POWER - AVISTA / BONNEVILLE POWER
- GAS - TRANSCANADA / AVISTA

**PROPOSED "WEST RATHDRUM URBAN RENEWAL DISTRICT"
INDUSTRIAL PARK "OPTION A" SITES
Project Reimbursement Priority List
INFRASTRUCTURE COST ESTIMATE SUMMARY
20-Sep-19**

Project Description	Estimated Total Cost
Priority 1 ON-SITE INFRASTRUCTURE IMPROVEMENTS (Within URD)	
Rathdrum Industrial Park 1, Option A	\$ 8,332,000
Rathdrum Industrial Park 2, Option A	\$ 18,686,000
Subtotal On-Site Improvements	\$ 27,018,000.00
Priority 2 OFF-SITE INFRASTRUCTURE IMPROVEMENTS (Within URD)	
Lancaster Road (serves others)	\$ 2,809,500
Greensferry Road (serves others)	\$ 1,549,600
Greensferry Basin 12" Gravity Interceptor (serves others)	\$ 248,000
Subtotal Off-Site Improvements	\$ 4,607,100.00
Priority 3 REQUIRED FUTURE INFRASTRUCTURE PROJECTS (Benefits Area Beyond URD)	
1 MG Water Tank (Composite-Elevated, Working Volume) (serves others)	\$ 4,500,000
LS#4 Basin Wastewater Improvements ¹ (serves others)	\$ 7,313,000
Subtotal Potential Future Infrastructure Projects	\$ 11,813,000.00

1. Reference City Wastewater Plan for detailed breakdown
2. Priority reimbursements are to the developer/proponent first which will allow the developer to be competitive in market place, be successful and create additional tax increment for priority 2 and 3 projects.
3. If the improvements listed under Priority 3 above become necessary/required, the City or user will be responsible for funding and constructing the needed improvements. The Developer will support the City's or user's request for reimbursement through the URD for such improvements, pursuant to the above schedule.
4. The City agrees to support and facilitate Developer's reimbursement for costs associated with needed infrastructure through all available mechanisms, including but not limited to, "late comer" fees. The City and Developer shall enter into a recovery agreement within 180 days of the URD being created.

**PROPOSED "WEST RATHDRUM URBAN RENEWAL DISTRICT"
INDUSTRIAL PARK "OPTION A" SITES
ESTIMATED INFRASTRUCTURE BUILDOUT SCHEDULE
20-Sep-19**

Year	Type	Project Description	Estimated Total Cost
PARK 1 DEVELOPMENT			
2020-2025	Internal Infrastructure	Rathdrum Industrial Park 1, Option A, Phase I	\$ 4,166,000
2025-2030	Internal Infrastructure	Rathdrum Industrial Park 2, Option A, Phase I	\$ 9,343,000
	Frontage Road	Greensferry Road, Phase I (serves others)	\$ 774,800
PARK 2 DEVELOPMENT			
2030-2035	Internal Infrastructure	Rathdrum Industrial Park 1, Option A, Phase II	\$ 4,166,000
	Frontage Road	Lancaster Road (serves others)	\$ 2,809,500
	Utility	Greensferry Basin 12" Gravity Interceptor (serves others)	\$ 248,000
2035-2040	Internal Infrastructure	Rathdrum Industrial Park 2, Option A, Phase II	\$ 9,343,000
	Frontage Road	Greensferry Road, Phase II (serves others)	\$ 774,800
	Utility	1 MG Water Tank (Composite-Elevated, Working Volume) (serves others)	\$ 4,500,000
	Utility	LS#4 Basin Wastewater Improvements (serves others)	\$ 7,313,000
Subtotal Potential Future Infrastructure Projects			\$ 43,438,100.00

Notes:

1. The above schedule is an estimate and subject to change based on market demands, type of land use, funding, other funding sources (i.e. grants), etc.
2. The developer, City, Agency and other benefited property owners will revisit the schedule as needed based on market demands, land use, other funding sources, etc.



J-U-B ENGINEERS, INC.



THE LANGDON GROUP
A JUB Company



GATEWAY MAPPING INC.
A JUB Company

OTHER J-U-B COMPANIES

J-U-B ENGINEERS, Inc.

7825 Meadowlark Way

Coeur d'Alene, ID 83815

(208) 762-8787

ENGINEER'S OPINION OF PROBABLE COST					
					PRELIMINARY
PROJECT: Rathdrum Industrial Park - Site 1; Concept A			DATE: 7/17/2019		
PROJECT DESCRIPTION: Public On-Site Infrastructure, including roadways, water and sanitary sewer utilities, and frontage roads					
PREPARED BY: Angela Comstock, P.E.			CHECKED BY: A. Jay Hassell, P.E.		
ITEM NO.	DESCRIPTION	SCHEDULE OF VALUES			
		QTY	UNIT	UNIT PRICE	TOTAL COST
Internal Roadways					
1	Asphalt	5,000	TON	\$ 70	\$ 350,000
2	Base	8,000	TON	\$ 25	\$ 200,000
3	Ballast and Pit Run	35,000	TON	\$ 15	\$ 525,000
4	Sidewalk	7,200	SY	\$ 60	\$ 432,000
5	Curb	13,000	LF	\$ 25	\$ 325,000
6	Swale	3	AC	\$ 2,500	\$ 7,500
7	Lighting	1	EA	\$ 200,000	\$ 200,000
Utilities					
8	12" Water Mains with Services	6,500	LF	\$ 60	\$ 390,000
9	8" Sewer Mains with Services	6,500	LF	\$ 50	\$ 325,000
10	8" Southwest Collector	2,700	LF	\$ 50	\$ 135,000
11	12" Gravity Sewer Interceptor (GF Road)	1,800	LF	\$ 80	\$ 144,000
12	Underground "Dry" Utilities	1	LS	\$ 100,000	\$ 100,000
13	Electrical Utility Connection	1	LS	\$ 50,000	\$ 50,000
Frontage Roads					
Lancaster					
14	Asphalt	4,000	TON	\$ 70	\$ 280,000
15	Base	5,000	TON	\$ 25	\$ 125,000
16	Ballast and Pit Run	9,000	TON	\$ 15	\$ 135,000
17	Asphalt Path (2, 10-ft)	3,600	LF	\$ 40	\$ 144,000
18	Curb	4,000	LF	\$ 25	\$ 100,000
19	Swale	2	AC	\$ 2,500	\$ 5,000
20	Lighting	1	EA	\$ 100,000	\$ 100,000
Greensferry					
21	Asphalt	3,000	TON	\$ 70	\$ 210,000
22	Base	4,000	TON	\$ 25	\$ 100,000
23	Ballast and Pit Run	7,000	TON	\$ 15	\$ 105,000
24	Asphalt Path (2, 10-ft)	2,600	LF	\$ 40	\$ 104,000
25	Curb	3,000	LF	\$ 25	\$ 75,000
26	Swale	1	AC	\$ 2,500	\$ 2,500
27	Lighting	1	EA	\$ 75,000	\$ 75,000
Rio Grande					
28	Asphalt	2,000	TON	\$ 70	\$ 140,000
29	Base	3,000	TON	\$ 25	\$ 75,000
30	Ballast and Pit Run	11,000	TON	\$ 15	\$ 165,000
31	Sidewalk	800	SY	\$ 60	\$ 48,000
32	Curb	4,000	LF	\$ 25	\$ 100,000
33	Swale	1	AC	\$ 2,500	\$ 2,500
34	Lighting	1	EA	\$ 100,000	\$ 100,000
SUBTOTAL					\$ 5,375,000
Construction Contingency (30%):					\$ 1,613,000
Planning / Design / CMS (25%):					\$ 1,344,000
TOTAL PROBABLE COST (2019 DOLLARS)					\$ 8,332,000
OPINIONS OF COST AND PROJECT FINANCIAL INFORMATION					
<p>CLIENT understands that J-U-B has no control over the cost of labor, materials, equipment or services furnished by others, the contractor(s)' methods of determining prices, nor bidding or market conditions. J-U-B's opinions of probable Project costs and construction, if any, are to be made on the basis of J-U-B's experience, and represent J-U-B's best judgment as a professional engineer, familiar with the construction industry. CLIENT understands and acknowledges that J-U-B cannot and does not guarantee that proposals, bids or actual Project or construction costs will not vary from opinions of probable cost prepared by J-U-B. J-U-B's Services to modify the Project to bring the construction costs within any limitation established by the CLIENT will be considered Additional Services and paid for as such by the CLIENT in accordance with the terms herein. CLIENT agrees that J-U-B is not acting as a financial advisor to the CLIENT and does not owe CLIENT or any third party a fiduciary duty pursuant to Section 15B of the Exchange Act with respect to J-U-B's professional Services. J-U-B will not give advice or make specific recommendations regarding municipal securities or investments and is therefore exempt from registration with the SEC under the municipal advisors rule. CLIENT agrees to retain a registered financial municipal advisor as appropriate for Project financing and implementation.</p>					



J-U-B ENGINEERS, INC.

OTHER J-U-B COMPANIES

J-U-B ENGINEERS, Inc.
7825 Meadowlark Way
Coeur d'Alene, ID 83815
(208) 762-8787

ENGINEER'S OPINION OF PROBABLE COST

PRELIMINARY

PROJECT: Rathdrum Industrial Park - Site 2; Concept A	DATE: 7/17/2019
PROJECT DESCRIPTION: Public On-Site Infrastructure, including roadways, water and sanitary sewer	
PREPARED BY: Angela Comstock, P.E.	CHECKED BY: A. Jay Hassell, P.E.

ITEM NO.	DESCRIPTION	SCHEDULE OF VALUES			
		QTY	UNIT	UNIT PRICE	TOTAL COST
Roadways					
1	Asphalt	11,000	TON	\$ 70	\$ 770,000
2	Base	19,000	TON	\$ 25	\$ 475,000
3	Ballast and Pit Run	81,000	TON	\$ 15	\$ 1,215,000
4	Sidewalk	16,700	SY	\$ 60	\$ 1,002,000
5	Curb	30,000	LF	\$ 25	\$ 750,000
6	Swale	7	AC	\$ 2,500	\$ 17,500
7	Asphalt Trail	2,500	LF	\$ 40	\$ 100,000
8	Lighting	1	EA	\$ 200,000	\$ 200,000
Utilities					
9	12" Water Mains with Services	20,000	LF	\$ 60	\$ 1,200,000
10	8" Sewer Mains with Services	20,000	LF	\$ 50	\$ 1,000,000
11	12" Gravity Sewer Interceptor	1,500	LF	\$ 80	\$ 120,000
12	Underground "Dry" Utilities	1	LS	\$ 200,000	\$ 200,000
13	Electrical Utility Connection (Power Plant)	1	LS	\$ 500,000	\$ 500,000
Frontage Roads					
Greensferry					
14	Asphalt	5,000	TON	\$ 70	\$ 350,000
15	Base	7,000	TON	\$ 25	\$ 175,000
16	Ballast and Pit Run	13,000	TON	\$ 15	\$ 195,000
17	Asphalt Path (2, 10-ft)	3,000	LF	\$ 40	\$ 120,000
18	Curb	6,000	LF	\$ 25	\$ 150,000
19	Swale	2	AC	\$ 2,500	\$ 5,000
20	Lighting	1	EA	\$ 150,000	\$ 150,000
21	Signal at Wyoming	1	EA	\$ 500,000	\$ 500,000
Wyoming					
22	Asphalt	3,000	TON	\$ 70	\$ 210,000
23	Base	5,000	TON	\$ 25	\$ 125,000
24	Ballast and Pit Run	22,000	TON	\$ 15	\$ 330,000
25	Sidewalk	1,500	SY	\$ 40	\$ 60,000
26	Curb	8,000	LF	\$ 25	\$ 200,000
27	Swale	2	AC	\$ 2,500	\$ 5,000
28	Lighting	1	EA	\$ 250,000	\$ 250,000
29	Mid-block Signal	1	EA	\$ 500,000	\$ 500,000
OK Corral					
30	Asphalt	2,000	TON	\$ 70	\$ 140,000
31	Base	3,000	TON	\$ 25	\$ 75,000
32	Ballast and Pit Run	11,000	TON	\$ 15	\$ 165,000
33	Sidewalk	800	SY	\$ 60	\$ 48,000
34	Curb	4,000	LF	\$ 25	\$ 100,000
35	Swale	1	AC	\$ 2,500	\$ 2,500
36	Lighting	1	EA	\$ 150,000	\$ 150,000
37	Mid-block Signal	1	EA	\$ 500,000	\$ 500,000
SUBTOTAL					\$ 12,055,000
Construction Contingency (30%):					\$ 3,617,000
Planning / Design / CMS (25%):					\$ 3,014,000
TOTAL PROBABLE COST (2019 DOLLARS)					\$ 18,686,000

OPINIONS OF COST AND PROJECT FINANCIAL INFORMATION

CLIENT understands that J-U-B has no control over the cost of labor, materials, equipment or services furnished by others, the contractor(s)' methods of determining prices, nor bidding or market conditions. J-U-B's opinions of probable Project costs and construction, if any, are to be made on the basis of J-U-B's experience, and represent J-U-B's best judgment as a professional engineer, familiar with the construction industry. CLIENT understands and acknowledges that J-U-B cannot and does not guarantee that proposals, bids or actual Project or construction costs will not vary from opinions of probable cost prepared by J-U-B. J-U-B's Services to modify the Project to bring the construction costs within any limitation established by the CLIENT will be considered Additional Services and paid for as such by the CLIENT in accordance with the terms herein. CLIENT agrees that J-U-B is not acting as a financial advisor to the CLIENT and does not owe CLIENT or any third party a fiduciary duty pursuant to Section 15B of the Exchange Act with respect to J-U-B's professional Services. J-U-B will not give advice or make specific recommendations regarding municipal securities or investments and is therefore exempt from registration with the SEC under the municipal advisors rule. CLIENT agrees to retain a registered financial municipal advisor as appropriate for Project financing and implementation.



THE LANGDON GROUP
a J-U-B Company



GATEWAY MAPPING INC.
a J-U-B Company

OTHER J-U-B COMPANIES

J-U-B ENGINEERS, Inc.

7825 Meadowlark Way

Coeur d'Alene, ID 83815

(208) 762-8787

ENGINEER'S OPINION OF PROBABLE COST

PRELIMINARY

PROJECT: Rathdrum Industrial Park - Off Site Improvements **DATE:** 7/17/2019

PROJECT DESCRIPTION:
Off-Site Infrastructure, including roadways, water and sanitary sewer

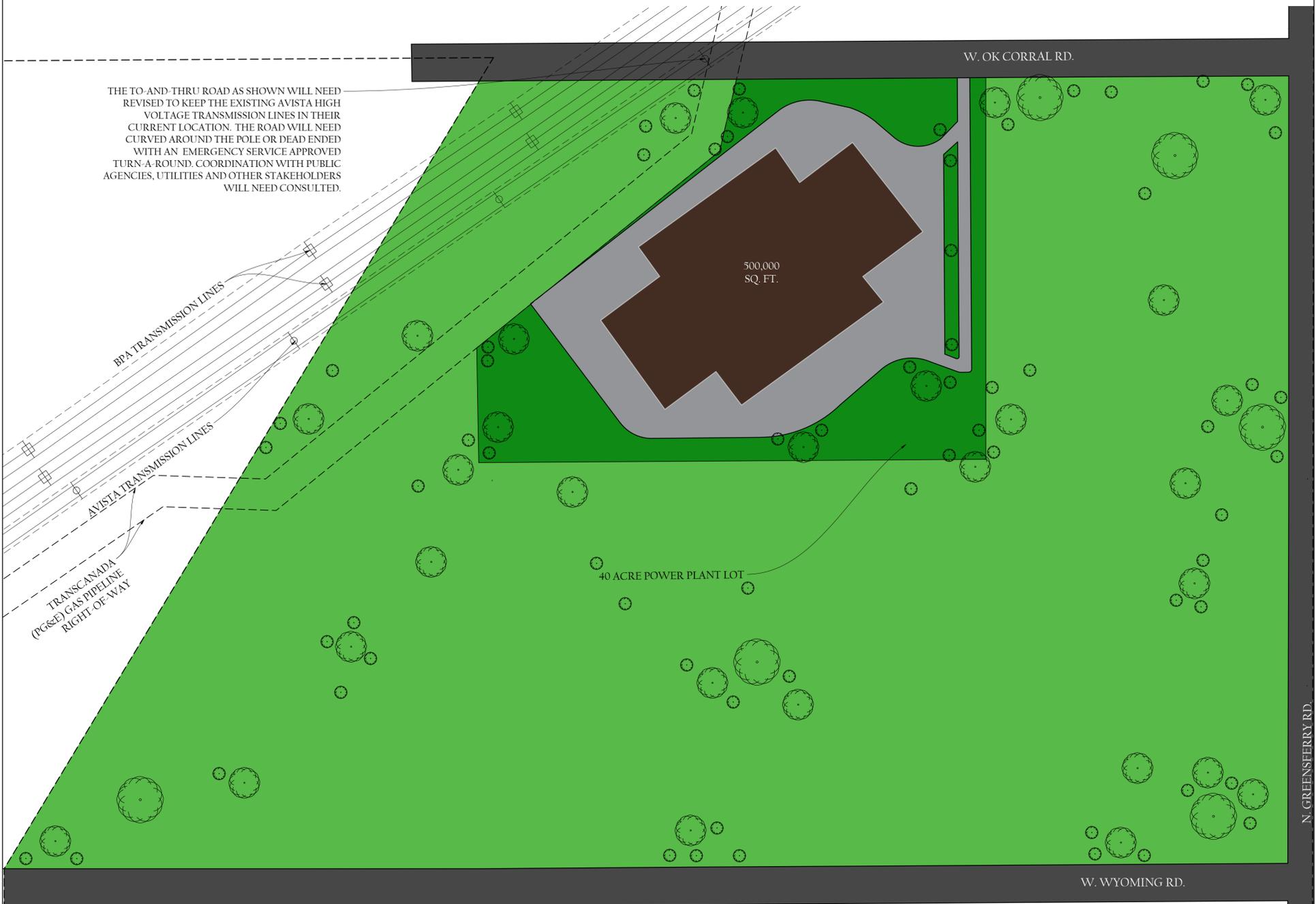
PREPARED BY: Angela Comstock, P.E. **CHECKED BY:** A. Jay Hassell, P.E.

ITEM NO.	DESCRIPTION	SCHEDULE OF VALUES			
		QTY	UNIT	UNIT PRICE	TOTAL COST
Lancaster Road					
1	Asphalt	7,000	TON	\$ 70	\$ 490,000
2	Base	9,000	TON	\$ 25	\$ 225,000
3	Ballast and Pit Run	17,000	TON	\$ 15	\$ 255,000
4	Asphalt Paths (2, 10-foot)	4,000	LF	\$ 40	\$ 160,000
5	Curb	7,000	LF	\$ 25	\$ 175,000
6	Swale	3	AC	\$ 2,500	\$ 7,500
7	Signal at Greensferry	1	EA	\$ 500,000	\$ 500,000
Construction Contingency (30%):					\$ 544,000
Planning / Design / CMS (25%):					\$ 453,000
<i>Subtotal</i>					\$ 2,809,500
Greensferry Road					
8	Asphalt	5,000	TON	\$ 70	\$ 350,000
9	Base	6,000	TON	\$ 25	\$ 150,000
10	Ballast and Pit Run	12,000	TON	\$ 15	\$ 180,000
11	Asphalt Paths (2, 10-foot)	4,840	LF	\$ 40	\$ 193,600
12	Curb	4,840	LF	\$ 25	\$ 121,000
13	Swale	2	AC	\$ 2,500	\$ 5,000
Construction Contingency (30%):					\$ 300,000
Planning / Design / CMS (25%):					\$ 250,000
<i>Subtotal</i>					\$ 1,549,600
Utilities					
31	12" Gravity Sewer Interceptor (GF Road)	2,000	LF	\$ 80	\$ 160,000
Construction Contingency (30%):					\$ 48,000
Planning / Design / CMS (25%):					\$ 40,000
<i>Subtotal</i>					\$ 248,000

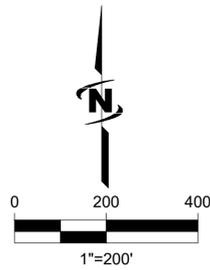
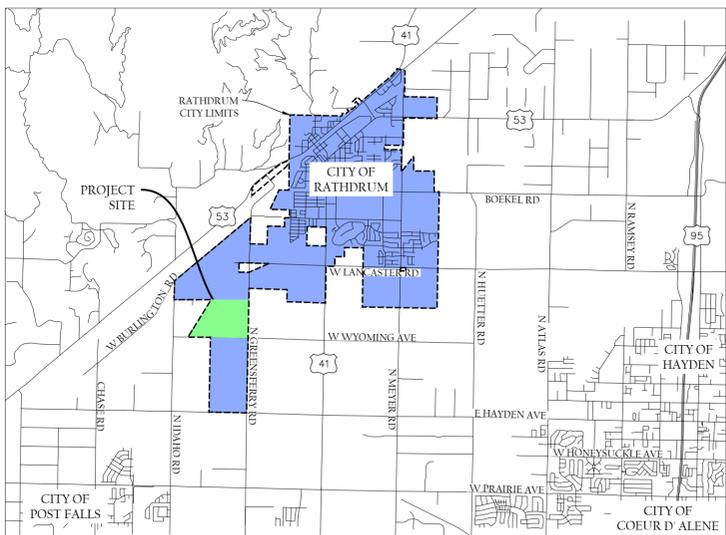
TOTAL PROBABLE COST (2019 DOLLARS) \$ 4,607,100

OPINIONS OF COST AND PROJECT FINANCIAL INFORMATION
 CLIENT understands that J-U-B has no control over the cost of labor, materials, equipment or services furnished by others, the contractor(s)' methods of determining prices, nor bidding or market conditions. J-U-B's opinions of probable Project costs and construction, if any, are to be made on the basis of J-U-B's experience, and represent J-U-B's best judgment as a professional engineer, familiar with the construction industry. CLIENT understands and acknowledges that J-U-B cannot and does not guarantee that proposals, bids or actual Project or construction costs will not vary from opinions of probable cost prepared by J-U-B. J-U-B's Services to modify the Project to bring the construction costs within any limitation established by the CLIENT will be considered Additional Services and paid for as such by the CLIENT in accordance with the terms herein. CLIENT agrees that J-U-B is not acting as a financial advisor to the CLIENT and does not owe CLIENT or any third party a fiduciary duty pursuant to Section 15B of the Exchange Act with respect J-U-B's professional Services. J-U-B will not give advice or make specific recommendations regarding municipal securities or investments and is therefore exempt from registration with the SEC under the municipal advisors rule. CLIENT agrees to retain a registered financial municipal advisor as appropriate for Project financing and implementation.

RATHDRUM INDUSTRIAL PARK 2 CONCEPT SITE PLAN (OPTION A - POWER PLANT ONLY)



VICINITY MAP
1" = 6,450'



LEGEND

RATHDRUM CITY LIMITS BOUNDARY	---
BUILDING FOOTPRINT	
ROADWAY ASPHALT	
PARKING	
GREEN SPACE	
POWER PLANT LOT	

RATHDRUM INDUSTRIAL PARK 2 (OPTION A)

- INDUSTRIAL ZONE = 156.4 ACRES+
 - 40 AC LOT FOR 500,000 SQ. FT. POWER PLANT
- WATER - CITY OF RATHDRUM
- SEWER - CITY OF RATHDRUM
- POWER - AVISTA / BONNEVILLE POWER
- GAS - TRANSCANADA / AVISTA



JUB
J-U-B ENGINEERS, INC.

DRAFT CONCEPT-REV5

LAST UPDATED: 8/12/2019



J-U-B ENGINEERS, INC.

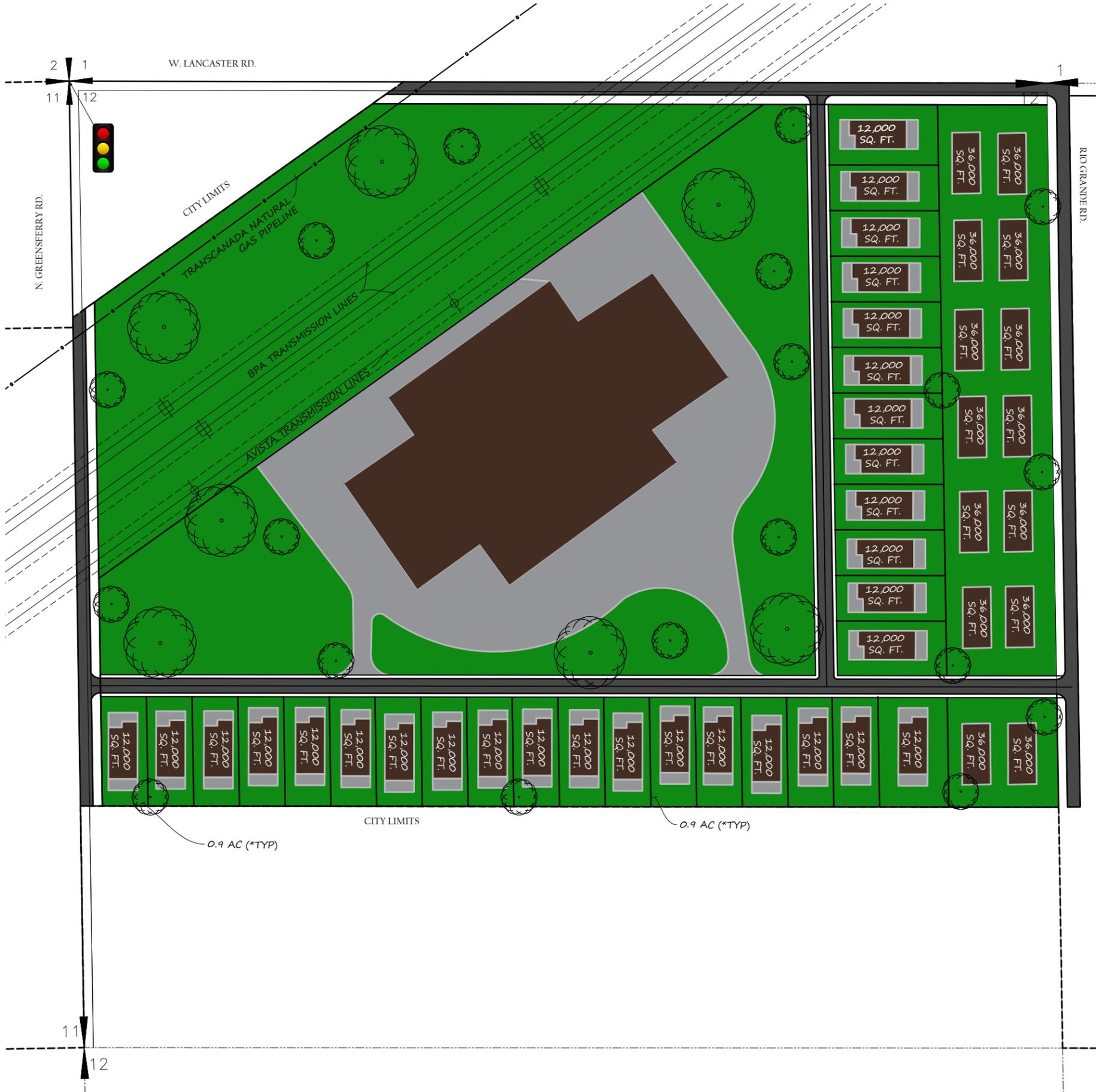
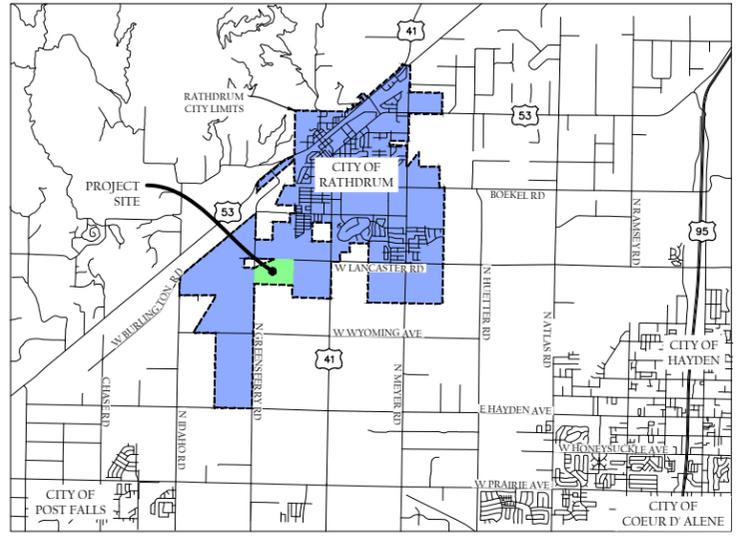
OTHER J-U-B COMPANIES

J-U-B ENGINEERS, Inc.
7825 Meadowlark Way
Coeur d'Alene, ID 83815
(208) 762-8787

ENGINEER'S OPINION OF PROBABLE COST					
					PRELIMINARY
PROJECT:			DATE:		
Rathdrum Industrial Park - Site 2; Concept A (Power Plant Only)			8/12/2019		
PROJECT DESCRIPTION:					
Public On-Site Infrastructure, including roadways, water and sanitary sewer					
PREPARED BY:			CHECKED BY:		
Angela Comstock, P.E.			A. Jay Hassell, P.E.		
ITEM NO.	DESCRIPTION	SCHEDULE OF VALUES			
		QTY	UNIT	UNIT PRICE	TOTAL COST
Phase I - Utilities					
1	12" Gravity Sewer Interceptor	1,500	LF	\$ 80	\$ 120,000
2	Underground "Dry" Utilities	1	LS	\$ 50,000	\$ 50,000
3	Electrical Utility Connection (Power Plant)	1	LS	\$ 500,000	\$ 500,000
					Construction Contingency (30%): \$ 201,000
					Planning / Design / CMS (25%): \$ 168,000
SUBTOTAL					\$ 1,039,000
Phase II - Frontage Roads					
Greensferry					
4	Asphalt	5,000	TON	\$ 70	\$ 350,000
5	Base	7,000	TON	\$ 25	\$ 175,000
6	Ballast and Pit Run	13,000	TON	\$ 15	\$ 195,000
7	Asphalt Path (2, 10-ft)	3,000	LF	\$ 40	\$ 120,000
8	Curb	6,000	LF	\$ 25	\$ 150,000
9	Swale	2	AC	\$ 2,500	\$ 5,000
10	Lighting	1	EA	\$ 150,000	\$ 150,000
Wyoming					
11	Asphalt	3,000	TON	\$ 70	\$ 210,000
12	Base	5,000	TON	\$ 25	\$ 125,000
13	Ballast and Pit Run	22,000	TON	\$ 15	\$ 330,000
14	Sidewalk	1,500	SY	\$ 40	\$ 60,000
15	Curb	8,000	LF	\$ 25	\$ 200,000
16	Swale	2	AC	\$ 2,500	\$ 5,000
17	Lighting	1	EA	\$ 250,000	\$ 250,000
OK Corral					
18	Asphalt	2,000	TON	\$ 70	\$ 140,000
19	Base	3,000	TON	\$ 25	\$ 75,000
20	Ballast and Pit Run	11,000	TON	\$ 15	\$ 165,000
21	Sidewalk	800	SY	\$ 60	\$ 48,000
22	Curb	4,000	LF	\$ 25	\$ 100,000
23	Swale	1	AC	\$ 2,500	\$ 2,500
24	Lighting	1	EA	\$ 150,000	\$ 150,000
					Construction Contingency (30%): \$ 902,000
					Planning / Design / CMS (25%): \$ 977,000
SUBTOTAL					\$ 4,884,500
TOTAL PROBABLE COST (2019 DOLLARS)					\$ 5,923,500
OPINIONS OF COST AND PROJECT FINANCIAL INFORMATION					
<p>CLIENT understands that J-U-B has no control over the cost of labor, materials, equipment or services furnished by others, the contractor(s)' methods of determining prices, nor bidding or market conditions. J-U-B's opinions of probable Project costs and construction, if any, are to be made on the basis of J-U-B's experience, and represent J-U-B's best judgment as a professional engineer, familiar with the construction industry. CLIENT understands and acknowledges that J-U-B cannot and does not guarantee that proposals, bids or actual Project or construction costs will not vary from opinions of probable cost prepared by J-U-B. J-U-B's Services to modify the Project to bring the construction costs within any limitation established by the CLIENT will be considered Additional Services and paid for as such by the CLIENT in accordance with the terms herein. CLIENT agrees that J-U-B is not acting as a financial advisor to the CLIENT and does not owe CLIENT or any third party a fiduciary duty pursuant to Section 15B of the Exchange Act with respect J-U-B's professional Services. J-U-B will not give advice or make specific recommendations regarding municipal securities or investments and is therefore exempt from registration with the SEC under the municipal advisors rule. CLIENT agrees to retain a registered financial municipal advisor as appropriate for Project financing and implementation.</p>					

RATHDRUM INDUSTRIAL PARK 1 CONCEPT SITE PLAN (OPTION B)

VICINITY MAP
1" = 6,450'



- RATHDRUM CITY LIMITS BOUNDARY
- BUILDING FOOTPRINT
- ROADWAY ASPHALT
- PARKING ASPHALT
- INDUSTRIAL LOTS
- TRAFFIC SIGNAL

RATHDRUM INDUSTRIAL PARK

- INDUSTRIAL - 92 ACRES+
- R-3 ZONE - 13 ACRES+



J-U-B ENGINEERS, INC.
DRAFT CONCEPT-REVS
FILE: PRELIM SITE_ALTB
LAST UPDATED: 7/16/2019

RATHDRUM INDUSTRIAL PARK 2 CONCEPT SITE PLAN (OPTION B)

THE TO-AND-THRU ROAD AS SHOWN WILL NEED REVISED TO KEEP THE EXISTING AVISTA HIGH VOLTAGE TRANSMISSION LINES IN THEIR CURRENT LOCATION. THE ROAD WILL NEED CURVED AROUND THE POLE OR DEAD ENDED WITH AN EMERGENCY SERVICE APPROVED TURN-A-ROUND. COORDINATION WITH PUBLIC AGENCIES, UTILITIES AND OTHER STAKEHOLDERS WILL NEED CONSULTED.



6 UNIT, 6,153 SQ. FT. SENIOR LIVING (TYP.)

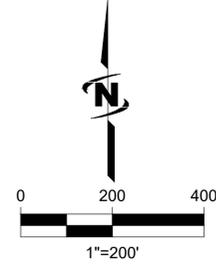
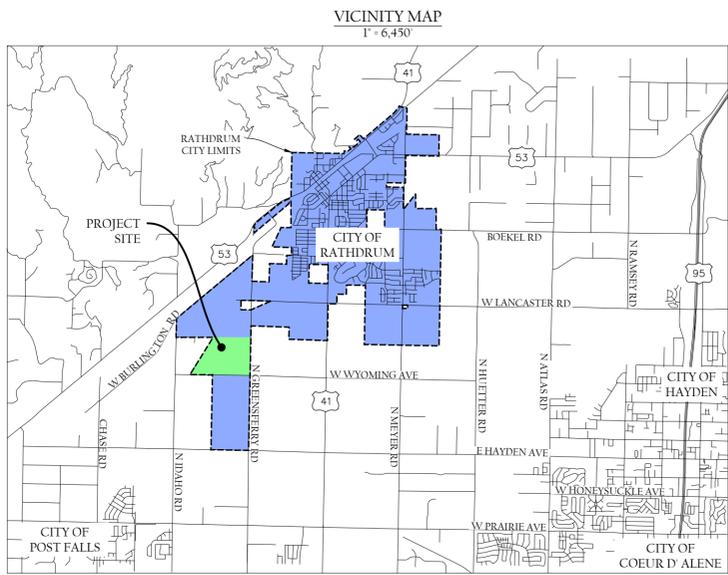
18 UNIT, 25,650 SQ. FT. APARTMENT (TYP.)

12 UNIT, 18,411 SQ. FT. APARTMENT (TYP.)

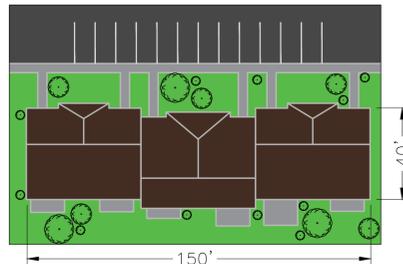
0.9 AC (TYP)

1.12 AC (TYP)

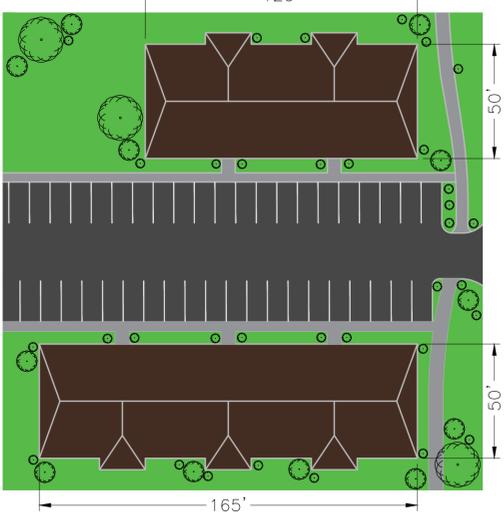
FIRE LANE



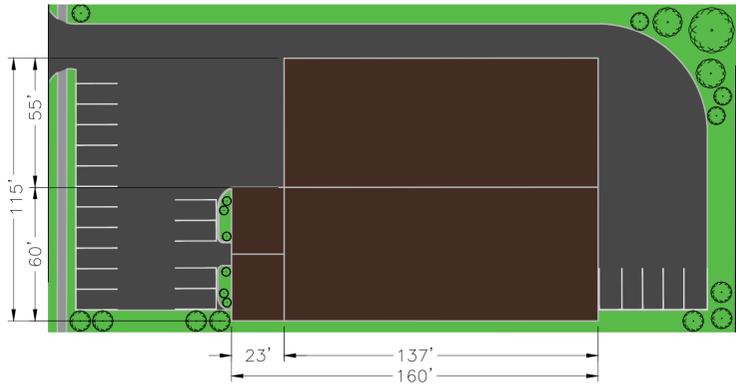
6153 SQ. FT. SENIOR LIVING DETAIL
1" = 40'



18411 SQ. FT. AND 25650 SQ. FT. APARTMENTS DETAIL
1" = 40'



17,000 SQ. FT. INDUSTRIAL DETAIL
1" = 40'



LEGEND

- RATHDRUM CITY LIMITS BOUNDARY
- BUILDING FOOTPRINT
- ROADWAY ASPHALT
- PARKING AND BIKE PATHS
- GREEN SPACE
- INDUSTRIAL AND TINY HOME LOTS
- TRAFFIC SIGNAL

- RATHDRUM INDUSTRIAL PARK 2 (OPTION B)**
- INDUSTRIAL ZONE - 156.4 ACRES+
 - 118 INDUSTRIAL LOTS
 - 59 0.9+ ACRE LOTS
 - 59 1.12 - 1.7+ ACRE LOTS
 - 192 10'x20' STORAGE UNITS ON LOT NORTH OF GAS LINE
 - R-3 ZONE - 36.8 ACRES+
 - 41 APARTMENTS = 16.6 ACRES+
 - 20 25,650+ SQ. FT. 18-UNIT APARTMENTS
 - 21 18,411+ SQ. FT. 12-UNIT APARTMENTS
 - SENIOR LIVING - 8.5 ACRES+
 - 25 6,150+ SQ. FT. 6-UNIT HOME
 - 9 2,050+ SQ. FT. 2-UNIT HOMES
 - COMMUNITY CENTER
 - 6,587+ FEET OF BIKE / WALKING PATH
 - WATER - CITY OF RATHDRUM
 - SEWER - CITY OF RATHDRUM
 - POWER - AVISTA / BONNEVILLE POWER
 - GAS - TRANSCANADA / AVISTA

**PROPOSED "WEST RATHDRUM URBAN RENEWAL DISTRICT"
INDUSTRIAL PARK "OPTION B" SITES
Project Reimbursement Priority List
INFRASTRUCTURE COST ESTIMATE SUMMARY
20-Sep-19**

Project Description	Estimated Total Cost
Priority 1 ON-SITE INFRASTRUCTURE IMPROVEMENTS (Within URD)	
Rathdrum Industrial Park 1, Option B	\$ 7,863,000
Rathdrum Industrial Park 2, Option B	\$ 21,834,000
Subtotal On-Site Improvements	\$ 29,697,000.00
Priority 2 OFF-SITE INFRASTRUCTURE IMPROVEMENTS (Within URD)	
Lancaster Road (serves others)	\$ 2,809,500
Greensferry Road (serves others)	\$ 1,549,600
Greensferry Basin 12" Gravity Interceptor (serves others)	\$ 248,000
Subtotal Off-Site Improvements	\$ 4,607,100.00
Priority 3 REQUIRED FUTURE INFRASTRUCTURE PROJECTS (Benefits Area Beyond URD)	
1 MG Water Tank (Composite-Elevated, Working Volume) (serves others)	\$ 4,500,000
LS#4 Basin Wastewater Improvements ¹ (serves others)	\$ 7,313,000
Subtotal Potential Future Infrastructure Projects	\$ 11,813,000.00

1. Reference City Wastewater Plan for detailed breakdown

2. Priority reimbursements are to the developer/proponent first which will allow the developer to be competitive in market place, be successful and create additional tax increment for priority 2 and 3 projects.

3. If the improvements listed under Priority 3 above become necessary/required, the City or user will be responsible for funding and constructing the needed improvements. The Developer will support the City's or user's request for reimbursement through the URD for such improvements, pursuant to the above schedule.

4. The City agrees to support and facilitate Developer's reimbursement for costs associated with needed infrastructure through all available mechanisms, including but not limited to, "late comer" fees. The City and Developer shall enter into a recovery agreement within 180 days of the URD being created.



J-U-B ENGINEERS, INC.



THE LANGDON GROUP
A JUB Company



GATEWAY MAPPING IWE
A JUB Company

OTHER J-U-B COMPANIES

J-U-B ENGINEERS, Inc.

7825 Meadowlark Way

Coeur d'Alene, ID 83815

(208) 762-8787

ENGINEER'S OPINION OF PROBABLE COST

PRELIMINARY

PROJECT: Rathdrum Industrial Park - Site 1; Concept B **DATE:** 7/17/2019

PROJECT DESCRIPTION:
Public On-Site Infrastructure, including roadways, water and sanitary sewer

PREPARED BY: Angela Comstock, P.E. **CHECKED BY:** A. Jay Hassell, P.E.

ITEM NO.	DESCRIPTION	SCHEDULE OF VALUES			
		QTY	UNIT	UNIT PRICE	TOTAL COST
Roadways					
1	Asphalt	4,000	TON	\$ 70	\$ 280,000
2	Base	6,000	TON	\$ 25	\$ 150,000
3	Ballast and Pit Run	24,000	TON	\$ 15	\$ 360,000
4	Sidewalk	4,800	SY	\$ 60	\$ 288,000
5	Curb	9,000	LF	\$ 25	\$ 225,000
6	Swale	2	AC	\$ 2,500	\$ 5,000
7	Lighting	1	EA	\$ 200,000	\$ 200,000
Utilities					
8	12" Water Mains with Services	4,500	LF	\$ 60	\$ 270,000
9	8" Sewer Mains with Services	4,500	LF	\$ 50	\$ 225,000
10	8" Southwest Collector	2,700	LF	\$ 50	\$ 135,000
11	12" Gravity Sewer Interceptor (GF Road)	1,800	LF	\$ 80	\$ 144,000
12	Underground "Dry" Utilities	1	LS	\$ 100,000	\$ 100,000
13	Electrical Utility Connection (Power Plant)	1	LS	\$ 500,000	\$ 500,000
Frontage Roads					
Lancaster					
14	Asphalt	4,000	TON	\$ 70	\$ 280,000
15	Base	5,000	TON	\$ 25	\$ 125,000
16	Ballast and Pit Run	9,000	TON	\$ 15	\$ 135,000
17	Asphalt Path (2, 10-ft)	3,600	LF	\$ 40	\$ 144,000
18	Curb	4,000	LF	\$ 25	\$ 100,000
19	Swale	2	AC	\$ 2,500	\$ 5,000
20	Lighting	1	EA	\$ 100,000	\$ 100,000
Greensferry					
21	Asphalt	3,000	TON	\$ 70	\$ 210,000
22	Base	4,000	TON	\$ 25	\$ 100,000
23	Ballast and Pit Run	7,000	TON	\$ 15	\$ 105,000
24	Asphalt Path (2, 10-ft)	2,600	LF	\$ 40	\$ 104,000
25	Curb	3,000	LF	\$ 25	\$ 75,000
26	Swale	1	AC	\$ 2,500	\$ 2,500
27	Lighting	1	EA	\$ 75,000	\$ 75,000
Rio Grande					
28	Asphalt	2,000	TON	\$ 70	\$ 140,000
29	Base	3,000	TON	\$ 25	\$ 75,000
30	Ballast and Pit Run	11,000	TON	\$ 15	\$ 165,000
31	Sidewalk	800	SY	\$ 60	\$ 48,000
32	Curb	4,000	LF	\$ 25	\$ 100,000
33	Swale	1	AC	\$ 2,500	\$ 2,500
34	Lighting	1	EA	\$ 100,000	\$ 100,000

SUBTOTAL \$ **5,073,000**

Construction Contingency (30%): \$ 1,522,000

Planning / Design / CMS (25%): \$ 1,268,000

TOTAL PROBABLE COST (2019 DOLLARS) \$ 7,863,000

OPINIONS OF COST AND PROJECT FINANCIAL INFORMATION

CLIENT understands that J-U-B has no control over the cost of labor, materials, equipment or services furnished by others, the contractor(s)' methods of determining prices, nor bidding or market conditions. J-U-B's opinions of probable Project costs and construction, if any, are to be made on the basis of J-U-B's experience, and represent J-U-B's best judgment as a professional engineer, familiar with the construction industry. CLIENT understands and acknowledges that J-U-B cannot and does not guarantee that proposals, bids or actual Project or construction costs will not vary from opinions of probable cost prepared by J-U-B. J-U-B's Services to modify the Project to bring the construction costs within any limitation established by the CLIENT will be considered Additional Services and paid for as such by the CLIENT in accordance with the terms herein. CLIENT agrees that J-U-B is not acting as a financial advisor to the CLIENT and does not owe CLIENT or any third party a fiduciary duty pursuant to Section 15B of the Exchange Act with respect to J-U-B's professional Services. J-U-B will not give advice or make specific recommendations regarding municipal securities or investments and is therefore exempt from registration with the SEC under the municipal advisors rule. CLIENT agrees to retain a registered financial municipal advisor as appropriate for Project financing and implementation.



J-U-B ENGINEERS, INC.



THE LANGDON GROUP
A JUB Company



GATEWAY MAPPING INC.
A JUB Company

OTHER J-U-B COMPANIES

J-U-B ENGINEERS, Inc.
7825 Meadowlark Way
Coeur d'Alene, ID 83815
(208) 762-8787

ENGINEER'S OPINION OF PROBABLE COST

PRELIMINARY

PROJECT: Rathdrum Industrial Park - Site 2; Concept B	DATE: 7/17/2019
PROJECT DESCRIPTION: Public On-Site Infrastructure, including roadways, water and sanitary sewer	
PREPARED BY: Angela Comstock, P.E.	CHECKED BY: A. Jay Hassell, P.E.

ITEM NO.	DESCRIPTION	SCHEDULE OF VALUES			
		QTY	UNIT	UNIT PRICE	TOTAL COST
Roadways					
1	Asphalt	13,000	TON	\$ 70	\$ 910,000
2	Base	23,000	TON	\$ 25	\$ 575,000
3	Ballast and Pit Run	97,000	TON	\$ 15	\$ 1,455,000
4	Sidewalk	20,000	SY	\$ 60	\$ 1,200,000
5	Curb	36,000	LF	\$ 25	\$ 900,000
6	Swale	8	AC	\$ 2,500	\$ 20,000
7	Asphalt Trail	2,500	LF	\$ 40	\$ 100,000
8	Lighting	1	EA	\$ 200,000	\$ 200,000
Utilities					
9	12" Water Mains with Services	35,000	LF	\$ 60	\$ 2,100,000
10	8" Sewer Mains with Services	35,000	LF	\$ 50	\$ 1,750,000
11	12" Gravity Sewer Interceptor	1,500	LF	\$ 80	\$ 120,000
12	Underground "Dry" Utilities	1	LS	\$ 200,000	\$ 200,000
13	Electrical Utility Connection	1	LS	\$ 50,000	\$ 50,000
Frontage Roads					
Greensferry					
14	Asphalt	5,000	TON	\$ 70	\$ 350,000
15	Base	7,000	TON	\$ 25	\$ 175,000
16	Ballast and Pit Run	13,000	TON	\$ 15	\$ 195,000
17	Asphalt Path (2, 10-ft)	3,000	LF	\$ 40	\$ 120,000
18	Curb	6,000	LF	\$ 25	\$ 150,000
19	Swale	2	AC	\$ 2,500	\$ 5,000
20	Lighting	1	EA	\$ 150,000	\$ 150,000
21	Signal at Wyoming	1	EA	\$ 500,000	\$ 500,000
Wyoming					
22	Asphalt	3,000	TON	\$ 70	\$ 210,000
23	Base	5,000	TON	\$ 25	\$ 125,000
24	Ballast and Pit Run	22,000	TON	\$ 15	\$ 330,000
25	Sidewalk	1,500	SY	\$ 40	\$ 60,000
26	Curb	8,000	LF	\$ 25	\$ 200,000
27	Swale	2	AC	\$ 2,500	\$ 5,000
28	Lighting	1	EA	\$ 250,000	\$ 250,000
29	Mid-block Signal	1	EA	\$ 500,000	\$ 500,000
OK Corral					
30	Asphalt	2,000	TON	\$ 70	\$ 140,000
31	Base	3,000	TON	\$ 25	\$ 75,000
32	Ballast and Pit Run	11,000	TON	\$ 15	\$ 165,000
33	Sidewalk	800	SY	\$ 60	\$ 48,000
34	Curb	4,000	LF	\$ 25	\$ 100,000
35	Swale	1	AC	\$ 2,500	\$ 2,500
36	Lighting	1	EA	\$ 150,000	\$ 150,000
37	Mid-block Signal	1	EA	\$ 500,000	\$ 500,000
SUBTOTAL					\$ 14,086,000
Construction Contingency (30%):					\$ 4,226,000
Planning / Design / CMS (25%):					\$ 3,522,000
TOTAL PROBABLE COST (2019 DOLLARS)					\$ 21,834,000

OPINIONS OF COST AND PROJECT FINANCIAL INFORMATION

CLIENT understands that J-U-B has no control over the cost of labor, materials, equipment or services furnished by others, the contractor(s)' methods of determining prices, nor bidding or market conditions. J-U-B's opinions of probable Project costs and construction, if any, are to be made on the basis of J-U-B's experience, and represent J-U-B's best judgment as a professional engineer, familiar with the construction industry. CLIENT understands and acknowledges that J-U-B cannot and does not guarantee that proposals, bids or actual Project or construction costs will not vary from opinions of probable cost prepared by J-U-B. J-U-B's Services to modify the Project to bring the construction costs within any limitation established by the CLIENT will be considered Additional Services and paid for as such by the CLIENT in accordance with the terms herein. CLIENT agrees that J-U-B is not acting as a financial advisor to the CLIENT and does not owe CLIENT or any third party a fiduciary duty pursuant to Section 15B of the Exchange Act with respect to J-U-B's professional Services. J-U-B will not give advice or make specific recommendations regarding municipal securities or investments and is therefore exempt from registration with the SEC under the municipal advisors rule. CLIENT agrees to retain a registered financial municipal advisor as appropriate for Project financing and implementation.

Attachment 6

Agricultural Operation Consent(s)

4820-0076-3295, v. 4

AGRICULTURAL OPERATION CONSENT FORM

COMES NOW Gerald V. Dicker, President of GVD Commercial Properties, Inc., a California corporation, and states that GVD Commercial Properties, Inc. owns that certain property generally described as Parcel Identification Number: [PARCEL NO.], and more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property"), and hereby certifies:

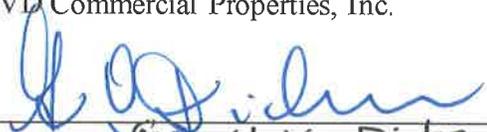
(1) that the Property has been used, within the last three (3) years, as an agricultural operation; and

(2) that the undersigned has reviewed the materials provided in Exhibit B, and has had an opportunity to review the Rathdrum Industrial District Urban Renewal Eligibility Report, revised May 2019, prepared by J-U-B Engineers, Inc., and as attached hereto as Exhibit C.

Further, Gerald V. Dicker, President of GVD Commercial Properties, Inc., hereby provides his consent and approval that the subject Property may be included within a proposed urban renewal area, and may be deemed appropriate for inclusion within an urban renewal project area as defined by the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended, and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended, as the property possesses certain characteristics of eligibility.

DATED this 27th day of September, 2019.

GVD Commercial Properties, Inc.


Name: Gerald V. Dicker
Title: President

STATE OF WA)
) ss:
County of Spokane)

On this 27 day of September, 2019, before me, a notary public in and for said state, personally appeared Gerald V. Dicker, known or identified to me to be the President of GVD Commercial Properties, Inc., a California corporation, the person who executed the instrument on behalf of GVD Commercial Properties, Inc. as said President of said GVD Commercial Properties, Inc., and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



[Signature]
Notary Public for [STATE]
My Commission Expires: 4/7/21

EXHIBIT A

LEGAL DESCRIPTION

Parcel Number:

R-0000-012-2700

EXHIBIT B

EXCERPTS OF STATUTES IDAHO CODE §§ 50-2018(8) AND (9), 50-2008, 50-2903(8)

IDAHO CODE §§ 50-2018(8) AND (9)

(8) "Deteriorated area" shall mean an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare. Provided however, this definition 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 or to any forest land as defined in section [63-1701](#)(4), Idaho Code, absent the consent of the forest landowner, as defined in section [63-1701](#)(5), Idaho Code, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(9) "Deteriorating area" shall mean an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use; provided, that if such deteriorating area consists of open land the conditions contained in the proviso in section [50-2008](#)(d), Idaho Code, shall apply; and provided further, that any disaster area referred to in section [50-2008](#)(g), Idaho Code, shall constitute a deteriorating area. Provided however, this definition 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 or to any forest land as defined in section [63-1701](#)(4), Idaho Code, absent the consent of the forest landowner, as defined in section [63-1701](#)(5), Idaho Code, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

IDAHO CODE § 50-2008

50-2008. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL PROJECT. (a) An urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.

(b) An urban renewal agency may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to an urban renewal agency. Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within sixty (60) days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission, or if no recommendations are received within said sixty (60) days, then without such recommendations, the local governing body may proceed with the hearing on the proposed urban renewal project prescribed by subsection (c) hereof.

(c) The local governing body shall hold a public hearing on an urban renewal project, after public notice thereof by publication in a newspaper having a general circulation in the area of operation of the municipality. The notice shall describe the time, date, place and purpose of the hearing, shall generally identify the urban renewal area covered by the plan, and shall outline the general scope of the urban renewal project under consideration.

(d) Following such hearing, the local governing body may approve an urban renewal project and the plan therefor if it finds that (1) a feasible method exists 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 conforms to the general plan of the municipality as a whole; (3) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan will 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: Provided, that 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.

(e) An urban renewal plan may be modified at any time: Provided that if modified after the lease or sale by the urban renewal agency of real property in the urban renewal project area, such modification may be conditioned upon such approval of the owner, lessee or successor in interest as the urban renewal agency may deem advisable and in any event shall be subject to such rights at law or in equity as a lessee or purchaser, or his successor or successors in interest, may be entitled to assert.

(f) Upon the approval by the local governing body of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the urban renewal agency may then cause such plan or modification to be carried out in accordance with its terms.

(g) Notwithstanding any other provisions of this act, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under 42 U.S.C. section 5121, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection (d) of this section and the provisions of this section requiring a general plan for the municipality and a public hearing on the urban renewal project.

(h) Any urban renewal plan containing a revenue allocation financing provision shall include the information set forth in section 50-2905, Idaho Code.

IDAHO CODE §50-2903(8)

(8) "Deteriorated area" means:

(a) Any area, including a slum area, in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

(b) Any area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, results in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

(c) Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section [50-2008](#)(d), Idaho Code, shall apply to open areas.

(d) Any area which the local governing body certifies is in need of redevelopment or rehabilitation as a result of a flood, storm, earthquake, or other natural disaster or catastrophe respecting which the governor of the state has certified the need for disaster assistance under any federal law.

(e) Any area which by reason of its proximity to the border of an adjacent state is competitively disadvantaged in its ability to attract private investment, business or commercial development which would promote the purposes of this chapter.

(f) "Deteriorated area" does not mean not developed beyond agricultural, or any agricultural operation as defined in section [22-4502](#)(1), Idaho Code, or any forest land as defined in section [63-1701](#)(4), Idaho Code, unless the owner of the agricultural operation or the forest landowner of the forest land gives written consent to be included in the deteriorated area, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

AGRICULTURAL OPERATION CONSENT FORM

COMES NOW Gerald V. Dicker, President of Beyond Green, Inc., an Idaho corporation, and states that Beyond Green, Inc. owns that certain property generally described as Parcel Identification Number: [PARCEL NO.], and more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property"), and hereby certifies:

(1) that the Property has been used, within the last three (3) years, as an agricultural operation; and

(2) that the undersigned has reviewed the materials provided in Exhibit B, and has had an opportunity to review the Rathdrum Industrial District Urban Renewal Eligibility Report, revised May 2019, prepared by J-U-B Engineers, Inc., and as attached hereto as Exhibit C.

Further, Gerald V. Dicker as President of Beyond Green, Inc., hereby provides his consent and approval that the subject Property may be included within a proposed urban renewal area, and may be deemed appropriate for inclusion within an urban renewal project area as defined by the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended, and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended, as the property possesses certain characteristics of eligibility.

DATED this 27th day of September, 2019.

Beyond Green, Inc.



Name: Gerald V. Dicker

Title: Pres.

STATE OF WA)
) ss:
County of Spokane)

On this 27th day of September, 2019, before me, a notary public in and for said state, personally appeared Gerald V. Dicker, known or identified to me to be the President of Beyond Green, Inc., an Idaho corporation, the person who executed the instrument on behalf of Beyond Green, Inc. as said President of said Beyond Green, Inc., and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Erin Hojnacki
Notary Public for Idaho
My Commission Expires: 4/7/21

EXHIBIT A

LEGAL DESCRIPTION

Parcel Numbers:

51NO5W-11-4800

51NO5W-11-7100

51NO5W-11-7200

51NO5W-11-7700

51NO5W-11-7800

51NO5W-11-8330

51NO5W-11-8400

51NO5W-11-8900

51NO5W-11-9000

51NO5W-11-9800

R-0000-012-3400

R-0000-012-4400

EXHIBIT B

EXCERPTS OF STATUTES IDAHO CODE §§ 50-2018(8) AND (9), 50-2008, 50-2903(8)

IDAHO CODE §§ 50-2018(8) AND (9)

(8) "Deteriorated area" shall mean an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare. Provided however, this definition 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 or to any forest land as defined in section [63-1701](#)(4), Idaho Code, absent the consent of the forest landowner, as defined in section [63-1701](#)(5), Idaho Code, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(9) "Deteriorating area" shall mean an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use; provided, that if such deteriorating area consists of open land the conditions contained in the proviso in section [50-2008](#)(d), Idaho Code, shall apply; and provided further, that any disaster area referred to in section [50-2008](#)(g), Idaho Code, shall constitute a deteriorating area. Provided however, this definition 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 or to any forest land as defined in section [63-1701](#)(4), Idaho Code, absent the consent of the forest landowner, as defined in section [63-1701](#)(5), Idaho Code, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

IDAHO CODE § 50-2008

50-2008. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL PROJECT. (a) An urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.

(b) An urban renewal agency may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to an urban renewal agency. Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within sixty (60) days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission, or if no recommendations are received within said sixty (60) days, then without such recommendations, the local governing body may proceed with the hearing on the proposed urban renewal project prescribed by subsection (c) hereof.

(c) The local governing body shall hold a public hearing on an urban renewal project, after public notice thereof by publication in a newspaper having a general circulation in the area of operation of the municipality. The notice shall describe the time, date, place and purpose of the hearing, shall generally identify the urban renewal area covered by the plan, and shall outline the general scope of the urban renewal project under consideration.

(d) Following such hearing, the local governing body may approve an urban renewal project and the plan therefor if it finds that (1) a feasible method exists 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 conforms to the general plan of the municipality as a whole; (3) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan will 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: Provided, that 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.

(e) An urban renewal plan may be modified at any time: Provided that if modified after the lease or sale by the urban renewal agency of real property in the urban renewal project area, such modification may be conditioned upon such approval of the owner, lessee or successor in interest as the urban renewal agency may deem advisable and in any event shall be subject to such rights at law or in equity as a lessee or purchaser, or his successor or successors in interest, may be entitled to assert.

(f) Upon the approval by the local governing body of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the urban renewal agency may then cause such plan or modification to be carried out in accordance with its terms.

(g) Notwithstanding any other provisions of this act, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under 42 U.S.C. section 5121, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection (d) of this section and the provisions of this section requiring a general plan for the municipality and a public hearing on the urban renewal project.

(h) Any urban renewal plan containing a revenue allocation financing provision shall include the information set forth in section 50-2905, Idaho Code.

IDAHO CODE §50-2903(8)

(8) "Deteriorated area" means:

(a) Any area, including a slum area, in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

(b) Any area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, results in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

(c) Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section [50-2008](#)(d), Idaho Code, shall apply to open areas.

(d) Any area which the local governing body certifies is in need of redevelopment or rehabilitation as a result of a flood, storm, earthquake, or other natural disaster or catastrophe respecting which the governor of the state has certified the need for disaster assistance under any federal law.

(e) Any area which by reason of its proximity to the border of an adjacent state is competitively disadvantaged in its ability to attract private investment, business or commercial development which would promote the purposes of this chapter.

(f) "Deteriorated area" does not mean not developed beyond agricultural, or any agricultural operation as defined in section [22-4502](#)(1), Idaho Code, or any forest land as defined in section [63-1701](#)(4), Idaho Code, unless the owner of the agricultural operation or the forest landowner of the forest land gives written consent to be included in the deteriorated area, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

EXHIBIT C

RATHDRUM INDUSTRIAL DISTRICT URBAN RENEWAL ELIGIBILITY REPORT
REVISED MAY 2019

4823-3030-8254, v. 1

Rathdrum Industrial District Urban Renewal Eligibility Report

Prepared for the

Rathdrum Urban Renewal Agency

Revised May 2019

Prepared by



J-U-B ENGINEERS, Inc.

7825 Meadowlark Way
Coeur d'Alene, Idaho 83815
208-762-8787
www.jub.com

Contents

Executive Summary	1
Rathdrum Urban Renewal Agency	2
Purpose of Report.....	2
Steps in Creating an Urban Renewal District.....	2
Present Conditions in the Study Area	4
Transmission Facilities.....	4
Streets.....	4
Water Distribution System.....	4
Sewer Collection System	4
Existing Pattern of Development.....	4
Land Use Issues	5
Open Land Requirements for Urban Renewal Districts	5
Ten Percent Limitation on Assessed Valuation within Revenue Allocation Area.....	5
Findings	6
Appropriateness of the Area for an Urban Renewal Project	8
Figures	
Figure 1 – Area Map	9
Figure 2 – Easement Map.....	10
Tables	
Table 1 – Criteria Summary Table.....	8
Exhibit A – Idaho Code	

Executive Summary

This report will examine approximately 334 acres, with Industrial (I) and Multi-Family Residential (High Density) (R-3) zoning districts, in the City of Rathdrum (the City) to determine if conditions exist which qualify the entire area as appropriate for an urban renewal project. This report may be the basis to declare the area referred to as the “proposed Rathdrum Industrial District /Highway 41 Corridor” as a deteriorated area and/or a deteriorating area as set forth in Idaho Code Sections 50-2018(8), (9) and 50-2903(8).

The study area is located west of Highway 41, between W. Lancaster Road and Wyoming Avenue and west and east side of N. Greensferry Road encompassing approximately 334 acres (**Figure 1 – Area Map**). Planned land uses in this study area are industrial and multi-family residential with existing residential, mining and agricultural land surrounding it. The area is traversed by two major electrical transmission lines, one owned by the Bonneville Power Administration (BPA) and the second owned by Avista, and buried gas pipelines owned by TransCanada.

The area is dominated by transmission lines. A TransCanada gas pipeline in a one-hundred-foot easement crosses the area on a southwest-northeast axis. Two high-voltage transmission lines, owned by the Bonneville Power Administration and Avista, lie south of the TransCanada pipeline and cross the study area on a southwest-northeast axis. These lines have easements which total 625 feet in width (**Figure 2 – Easement Map**). Construction is severely restricted within these easements due to safety concerns.

This eligibility report includes an area previously studied in the Rathdrum Urban Renewal Agency Urban Renewal Eligibility Report, dated November 2018, specifically 115 acres west of Highway 41, south of W. Lancaster and east of N. Greensferry Road (the “2018 Study”). The 2018 Study was reviewed and accepted by the Agency by adoption of Resolution No. 2018-006, dated December 5, 2018, and was transmitted to the Rathdrum City Council. The City Council, by Resolution No. 2018-297, dated December 12, 2018, declared the area described in the 2018 Study to be a deteriorated area or deteriorating area and that such area was appropriate for an urban renewal project. Prior to preparation of an urban renewal plan, it became apparent that additional property adjacent to the area described in the 2018 Study may be a deteriorating area or deteriorated area and should be examined as to whether such area is eligible for urban renewal planning purposes. Whereas, during early 2019, the Agency authorized J-U-B ENGINEERS, Inc. to review such additional areas within the City and requested preparation of a revised eligibility report for such area. This eligibility report includes the area reviewed in the 2018 Study, plus the additional 219 acres of real property generally located west of N. Greensferry Road and north of Wyoming Avenue.

This study area was found to be eligible under the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the Law) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the Act) primarily for the following reasons:

1. The electrical and gas transmission lines create a challenge to develop this area.
2. The site has limited water rights to farm the property and the area is zoned Industrial and Multi-Family Residential (High-Density).
3. The existing roads do not meet City standards.
4. Significant public facility investment in water, sewer and roads is necessary to develop the area consistent with the City’s Comprehensive Plan and the existing zoning.

Rathdrum Urban Renewal Agency

The Mayor, with the advice and consent of the City Council, has appointed five individuals to the Rathdrum Urban Renewal Agency Board:

- Destry Randles, Chair
- Paul Matthews, Vice-Chair
- Brett Seright
- Mark Worthen
- Liz St. Mark

The Rathdrum Urban Renewal Agency (the Agency) was created by Council resolution in February 1995. Leon Duce serves as the executive director of the Agency. Elam and Burke are legal counsel. In the fall of 2018, the Agency engaged the services of J-U-B ENGINEERS, Inc. to study a certain geographic area and to prepare a report to determine if an area presently zoned industrial and multi-family, and traversed by utility transmission lines, meets the criteria for consideration for an urban renewal project.

Purpose of Report

This eligibility report will focus on a study area of approximately 334 acres which was recently annexed into the City. The City's population has grown 21.1 percent from 2010 to 2017 according to U.S. Census data. Although there have been few commercial permits issued within the City in recent years, the number of residential building permits issued has increased from 127 in 2015 to 180 in 2017. To balance this residential growth, the City Council and Agency are investing in the creation of a Revenue Allocation Area (RAA)/Urban Renewal District to increase employment opportunities, foster public/private partnerships, and to increase the tax base within a major portion of the City's industrially zoned land.

The subject area examined in this report is generally described as north of W. Wyoming Avenue, south of W. Lancaster Road, east of Taelela Lane, and west of N. Highway 41 and located in the northwest quadrant of the area created by these four roadways.

The purpose of this report is to determine if the study area meets the criteria outlined in Idaho statutes, Idaho Code Sections 50-2018(8), (9), and 50-2903(8), defining a "deteriorated area" and/or a "deteriorating area." The provisions of Idaho Code Section 50-2008(d) are also referenced in Idaho Code Sections 50-2018(8), (9), and 50-2903(8); which sets forth additional eligibility factors should the agency seek to acquire open land for residential or non-residential uses. Copies of the pertinent statutory provisions are attached hereto as **Exhibit A**. This is the first step to assist the Agency and, ultimately, the City of Rathdrum City Council to determine if there is a need for the creation of a district within the study area.

Steps in Creating an Urban Renewal District

If an agency is in existence in a community, the creation of an Urban Renewal District, including a revenue allocation area, begins with an eligibility study. The purpose of the eligibility study is to determine if an area meets the eligibility requirements set forth in the definitions of a deteriorated area and/or a deteriorating area in the Law and Act.

If it is determined the study area has such characteristics, the Agency may accept the eligibility study and request its consideration by the City Council. No Urban Renewal District can be formed unless the City Council adopts a resolution finding the area under consideration is a deteriorated area and/or a deteriorating area due to such characteristics, the redevelopment of the area is necessary for the welfare of the residents, and the area is appropriate for an urban renewal project. If the area under consideration includes land which does not lie within the city boundaries, the Board of County Commissioners must adopt a resolution making similar findings prior to Council consideration. If any land within the proposed district has been used for agricultural purposes within the past three years, the property owner of such land must consent to inclusion of his/her land within the district.

The resolution approved by Council adopting the findings set forth in the eligibility report also authorizes the Agency to prepare a plan for the proposed Urban Renewal District. The Urban Renewal District Plan (the Plan) is to include the following with specificity:

1. The total assessed valuation of base assessment roll of the proposed revenue allocation area and total assessed valuation of all taxable property within the City;
2. A list of the proposed public improvements in the proposed revenue allocation area;
3. An economic feasibility study (a projection of revenues and anticipated costs with a time line);
4. A detailed list of estimated project costs;
5. A statement showing the impact of the revenue allocation area on all affected taxing districts;
6. A description of anticipated financing methods and time line for incurring such costs;
7. A termination date for the Plan; and
8. A description of the disposition or retention of any assets of the Agency upon the termination date.

(See, Idaho Code Section 50-2905.)

Once the Plan is prepared and approved by the Agency, it is forwarded to the City Council. Prior to scheduling the public hearing before the Council, the City Council forwards the Plan to the City Planning Commission for its determination that the Plan conforms to the City's Comprehensive Plan. After receiving the determination of the Planning Commission, the public hearing is scheduled, a notice of the hearing is published, and a copy of the notice and the Plan are sent to all affected taxing entities. If lands outside the City are included within the proposed district, an intergovernmental agreement is drafted and approved by the County and the City. The Council must approve an Urban Renewal District, including the revenue allocation area, by an ordinance. If the ordinance is adopted by the City Council, a copy of the ordinance with legal description of the Urban Renewal District and a map, as well as a copy of any intergovernmental agreement, is distributed to all affected taxing entities and the State Tax Commission.

By state statute, an ordinance approving an Urban Renewal District and revenue allocation area is effective January 1st of the year in which it is adopted. The Urban Renewal District has a maximum life of twenty years under the Act, recognizing the Agency shall receive allocations of revenues in the calendar year following the last year of the revenue allocation provision set forth in the Plan.

Present Conditions in the Study Area

Transmission Facilities

The study area is dominated by two high-voltage transmission lines, one owned by the BPA, and the second by Avista. TransCanada owns a buried gas pipeline which extends from California to Canada in an easement alongside the transmission lines. These three lines are placed in easements which together occupy 625 feet in width and occupy an estimated 35 acres, or roughly 10 percent of the subject study area.

The transmission facilities and easements have a dramatic effect on the development potential of the study area. According to the BPA, generally land uses within these utility easements are limited to agriculture and open space. Due to safety concerns, structures or trees are not permitted. Construction and excavation plans are to be submitted to TransCanada, BPA, or Avista as applicable and early consultation, even with long range plans, is recommended. Local streets, pathways and utility crossings may be permitted provided safety standards are met. Such safety standards may increase construction and maintenance costs for such improvements. These easements were compatible with agriculture. As the City's growth encircles these easements, the restrictions are necessary for safety of the public encumbers both public and private development in the immediate area and results in underutilization of the parcels in the study area.

Streets

Current standards for the City require curbs, swales for storm drainage, sidewalks or pedestrian paths, and illumination. In contrast, Lancaster, Wyoming, and Greensferry roads do not have curbs, pedestrian facilities, or illumination.

Water Distribution System

An existing 12-inch water main from the development to the north of the study area stubs out near the centerline of W. Lancaster Road roughly one hundred feet east of the eastern boundary of the project site. To foster future development within this area, a water distribution system will have to be developed in the interior of the study area.

Sewer Collection System

As with the water distribution system, an existing 12-inch sewer main from the development to the north stubs out near the center line of W. Lancaster Road roughly one hundred feet east of the eastern boundary of the project site. To foster future development within this area, a sewer collection system will have to be developed in the interior of the study area.

Existing Pattern of Development

The area primarily consists of large lots which are raw undeveloped, with some non-irrigated pasture land covered with noxious weeds. The area was recently annexed into the City with Industrial and Multi-Family Residential (High Density) zoning districts. A large portion of the area is no longer engaged in agricultural uses and would remain in its transitional state until infrastructure (water and sewer) is extended to the site to support development consistent with the City's zoning and Comprehensive Plan.

Land Use Issues

The area is dominated by transmission lines. A TransCanada gas pipeline in a one-hundred-foot easement crosses the area on a southwest-northeast axis. Two high-voltage transmission lines, owned by the BPA and Avista, lie south of the TransCanada pipeline and cross the study area a southwest-northeast axis. These lines have easements which total 625 feet in width. Construction is severely restricted within these easements due to safety concerns.

Open Land Requirements for Urban Renewal Districts

The eligibility of areas which are predominantly open land, i.e., used for agriculture or forestry, are governed by Idaho Code Section 50-2903(8)(c). This statute addresses the factors for finding agricultural or open lands deteriorating:

“Any area which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section 50-2008(d), Idaho Code shall apply to open areas.”

The agricultural lands in the study are open, non-irrigated pasture land and irrigated land. The owners are willing to submit an agricultural operation consent form pursuant to Idaho Code Section 50-2018 (8), (9) and 50-2903(8)(f) allowing their property to be included in an Urban Renewal District.

Ten Percent Limitation on Assessed Valuation within the RAA

Under Idaho Code Section 50-2903(15), the base assessment roll is not to exceed at any time ten percent of the current assessed valuation of all taxable property within the municipality.

“Revenue allocation area” means that portion of an urban renewal area where the equalized assessed valuation (as shown by the taxable property assessment rolls) of which the local governing body has determined, on and as a part of the urban renewal plan, is likely to increase as a result of the initiation of an urban renewal project ... The base assessment roll or rolls of revenue allocation area or areas shall not exceed at any time ten percent (10%) of the current assessed valuation of all taxable property within the municipality.

As of this date, the City does not have any existing Urban Renewal Districts.

Kootenai County provided the 2018 Kootenai County Estimated Market Values and assessed the study area property at \$1,340,079, without agricultural exemptions, and does include any operating property value, which is well below 10 percent of the current assessed valuation of all taxable property within the City. The City’s 2018 taxable value is \$772,681,685, ten (10) percent of which is \$77,268,168.50, including operating property.

Findings

To find a study area is eligible, the area must contain one or more of the statutory criteria spelled out in Idaho Code Sections 50-2018(8), (9), and 50-2903(8).

The presence of a substantial number of deteriorating or deteriorated structures and deterioration of site. [Idaho Code Sections 50-2008(d), 50-2018(9), and 50-2903(8)(b), (c)]

The site is currently zoned Industrial and Multi-Family Residential (High Density) and lacks public infrastructure to and within the area. The area includes one residential structure and several outbuildings. A large portion of the area is not irrigated, used marginally for pasture, full of invasive weeds. A large portion of the site is in a deteriorating condition. This criteria is met.

Predominance of defective or inadequate street layout. [50-2018(9), 50-2903(8)(b)]

The three main collector roadways, Greensferry Road, Lancaster Road, and Wyoming Avenue do not have curbs, continuous pedestrian facilities or illumination. Lancaster Road connects to Highway 41 to the east of the subject area. Greensferry will serve the area from the south. Under the existing City street standards, Greensferry, Lancaster, and Wyoming are inadequate streets. This criteria is met.

Faulty lot layout in relationship to size, accessibility, or adequacy of usefulness; obsolete platting. [50-2018(9), 50-2903(8)(b)(c)]

The study area includes three very large lots without utilities to support development consistent with the Comprehensive Plan and zoning. To support the desired development, the existing lots will have to be subdivided and improved with streets and utilities. This criteria is met.

Diversity of ownership. [50-2008(d), 50-2018(9), 50-2903(8)(b)(c)]

The study area is owned by two owners, Beyond Green, Inc. and GVD Commercial Properties, Inc. This criteria is not met.

Defective or unusual conditions of title. [50-2008(d), 50-2903(8)(b), 50-2018(9)]

The research done for this eligibility study did not address this issue sufficiently to find any evidence of defective titles. This criteria is not met.

Tax delinquency assessment exceeding the value of land. [50-2008(d), 50-2018(9), 50-2903(8)(b)]

The property taxes for the property are paid and as such this criteria is not met.

Insanitary or unsafe conditions. [50-2018(9), 50-2903(8)(b)]

Pedestrian facilities are missing on Greensferry Road, Lancaster Road, and Wyoming Avenue. The lack of pedestrian facilities on both roads creates an unsafe condition. Pedestrian facilities are not consistently provided near subject area. This criteria is met.

Defective or inadequate street layout. [50-2018(9), 50-2903(8)(b)]

As stated above, Greensferry, Lancaster, and Wyoming do not meet current standards for streets within the City of Rathdrum. North-south streets and utilities are not sufficient in the study area to spur development consistent with the Comprehensive Plan and zoning. Additionally, east-west streets and utilities may also be needed to provide access to the large parcels lying within the study area. This criteria is met.

Unsuitable topography. [50-2008(d)]

The topography of the undeveloped areas are gently rolling and should be suitable for development. There are no known issues with the soils. This area is near the gas pipeline and additional fill may be needed to develop this site. However, when considering the study area as a whole, this criteria is not met.

Age or obsolescence. [50-2018(8), 50-2903(8)(a)]

The three subject parcels are historical lots of record, which size and use are inconsistent with the Comprehensive Plan and zoning rendering the area obsolete until developed with infrastructure to support development. This criteria is met.

Economic disuse or underdeveloped property. [50-2008(d), 50-2903(8)(b)(c)]

The area is undeveloped due to power lines and gas lines and associated easements. This criteria is met.

Lack of correlation of the area streets with other areas of the municipality. [50-2008(d)]

The area is near other developed areas of the City but not adjacent. Development will extend and improve streets and utilities. This criteria is met.

Other conditions which retard the development of the study area. [50-2008(d), 50-2903(8)(b)]

The TransCanada gas pipeline, the BPA transmission line, and the Avista transmission line bisect the study area on a southwest-northeast line. The easements of these three lines total 625 feet in width. These easements affect 35 acres, or roughly 10 percent of the study area. Buildings are not permitted within these easements. Agriculture and open space are the most compatible use under and over these transmission facilities. Planning efficient private development around and near this transmission corridor is difficult. Developers do not want to purchase sites encumbered with easements which must be maintained. The location of the transmission lines retard development in the area. The criteria is met.

Table 1 shows of summary of the findings related to statutory criteria.

Table 1 – Criteria Summary Table

Criteria	Criteria Met	Characteristics Supporting Finding
Substantial number of deteriorating or deteriorated buildings and deterioration of site	Yes	Not irrigated; marginally used for pasture; full of invasive weeds
Defective street layout or inadequate street layout	Yes	No curbs, pedestrian facilities, or illumination
Faulty lot layout	Yes	Three large lots without utilities
Diversity of ownership	No	Two owners
Unusual conditions of title	No	None known
Tax Delinquency	No	Taxes are paid for property
Unsafe conditions	Yes	No pedestrian facilities
Outmoded street patterns	Yes	Current streets don't meet standards; not sufficient to spur development
Unsuitable topography	No	Gently rolling and suitable for development; no known soil issues
Age or obsolescence	Yes	Historical lots of record and obsolete until developed with infrastructure
Economic disuse or underdeveloped property	Yes	Undeveloped due to power and gas lines with easements
Lack of correlation with streets in municipality	Yes	Near other developed areas but not adjacent; development will extend and improve streets and utilities
Other conditions which retard development of study area	Yes	TransCanada gas pipeline, BPA transmission line, and Avista transmission lines bisect property; buildings are not permitted within these easements;

Appropriateness of the Area for an Urban Renewal Project

This report provides evidence that the subject area is a deteriorated area and/or a deteriorating area because of the presence of various conditions related to lot size, lack of public infrastructure, hazards, public safety, etc. New development will be discouraged from taking place until new supporting infrastructure is in place or planned.

The findings supporting a deteriorating area show there is no vertical improvement and very little public infrastructure which inhibits development. The planning/zoning for the area contemplates a use beyond arid agriculture, and therefore, the parcels are economically underdeveloped.

The second part of the City Council's and Urban Renewal Agency's determination is the policy decision of whether the area is appropriate for an Urban Renewal District.

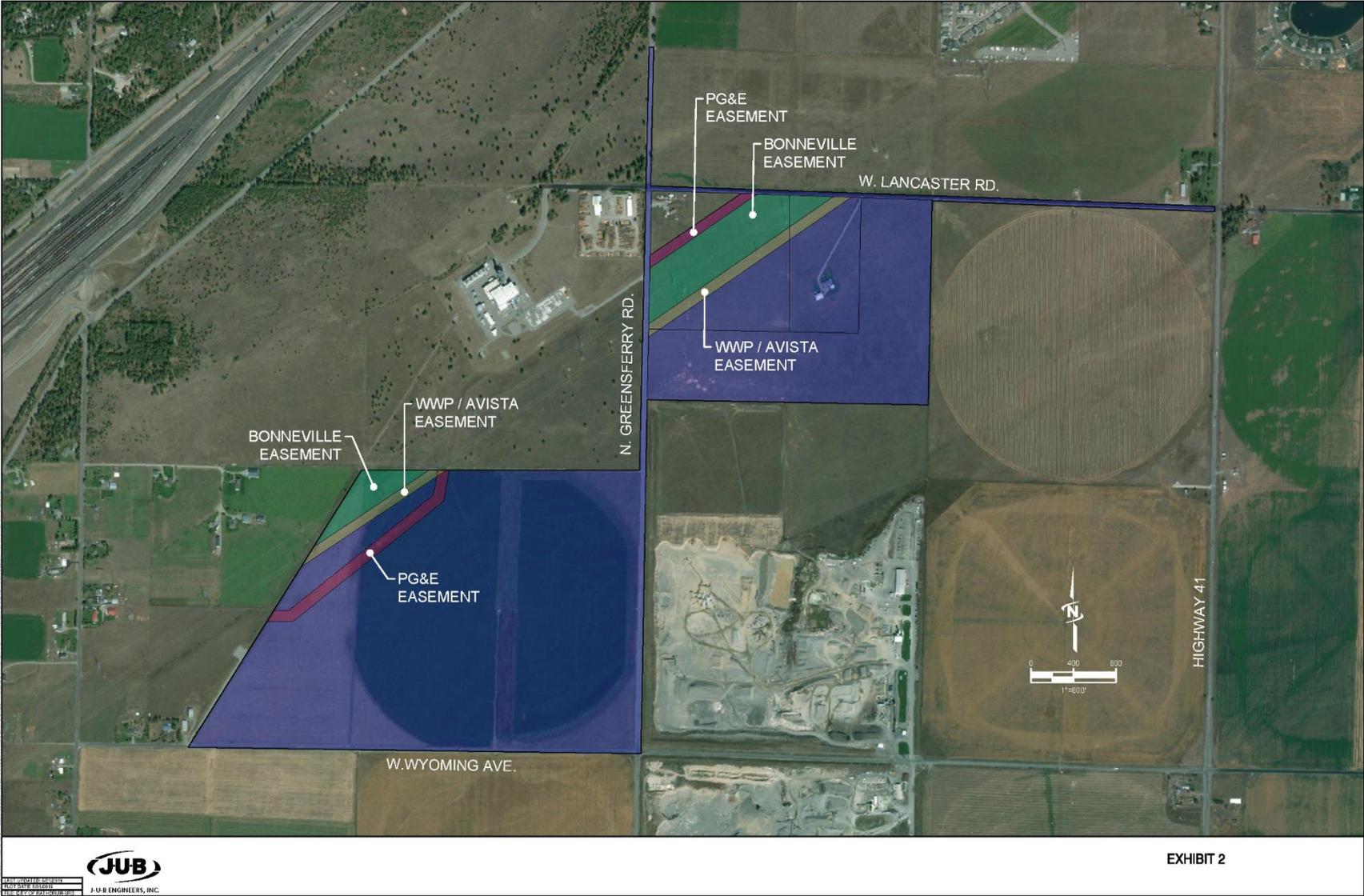
Preparation and approval of the Urban Renewal Plan for the subject area will give the City and project proponents the resources to solve public infrastructure problems in the area and encourage new development. The increased property taxes generated by the new development can be used to finance a variety of needed improvements encouraging growth in the area.

Development will also generate new jobs in the City and surrounding area further spurring economic development.

Figure 1 – Area Map



Figure 2 – Easement Map



J-U-B ENGINEERS, INC.

Exhibit A

Idaho Code 50-2008, 50-2018, 50-2903

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.

(e) An urban renewal plan may be modified at any time: Provided that if modified after the lease or sale by the urban renewal agency of real property in the urban renewal project area, such modification may be conditioned upon such approval of the owner, lessee or successor in interest as the urban renewal agency may deem advisable and in any event shall be subject to such rights at law or in equity as a lessee or purchaser, or his successor or successors in interest, may be entitled to assert.

(f) Upon the approval by the local governing body of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the urban renewal agency may then cause such plan or modification to be carried out in accordance with its terms.

(g) Notwithstanding any other provisions of this act, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under 42 U.S.C. section 5121, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection (d) of this section and the provisions of this section requiring a general plan for the municipality and a public hearing on the urban renewal project.

(h) Any urban renewal plan containing a revenue allocation financing provision shall include the information set forth in section 50-2905, Idaho Code.

Credits

S.L. 1965, ch. 246, § 8. Amended by S.L. 2011, ch. 317, § 3, eff. July 1, 2011.

I.C. § 50-2008, ID ST § 50-2008

The statutes and Constitution are current through the 2018 Second Regular Session of the 64th Idaho Legislature.

West's Idaho Code Annotated
Title 50. Municipal Corporations
Chapter 20. Urban Renewal Law

I.C. § 50-2018

§ 50-2018. Definitions

Currentness

The following terms wherever used or referred to in this chapter, shall have the following meanings, unless a different meaning is clearly indicated by the context:

(1) "Agency" or "urban renewal agency" shall mean a public agency created by section 50-2006, Idaho Code.

(2) "Municipality" shall mean any incorporated city or town, or county in the state.

(3) "Public body" shall mean the state or any municipality, township, board, commission, authority, district, or any other subdivision or public body of the state.

(4) "Local governing body" shall mean the council or other legislative body charged with governing the municipality.

(5) "Mayor" shall mean the mayor of a municipality or other officer or body having the duties customarily imposed upon the executive head of a municipality.

(6) "Clerk" shall mean the clerk or other official of the municipality who is the custodian of the official records of such municipality.

(7) "Federal government" shall include the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America.

(8) "Deteriorated area" shall mean an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare. Provided however, this definition 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 or to any forest land as defined in section 63-1701(4), Idaho Code, absent the consent of the forest landowner, as defined in section 63-1701(5), Idaho

Code, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(9) "Deteriorating area" shall mean an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use; provided, that if such deteriorating area consists of open land the conditions contained in the proviso in section 50-2008(d), Idaho Code, shall apply; and provided further, that any disaster area referred to in section 50-2008(g), Idaho Code, shall constitute a deteriorating area. Provided however, this definition 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 or to any forest land as defined in section 63-1701(4), Idaho Code, absent the consent of the forest landowner, as defined in section 63-1701(5), Idaho Code, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(10) "Urban renewal project" may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertakings and activities may include:

(a) Acquisition of a deteriorated area or a deteriorating area or portion thereof;

(b) Demolition and removal of buildings and improvements;

(c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, off-street parking facilities, public facilities or buildings and other improvements necessary for carrying out in the urban renewal area the urban renewal objectives of this chapter in accordance with the urban renewal plan;

(d) Disposition of any property acquired in the urban renewal area, including sale, initial leasing or retention by the agency itself, at its fair value for uses in accordance with the urban renewal plan except for disposition of property to another public body;

(e) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan;

(f) Acquisition of real property in the urban renewal area which, under the urban renewal plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property;

(g) Acquisition of any other real property in the urban renewal area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities;

(h) Lending or investing federal funds; and

(i) Construction of foundations, platforms and other like structural forms.

(11) "Urban renewal area" means a deteriorated area or a deteriorating area or a combination thereof which the local governing body designates as appropriate for an urban renewal project.

(12) "Urban renewal plan" means a plan, as it exists from time to time, for an urban renewal project, which plan:

(a) Shall conform to the general plan for the municipality as a whole except as provided in section 50-2008(g), Idaho Code; and

(b) 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, zoning and planning changes, if any, land uses, maximum densities, building requirements, and any method or methods of financing such plan, which methods may include revenue allocation financing provisions.

(13) "Related activities" shall mean:

(a) Planning work for the preparation or completion of a community-wide plan or program pursuant to section 50-2009, Idaho Code; and

(b) The functions related to the acquisition and disposal of real property pursuant to section 50-2007(d), Idaho Code.

(14) "Real property" shall include all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest, right and use, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise.

(15) "Bonds" shall mean any bonds, including refunding bonds, notes, interim certificates, certificates of indebtedness, debentures or other obligations.

(16) "Obligee" shall include any bondholder, agents or trustees for any bondholders, or lessor demising to the municipality property used in connection with urban renewal, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the municipality.

(17) "Person" shall mean any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and shall include any trustee, receiver, assignee, or other person acting in a similar representative capacity.

(18) "Area of operation" shall mean the area within the corporate limits of the municipality and the area within five (5) miles of such limits, except that it shall not include any area which lies within the territorial boundaries of another incorporated city or town or within the unincorporated area of the county unless a resolution shall have been adopted by the governing body of such other city, town or county declaring a need therefor.

(19) "Board" or "commission" shall mean a board, commission, department, division, office, body or other unit of the municipality.

(20) "Public officer" shall mean any officer who is in charge of any department or branch of the government of the municipality relating to health, fire, building regulations, or to other activities concerning dwellings in the municipality.

Credits

S.L. 1965, ch. 246, § 18; S.L. 1970, ch. 103, § 1; S.L. 1987, ch. 258, § 1; S.L. 1987, ch. 259, § 4; S.L. 1990, ch. 430, § 2; S.L. 2003, ch. 146, § 1; S.L. 2006, ch. 310, § 1, eff. July 1, 2006. Amended by S.L. 2011, ch. 229, § 6, eff. July 1, 2011; S.L. 2011, ch. 317, § 4, eff. July 1, 2011.

Notes of Decisions (1)

I.C. § 50-2018, ID ST § 50-2018.

The statutes and Constitution are current through the 2018 Second Regular Session of the 64th Idaho Legislature.

West's Idaho Code Annotated
Title 50. Municipal Corporations
Chapter 29. Local Economic Development Act

I.C. § 50-2903

§ 50-2903. Definitions

Currentness

The following terms used in this chapter shall have the following meanings, unless the context otherwise requires:

- (1) "Act" or "this act" means this revenue allocation act.
- (2) "Agency" or "urban renewal agency" means a public body created pursuant to section 50-2006, Idaho Code.
- (3) "Authorized municipality" or "municipality" means any county or incorporated city which has established an urban renewal agency, or by ordinance has identified and created a competitively disadvantaged border community.
- (4) Except as provided in section 50-2903A, Idaho Code, "base assessment roll" means the equalized assessment rolls, for all classes of taxable property, on January 1 of the year in which the local governing body of an authorized municipality passes an ordinance adopting or modifying an urban renewal plan containing a revenue allocation financing provision, except that the base assessment roll shall be adjusted as follows: the equalized assessment valuation of the taxable property in a revenue allocation area as shown upon the base assessment roll shall be reduced by the amount by which the equalized assessed valuation as shown on the base assessment roll exceeds the current equalized assessed valuation of any taxable property located in the revenue allocation area, and by the equalized assessed valuation of taxable property in such revenue allocation area that becomes exempt from taxation subsequent to the date of the base assessment roll. The equalized assessed valuation of the taxable property in a revenue allocation area as shown on the base assessment roll shall be increased by the equalized assessed valuation, as of the date of the base assessment roll, of taxable property in such revenue allocation area that becomes taxable after the date of the base assessment roll, provided any increase in valuation caused by the removal of the agricultural tax exemption from undeveloped agricultural land in a revenue allocation area shall be added to the base assessment roll. An urban renewal plan containing a revenue allocation financing provision adopted or modified prior to July 1, 2016, is not subject to section 50-2903A, Idaho Code. For plans adopted or modified prior to July 1, 2016, and for subsequent modifications of those urban renewal plans, the value of the base assessment roll of property within the revenue allocation area shall be determined as if the modification had not occurred.
- (5) "Budget" means an annual estimate of revenues and expenses for the following fiscal year of the agency. An agency shall, by September 1 of each calendar year, adopt and publish, as described in section 50-1002,

Idaho Code, a budget for the next fiscal year. An agency may amend its adopted budget using the same procedures as used for adoption of the budget. For the fiscal year that immediately predates the termination date for an urban renewal plan involving a revenue allocation area or will include 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 the January 1 of the termination year pursuant to the terms of section 50-2909(4), Idaho Code. In the event that the agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by September 1 the agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the state tax commission and recommending the adoption of an ordinance for termination of the revenue allocation area by December 31 of the current year and declaring a surplus to be distributed as described in section 50-2909, Idaho Code, should a surplus be determined to exist. The agency shall cause the ordinance to be filed with the office of the county recorder and the Idaho state tax commission as provided in section 63-215, Idaho Code. Upon notification of revenues sufficient to cover expenses as provided herein, the increment value of that revenue allocation area shall be included in the net taxable value of the appropriate taxing districts when calculating the subsequent property tax levies pursuant to section 63-803, Idaho Code. The increment value shall also be included in subsequent notification of taxable value for each taxing district pursuant to section 63-1312, Idaho Code, and subsequent certification of actual and adjusted market values for each school district pursuant to section 63-315, Idaho Code.

(6) "Clerk" means the clerk of the municipality.

(7) "Competitively disadvantaged border community area" means a parcel of land consisting of at least forty (40) acres which is situated within the jurisdiction of a county or an incorporated city and within twenty-five (25) miles of a state or international border, which the governing body of such county or incorporated city has determined by ordinance is disadvantaged in its ability to attract business, private investment, or commercial development, as a result of a competitive advantage in the adjacent state or nation resulting from inequities or disparities in comparative sales taxes, income taxes, property taxes, population or unique geographic features.

(8) "Deteriorated area" means:

(a) Any area, including a slum area, in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

(b) Any area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, results in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, retards

the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

(c) Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section 50-2008(d), Idaho Code, shall apply to open areas.

(d) Any area which the local governing body certifies is in need of redevelopment or rehabilitation as a result of a flood, storm, earthquake, or other natural disaster or catastrophe respecting which the governor of the state has certified the need for disaster assistance under any federal law.

(e) Any area which by reason of its proximity to the border of an adjacent state is competitively disadvantaged in its ability to attract private investment, business or commercial development which would promote the purposes of this chapter.

(f) "Deteriorated area" does not mean not developed beyond agricultural, or any agricultural operation as defined in section 22-4502(1), Idaho Code, or any forest land as defined in section 63-1701(4), Idaho Code, unless the owner of the agricultural operation or the forest landowner of the forest land gives written consent to be included in the deteriorated area, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(9) "Facilities" means land, rights in land, buildings, structures, machinery, landscaping, extension of utility services, approaches, roadways and parking, handling and storage areas, and similar auxiliary and related facilities.

(10) "Increment value" means the total value calculated by summing the differences between the current equalized value of each taxable property in the revenue allocation area and that property's current base value on the base assessment roll, provided such difference is a positive value.

(11) "Local governing body" means the city council or board of county commissioners of a municipality.

(12) "Plan" or "urban renewal plan" means a plan, as it exists or may from time to time be amended, prepared and approved pursuant to sections 50-2008 and 50-2905, Idaho Code, and any method or methods of financing such plan, which methods may include revenue allocation financing provisions.

(13) "Project" or "urban renewal project" or "competitively disadvantaged border areas" may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertakings and activities may include:

(a) Acquisition of a deteriorated area or a deteriorating area or portion thereof;

(b) Demolition and removal of buildings and improvement;

(c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, open space, off-street parking facilities, public facilities, public recreation and entertainment facilities or buildings and other improvements necessary for carrying out, in the urban renewal area or competitively disadvantaged border community area, the urban renewal objectives of this act in accordance with the urban renewal plan or the competitively disadvantaged border community area ordinance.

(d) Disposition of any property acquired in the urban renewal area or the competitively disadvantaged border community area (including sale, initial leasing or retention by the agency itself) or the municipality creating the competitively disadvantaged border community area at its fair value for uses in accordance with the urban renewal plan except for disposition of property to another public body;

(e) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan;

(f) Acquisition of real property in the urban renewal area or the competitively disadvantaged border community area which, under the urban renewal plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property;

(g) Acquisition of any other real property in the urban renewal area or competitively disadvantaged border community area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities or where necessary to accomplish the purposes for which a competitively disadvantaged border community area was created by ordinance;

(h) Lending or investing federal funds; and

(i) Construction of foundations, platforms and other like structural forms.

(14) "Project costs" includes, but is not limited to:

(a) Capital costs, including the actual costs of the construction of public works or improvements, facilities, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; and the clearing and grading of land;

(b) Financing costs, including interest during construction and capitalized debt service or repair and replacement or other appropriate reserves;

(c) Real property assembly costs, meaning any deficit incurred from the sale or lease by a municipality of real or personal property within a revenue allocation district;

(d) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

(e) Direct administrative costs, including reasonable charges for the time spent by city or county employees in connection with the implementation of a project plan;

(f) Relocation costs;

(g) Other costs incidental to any of the foregoing costs.

(15) "Revenue allocation area" means that portion of an urban renewal area or competitively disadvantaged border community area where the equalized assessed valuation (as shown by the taxable property assessment rolls) of which the local governing body has determined, on and as a part of an urban renewal plan, is likely to increase as a result of the initiation of an urban renewal project or competitively disadvantaged border community area. The base assessment roll or rolls of revenue allocation area or areas shall not exceed at any time ten percent (10%) of the current assessed valuation of all taxable property within the municipality.

(16) "State" means the state of Idaho.

(17) "Tax" or "taxes" means all property tax levies upon taxable property.

(18) "Taxable property" means taxable real property, personal property, operating property, or any other tangible or intangible property included on the equalized assessment rolls.

(19) "Taxing district" means a taxing district as defined in section 63-201, Idaho Code, as that section now exists or may hereafter be amended.

(20) "Termination date" means a specific date no later than twenty (20) years from the effective date of an urban renewal plan or as described in section 50-2904, Idaho Code, on which date the plan shall terminate. Every urban renewal plan shall have a termination date that can be modified or extended subject to the twenty (20) year maximum limitation. Provided however, the duration of a revenue allocation financing provision may be extended as provided in section 50-2904, Idaho Code.

Credits

S.L. 1988, ch. 210, § 3; S.L. 1990, ch. 430, § 4; S.L. 1994, ch. 381, § 2; S.L. 1996, ch. 322, § 54; S.L. 2000, ch. 275, § 1; S.L. 2002, ch. 143, § 2; S.L. 2010, § 6(4), eff. Jan. 1, 2011. Amended by S.L. 2011, ch. 317, § 6, eff. January 1, 2011 for the amendment of subsec. (4), eff. July 1, 2011 for the remainder; S.L. 2016, ch. 349, § 3, eff. July 1, 2016.

I.C. § 50-2903, ID ST § 50-2903

The statutes and Constitution are current through the 2018 Second Regular Session of the 64th Idaho Legislature.

