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ORDINANCE NO. 534

AN ORDINANCE OF THE CITY OF SPIRIT LAKE, KOOTENAI COUNTY, IDAHO, APPROVING THE MODIFICATION AND GEOGRAPHICAL EXPANSION OF THE CITY OF SPIRIT LAKE URBAN RENEWAL PLAN; MAKING CERTAIN FINDINGS IN SUPPORT THEREOF; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the City of Spirit Lake, Kootenai County, Idaho (the City), is a duly incorporated and existing City organized and operating under the laws of the State of Idaho, and as such is authorized by Idaho Code, Title 50, Chapters 20 and 29, to adopt and to modify urban renewal plans upon the recommendation of the Post Falls Urban Renewal Agency, and

WHEREAS, the City of Spirit Lake did in 12/13/05 adopt Ordinance No. 492, adopting the City of Spirit Lake Urban Renewal Plan (Plan), Urban Renewal District Boundaries and Revenue Allocation Area (collectively referred to as District), pursuant to title 50, chapter 20 and title 50- chapter 29, Idaho Code; and

WHEREAS, Spirit Lake municipal park system improvements were included as part of Plan projects, but the legal descriptions for those parks were inadvertently excluded from the boundaries of the District and Plan; and

WHEREAS, the Spirit Lake municipal parks are described as follows and referred to as the Subject Property:

Parcel 1:

That tract of land located between Lot1, Block 98 and Lots 1 and 2, Block 99, and designated as "Ball Park" on the plat of First Addition to the Town of Spirit Lake, recorded in the records of the Kootenai County Recorder at Book C, Page 32 on March 16, 1909.

Parcel 2:

That tract of land located between Block 34 and Block 35 and designated as "City Park" on the plat of the Town of Spirit Lake, recorded in the records of the Kootenai County Recorder as Book at Book B, Page 143 on October 1, 1907.

Parcel 3:

Lots 14, 15, and 16 of Block 30, all within the plat of Town of Spirit Lake recorded in the records of the Kootenai County Recorder at Book B, Page 143 on October 1, 1907.

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Parcel 4:

Block 3 Spirit Shores Subdivision recorded in the records of the Kootenai County Recorder at Book E, Page 174 on September 23, 1974.

and

WHEREAS, the Board of Commissioners of the Spirit Lake Urban Renewal Agency did recommend to the City of Spirit Lake the adoption of an ordinance modifying the City of Spirit Lake Urban Renewal Plan to include the Subject Property within the geographical boundaries of the Plan Area and District.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPIRIT LAKE, KOOTENAI COUNTY, IDAHO, as follows:

Section 1: The City hereby modifies the Spirit Lake Urban Renewal Plan and District boundaries to include the real property described above, based on the following findings:

- A. Improvements to the Subject Property are included in the original and amended Spirit Lake Urban Renewal Plan.
- B. The Subject Property is determined to be a deteriorating area in need of urban renewal.
- C. The Subject Property is adjacent to and contiguous with the current boundaries of the Plan Area and the District.
- D. The inclusion of this property in the Plan Area and District boundaries conforms to the City of Spirit Lake comprehensive Plan.
- E. The development of this property will not displace any families.
- F. The inclusion of this property in the Plan Area is in conformance with state and local planning and zoning requirements.
- G. The proposal has received the recommendation of the Spirit Lake Urban Renewal Agency.

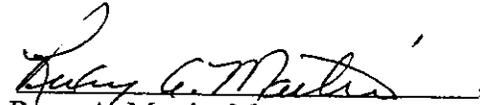
Section 2: The City of Spirit Lake, Kootenai County, Idaho, hereby approves the modification of the City of Spirit Lake Urban Renewal Plan and District boundaries to include the Subject Property described above to be included within the geographical boundaries of the Plan Area and the District boundaries.

Section 3: This Ordinance shall be effective upon its passage and publication according to law.

Enacted by the city council as an ordinance of the City of Spirit Lake on the 8th day of December, 2009.

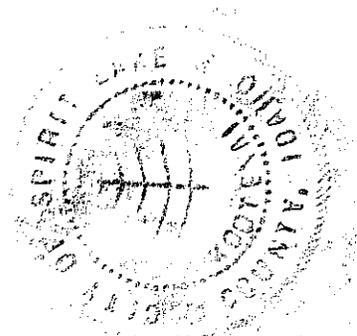
Approved by the Mayor on the 8th day of December, 2009.

CITY OF SPIRIT LAKE


Roxy A. Martin, Mayor

ATTEST:


Barbara L. Brown, City Clerk



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Revised Legal Description of the Urban Renewal District for the Town of Spirit Lake
December 9, 2009

All that portion of Sections 5, 6, 7 and 8, Township 53 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, contained within the following described parcel:

Beginning at the Northwest Corner of said Section 5; thence East along the North Line of said Section 5 to the Northeast Corner of said Section 5; thence South along the East line of said Section 5 to the Southeast Corner of said Section 5; thence South along the East Line of said Section 8 to the Southeast Corner of the Northeast Quarter of the Northeast Quarter of said Section 8; thence West along the South Line of said Northeast Quarter of the Northeast Quarter of Section 8 to the Southwest Corner of said Northeast Quarter of the Northeast Quarter of Section 8; thence South along the West Line of the East Half of the East Half of said Section 8 to its intersection with the Southerly Right-of-Way Line of State Highway 54; thence Westerly, along said Southerly Right-of-Way Line of State Highway 54, to its intersection with the Westerly Right-of-Way Line of State Highway 41; thence Northerly along said Westerly Right-of-Way Line of State Highway 41 to its intersection with the South Line of Lakeview Addition to Spirit Lake; thence Westerly along said South Line to the Southeast Corner of Block "E" of said Lakeview Addition, being a point on the Northerly Right-of-Way Line of Connecticut Street; thence Westerly along said Northerly Right-of-Way Line to its intersection with the West Line of said Section 8; thence Northwesterly to the Southeast Corner of Tax Number 6254; thence Southwesterly along the South Line of said Tax Number 6254 to its intersection with the Westerly Right-of-Way Line of the County Road known as Spirit Lake Road; thence Southwesterly along said Right-of-Way Line 116 feet; thence Southwesterly 305 feet more or less to a point on the East Shore of Spirit Lake; thence Northerly, Northwesterly, Southwesterly, Southeasterly, Southwesterly, Northeasterly and Southeasterly to a point on the South Shore of Spirit Lake and the Westerly Right-of-Way of the County Road known as Spirit Lake Road; thence Southerly along said Westerly Right-of-Way to its intersection with the South Line of Government Lot 7 of said Section 7; thence west to the Southwest Corner of said Government Lot 7; thence North along the West Line of Government Lot 7 and Government Lot 8 to the North Line of said Section 7; thence North along the West Line of the East Half of the Southwest Quarter of said Section 6 to the Northwest Corner of said East Half of the Southwest Quarter; thence East along the North Line of said East Half of the Southwest Quarter and the North Line of the Northwest Quarter of the Northwest Quarter of the Southeast Quarter of said Section 6 to the Northeast Corner of said Northwest Quarter of the Northwest Quarter of the Southeast Quarter; thence North along the West Line of East Half of the Southwest Quarter of the Northeast Quarter of said Section 6 to the Northwest Corner of said East Half of the Southwest Quarter of the Northeast Quarter; thence East along the North Line of said East Half of the Southwest Quarter of the Northeast and the North Line of the Southeast Quarter of the Northeast Quarter of said Section 6 to its intersection with the West line of Tax Number 1522; thence North to the Northwest Corner of said Tax Number 1522; thence East along the North Line of said Tax Number 1522 to the West Line of said Section 5; thence North along said West Line to said Northwest Corner of Section 5, being the Point of Beginning.

Except for the following described parcels:

- 1.) Blocks 67 through 75 together with all streets and avenues lying between said blocks; Blocks 77 through 80, 83 through 86 and 89 and 90 together with all streets and avenues lying between said blocks; Madison Street, lying within the Southerly projection of the West Line of Block 67 and the East Line of Block 73; Harrison Street lying within the Northerly projection of the West Line of Block 69 and the East Line of Block 75 and South of the North Line of said Section 5; Madison Street, lying within the Southerly projection of the West Line of Block 78 and the East Line of Block 90; Blocks 88, 93, 99 through 102, Lot 1 and Lots 3 through 5 of Block 92, and Lots 2 through 5 of Block 91; all within "First Addition to Spirit Lake", recorded in the records of Kootenai County Recorder at Book C, Page 32 on March 16, 1909.
- 2.) Blocks 1, 2, 4 through 17, 22 through 25, Lots 1 through 13 and Lots 17 and 18 of Block 30; Block 31 and 33 through 66; Lots 13 through 22 of Block 18, together with the adjoining alleys; Lots 13 through 18 of Blocks 19 and 20, together with the adjoining alleys; Lots 13 through 18 of Block 21, together with the adjoining alley; Lots 1 through 6 of Block 26 through 29, together with the adjoining alleys; Lots 11 through 18 of Block 27, together with and the adjoining alley; Block 32 less Lots 7 and 8; that tract of land lying North of Maine Street, East of 2nd Avenue, South of Lot 7 of Block 31 and West of Lot 9 of said Block 31; Park Avenue; 1st through 3rd, 8th and 9th Avenues lying North of Maine Street; 4th, 6th and 7th Avenues lying North of the Southerly lots in Blocks 26 through 30; Park Drive; 3rd, 8th and 9th Avenues lying South of Maine Street; 4th, 6th and 7th Avenues lying South of the Northerly lots in Blocks 17 through 21; Monroe, Jefferson, Adams, Washington, New Hampshire and Vermont Streets lying between 1st and 5th Avenues; Monroe, Jefferson, Adams, Washington, New Hampshire and Vermont Streets lying between 5th and 10th Avenues; all within the plat of "Town of Spirit Lake", recorded in the records of the Kootenai County Recorder at Book B, Page 143 on October 1, 1907.
- 3.) "Lakeview Addition to Spirit Lake", including any roads, streets or avenues contained within said addition, except Block I and any portion of 5th or 10th Avenues lying within said addition.
- 4.) All of the Northeast Quarter of said Section 6, except the West 200 feet of the Southeast Quarter of the Northeast Quarter South of the County Road.
- 5.) "Blackwell Addition to Spirit Lake", except any portion of 10th Avenue lying within said addition.
- 6.) "Spokane Addition to Spirit Lake", except any portion of 10th Avenue lying within said addition.
- 7.) "Spirit Lake Village - Phase I"
- 8.) "Spirit Lake Village - Phase II", except any portion of Delaware Street lying within said Phase II.
- 9.) "Coho Addition to Spirit Lake".
- 10.) "Coho 1st Addition to Spirit Lake".
- 11.) That tract of land lying South of the North line of said Section 8, East of "Spokane Addition to Spirit Lake", West of 12th Avenue, and North of "Northwoods Addition to Spirit Lake".

- 12.) 12th Avenue, lying West of "Spirit Lake Village - Phase I".
- 13.) "Blackwell Addition to "Spirit Lake - Phase I".
- 14.) Blackwell Boulevard, lying East of 10th Avenue.
- 15.) Blackwell Boulevard, lying North of Lot 1 of Block 3 of "Blackwell Addition to Spirit Lake - Phase I".
- 16.) Lakeland Street, lying between Blocks 3 and 6 of "Blackwell Addition to Spirit Lake - Phase I".
- 17.) Stark Street, lying between Blocks 4 and 5 of "Blackwell Addition to Spirit Lake - Phase I".
- 18.) "Northwoods Addition to Spirit Lake".
- 19.) "Spirit Shores", except Block 3 and any Right-of-Ways lying within said "Spirit Shores", recorded in the records of the Kootenai County Recorder at Book E, Page 174 on September 23, 1974.
- 20.) "Debbie - Tammie Addition to Spirit Lake", except any Right-of-Ways lying within said addition.
- 21.) "Hillside Addition to Spirit Lake".
- 22.) Block "D" of the Plat of "Spirit Lake".
- 23.) That part of the Northeast Quarter of the Southeast Quarter of Section 6, Township 53 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

Beginning at a point where the North Line of the Northeast Quarter of the Southeast Quarter, Section 6, intersects First Avenue, of the City of Spirit Lake (which point is designated by 3/4 inch pipe driven into the ground). Thence West along 1/4 line a distance 272 feet to a point designated by 3/4 inch pipe; thence South 160 feet to a point designated by 3/4 inch pipe driven into the ground; thence East a distance of 272 feet to a point (marked by 3/4 inch pipe) which intersects First Avenue of Spirit Lake. Thence North along First Avenue 160 feet to the point of beginning.
- 24.) That tract of land lying South of the Southerly projection of the East and West lines of Lot 4 of Block 32 of the plat of "Spirit Lake" and North of Maine Street.

THE CITY OF SPIRIT LAKE
URBAN RENEWAL PLAN
AMENDMENT
2009

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PREFACE

In 2005 the Spirit Lake City Council declared an area within the City of Spirit Lake to be a deteriorating area in need of urban renewal. An Urban Renewal Plan was drafted to help remediate the deterioration in a portion identified within the City limits. This plan was enacted on December 13, 2005 pursuant to Ordinance 492. The Spirit Lake Urban Renewal Plan was enacted with a ten year term.

In 2009 the Spirit Lake Urban Renewal Agency sought to amend the Urban Renewal Plan to include the City Parks within the Urban Renewal District. The City Parks are identified as projects for remediation of the deterioration in the plan yet are eliminated from the legal description boundaries and map.

The Spirit Lake Urban Renewal Agency is proposing to amend the Urban Renewal Plan to include the City Parks as part of the Urban Renewal District. Specifically, amendments to the plan include only the following items:

1. Inclusion of the City Parks in the legal description boundaries of the Urban Renewal District;
2. Inclusion of the City Parks in the map identifying the boundaries of the Urban Renewal District;
3. Update of the Agency Board of Commissioners; and
4. Formatting of the document to an outline format plus page numbering.

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AGENCY MEMBERS

The following lists the officers and commissioners of the Spirit Lake Urban Renewal Agency this date of December 8, 2009:

CHAIR: **Thomas Russell**

VICE CHAIR: **Gary Ventress**

SECRETARY: **Bill Parsons**

TREASURER: **Todd Clary**

COMMISSIONER: **Karl Harmon**

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SPIRIT LAKE URBAN RENEWAL PLAN

I. INTRODUCTION

The City of Spirit Lake, a community with a population of approximately 2,000, is located in the panhandle of North Idaho within Kootenai County. The City is located near the shores of scenic Spirit Lake, approximately 40 miles to the northeast of Spokane, Washington, and approximately 10 miles to the north of Coeur d'Alene, Idaho.

Kootenai County has been identified as one of the fastest growing counties in Idaho during the 1990's and shows great potential for further growth and development. Spirit Lake's proximity to Post Falls, Idaho, and Coeur d'Alene makes it a prime location for residential development, serving as a rural bedroom community to larger metropolitan areas. Within a 35-mile radius, considered as a comfortable distance for reaching business, industry, education, medical, etc., there is in excess of a half a million people. Using the same yardstick, Boise has a market population of 400,000, Idaho Falls 150,000, and Pocatello 130,000, making the Coeur d'Alene, Post Falls and Spirit Lake area the largest trade center in the state.

This increase in growth and development has been partially realized, especially in the Spirit Lake area, which has absorbed a majority of the residential development. Unfortunately, traffic improvements in that area and city as a whole have not kept pace. This has led to the current sub-standard traffic and road conditions within the city. Unsafe conditions exist for both motorists and pedestrians throughout the area. The Spirit Lake Urban Renewal Agency has stated, and re-affirmed that their number one concern is road improvements, as well as enhancements to the City's parks and cemetery.

The City of Spirit Lake contains a mixture of commercial development, vacant lots, and lots that are underused or contain unsightly conditions. Commercial development has mainly occurred along Maine Ave., and parts of Highway 41. Due to the ongoing development in parts of the city, the public infrastructure in this area has been greatly overburdened, especially streets. It is anticipated that with on-going commercial and residential development in the City of Spirit Lake, traffic problems such as congestion, and a lack of signalization, roadways, lighting, sidewalks, curbing, will hamper future development in this area, and create an unsafe situation for both motorists and pedestrians. As depicted on the following maps, the Comprehensive Plan projects this area to develop as industrial and commercial, and the zoning map classify the land area as either industrial or commercial.

The Urban Renewal Plan describes the project area and improvements, how those improvements will be funded and outlines the powers, duties and obligations of the Spirit Lake Urban Renewal Agency (the Agency). This plan, by way of adopted ordinance, establishes the Spirit Lake Urban Renewal Area and Tax Allocation District, approximately 800 acres. The City has commissioned an economic feasibility study,

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which includes a fiscal impact statement. The economic feasibility study focuses on all aspects of the entire District, and aspects directly related to the project area. It is the intention of the Agency for much of the costs incurred by this plan to be funded by tax allocation financing, for a period not to exceed ten (10) years.

The Spirit Lake Urban Renewal district is proposed under the deteriorated urban renewal law. For instance, a phasing plan in these types of districts are usually unfeasible as improvements made in one part of the district, may provide benefits to another area of the district, by reducing traffic congestion, improving safety, and reducing unfavorable items such as vacant lots, crime, and poor public utilities, for example. This generally requires that the entire urban renewal district be adopted as a tax increment district because of interrelation of improvements and benefits with a deteriorated urban renewal district, and the inability to predict what areas exactly will benefit from an improvement made in a deteriorated urban renewal district.

A. DETERIORATION DEFINED

Under Idaho Local Economic Development Act (Municipal Corporations Code, Sec. 50-290 et. seq.) the city council must find and determine, on the basis of substantial evidence in the record, the project area as a “deteriorated area” (when adopting an ordinance approving and adopting Urban Renewal plan for a project area). The purpose of this chapter is to present the conditions of deterioration as set forth in the Local Economic Development Act (LEDA), to show how such conditions relate to categories of being deteriorated, and to provide examples of the types of data to illustrate and substantiate the various conditions of deterioration.

The LEDA defines a deteriorated area as an area which is characterized by one or more of the conditions set forth in Sections 50-2903(7), which conditions cause a reduction or lack of, proper utilization of the area and place a burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone. Section 50-2903(7) of the LEDA reads as follows:

“(7)(a) Any area, including 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, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency

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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 conditions 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 (see Appendix A), 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.”

Information presented in the deteriorated section of the plan is divided in two divisions, which address the broad categories prescribed by the law. Appropriate headings for these major divisions are: “Existing Social Conditions”, and “Existing Economic Conditions”. Within these major divisions, subheadings are used, to the extent applicable to the particular project area.

B. IDENTIFYING DETERIORATED AREAS

1. Existing Social Conditions

Unsafe and hazardous traffic and pedestrian conditions exist which endanger life, buildings and structures having conditions which are unfit or unsafe to occupy, resulting from,

a. Inadequate and Unsafe Public Rights of Way

- Surfacing of roadways in deterioration
- Narrow roadways
- Partially paved streets
- Partially completed rights-of-way
- Unpaved streets
- Uncompleted (dead end) rights of way

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- b. Dilapidation or Deterioration
 - Structural conditions of buildings and poor site conditions in comparison to remainder of City
- c. Age or Obsolescence
 - Age of buildings
 - Obsolescence is mainly applicable to industrial and commercial buildings where size, layout, or other original design features may no longer be appropriate to current uses.

2. Existing Economic Conditions

Public Rights of Way, Buildings, Structures, and Conditions as described previously which result in economic underdevelopment of the area.

- a. Inadequate and sub-standard traffic movements and flow
 - Streets, sidewalks, curbs, gutters non existent or in disrepair
 - Poor traffic circulation
 - Street lighting non existent or in disrepair
- b. Substantially impairs or arrests the sound growth of a municipality.
 - 1) Inadequate public improvements
 - Public improvements should be surveyed to determine adequacy/inadequacy by using the following factors:
 - ✓ poor physical condition
 - ✓ age
 - ✓ deterioration
 - ✓ improper design
 - ✓ lack of sufficient capacity
 - ✓ total absence of improvement in face of demonstrable need.
 - 2) Inadequate Public Facilities -
Need to be evaluated as in “a” (above)
 - Parks
 - Parking Facilities
 - 3) Inadequate Utilities -
Should be evaluated as in “a” (above)
 - Water processing and distribution facilities
 - Gas

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- Electrical (above ground/underground)
 - Cable television
 - Telephone
 - Sewerage treatment facilities
 - Sewers, storm drains
- c. 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.

1) Shifting of uses

- Rapid changes in tenants within commercial structures (this week a thrift store, used furniture the next week)
- Conversions to uses other than the original use (service station converted to fast food operation)

2) Prevalence of depreciated values

3) Prevalence of impaired investments

An “impaired investment” is a rented or leased commercial, industrial or residential property on which the values or the return on the owner’s equity are diminished or have stopped altogether, and/or the equity itself is in danger of being partially or totally lost. These conditions are evidenced by:

- Decline in gross sales or gross rents.
- Inordinate increases in expenses due to circumstances existing in the area (such as higher insurance costs, inability to obtain insurance at all or higher costs for security protection)
- Increasing vacancy rates
- Inability to sell properties at reasonable prices
- Inability to obtain loans to maintain, rehabilitate or expand
- Increased public safety related issues

4) Prevalence of economic maladjustment

- Business failures and move-outs
- Declining employment figures
- Increasing unemployment

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- Vacant stores, and buildings
 - Declining business registrations.
 - Declining property tax revenues and increasing police and fire services
 - Declining sales taxes or stagnation of same
 - Inability of property owners to bear special assessments
 - Low incomes of residents
- 5) Existing land uses inappropriate to needs of businesses, industries and residents of city.
- The existence of vacant or partially vacant buildings of recent construction
 - The existence of unused or unique facilities of marginal need or usefulness
 - Lack of expansion area
 - Lack of proper access for customers & deliveries
 - Lack of transportation facilities
 - Lack of adequate parking
 - Lack of necessary utilities (water, power)
 - Improper zoning

3. Other Factors

The conditions of deterioration affect the entire project area. Non-blighted properties have been included because their inclusion is necessary for effective redevelopment.

II. BOUNDARY DESCRIPTION

Revised Legal Description of the Urban Renewal District for the Town of Spirit Lake December 9, 2009

THE TAX ALLOCATION DISTRICT FOR THE SPIRIT LAKE URBAN RENEWAL PROJECT AREA AS DEFINED BY THE FOLLOWING DESCRIBED BOUNDARY:

All that portion of Sections 5, 6, 7 and 8, Township 53 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, contained within the following described parcel:

Beginning at the Northwest Corner of said Section 5; thence East along the North Line of said Section 5 to the Northeast Corner of said Section 5; thence South along the East line of said Section 5 to the Southeast Corner of said Section 5; thence South along the East Line of said Section 8 to the Southeast Corner of the Northeast Quarter of the Northeast Quarter of said Section 8; thence West along the South Line of said Northeast Quarter of the Northeast Quarter

of Section 8 to the Southwest Corner of said Northeast Quarter of the Northeast Quarter of Section 8; thence South along the West Line of the East Half of the East Half of said Section 8 to its intersection with the Southerly Right-of-Way Line of State Highway 54; thence Westerly, along said Southerly Right-of-Way Line of State Highway 54, to its intersection with the Westerly Right-of-Way Line of State Highway 41; thence Northerly along said Westerly Right-of-Way Line of State Highway 41 to its intersection with the South Line of Lakeview Addition to Spirit Lake; thence Westerly along said South Line to the Southeast Corner of Block "E" of said Lakeview Addition, being a point on the Northerly Right-of-Way Line of Connecticut Street; thence Westerly along said Northerly Right-of-Way Line to its intersection with the West Line of said Section 8; thence Northwesterly to the Southeast Corner of Tax Number 6254; thence Southwesterly along the South Line of said Tax Number 6254 to its intersection with the Westerly Right-of-Way Line of the County Road known as Spirit Lake Road; thence Southwesterly along said Right-of-Way Line 116 feet; thence Southwesterly 305 feet more or less to a point on the East Shore of Spirit Lake; thence Northerly, Northwesterly, Southwesterly, Southeasterly, Southwesterly, Northeasterly and Southeasterly to a point on the South Shore of Spirit Lake and the Westerly Right-of-Way of the County Road known as Spirit Lake Road; thence Southerly along said Westerly Right-of-Way to its intersection with the South Line of Government Lot 7 of said Section 7; thence west to the Southwest Corner of said Government Lot 7; thence North along the West Line of Government Lot 7 and Government Lot 8 to the North Line of said Section 7; thence North along the West Line of the East Half of the Southwest Quarter of said Section 6 to the Northwest Corner of said East Half of the Southwest Quarter; thence East along the North Line of said East Half of the Southwest Quarter and the North Line of the Northwest Quarter of the Northwest Quarter of the Southeast Quarter of said Section 6 to the Northeast Corner of said Northwest Quarter of the Northwest Quarter of the Southeast Quarter; thence North along the West Line of East Half of the Southwest Quarter of the Northeast Quarter of said Section 6 to the Northwest Corner of said East Half of the Southwest Quarter of the Northeast Quarter; thence East along the North Line of said East Half of the Southwest Quarter of the Northeast and the North Line of the Southeast Quarter of the Northeast Quarter of said Section 6 to its intersection with the West line of Tax Number 1522; thence North to the Northwest Corner of said Tax Number 1522; thence East along the North Line of said Tax Number 1522 to the West Line of said Section 5; thence North along said West Line to said Northwest Corner of Section 5, being the Point of Beginning.

Except for the following described parcels:

1.) Blocks 67 through 75 together with all streets and avenues lying between said blocks; Blocks 77 through 80, 83 through 86 and 89 and 90 together with all streets and avenues lying between said blocks; Madison Street, lying within the Southerly projection of the West Line of Block 67 and the East Line of Block 73; Harrison Street lying within the Northerly projection of the West Line of Block 69 and the East Line of Block 75 and South of the North Line of said Section 5; Madison Street, lying within the Southerly projection of the West Line of Block 78 and the East Line of Block 90; Blocks 88, 93, 99 through 102, Lot 1 and Lots 3 through 5 of Block 92, and Lots 2 through 5 of Block 91; all within "First Addition to Spirit Lake".

2.) Blocks 1, 2, 4 through 17, 22 through 25, Lots 1 through 13 and Lots 17 and 18 of Block 30; Block 31 and 33 through 66; Lots 13 through 22 of Block 18, together with the

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adjoining alleys; Lots 13 through 18 of Blocks 19 and 20, together with the adjoining alleys; Lots 13 through 18 of Block 21, together with the adjoining alley; Lots 1 through 6 of Block 26 through 29, together with the adjoining alleys; Lots 11 through 18 of Block 27, together with and the adjoining alley; Block 32 less Lots 7 and 8; that tract of land lying North of Maine Street, East of 2nd Avenue, South of Lot 7 of Block 31 and West of Lot 9 of said Block 31; Park Avenue; 1st through 3rd, 8th and 9th Avenues lying North of Maine Street; 4th, 6th and 7th Avenues lying North of the Southerly lots in Blocks 26 through 30; Park Drive; 3rd, 8th and 9th Avenues lying South of Maine Street; 4th, 6th and 7th Avenues lying South of the Northerly lots in Blocks 17 through 21; Monroe, Jefferson, Adams, Washington, New Hampshire and Vermont Streets lying between 1st and 5th Avenues; Monroe, Jefferson, Adams, Washington, New Hampshire and Vermont Streets lying between 5th and 10th Avenues; all within the plat of "Spirit Lake".

3.) "Lakeview Addition to Spirit Lake", including any roads, streets or avenues contained within said addition, except Block I and any portion of 5th or 10th Avenues lying within said addition.

4.) All of the Northeast Quarter of said Section 6, except the West 200 feet of the Southeast Quarter of the Northeast Quarter South of the County Road.

5.) "Blackwell Addition to Spirit Lake", except any portion of 10th Avenue lying within said addition.

6.) "Spokane Addition to Spirit Lake", except any portion of 10th Avenue lying within said addition.

7.) "Spirit Lake Village - Phase I"

8.) "Spirit Lake Village - Phase II, except any portion of Delaware Street lying within said Phase II.

9.) "Coho Addition to Spirit Lake".

10.) "Coho 1st Addition to Spirit Lake".

11.) That tract of land lying South of the North line of said Section 8, East of "Spokane Addition to Spirit Lake", West of 12th Avenue, and North of "Northwoods Addition to Spirit Lake".

12.) 12th Avenue, lying West of "Spirit Lake Village - Phase I".

13.) "Blackwell Addition to Spirit Lake - Phase I".

14.) Blackwell Boulevard, lying East of 10th Avenue.

15.) Blackwell Boulevard, lying North of Lot 1 of Block 3 of "Blackwell Addition to Spirit Lake - Phase I".

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16.) Lakeland Street, lying between Blocks 3 and 6 of "Blackwell Addition to Spirit Lake - Phase I".

17.) Stark Street, lying between Blocks 4 and 5 of "Blackwell Addition to Spirit Lake - Phase I".

18.) "Northwoods Addition to Spirit Lake".

19.) "Spirit Shores", except Block 3 and any Right-of-Ways lying within said "Spirit Shores".

20.) "Debbie - Tammie Addition to Spirit Lake", except any Right-of-Ways lying within said addition.

21.) "Hillside Addition to Spirit Lake".

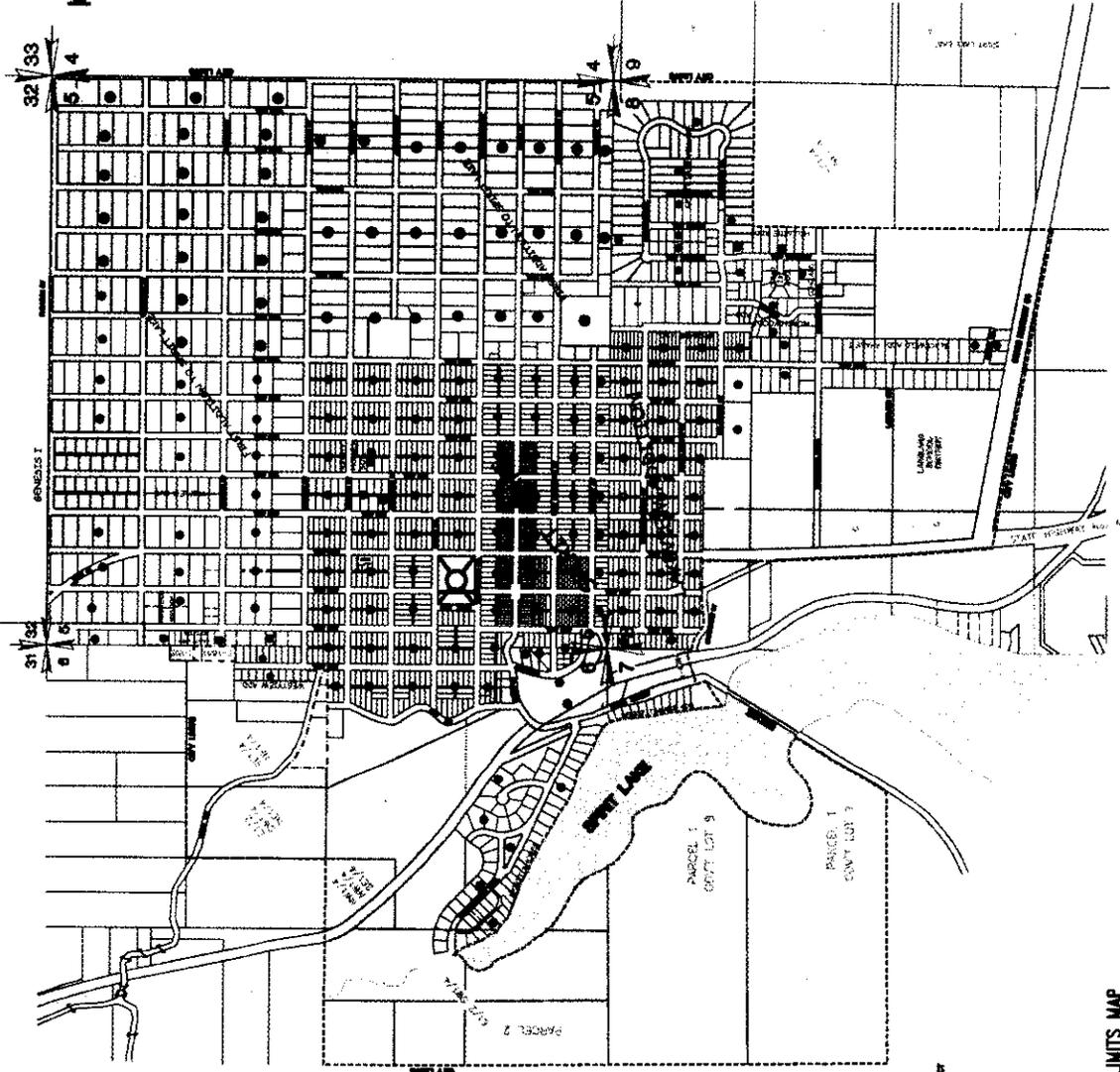
22.) Block "D" of the Plat of "Spirit Lake".

23.) That part of the Northeast Quarter of the Southeast Quarter of Section 6, Township 53 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

Beginning at a point where the North Line of the Northeast Quarter of the Southeast Quarter, Section 6, intersects First Avenue, of the City of Spirit Lake (which point is designated by 3/4 inch pipe driven into the ground). Thence West along 1/4 line a distance 272 feet to a point designated by 3/4 inch pipe; thence South 160 feet to a point designated by 3/4 inch pipe driven into the ground; thence East a distance of 272 feet to a point (marked by 3/4 inch pipe) which intersects First Avenue of Spirit Lake. Thence North along First Avenue 160 feet to point of beginning.

24.) That tract of land lying South of the Southerly projection of the East and West lines of Lot 4 of Block 32 of the plat of "Spirit Lake" and North of Maine Street.

TOWNSHIP 53 NORTH
 RANGE 4 WEST, B.M.
 KOOTENAI COUNTY, IDAHO



LEGEND

- URBAN RENEWAL DISTRICT
- CITY LIMITS

4-1 SPIRIT LAKE CITY LIMITS MAP
 SCALE: 1"=200'

<p>URBAN RENEWAL DISTRICT MAP CITY OF SPIRIT LAKE KOOTENAI COUNTY, IDAHO</p>		<p>PROJECT: _____ SHEET NO.: _____ SHEET TOTAL: _____</p>
<p>CONSULTING ENGINEERS NEWPORT, WASHINGTON, 99156 (509) 447-3826</p>		<p>DATE: _____ DRAWN BY: _____ CHECKED BY: _____ TITLE: _____</p>

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III. PROPOSED DEVELOPMENT ACTIONS

A. General

The major objective of this urban renewal plan is to provide traffic improvements and other public improvements, which implement the goals of the Spirit Lake Urban Renewal Agency (URA), and the City. The URA has established goals for the proposed area, which are as follows:

1. Re-design and improve existing streets in the district, including redesigning intersections, widening of roadways, signalization, and pedestrian access
2. Encourage and assist the development of new businesses and residences in the area.
3. Provide the necessary infrastructure support for the attraction of new business.
4. Rehabilitate existing vacant lots that have become collection points for junk.

The proposed projects include:

- **Highway 41 Improvements**
- **City Streets Projects**
- **Spirit Lake Parks**
- **City Cemetery Improvements**
- **Spirit Lake Fire Protection District Improvements**

As shown, the City of Spirit Lake is also confronted by several major impediments in generating economic vitality. In promoting the Spirit Lake Area to developers (within the city itself as well as to those entities who are looking to relocate, expand or startup) the URA and the City recognize that these impediments do exist and where possible, eliminate or mitigate them. These impediments include but are not limited to the following:

1. Inadequate and unsafe public rights-of-way
2. Lack of traffic circulation
3. Lack of infrastructure
4. Lack of maintenance of public & private property - blight
5. Lack of amenities
6. Business closures
7. Lack of open space (parks and recreation)
8. Inaccessible to pedestrians - unfriendly

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5. Spirit Lake Fire Protection District Improvements

Below are the overall costs with this project as identified in appendix A of the Spirit Lake Urban Renewal Plan.

Site Improvement Costs	\$500,000
------------------------	-----------

OVERALL PROJECT GRAND TOTAL:	\$4,000,000
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C. Conformance With State And Local Requirements

The proposed redevelopment as proposed in this plan conforms to the Comprehensive Plan for the City of Spirit Lake which was adopted by City Council. This plan was reviewed by the Spirit Lake Planning and Zoning Commission, stating that this plan is in conformity with the Spirit Lake Comprehensive Plan.

D. Property Acquisition

Pursuant to State Code Section 50-2007 the URA may acquire (by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise) real property to hold, improve, renovate, rehabilitate, clear, or prepare such property for redevelopment. Absent the consent of the property owner, the URA will not acquire any property, which will not require modification or the imposition of restrictions. In conjunction with the acquisition of a site, the URA shall accomplish the relocation of existing businesses and tenants.

E. Property Management

The URA may convey property it has acquired for less than market value. The URA may clear or move buildings, structures or improvements from any real property acquired, and the URA may develop a building site by constructing streets, utilities, parks, playgrounds and other public improvements in order to carry out the urban renewal plan. The URA may acquire land or other public improvements and construct facilities within and/or outside the plan area if it can determine that the improvements are of benefit to the plan area. However, the URA shall not pay for maintenance or operation of said improvement.

F. Relocation of Businesses, Persons and Others

If as a result of pursuing this plan individuals, families, businesses, non-profit organizations or others are required to relocate, the URA shall prepare a plan for the relocation of same. The URA shall be responsible to assist those individuals and entities in full accordance with state and federal statutes, including finding a new location and providing relocation payments.

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- 9. Low development densities
- 10. Lack of identity
- 11. Lack of commercial diversity
- 12. Lack of fire protection capital assets

This plan cannot overcome all the impediments listed above, but if the aforementioned goals are achieved the economic vitality of the Spirit Lake Area will be greatly enhanced and will eliminate or minimize most of them. Given the lack of infrastructure and amenities in the Spirit Lake area it is financially feasible to achieve all the objectives within a ten (10) year time frame. The plan is therefore broken down into a one (1) phase description.

B. Phase I

1. Highway 41 Improvements

Below are the overall costs with this project as identified in appendix A of the Spirit Lake Urban Renewal Plan.

Site Improvement Costs	\$500,000
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2. City Streets Improvements

Below are the overall costs with this project as identified in appendix A of the Spirit Lake Urban Renewal Plan.

Site Improvement Costs	\$2,000,000
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3. City Parks Improvements

Below are the overall costs with this project as identified in appendix A of the Spirit Lake Urban Renewal Plan.

Site Improvement Costs	\$500,000
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4. City Cemetery Improvements

Below are the overall costs with this project as identified in appendix A of the Spirit Lake Urban Renewal Plan.

Site Improvement Costs	\$500,000
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G. Disposition and Development Agreements

The Disposition and Development Agreements (DDA) are the legal documents that form Public/Private partnerships. They are used by the URA when entering into an agreement with a private developer for a specific project. The list below is merely illustrative and not all inclusive and does not prevent the Agency from including, or excluding any or some of the commitments below.

1. The Agency's Commitments

- a) What it will do:
 - site acquisition
 - site improvements
 - clearing
 - parking
 - off site improvements, etc.
- b) Determines how much the public investment is, and how it will be financed

2. The Developer's Commitments

- a) A specific development concept:
 - mix of uses
 - building size
 - number of parking spaces
 - quality of development, etc.
- b) Payments to the Agency, which can be in the form of :
 - payment for fee simple sale of land
 - land payment for ground lease
 - lease payments for public facilities
 - commitments towards paying other sources of public financing, such as special assessment bonds
 - participation - percentage of future cash flows
 - loans and advances
 - tax increment guarantees
- c) Firm time schedules and contingencies affecting the timing
- d) Agreement to operate (e.g. Hotel) for a minimum number of years

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IV. USES PERMITTED IN PROJECT AREA

A. Comprehensive and Urban Renewal Plans

The primary objectives for the Urban Renewal Agency are to improve the quality of life, bring economic vitality and improve the aesthetics of the Spirit Lake area through development and redevelopment. There are two (2) differing sets of land use issues involved in this plan. The first set of issues deal with the designated or planned land uses of the comprehensive plan and the second set of issues revolve around existing non-conforming land uses, meaning uses which don't conform to the planned uses in the comprehensive plan.

B. Designated Land Uses of the Comprehensive Plan

The Urban Renewal District land uses are consistent with the Generalized Land Use Map of the Spirit Lake Comprehensive Plan. If the necessary resources are available, the Urban Renewal Agency will assist any project that desires support, but that project must be consistent with this urban renewal plan and the comprehensive plan of the city. The following is a list of the land uses in the Urban Renewal Plan as it is described in the comprehensive plan. All proposed uses must comply with the appropriate land use designation in which it will be located.

1. Regional / Community Commercial / Office:

The commercial designation is found in most of the urban renewal plan area along Highway 41. The function of this designation is to provide regional, local and tourist needs in readily accessible locations. Existing compatible land uses within the plan area consists of a mixture of office, retail and service commercial uses as well as vacant properties. There are non-conforming industrial land uses within the urban renewal planning area as well.

2. Public Rights-Of-Way:

With few exceptions, most of the public rights-of-way in the area are deficient in terms of development and are poorly maintained. Curbs, gutters and sidewalks are practically non-existent. Street infrastructure is inadequate and is a major drawback to most kinds of beneficial development. The Urban Renewal Agency deems these infrastructure needs as being most critical to the attraction of new business and development. The Agency intends to use its resources, plus any additional assistance, which may be derived from any other public or private source for the completion of this critical component.

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3. Interim Uses:

There may be a need for the temporary use of vacant properties and/or structures within the plan area. If these uses are to be supported and/or assisted by the Urban Renewal Agency, they shall be compatible with the current zoning and land use designations of the comprehensive plan.

4. Non-Conforming Uses:

Uses which do not conform to the Spirit Lake Urban Renewal Plan and/or the City of Spirit Lake Comprehensive Plan and/or zoning map are not eligible for support or assistance from the Urban Renewal Agency.

C. General Controls and Limitations

1. Construction:

All construction which is funded or partially funded by the Urban Renewal Agency as a part of this plan will be required to meet all applicable city and state specifications. In addition, each project must meet any requirements made by the URA as a condition of assistance. Such requirements may be in the form of additional performance and development standards. Construction may be by the Agency independently, or in conjunction with any other public agency.

2. Rehabilitation and Retention of Property:

Rehabilitation of dilapidated commercial structures is an objective of the URA, in as much as the use of the structure complies with the plan and revenues available for assistance. Except in extenuating circumstances, ownership retention will always be a priority for most projects undertaken by the URA.

V. PROJECT FINANCING METHODS

A. General Description of Financing Methodology

State law provides that urban renewal agencies have the power to finance urban renewal (redevelopment) activities and related costs. Agencies can issue both short and long term debt with existing and projected revenues. The debt of an urban renewal agency can be it's own, or, it can include any assignments of revenues from others. For the most part, urban renewal agencies utilize tax increment financing (TIF) as the financing tool. However, Government Code Section 50-2007(f) allows other financing mechanisms, as well. The following are merely illustrative, and is not an all inclusive list, nor do they bind the Urban Renewal Agency to use one or any of the following financing mechanisms:

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1. advances
2. loans
3. grants
4. contributions
5. any other form of financial assistance from public or private sources

B. Bond Anticipation Notes

Bond Anticipation Notes (BANs) are utilized when an agency needs to raise higher levels of financing than possible with a standard financing mechanism. The basic assumption of BAN financing is that tax increments will grow substantially over several years, due in part or whole to the application of the BANs funding to agency programs, and the agency will subsequently be able to afford a standard financing to refinance the BANs when the whole principal balance becomes due. BANs will typically have interest only payments for the short duration of the financing term, with all principal coming due in anticipation of a fully amortized standard bond financing that will refinance or take out the BANs.

BANs can raise substantial capital in advance of tax increment generation and project development. These notes can provide funding which can encourage private development in the early stages of the project when “seed” capital is needed most.

The customary BAN structure calls for the forecasting of tax increment revenues several years into the future, making an assumption about what interest rates will be at the end of the forecast / finance period, and then issuing short (two to three year) to medium (four to six year) notes. The financing program anticipates that the notes will be fully amortized standard bonds when the notes mature. Ban financing often includes a large component of capitalized (prepaid from note proceeds) interest, as the agency can typically not support full interest payments on the notes with tax increment funds. Thus, for \$100.00 of program funding, a BAN financing will require two sets of costs of issuance (both the BAN and permanent bond financing) totaling approximately \$7.00 per hundred, plus at least \$20.00 per hundred of capitalized interest. When the takeout bonds are issued, the agency will be borrowing over \$127.00 (plus reserves) to pay for \$100.00 of initial project funding.

Despite the higher financing costs, in a relatively stable legal, political and financial climate BANs can prove to be quite effective. The URA can borrow substantial additional funds compared to a standard financing mechanism and after investing these funds in project improvements, cause further tax increment revenue growth. The concept is an attractive and convenient one that answers the problems facing any project area. Subsidies and public investment are needed up front to spur development that generates tax increment within twelve to eighteen months following construction.

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The risk is straight forward - if the tax increment does not grow as projected and is not adequate to support a standard financing to take out the BAN when it comes due, the agency faces a number of unpleasant choices, including borrowing funds from the city to help retire the note debt, rolling the BAN with a second BAN issue, or default. The typical option utilized is to roll the BAN in the hope that revenues will be high enough when the second issue of BAN matures to take out the note permanently.

The accuracy of the tax increment forecast is absolutely critical to the success of the program, market / interest rate fluctuations are also a significant variable, and the ability to “take-out” the BAN with bonds is subject to legal and political factors which are beyond the control of the URA. A successful BAN financing must take these variables fully into account.

A taxable BAN which is to be taken out with taxable bonds make more sense than tax-exempt notes because one of the primary risks, alterations of the tax law, is essentially removed. Because taxable financing is typically utilized as bridge financing, waiting for private repayments, the short term nature of a BAN can be most effective.

C. Tax Increment Funds

Tax increment financing is the principal method of financing the public costs of redevelopment. “Ad Valorem” property taxes generated from the increase in assessed valuation of property values, created by new development within a specified project area, is the major source of tax increment revenue. The assessed valuation at the time of adoption of the urban renewal plan becomes the base year value and is frozen at that level for the purpose of distribution of taxes to the various affected taxing entities (excepting schools). Each fiscal year, following the adoption of an urban renewal plan, the taxes generated by the assessed valuation that exceeds the base year level (known as tax increment) is paid to the urban renewal agency. The URA in turn utilizes these funds for the repayment of debt incurred by the URA in connection with redeveloping the project area.

When an urban renewal project is approved, there isn't any tax increment immediately available to the agency. The fiscal year following the adoption of the project there is an opportunity for some tax increment to be generated, but only if the assessed valuation of the area has increased from the prior year.

Normally very little funding is available within the first few years of a project. Therefore, funding for the initial cost of a project and the costs of implementation must be provided from other sources. Many times the city will loan funds to the URA, or provide the capital improvements in the project area with the URA agreeing to reimburse the city when the agency receives its revenues.

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amount, within a definite period of time. As an inducement to the urban renewal agency to proceed with its part of the development activities, such as paying for the costs of public facilities to serve the development, a developer may agree to guarantee to the URA the receipt of tax increments from the development in the amount and by the time projected.

5. Certificates of Participation:

Certificates of Participation (COP's) provide long term financing through a lease with an option to purchase, (also called a conditional sale agreement). This financing method is used for long term financing of major projects such as public facilities, parking garages, and recreational activities.

Where applicable, this financing method can also be used to finance the acquisition of motorized equipment, communications equipment, computers, and other major items of equipment.

When a public sale of a lease, or COP's in a lease, is planned the principle parties include:

- a. The public agency
- b. A bank, financial institution or lender (buys the present value of future lease payments)
- c. Purchasers or investors (purchase the COP's)
- d. A trustee (holds security for payment of lease - if any)
- e. An escrow agency (the trustee may also be the escrow agency)

Lease agreements are for one year at a time resulting in the COP's commanding a higher interest rate. The URA would also have to comply with state public bidding for construction laws, usury and legal interest rate laws authorizing the lease and disclosure requirements.

6. Joint Powers Authority:

By agreement multiple public entities with common powers may form a Joint Powers Authority (J.P.A.) when it is to the advantage of those agencies to consolidate their forces to construct a public use facility or issue debt for public purposes that when done separately would be less advantageous. A joint exercise of power agreement must be approved by the participating entities in order to utilize a J.P.A. The security of any issue of a J.P.A. will depend upon the existing or projected cash flows, reserves, and other capital resources of the participating agencies and the approved obligations of each agency. In some cases it may be advantageous for the URA to form a J.P.A. before debt obligations are approved by the individual agencies.

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In other situations, a developer may loan the agency the necessary startup funds. If there is a property owner or a developer who desires to build a project in an urban renewal area, the developer may loan the agency funds for both the startup costs as well as the capital improvements. A portion, or all of the funds advanced would be repaid by the agency pursuant to an agreement with the developer.

D. Loans and Grants

1. Community Development Block Grants:

The Community Development Block Grants (CDBG) program replaced a number of specific aid programs (such as the former federal Urban Renewal program) to allow local communities broader discretion in the administration of community development funds. Eligible activities include acquisition of property, clearance and demolition, relocation, public facilities and historic preservation. The funds must be targeted to specific areas to benefit low and moderate income persons or to eliminate slums and blight. CDBG funds are widely used throughout the state for economic development and senior facilities.

2. Local Improvement Districts:

Local Improvement Districts (LID) have been used to fund public improvements that benefit private development. LID's place upon the benefited property the costs which are not borne by the urban renewal agency (or city). The State of Idaho has determined that LID's are a legal means for the city to fund such improvements. Formation of an LID requires the approval of a majority of the property owners in the affected area. The costs of the improvements are determined, and each property is assigned its pro rata share. The LID expenses are paid off via the tax rolls over a predetermined period of time (usually 15 to 20 years).

3. Loans and Advances:

The URA may borrow funds for a project from the city or a lending institution. The drawback being the rate of interest. In addition, developers may advance or loan working capital to urban renewal agencies for preliminary redevelopment activities. Generally the developer is at risk with these advances and will be repaid only if the project goes forward.

4. Tax Increment Guarantees:

The willingness, or ability, of an urban renewal agency to incur project financial obligations for a specific development may be based on a projection that the development will produce tax increments in a certain

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7. 63-20 Debt:

States and political subdivisions are authorized, under federal tax law, to issue obligations, the interest on which is exempt from federal income taxation ("Tax-exempt bond"). Each state has statutes and administrative rules that outline the terms under which tax-exempt bonds may be issued. There are circumstances, however, when a political subdivision would prefer not to issue bonds for a project. These reasons may be legal, practical or political. A facility may qualify for tax-exempt financing, because of its use by a governmental entity; nevertheless, the governmental entity elects not to finance the project with its own tax-exempt bonds. An alternative method of obtaining tax-exempt financing is available under the Internal Revenue Code. This method of financing is commonly referred to as "63-20" financing. The term "63-20" comes from the Department of Treasury Revenue Ruling which first described and authorized this type of tax-exempt financing (in 1963).

In a 63-20 financing, a nonprofit corporation may issue tax-exempt debt for the purpose of financing facilities as long as certain requirements are met. The most well-known requirement is that title to the facilities must be transferred to a governmental entity when the debt is retired. Interest on 63-20 debt is exempt from federal income taxation. Therefore, the cost of capital is, lower than it would be in the conventional capital markets.

Historically, 63-20 debt was primarily used for nonprofit corporations, qualified under Section 501(c)(3) of the Internal Revenue Code, to access the tax-exempt bond market. 63-20 debt is sold as tax-exempt bonds generally in the same financial markets as governmental tax exempt bonds. The interest rates may be comparable, depending upon the credit strength of the collateral security.

If the financed facility is leased to an entity other than the nonprofit issuer of the debt, the tenant is required to be either a governmental entity or a charitable organization. An underwriter may underwrite long term (20 years or more) bonds issued by the nonprofit corporation. The credit support of the bonds may derive from the lease of the facility to the governmental agency. The bonds may be issued on a non-recourse basis to the nonprofit corporation, i.e., the bonds would be secured solely by lease revenues. In a non-recourse financing, the owners of the bonds would have no recourse against any other assets of the corporation.

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VI. TAX ALLOCATION DISTRICT

Affected Agencies

The following is a list of agencies which are affected by the "Spirit Lake Urban Renewal Plan".

1. City Of Spirit Lake
2. Lakeland School District
3. Kootenai County
4. North Idaho College
5. Spirit Lake Protection District
6. Lakes Highway District
7. Kootenai County Library District
8. Kootenai Emergency Management Services District

Recent changes in Idaho tax law have (excepting urban renewal agencies and school districts) neutralized the benefits and drawbacks to the creation of Tax Allocation Districts and Urban Renewal Districts. Currently, public agencies budgets are restricted to 3% annual growth from property taxes. At the end of a projects life, the tax increment generated was divided among the above-mentioned agencies in accordance to their respective agency's property tax levy rates. With the current laws in effect, the tax increment is now used to lower property tax rates resulting in benefiting the property tax payers with no provision for assisting the impacted agencies. Public agency budgets are not benefited by property taxes generated from new development; but neither are they hurt by the formation of a Tax Allocation District for an Urban Renewal Agency.

VII. ACTIONS BY THE CITY COUNCIL

The City shall aid and cooperate with the URA in carrying out this plan and shall take all actions necessary to ensure the continued fulfillment of the purposes and objectives of this plan. The City shall assist and support the URA in preventing and eliminating the spread and/or recurrence of conditions causing blight in the plan area. Actions by the City shall include, but are not limited to, the following:

1. Institution and completion of proceedings necessary for changes and improvements in private and publicly owned utilities within or affecting the project area.
2. Revising of zoning or other standards (if necessary) within the project area to permit the development authorized by this plan.
3. Imposition, wherever necessary, through the use of special use permits or other means of appropriate controls within the limits of this plan upon parcels of land within the project area to ensure their proper development and use.

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4. Where possible, preservation of historical sites shall have a high priority in achieving development objectives.
5. Performance of the above actions and all other functions and services relating to public health, safety, and physical development normally rendered in accordance with the schedule which will permit the redevelopment of the project area to be commenced and carried to completion without unnecessary delays.
6. If necessary, institution and completion of proceedings for the establishment of a Local Improvement District, or districts under Chapter 17, Title 50, Idaho Code.
7. Administration of Community Development Block Grants and / or other state / federal funds that may be available and are used for the purposes of this plan.
8. The undertaking and completion of any other proceedings necessary to carry out the plan.
9. Appropriate agreements with the URA for administration, supporting services, funding sources, and other similar needs.
10. The actions listed above which are to be taken by the City do not constitute any commitment of financial outlay by the City.

VIII. ENFORCEMENT

The enforcement and administration of this plan, including the preparation and execution of all the documents used for the implementation of the Spirit Lake Plan, shall be performed by the URA and/or the City of Spirit Lake. The provisions of the Spirit Lake Plan and other documents used pursuant to this plan may also be enforced by court litigation instituted by either the City or the URA. Remedies include, but are not limited to the following:

1. Specific performance
2. Damages
3. Injunctions
4. Other appropriate remedies

IX. DURATION OF THE PLAN

The duration of the various segments which make up this urban renewal plan for the Spirit Lake area are as follows:

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- A. The non-discrimination and non-segregation provisions of this plan shall be effective in perpetuity.
- B. Other provisions of this plan shall be effective for ten (10) years from the date of adoption of this plan by the Urban Renewal Agency.
- C. The Tax Allocation District and its respective revenue allocation financing shall be in effect for a period not to exceed ten (10) years.

X. PLAN AMENDMENT PROCEDURES

The Spirit Lake Urban Renewal Plan may be further modified at any time by the URA, provided that the modification, if made after disposition of real property by the URA in the plan area, must be consented to by the developer(s) or successor(s) of interest of such real property if their interest is substantially affected by the proposed modification.

Where the proposed modification substantially alters the adopted plan, the modifications must be approved by the Urban Renewal Agency Board, the City Planning and Zoning Commission and the City Council in the same manner as the original plan. Substantial changes for Council purposes shall include revisions to the following:

- 1. Project area boundaries
- 2. Permitted land uses
- 3. Land Acquisition
- 4. Changes to plan objectives

XI. TAX FEASIBILITY STUDY

The Tax Allocation Feasibility Study for the Spirit Lake Redevelopment Area follows this page.

City of Spirit Lake

Tax Allocation Feasibility Study For The Spirit Lake Redevelopment Area

October, 2005

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Tax Allocation Financing Feasibility Study For The Spirit Lake Redevelopment Area

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1. Area Tax Valuation by Parcel
2. Construction Loan Debt Service Schedule
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4. Total Financial Projection

Tax Allocation Feasibility Study For The Spirit Lake Redevelopment Area

Executive Summary

The use of the Tax Allocation Financing Provision in the proposed Spirit Lake Redevelopment Area Urban Renewal District is feasible under the existing taxing laws. Financing of the listed projects is projected by increment received through tax increment financing.

The following table shows the dollar amount of improvements for the total Urban Renewal Plan.

TABLE 1
SUMMARY OF INFRASTRUCTURE INVESTMENT

Improvement Phases	Cost
Street and Highway Improvements	\$3,000,000
City Parks and Waterfront	500,000
Cemetery Improvements	500,000
Total Project Costs	\$4,000,000

Methodology

Tax allocation financing is a method of providing revenue for economic development projects in urban renewal areas. As part of an urban renewal plan, a revenue tax allocation financing provision is approved. Within the urban renewal area, a tax allocation area is created. Within the tax allocation area, a base assessment roll is established which is equal to the assessment rolls for all classes of taxable property as of January 1st of the year the urban renewal plan is adopted; in this case, 2005. As new investment increases the assessed value within the tax allocation area, the increase in tax revenues is allocated to paying off bonds issued for public improvements. By using this form of financing, local taxing districts make a short-term sacrifice in receipt of added tax revenues in exchange for a long-term tax revenue increase due to added investment in the urban renewal area. This is partly mitigated by caps on increases in spending for tax districts. However, the beneficiaries are taxpayers. With added revenues and a ceiling on increased spending, the result for taxpayers is a reduction in the levy rate and decreased taxes.

To determine the feasibility of a tax increment financing provision for improving the Spirit Lake Redevelopment Area, the first task was to list all properties by parcel number. Then, for each parcel within the taxing area, the number of acres, market value by category and exemptions were listed. An inventory of actual land uses was compiled to provide a better understanding of the availability of land for future development and to provide a base for preparation of projections of future use.

With a complete inventory of properties and their existing market values, a baseline projection of tax revenues was created. This projection assumed that growth trends would continue as they have in the past with no sudden increase in investment activity in the area. Growth rates for each sector were applied to existing land uses and then projected into the future.

Next, a projection of tax revenue was prepared assuming that a tax allocation provision is approved. This projection assumes a "freeze" on the amount of revenue each taxing district

(except for School District 272) will receive while the bonds are being paid. It also shows the tax increases that will result when the bonds are paid and the entire tax revenue amount is allocated to reduce tax levy rate. Part of this measurement determined how long the increment would need to be in place before the first phase improvement project could be financed with a positive cash flow. Of course, if new investment in the area occurs above the normally anticipated growth, the length of time required to create sufficient revenue decreases proportionate to the amount of new investment.

Determination of feasibility will be made by the City of Spirit Lake in their action to either approve or disapprove the urban renewal plan and the tax allocation provision. However, a statement of feasibility has been prepared which indicated whether a tax allocation provision is financially feasible. That statement affirms that the tax allocation provision is financially feasible.

Redevelopment Planning Area

Existing Conditions

Size and Parcels

The Kootenai County Assessor has designated the parcels within the redevelopment area. A complete listing of parcels, their size and use classification is provided in Appendix 1.

Planned Development and Infrastructure Extensions

Planned infrastructure developments include upgrades to the City's streets, including sidewalks and/or pedestrian trails, street lights and improved signalization at intersections. Where appropriate, the City will also upgrade water and sewer lines prior to making the street improvements.

The City also intends to upgrade its city parks as well as its cemetery, including the possible acquisition of new land for expansion of the parks system and possibly improvements to its waterfront on Spirit Lake.

The timing of these improvements depends upon the demand for services in the area and the amount of incremental investment made in the area. The incremental investment will provide the tax revenue necessary for issuing bonds to pay for the improvements.

In some instances, potential developers may agree to guarantee the City's incremental investments, so as to expedite the expenditures ahead of the anticipated tax revenues.

Baseline Build-out Potential

Resident Population

Most of the redevelopment area is residential. It is likely that additional residences will be constructed to complete the residential build-out of previously platted lots, including the large parcel owned by John Sempre.

Industrial Development

There is little demand for industrial development in the area. Spirit Lake is mostly a bedroom community, and as such boasts a modest commercial district to serve the population. Therefore, no industrial development is anticipated in the area.

Commercial Development

Expansion of commercial uses in the redevelopment area will be substantial, however. Current commercial use will likely grow to the area’s capacity 2015. Also, existing commercial areas will likely be redeveloped to newer structures and more intensive uses during the development period. This is already evident with the new grocery store being built on Highway 41.

Private Sector Investment Potential

A projection of private sector investment (and market value) has been prepared for the build-out of the redevelopment area. The following table shows the anticipated growth in private sector investment in each economic sector through the year 2015.

**TABLE 2
SPIRIT LAKE REDEVELOPMENT AREA
PRIVATE SECTOR INVESTMENT GROWTH, 2005 TO 2015**

	Residential	Commercial	Total
2005	500,000	5,000,000	5,500,000
2006	1,500,000	4,000,000	11,000,000
2007	1,500,000	4,000,000	16,500,000
2008	1,500,000	4,000,000	22,000,000
2009	3,500,000	2,000,000	27,500,000
2010	3,500,000	2,000,000	33,000,000
2011	3,500,000	2,000,000	38,500,000
2012	3,500,000	2,000,000	44,000,000
2013	3,500,000	2,000,000	49,500,000
2014	3,500,000	2,000,000	55,000,000
2015	4,000,000	1,000,000	60,000,000

Source: Panhandle Area Council

Property Tax Generation

As investment occurs in the Spirit Lake Redevelopment Area, additional taxes will be generated. The following table shows a summary of the tax generation anticipated at normal growth rates within the redevelopment area. Of course, as new infrastructure investment occurs in the area, the development rate will increase. However, this projection assumes a normal rate of growth with services provided to support the growth.

**TABLE 3
SPIRIT LAKE REDEVELOPMENT AREA
PROPERTY TAX GENERATION, 2005 TO 2015**

	Residential	Commercial	Total
2005	6,858	68,583	75,441
2006	28,074	125,157	153,231

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2007	49,949	183,491	233,440
2008	72,504	243,636	316,140
2009	126,765	274,642	401,407
2010	182,707	306,610	489,317
2011	240,382	339,567	579,949
2012	299,842	373,544	673,386
2013	361,140	408,571	769,711
2014	424,330	444,681	869,011
2015	498,778	463,292	962,070
TOTAL	2,291,329	3,231,774	5,523,103

Source: Panhandle Area Council

Job Creation

Job creation is estimated based on the acreage growth of the commercial sector that translates into the construction of buildings based on lot coverage ratios. Using standards for the number of square feet per employee results in an estimate of the number of employees likely to be located within the redevelopment area. The following table shows the potential job growth:

TABLE 4
HIGHWAY 41 REDEVELOPMENT
 Job Creation and Employment Growth 2002 to 2050

	Commercial Jobs
2005	100
2006	80
2007	80
2008	80
2009	40
2010	40
2011	40
2012	40
2013	40
2014	40
2015	20

Source: Panhandle Area Council

Tax Allocation Project Projection

The following projection is based on the normal growth rates described in the section above. Of course, these are merely projections and unanticipated changes in the area or economic growth rates can accelerate or slow down the estimates. However, they are made with the best available projections from the Idaho State Department of Revenue.

Urban Renewal District Improvements

Improvements will be thoroughly described in the Urban Renewal Plan. These improvements include curbs and gutters, sidewalks, streets, drainage and street trees. The timing of these improvements will depend upon the growth in the area and the demand for urban services.

This projection is prepared to describe a scenario based on the assumptions described previously in this report.

Projection Assumptions

Several assumptions have been made regarding the future. These assumptions are described in the following paragraphs.

Levy Rates

It is assumed that levy rates for all taxing districts affected by the Tax Allocation District will remain constant. These rates are shown in the following table.

**TABLE 5
LEVY RATES**

Taxing Entity	Rate Per \$1,000
Kootenai County	.003482997
City of Spirit Lake	.005164501
Lakes Highway	.000776773
School District 272	.005917214
Spirit Lake Fire District	.001178601
Kootenai County Library	.000291343
North Idaho College	.000740250
Kootenai County EMS	.000164897
Total	.0017716576

Source Kootenai County Auditor

Coverage Ratio

The coverage ratio applied to the Spirit Lake Urban Renewal Project's Tax Increment Revenues is 115%. Application of a coverage ratio greater than 100% has the effect of reducing the projected amount of revenue that can be applied to serving the bonds. Coverage ratios are applied to create a margin of safety should tax revenues fall short of expectations. In this projection, actual revenue collected is used in the year following the year it was collected. In this way, actual revenue is accounted for and not the amount available for debt service due to the coverage ratio. Although the District may issue Tax Anticipation Notes for accrued taxes not yet paid, that funding mechanism is not used in this scenario.

In addition, a present value discount of 3% is used in the projections. This helps to account for the inflationary effects on taxes received.

Personal Property Investment

No value is added for personal property (equipment, fixtures, etc.). This property is also taxed and is subject to the tax increment but has been omitted from the projections to provide an added measure of margin.

School Payments

Tax law assigns a percentage of new tax increment revenues to the school districts. For our projection the amount will be .4% of the total market value of the tax allocation area.

Determination of the Timing of the Required Incremental Tax Base

As development occurs within the Spirit Lake Redevelopment Area, additional investment will add incremental tax revenues. Based on our growth assumptions, there will be sufficient increment added to the redevelopment area by the year 2005. Since taxes are not collected until the following year, the tax required to pay for bonds will be available in 2006.

The table on the following page, (Table 6, Anticipated Tax Increment Growth and Timing) shows this anticipated growth and the amount of incremental taxes expected. A slight shortfall is anticipated in the second year (2006) but will be quickly recouped. From that time on, the balance in the fund remains positive. A complete financial profile is in Appendix 4 .

Improvement Financing

The interest rates established for the repayment of the bonds will be according to the municipal bond market standards at the time the bonds are issued. This project anticipates an interest rate of 4.5%.

Fiscal Impact on Taxing Districts and Taxpayers

The fiscal impact on taxing districts will be to increase available revenue to the districts by collection of forgone taxes and a reduction in the levy rate applied to the valuation of their property.

Limits on Budget Increases

Limits are placed on the increase in budget a taxing district can spend even with a substantial increase in the tax base. This limitation on receipt of additional revenue is partially mitigated by the collection of "Foregone Taxes"; taxes which the district has a right to collect but has not. These taxes, which would normally be collected during the tax increment financing period, may be collected after the bonds have been paid, assuming the law remains the same. The amount of foregone taxes for any given year can be obtained by requesting the *Dollar Certification of Budget Request to Board of County Commissions L-2*, for the year in question.

Taxing districts can recover foregone taxes if they have a sufficient source of tax revenues. The Urban Renewal Project can create these sources of additional tax revenue.

Levy Rate Reduction

Idaho State law limits the increase in budgets of each taxing district and there is a limit on the amount of foregone taxes a district can collect. However, the result of an increased tax base is a decrease in the levy rate for each taxing district. This reduces taxes for each individual taxpayer within the taxing district. An added note is that foregone tax law is likely facing some changes in the 2006 Legislative session, so that limits on their use may be imposed. For this reason, some taxing districts may be encouraged to add the value of new construction in the revenue allocation area on an annual basis. Failure to add it now might result in loss of that revenue when the URA is ended in 2015.

TABLE 6
ANTICIPATED TAX INCREMENT GROWTH AND TIMING

Year	Tax Increment
2005	\$75,441
2006	153,231
2007	233,440
2008	316,140
2009	401,407
2010	489,317
2011	579,949
2012	673,386
2013	769,711
2014	869,011
2015	<u>962,011</u>
Total	\$5,523,103

Source: Panhandle Area Council

Feasibility of Tax Increment Financing of Improvements

As a result of this analysis, the feasibility of using the Tax Allocation Financing Provision for improvements within the Spirit Lake Redevelopment Area are positive given the assumptions included in this report. Growth assumptions applied to the development mix within the redevelopment area indicate that there will be sufficient incremental tax revenues to pay for the improvements if development in the area occurs as demonstrated in this projection. Of course, this schedule could be accelerated by a large project going into the area and creating a large, unanticipated investment.

The impact on taxing districts is also likely to be positive. While there is a limit on the increase in budgets of the taxing districts, forgone taxes can be used to increase district activity to accommodate the new growth, or new growth can be added annually to increase district budgets in lieu of the loss of foregone tax authority.

Conclusion

The Idaho Economic Forecast, published by the Idaho Department of Financial Management sums up the need for this type of project in the conclusion of the January 2002 forecast: "Small businesses are a vital part of rural America, but their ability to grow and reach new markets is hampered by aging infrastructures, lower skilled labor, and insufficient capital. Policymakers and community leaders must overcome these three rural challenges to foster small business expansion in rural America. By fostering small business expansion, many rural communities could develop new leaders, expand job rolls, enhance worker skills, and boost local tax receipts. One way to approach these three rural challenges involves creating new partnerships or networks between small businesses, other rural citizens, and public institutions."¹

In a related section, the need for an expanded infrastructure is recommended.

¹ Idaho Economic Forecast, Department of Financial Management, January, 2002, Pages 28 to 29.

“Small firms that expand their reach beyond traditional products and markets enhance their ability to compete in today’s global economy. But producing and delivering top-notch products still requires high-quality infrastructures, including roads, water and schools – and high-speed Internet connections. Much of this infrastructure is lacking or deteriorating in rural America, tying many small businesses to traditional products and shrinking local markets.”²

With the availability of the Tax Increment Financing provision in the City of Spirit Lake, a suitable area where public investment in infrastructure can enhance business growth and a positive financial outlook for application of Tax Increment Financing, the Spirit Lake Redevelopment Area is a good candidate for use of this financing method.

² Idaho Economic Forecast, Department of Financial Management, January, 2002, Page 27.

Appendix 1

TAX VALUATION BY PARCEL

Appendix 2

DEBT SERVICE SCHEDULE

Year	Principal	Interest
2005	0	0
2006	1,000,000	124,366
2007	1,000,000	124,366
2008	1,000,000	124,366
2009	1,000,000	124,366
2010	1,000,000	124,366
2011	2,000,000	248,732
2012	2,000,000	248,732
2013	4,000,000	497,464
2014	4,000,000	497,464
2015	4,000,000	2,547,175
TOTAL		4,661,399

Loan Amounts	\$1,000,000 to \$4,000,000
Interest Rate	4.5%
Term (Years)	10
Present Value Discount	3%
Debt Service Margin	15% (\$699,210 over ten years)
Balloon Payment	In Year 4 of 10 on \$4.0 million Bond

TAXING DISTRICT PROJECTIONS

Tax Increment Available for Districts after Bond Retirement

Year	2015
Tax Increment Available for Districts	\$1,356,704
Kootenai County	208,981
Spirit Lake	416,440
Lakes Highway	62,635
Lakeland School District 272	477,134
Spirit Lake Fire	95,037
Kootenai County Library	23,492
North Idaho College	59,690
Kootenai EMS	13,297
Total	<u>\$1,356,704</u>

This additional tax revenue may not be available without the Tax Increment Financing Project.

APPENDIX A

Project Costs

**SPIRIT LAKE TAX INCREMENT PROJECTS
ESTIMATED COSTS**

Project:	Estimated Costs:
1) Highway 41	\$ 500,000
2) City Streets	2,500,000
3) City Parks	500,000
4) City Cemetery	500,000
GRAND TOTAL OVERALL COSTS:	<u>\$4,000,000</u>

APPENDIX B

Idaho Code:

Title 50, Chapter 20 Urban Renewal Law

Title 50, Chapter 29, Local Economic Development Act

**URBAN RENEWAL LAW
TABLE OF CONTENTS**

TITLE 50, CHAPTER 20, URBAN RENEWAL LAW 1

TITLE 50, CHAPTER 29, LOCAL ECONOMIC DEVELOPMENT ACT 18

**TITLE 50
MUNICIPAL CORPORATIONS
CHAPTER 20
URBAN RENEWAL LAW**

50-2001. SHORT TITLE. This act shall be known and may be cited as the "Idaho Urban Renewal Law of 1965".

50-2002. FINDINGS AND DECLARATIONS OF NECESSITY. It is hereby found and declared that there exist in municipalities of the state deteriorated and deteriorating areas (as herein defined) which constitute a serious and growing menace, injurious to the public health, safety, morals and welfare of the residents of the state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of these conditions is a matter of state policy and state concern in order that the state and its municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, and consume an excessive proportion of its revenue because of the extra services required for police, fire, accident, hospitalization and other forms of public protection, services and facilities.

It is further found and declared that certain of such areas, or portions thereof, may require acquisition, clearance, and disposition subject to use restrictions, as provided in this act, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation; that other areas or portions thereof may, through the means provided in this act, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils hereinbefore enumerated may be eliminated, remedied or prevented; and that salvageable areas can be conserved and rehabilitated through appropriate public action as herein authorized, and the cooperation and voluntary action of the owners and tenants of property in such areas.

It is further found and declared that the powers conferred by this act are for public uses and purposes for which public money may be expended as herein provided and the power of eminent domain and police power exercised; and that the necessity in the public interest for the provisions herein enacted is hereby declared as a matter of legislative determination.

50-2003. ENCOURAGEMENT OF PRIVATE ENTERPRISE. An urban renewal agency, to the greatest extent it determines to be feasible in carrying out the provisions of this act, shall afford maximum opportunity, consistent with the sound needs of the municipality as a whole, to the rehabilitation or redevelopment of the urban renewal area by private enterprise. A municipality shall also give consideration to this objective in exercising its powers under this act, including the formulation of a workable program, the approval of urban renewal plans, community-wide plans or programs for urban renewal, and general neighborhood renewal plans (consistent with the general plan of the municipality), the exercise of its zoning powers, the enforcement of other laws, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements, and the provision of necessary public improvements.

50-2004. WORKABLE PROGRAM. A municipality for the purposes of this act may formulate for the municipality a workable program for utilizing appropriate private and public resources to eliminate, and prevent the development or spread of, slums and urban blight, to encourage needed urban rehabilitation,

or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for: the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning and occupancy controls and standards; the rehabilitation or conservation of slum and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds and other public improvements, by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and to cooperate with an urban renewal agency for the clearance and redevelopment of deteriorated or deteriorating areas or portions thereof.

50-2005. FINDING OF NECESSITY BY LOCAL GOVERNING BODY. No urban renewal agency and no municipality shall exercise the authority hereafter conferred by this act until after the local governing body shall have adopted a resolution finding that: (1) one or more deteriorated or deteriorating areas as defined in this act exist in such municipality; (2) the rehabilitation, conservation, redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such municipality; and (3) there is need for an urban renewal agency to function in the municipality.

50-2006. URBAN RENEWAL AGENCY.

- (a) There is hereby created in each municipality an independent public body corporate and politic to be known as the "urban renewal agency" for the municipality; provided, that such agency shall not transact any business or exercise its powers hereunder until or unless the local governing body has made the findings prescribed in section 50-2005, Idaho Code.
- (b) Upon the local governing body making such findings, the urban renewal agency is authorized to transact the business and exercise the powers hereunder by a board of commissioners to be appointed or designated as follows:
 - (1) The mayor, by and with the advice and consent of the local governing body, shall appoint a board of commissioners of the urban renewal agency which shall consist of not less than three (3) commissioners nor more than nine (9) commissioners. In the order of appointment, the mayor shall designate the number of commissioners to be appointed, and the term of each, provided that the original term of office of no more than two (2) commissioners shall expire in the same year. The commissioners shall serve for terms not to exceed five (5) years, from the date of appointment, except that all vacancies shall be filled for the unexpired term. For inefficiency or neglect of duty or misconduct in office, a commissioner may be removed only after a hearing and after he shall have been given a copy of the charges at least ten (10) days prior to such hearings and have had an opportunity to be heard in person or by counsel.
 - (2) By enactment of an ordinance, the local governing body may appoint and designate itself to be the board of commissioners of the urban renewal agency, in which case all the rights, powers, duties, privileges and immunities vested by the urban renewal law of 1965, and as amended, in an appointed board of commissioners, shall be vested in the local governing body, who shall, in all respects when acting as an urban renewal agency, be acting as an arm of state government, entirely separate and distinct from the municipality, to achieve, perform and accomplish the public purposes prescribed and provided by said urban renewal law of 1965, and as amended.

(3) By enactment of an ordinance, the local governing body may terminate the appointed board of commissioners and thereby appoint and designate itself as the board of commissioners of the urban renewal agency.

(c) A commissioner shall receive no compensation for his services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties. Each commissioner shall hold office until his successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk of the municipality and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner.

The powers of an urban renewal agency shall be exercised by the commissioners thereof. A majority of the commissioners shall constitute a quorum for the purpose of conducting business and exercising the powers of the agency and for all other purposes. Action may be taken by the agency upon a vote of a majority of the commissioners present, unless in any case the bylaws shall require a larger number.

The mayor may appoint a chairman, a cochairman, or a vice chairman for a term of office of one (1) year from among the commissioners, thereafter the commissioners shall elect the chairman, cochairman or vice chairman for a term of one (1) year from among their members. An agency may employ an executive director, technical experts and such other agents and employees, permanent and temporary, as it may require, and determine their qualifications, duties and compensation. For such legal service as it may require, an agency may employ or retain its own counsel and legal staff. An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, on or before March 31 of each year a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such calendar year. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and that the report is available for inspection during business hours in the office of the city clerk or county recorder and in the office of the agency.

(d) An urban renewal agency shall have the same fiscal year as a municipality and shall be subject to the same audit requirements as a municipality. An urban renewal agency shall be required to prepare and file with its local governing body an annual financial report and shall prepare, approve and adopt an annual budget for filing with the local governing body, for informational purposes. A budget means an annual estimate of revenues and expenses for the following fiscal year of the agency.

(e) An urban renewal agency shall comply with the public records law pursuant to chapter 3, title 9, Idaho Code, open meetings law pursuant to chapter 23, title 67, Idaho Code, the ethics in government law pursuant to chapter 7, title 59, Idaho Code, and the competitive bidding provisions of chapter 28, title 67, Idaho Code.

50-2007. POWERS. Every urban renewal agency shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, including the following powers in addition to others herein granted:

(a) to undertake and carry out urban renewal projects and related activities within its area of operation; and to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this act; and to disseminate slum clearance and urban renewal information;

- (b) to provide or to arrange or contract for the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with an urban renewal project; to install, construct, and reconstruct streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, other buildings or public improvements; and any improvements necessary or incidental to a redevelopment project; and to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of an urban renewal project and related activities, and to include in any contract let in connection with such a project and related activities, provisions to fulfill such of said conditions as it may deem reasonable and appropriate;
- (c) within its area of operation, to enter into any building or property in any urban renewal area in order to make inspections, surveys, appraisals, soundings or test borings, and to obtain, upon sufficient cause and after a hearing on the matter, an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted; to acquire by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property (or personal property for its administrative purposes) together with any improvements thereon; to hold, improve, renovate, rehabilitate, clear or prepare for redevelopment any such property or buildings; to mortgage, pledge, hypothecate or otherwise encumber or dispose of any real property; to insure or provide for the insurance of any real or personal property or operations of the municipality against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of this act: Provided, however, that no statutory provision with respect to the acquisition, clearance or disposition of property by public bodies shall restrict a municipality or other public body exercising powers hereunder in the exercise of such functions with respect to an urban renewal project and related activities, unless the legislature shall specifically so state;
- (d) with the approval of the local governing body, (1) prior to approval of an urban renewal plan, or approval of any modifications of the plan, to acquire real property in an urban renewal area, demolish and remove any structures on the property, and pay all costs related to the acquisition, demolition, or removal, including any administrative or relocation expenses; and (2) to assume the responsibility to bear any loss that may arise as the result of the exercise of authority under this subsection in the event that the real property is not made part of the urban renewal project;
- (e) to invest any urban renewal funds held in reserves or sinking funds or any such funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to redeem such bonds as have been issued pursuant to section 50-2012, Idaho Code, at the redemption price established therein or to purchase such bonds at less than redemption price, all such bonds so redeemed or purchased to be canceled;
- (f) to borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the federal government, the state, county, or other public body, or from any sources, public or private, for the purposes of this act, and to give such security as may be required and to enter into and carry out contracts or agreements in connection therewith; and to include in any contract for financial assistance with the federal government for or with respect to an urban renewal project and related activities such conditions imposed pursuant to federal laws as the municipality may deem reasonable and appropriate and which are not inconsistent with the purposes of this act;

- (g) within its area of operation, to make or have made all surveys and plans necessary to the carrying out of the purposes of this act and to contract with any person, public or private, in making and carrying out such plans and to adopt or approve, modify and amend such plans, which plans may include, but are not limited to: (1) plans for carrying out a program of voluntary compulsory repair and rehabilitation of buildings and improvements, (2) plans for the enforcement of state and local laws, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements, and (3) appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects and related activities; and to develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight and developing and demonstrating new or improved means of providing housing for families and persons of low income and to apply for, accept and utilize grants of funds from the federal government for such purposes;
- (h) to prepare plans for and assist in the relocation of persons (including individuals, families, business concerns, nonprofit organizations and others) displaced from an urban renewal area, and notwithstanding any statute of this state to make relocation payments to or with respect to such persons for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government;
- (i) to exercise all or any part or combination of powers herein granted;
- (j) in addition to its powers under subsection (b) of this section, an agency may construct foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights sites for buildings and to be used for residential, commercial, industrial, and other uses contemplated by the urban renewal plan, and to provide utilities to the development site; and
- (k) to lend or invest funds obtained from the federal government for the purposes of this act if allowable under federal laws or regulations.

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 thirty (30) 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 30 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 Public Law 875, Eighty-first Congress, 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.

50-2009. NEIGHBORHOOD AND COMMUNITY-WIDE PLANS.

- (a) An urban renewal agency or any public body authorized to perform planning work may prepare a general neighborhood renewal plan for urban renewal areas which may be of such scope that urban renewal activities may have to be carried out in stages over an estimated period of up to ten (10) years. Such plan may include, but is not limited to, a preliminary plan which (1) outlines the urban renewal activities proposed for the area involved, (2) provides a framework for the preparation of urban renewal plans, and (3) indicates generally the land uses, population density, building coverage, prospective requirements for rehabilitation and improvement of property and portions of the area contemplated for clearance and redevelopment. A general neighborhood renewal plan shall, in the determination of the local governing body, conform to the general plan of the locality as a whole and the workable program of the municipality.
- (b) A municipality or any public body authorized to perform planning work may prepare or complete a community-wide plan or program for urban renewal which shall conform to the general plan for the development of the municipality as a whole and may include, but is not limited to, identification of slum, blighted, deteriorated or deteriorating areas, measurement of blight, determination of resources needed and available to renew such areas, identification of potential project areas and types of action contemplated, and scheduling of urban renewal activities.
- (c) Authority is hereby vested in every municipality to prepare, to adopt and to revise from time to time, a general plan for the physical development of the municipality as a whole (giving due regard to the environs and metropolitan surroundings), to establish and maintain a planning commission for such purpose and related municipal planning activities, and to make available and to appropriate necessary funds therefor.

50-2010. ACQUISITION OF PROPERTY.

- (a) An urban renewal agency shall have the right to acquire by negotiation or condemnation any interest in real property, including a fee simple title thereto, which it may deem necessary for or in connection with an urban renewal project and related activities under this act. An urban renewal agency may exercise the power of eminent domain in the manner now or which may be hereafter provided by any other statutory provisions for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired in like manner: Provided, that no real property belonging to the United States, the state, or any political subdivision of the state, may be acquired without its consent.
- (b) In any proceeding to fix or assess compensation for damages for the taking or damaging of property, or any interest therein, through the exercise of the power of eminent domain or condemnation, evidence or testimony bearing upon the following matters shall be admissible and shall be considered in fixing such compensation or damages, in addition to evidence or testimony otherwise admissible:
 - (1) any use, condition, occupancy, or operation of such property, which is unlawful or violative of, or subject to elimination, abatement, prohibition, or correction under, any law or any ordinance or regulatory measure of the state, county, municipality, other political subdivision, or any agency thereof, in which such property is located, as being unsafe, substandard, insanitary or otherwise contrary to the public health, safety, or welfare;

- (2) the effect on the value of such property, of any such use, condition, occupancy, or operation, or of the elimination, abatement, prohibition, or correction of any such use, condition, occupancy, or operation.
- (c) The foregoing testimony and evidence shall be admissible notwithstanding that no action has been taken by any public body or public officer toward the abatement, prohibition, elimination or correction of any such use, condition, occupancy, or operation. Testimony or evidence that any public body or public officer charged with the duty or authority so to do has rendered, made or issued any judgment, decree, determination or order for the abatement, prohibition, elimination or correction of any such use, condition, occupancy, or operation shall be admissible and shall be prima facie evidence of the existence and character of such use, condition or operation.

50-2011. DISPOSAL OF PROPERTY IN URBAN RENEWAL AREA.

- (a) An urban renewal agency may sell, lease, or otherwise transfer real property or any interest therein acquired by it for an urban renewal project, and may enter into contracts with respect thereto, in an urban renewal area for residential, recreational, commercial, industrial, educational or other uses or for public use, or may retain such property or interest for public use, in accordance with the urban renewal plan, subject to such covenants, conditions and restrictions, including covenants running with the land, as it may deem to be necessary or desirable to assist in preventing the development or spread of future slums or blighted areas or to otherwise carry out the purposes of this act: Provided, that such sale, lease, other transfer, or retention, and any agreement relating thereto, may be made only after the approval of the urban renewal plan by the local governing body. The purchasers or lessees and their successors and assigns shall be obligated to devote such real property only to the uses specified in the urban renewal plan, and may be obligated to comply with such other requirements as the urban renewal agency may determine to be in the public interest, including the obligation to begin within a reasonable time any improvements on such real property required by the urban renewal plan. Such real property or interest shall be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan except property disposed of by it to the community or any other public body which property must be disposed of pursuant to the provisions of subsection (f) of section 50-2015, Idaho Code, even though such fair value may be less than the cost of acquiring and preparing the property for redevelopment. In determining the fair value of real property for uses in accordance with the urban renewal plan, an urban renewal agency shall take into account and give consideration to the uses provided in such plan; the restrictions upon, and the covenants, conditions and obligations assumed by the purchaser or lessee or by the urban renewal agency retaining the property; and the objectives of such plan for the prevention of the recurrence of slum or blighted areas. The urban renewal agency in any instrument of conveyance to a private purchaser or lessee may provide that such purchaser or lessee shall be without power to sell, lease or otherwise transfer the real property without the prior written consent of the urban renewal agency until he has completed the construction of any or all improvements which he has obligated himself to construct thereon. Real property acquired by an urban renewal agency which, in accordance with the provisions of the urban renewal plan, is to be transferred, shall be transferred as rapidly as feasible in the public interest consistent with the carrying out of the provisions of the urban renewal plan. Any contract for such transfer and the urban renewal plan (or such part or parts of such contract or plan as the urban renewal agency may determine) may be recorded in the land records of the county in such manner as to afford actual or constructive notice thereof.
- (b) An urban renewal agency may dispose of real property in an urban renewal area to private persons only under such reasonable competitive bidding procedures as it shall prescribe or as hereinafter

provided in this subsection. An urban renewal agency may, by public notice by publication in a newspaper having a general circulation in the community (thirty (30) days prior to the execution of any contract to sell, lease or otherwise transfer real property and prior to the delivery of any instrument of conveyance with respect thereto under the provisions of this section) invite proposals from and make available all pertinent information to private redevelopers or any persons interested in undertaking to redevelop or rehabilitate an urban renewal area, or any part thereof. Such notice shall identify the area, or portion thereof, and shall state that proposals shall be made by those interested within thirty (30) days after the date of publication of said notice, and that such further information as is available may be obtained at such office as shall be designated in said notice. The urban renewal agency shall consider all such redevelopment or rehabilitation proposals and the financial and legal ability of the persons making such proposals to carry them out, and may negotiate with any persons for proposals for the purchase, lease or other transfer of any real property acquired by the agency in the urban renewal area. The urban renewal agency may accept such proposal as it deems to be in the public interest and in furtherance of the purposes of this act. The agency may execute such contract in accordance with the provisions of subsection (a) and deliver deeds, leases and other instruments and take all steps necessary to effectuate such contract.

- (c) An urban renewal agency may temporarily operate and maintain real property acquired by it in an urban renewal area for or in connection with an urban renewal project pending the disposition of the property as authorized in this act, without regard to the provisions of subsection (a) above, for such uses and purposes as may be deemed desirable even though not in conformity with the urban renewal plan.
- (d) Any real property acquired pursuant to section 50-2007(d) may be disposed of without regard to other provisions of this section if the local governing body has consented to the disposal.
- (e) Notwithstanding any other provisions of this act, and notwithstanding subsection (b) of this section, land in an urban renewal project area designated under the urban renewal plan for industrial or commercial uses may be disposed of to any public body or nonprofit corporation for subsequent disposition as promptly as practicable by the public body or corporation for redevelopment in accordance with the urban renewal plan, and only the purchaser from or lessee of the public body or corporation, and their assignees, shall be required to assume the obligation of beginning the building of improvements within a reasonable time. Any disposition of land to a nonprofit corporation under this subsection shall be made at its fair value for uses in accordance with the urban renewal plan. Any disposition of land to a public body under this subsection shall be made pursuant to the provisions of subsection (f) of section 50-2015, Idaho Code.
- (f) Property previously acquired or acquired by an agency for rehabilitation and resale shall be offered for disposition within three (3) years after completion of rehabilitation, or an annual report shall be published by the agency in a newspaper of general circulation published in the community listing any rehabilitated property held by the agency in excess of such three (3) year period, stating the reasons such property remains unsold and indicating plans for its disposition.

50-2012. ISSUANCE OF BONDS.

- (a) An urban renewal agency shall have power to issue bonds from time to time in its discretion to finance the undertaking of any urban renewal project under this act, including, without limiting the generality thereof, the payment of principal and interest upon any advances for surveys and plans or preliminary loans, and shall also have power to issue refunding bonds for the payment or retirement of such bonds previously issued by it. Such bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the urban renewal

agency derived from or held in connection with its undertaking and carrying out of urban renewal projects under this act: Provided, however, that payment of such bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant or contribution from the federal government or other source, in aid of any urban renewal projects under this act, and by a mortgage of any such urban renewal projects, or any part thereof, title to which is in the urban renewal agency.

- (b) Bonds issued under this section shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to the provisions of any other law or charter relating to the authorization, issuance or sale of bonds. Bonds and other obligations of an urban renewal agency (and such bonds and obligations shall so state on their face) shall not be a debt of the municipality, the state or any political subdivision thereof, and neither the municipality, the state nor any political subdivision thereof shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds other than those of said urban renewal agency. Bonds issued under the provisions of this act are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempted from all taxes.
- (c) Bonds issued under this section shall be authorized by resolution or ordinance of the urban renewal agency and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time, or times, bear interest at a rate or rates, be in such denomination or denominations, be in such form either with or without coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of repayment, at such place or places, and be subject to such terms of redemption (with or without premium), be secured in such manner, and have such other characteristics, as may be provided by such resolution or ordinance, or trust indenture or mortgage issued pursuant thereto.
- (d) Such bonds may be sold at not less than par at public or private sales held after notice published prior to such sale in a newspaper having a general circulation in the area of operation and in such other medium of publication as the agency may determine or may be exchanged for other bonds on the basis of par: Provided, that such bonds may be sold to the federal government at private sale at not less than par, and, in the event less than all of the authorized principal amount on such bonds is sold to the federal government, the balance may be sold at private sale at not less than par at an interest cost to the agency of not to exceed the interest cost to the agency of the portion of the bonds sold to the federal government.
- (e) In case any of the officials of the urban renewal agency whose signatures appear on any bonds or coupons issued under this act shall cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this act shall be fully negotiable.
- (f) In any suit, action or proceeding involving the validity or enforceability of any bond issued under this act or the security therefor, any such bond reciting in substance that it has been issued by the agency in connection with an urban renewal project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of this act.

50-2013. BONDS AS LEGAL INVESTMENTS. All banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and

other persons carrying on a banking or investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business; and all executors, administrators, curators, trustees, and other fiduciaries, may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by an urban renewal agency pursuant to this act: Provided that such bonds and other obligations shall be secured by an agreement between the issuer and the federal government in which the issuer agrees to borrow from the federal government and the federal government agrees to lend to the issuer, prior to the maturity of such bonds or other obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of principal and interest on such bonds or other obligations) will suffice to pay the principal of such bonds or other obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such bonds or other obligations at their maturity. Such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. Nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities.

50-2014. PROPERTY EXEMPT FROM TAXES AND FROM LEVY AND SALE BY VIRTUE OF AN EXECUTION.

- (a) All property of an urban renewal agency, including funds, owned or held by it for the purposes of this act shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall judgment against an agency be a charge or lien upon such property: Provided, however, that the provisions of this section shall not apply to or limit the right of obligees to pursue any remedies for the enforcement of and pledge or lien given pursuant to this act by an agency on its rents, fees, grants or revenues from urban renewal projects.
- (b) The property of an urban renewal agency, acquired or held for the purposes of this act, is declared to be public property used for essential public and governmental purposes and effective the date an urban renewal agency acquires title to such property it shall be exempt from all taxes of the municipality, the county, the state or any political subdivision thereof: Provided, that such tax exemption shall terminate when the agency sells, leases or otherwise disposes of such property in an urban renewal area for redevelopment to a purchaser or lessee which is not a public body entitled to tax exemption with respect to such property.

50-2015. COOPERATION BY PUBLIC BODIES.

- (a) For the purpose of aiding in the planning, undertaking or carrying out of an urban renewal project and related activities authorized by this act, any public body may, upon such terms, with or without consideration, as it may determine:
 - (1) dedicate, sell, convey or lease any of its interest in any property or grant easements, licenses or other rights or privileges therein to an urban renewal agency;
 - (2) incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section;
 - (3) do any and all things necessary to aid or cooperate in the planning or carrying out of an urban renewal plan and related activities;

- (4) grant or contribute funds to an urban renewal agency and borrow money and apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, the state, county or other public body, or from any other source;
- (5) enter into agreements (which may extend over any period, notwithstanding any provision or rule of law to the contrary) with the federal government, an urban renewal agency or other public body respecting action to be taken pursuant to any of the powers granted by this act, including the furnishing of funds or other assistance in connection with an urban renewal project and related activities; and
- (6) cause public buildings and public facilities, including parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake to be furnished; furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan streets, roads, sidewalks, ways or other places; plan or replan, zone or rezone any part of the public body or make exceptions from building regulations; and cause administrative and other services to be furnished to the urban renewal agency.

If at any time title to or possession of any urban renewal project is held by any public body or governmental agency, other than the urban renewal agency, which is authorized by law to engage in the undertaking, carrying out, or administration of urban renewal projects and related activities (including any agency or instrumentality of the United States of America), the provisions of the agreements referred to in this section shall inure to the benefit of and may be enforced by such public body or governmental agency.

- (b) Any sale, conveyance, lease or agreement provided for in this section may be made by a public body without appraisal, public notice, advertisement or public bidding.
- (c) For the purpose of aiding in the planning, undertaking or carrying out of any urban renewal project and related activities of an urban renewal agency, a municipality may (in addition to its other powers and upon such terms, with or without consideration, as it may determine) do and perform any or all of the actions or things which, by the provisions of subsection (a) of this section, a public body is authorized to do or perform, including the furnishing of financial and other assistance: Provided, that nothing contained in this section shall be construed as authorizing a municipality to give credit or make loans to an urban renewal agency.
- (d) For the purposes of this section, a municipality may (in addition to its other powers):
 - (1) appropriate such funds and make such expenditures as may be necessary to carry out the purposes of this act, and levy taxes and assessments for curbs and gutters, streets and sidewalks; zone or rezone any part of the municipality or make exceptions from building regulations; and enter into agreements with an urban renewal agency (which agreements may extend over any period, notwithstanding any provisions or rule of law to the contrary), respecting action to be taken by such municipality pursuant to any of the powers granted by this act:[:]
 - (2) close, vacate, plan or replan streets, roads, sidewalks, ways or other places; and plan or replan any part of the municipality;
 - (3) within its area of operation, organize, coordinate and direct the administration of the provisions of this act as they apply to such municipality in order that the objective of

remedying slum and blighted areas and preventing the causes thereof within such municipality may be most effectively promoted and achieved, and establish such new office or offices of the municipality or to reorganize existing offices in order to carry out such purpose most effectively; and

- (4) assume the responsibility to bear any loss that may arise as the result of the exercise of authority by the urban renewal agency under subsection (d) of section 50-2007, Idaho Code, in the event that the real property is not made a part of the urban renewal project.
- (e) For the purposes of this section, or for the purpose of aiding in the planning, undertaking or carrying out of an urban renewal project and related activities of a municipality, such municipality may issue and sell its general obligation bonds. Any bonds issued by a municipality pursuant to this section shall be issued in the manner and within the limitations prescribed by the applicable laws of this state for the issuance and authorization of general obligation bonds by such municipality. Nothing in this section shall limit or otherwise adversely affect any other section of this act.
- (f) Purchase and buy or otherwise acquire land in a project area from an agency for redevelopment in accordance with the plan, with or without consideration[,] as the agency may determine. Any public body which purchases, buys or otherwise acquires land in a project area from an agency for development pursuant to this subsection shall become obligated to:
 - (1) use the property for the purpose designated in the redevelopment plans;
 - (2) begin the redevelopment of the project area within a period of time which the agency fixes as reasonable; and
 - (3) comply with other conditions which the agency deems necessary to carry out the purposes of this act.

50-2016. TITLE OF PURCHASER. Any instrument executed by an urban renewal agency and purporting to convey any right, title or interest in any property under this act shall be conclusively presumed to have been executed in compliance with the provisions of this act insofar as title or other interest of any bona fide purchasers, lessees or transferees of such property is concerned.

50-2017. INTERESTED PUBLIC OFFICIALS, COMMISSIONERS OR EMPLOYEES. No public official or employee of a municipality (or board or commission thereof), and no commissioner or employee of an urban renewal agency shall voluntarily acquire any personal interest, direct or indirect, in any urban renewal project, or in any property included or planned to be included in any urban renewal project in such municipality or in any contract or proposed contract in connection with such urban renewal project. Where such acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the agency and such disclosure shall be entered upon the minutes of the agency. If any such official, commissioner or employee presently owns or controls, or owned or controlled within the preceding two (2) years, any interest, direct or indirect, in any property which he knows is included or planned to be included in an urban renewal project, he shall immediately disclose this fact in writing to the agency, and such disclosure shall be entered upon the minutes of the agency, and any such official, commissioner or employee shall not participate in any action by the municipality (or board or commission thereof), or urban renewal agency affecting such property. Any violation of the provisions of this section shall constitute misconduct in office.

50-2018. DEFINITIONS. 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(1), Idaho Code, absent the consent of the owner of the agricultural operation, except for an agricultural operation that has not been used for three (3) consecutive years.
- (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(1), Idaho Code, absent the consent of the owner of the agricultural operation, except for an agricultural operation that has not been used for three (3) consecutive years.
- (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.

50-2019 – 40-2026. [Repealed.]

50-2027. LIMITATIONS ON REVIEW OF ADOPTION OR MODIFICATION OF PLAN, AND ISSUANCE OF BONDS.

- (1) No direct or collateral action attacking or otherwise questioning the validity of any urban renewal plan, project or modification thereto (including one containing a revenue allocation provision), or the adoption or approval of such plan, project or modification, or any of the findings or determinations of the agency or the local governing body in connection with such plan, project or modification, shall be brought prior to the effective date of the ordinance adopting or modifying the plan. No direct or collateral action attacking or otherwise questioning the validity of bonds issued pursuant to section 50-2012, Idaho Code, or section 50-2026(a), Idaho Code, shall be brought prior to the effective date of the resolution or ordinance authorizing such bonds.

- (2) For a period of thirty (30) days after the effective date of the ordinance or resolution, any person in interest shall have the right to contest the legality of such ordinance, resolution or proceeding or any bonds which may be authorized thereby. No contest or proceeding to question the validity or legality of any ordinance, resolution or proceeding, or any bonds which may be authorized thereby, passed or adopted under the provisions of this chapter shall be brought in any court by any person for any cause whatsoever, after the expiration of thirty (30) days from the effective date of the ordinance, resolution or proceeding, and after such time the validity, legality and regularity of such ordinance, resolution or proceeding or any bonds authorized thereby shall be conclusively presumed. If the question of the validity of any adopted plan or bonds issued pursuant to this chapter is not raised within thirty (30) days from the effective date of the ordinance, resolution or proceeding issuing said bonds and fixing their terms, the authority of the plan, the authority adopting the plan, or the authority to issue the bonds, and the legality thereof, the same shall be conclusively presumed and no court shall thereafter have authority to inquire into such matters.

50-2031. SEVERABILITY. The provisions of the Idaho Urban Renewal Law of 1965, as it now exists or may hereafter be amended are hereby declared to be severable and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of remaining portions of this act.

50-2032. SEVERABILITY. The provisions of this act are hereby declared to be severable; and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of remaining portions of this act.

**TITLE 50
MUNICIPAL CORPORATIONS
CHAPTER 29
LOCAL ECONOMIC DEVELOPMENT ACT**

50-2901. SHORT TITLE. This act may be known and cited as the "Local Economic Development Act."

50-2902. FINDINGS AND PURPOSE. It is hereby found and declared that there exists in municipalities a need to raise revenue to finance the economic growth and development of urban renewal areas and competitively disadvantaged border community areas. The purpose of this act is to provide for the allocation of a portion of the property taxes levied against taxable property located in a revenue allocation area for a limited period of time to assist in the financing of urban renewal plans, to encourage private development in urban renewal areas and competitively disadvantaged border community areas, to prevent or arrest the decay of urban areas due to the inability of existing financing methods to promote needed public improvements, to encourage taxing districts to cooperate in the allocation of future tax revenues arising in urban areas and competitively disadvantaged border community areas in order to facilitate the long-term growth of their common tax base, and to encourage private investment within urban areas and competitively disadvantaged border community areas. The foregoing purposes are hereby declared to be valid public purposes for municipalities.

50-2903. DEFINITIONS. 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) "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.
- (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.
- (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 section 50-2008, 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 municipal 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 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-four (24) 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-four (24) year maximum limitation. Provided however, the duration of a revenue allocation financing provision may be extended as provided in section 50-2904, Idaho Code.

50-2904. AUTHORITY TO CREATE REVENUE ALLOCATION AREA. An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan or competitively disadvantaged border community area ordinance. A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area or thereafter as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area. Urban renewal plans existing prior to the effective date of this section may be modified to include a revenue allocation financing provision. Except as provided below, no revenue allocation provision of an urban renewal plan or competitively disadvantaged border community area ordinance, including all amendments thereto, shall have a duration exceeding twenty-four (24) years from the date the ordinance is approved by the municipality. The duration of the revenue allocation financing provision may be extended if:

- (1) The maturity date of any bonds issued to provide funds for a specific project in the revenue allocation area and payable from the revenue allocation financing provision exceeds the duration of the revenue allocation financing provision, provided such bond maturity is not greater than thirty (30) years; or
- (2) The urban renewal agency determines that it is necessary to refinance outstanding bonds payable from the revenue allocation financing provision to a maturity exceeding the twenty-four (24) year duration of the revenue allocation financing provision in order to avoid a default on the bonds; or
- (3) The local governing body has adopted an urban renewal plan or competitively disadvantaged border community area ordinance or an amendment to an urban renewal plan or competitively disadvantaged border community area ordinance prior to July 1, 2000, in which is defined the duration of the plan beyond a period of twenty-four (24) years, in which case the revenue allocation provision shall have a duration as described in such urban renewal plan or competitively disadvantaged border community ordinance; and
- (4) During the extensions set forth in subsections (1) and (2) of this section, any revenue allocation revenues exceeding the amount necessary to repay the bonds during the period exceeding the twenty-four (24) year maturity of the revenue allocation financing provision shall be returned to the taxing districts in the revenue allocation area on a pro rata basis.

50-2905. RECOMMENDATION OF URBAN RENEWAL AGENCY. In order to implement the provisions of this chapter, the urban renewal agency of the municipality shall prepare and adopt a plan for each revenue allocation area and submit the plan and recommendation for approval thereof to the local governing body. The plan shall include a statement listing:

- (1) The kind, number, and location of all proposed public works or improvements within the revenue allocation area;
- (2) An economic feasibility study;
- (3) A detailed list of estimated project costs;
- (4) 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; and
- (5) A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred.
- (6) 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.
- (7) 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.

50-2906. PUBLIC HEARING AND ORDINANCE REQUIRED.

- (1) To adopt a new urban renewal plan or create a competitively disadvantaged border community area containing a revenue allocation financing provision, the local governing body of an authorized municipality must enact an ordinance in accordance with chapter 9, title 50, Idaho Code, and section 50-2008, Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance in accordance with chapter 9, title 50, Idaho Code, and conduct a public hearing as provided in section 50-2008(c), Idaho Code. No urban renewal project, plan, competitively disadvantaged border community area or modification thereto, or revenue allocation financial provision shall be held ineffective for failure to comply with the requirements of this section if compliance with the section is substantial and in good faith and administrative authority of both the local governing body and urban renewal agency does not extend beyond the municipal boundary of the authorized municipality. Urban renewal plans and revenue allocation financing provisions may be held ineffective if an urban renewal area or revenue allocation area extends outside the municipal boundary of an authorized municipality and a transfer of powers ordinance has not been adopted by the cooperating county.
- (2) A revenue allocation financing provision adopted in accordance with this chapter shall be effective retroactively to January 1 of the year in which the local governing body of the authorized municipality enacts such ordinance.

- (3) The local governing body of an authorized municipality shall prepare a notice stating: (a) that an urban renewal plan or modification thereto or a competitively disadvantaged border community area has been proposed and is being considered for adoption, and that such plan or modification thereto or proposal to create a competitively disadvantaged border community area contains a revenue allocation financing provision that will cause property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation as shown on the base assessment roll to be allocated to the agency for urban renewal and competitively disadvantaged border community area purposes; and (b) that an agreement on administration of a revenue allocation financing provision extending beyond the municipal boundary of the authorized municipality has been negotiated with the cooperating county having extraterritorial power and that the agreement has been formalized by a transfer of power ordinance adopted by that county; and (c) that a public hearing on such plan or modification will be held by the local governing body pursuant to section 50-2008(c), Idaho Code. The notice shall also state the time, date, and place of the hearing. At least thirty (30) days but not more than sixty (60) days prior to the date set for final reading of the ordinance, the local governing body shall publish the notice in a newspaper of general circulation and transmit the notice, together with a copy of the plan and recommendation of the urban renewal agency or the municipality which by ordinance created the competitively disadvantaged border community area, to the governing body of each taxing district which levies taxes upon any taxable property in the revenue allocation area and which would be affected by the revenue allocation financing provision of the urban renewal plan proposed to be approved by the local governing body.

50-2907. TRANSMITTAL OF REVENUE ALLOCATION AREA DESCRIPTION AND OTHER DOCUMENTS TO TAXING AGENCIES.

- (1) After the effective date of an ordinance enacted by the local governing body of an authorized municipality, the clerk of the authorized municipality shall transmit, to the county auditor and tax assessor of the county in which the revenue allocation area is located, to the affected taxing districts, and to the state tax commission, a copy of the ordinance enacted, a copy of the legal description of the boundaries of the revenue allocation area, and a map indicating the boundaries of the revenue allocation area.
- (2) For revenue allocation areas extending beyond the corporate municipal boundary of the authorized municipality, the copy of the ordinance enacted by the authorized municipality shall include, as an attachment, a copy of the transfer of powers ordinance adopted by the cooperating county under section 50-2906(3)(b), Idaho Code.
- (3) Such documents shall be transmitted within the time required by section 63-215, Idaho Code.

50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND.

- (1) For purposes of calculating the rate at which taxes shall be levied by or for each taxing district in which a revenue allocation area is located, the county commissioners shall, with respect to the taxable property located in such revenue allocation area, use the equalized assessed value of such taxable property as shown on the base assessment roll rather than on the current equalized assessed valuation of such taxable property.
- (2) With respect to each such taxing district, the tax rate calculated under subsection (1) of this section shall be applied to the current equalized assessed valuation of all taxable property in the taxing district, including the taxable property in the revenue allocation area. The tax revenues thereby produced shall be allocated as follows:

- (a) To the taxing district shall be allocated and shall be paid by the county treasurer:
 - (i) All taxes levied by the taxing district or on its behalf on taxable property located within the taxing district but outside the revenue allocation area; and
 - (ii) A portion of the taxes levied by the taxing district or on its behalf on the taxable property located within the revenue allocation area, which portion is the amount produced by applying the taxing district's tax rate determined under subsection (1) of this section to the equalized assessed valuation, as shown on the base assessment roll, of the taxable property located within the revenue allocation area.
 - (b) To the urban renewal agency shall be allocated the balance, if any, of the taxes levied on the taxable property located within the revenue allocation area.
- (3) Upon enactment of an ordinance adopting a revenue allocation financing provision as part of an urban renewal plan, the urban renewal agency shall create a special fund or funds to be used for the purposes enumerated in this chapter. The revenues allocated to the urban renewal agency pursuant to this chapter, shall be paid to the agency by the treasurer of the county in which the revenue allocation district is located and shall be deposited by the agency into one (1) or more of such special funds. The agency may, in addition, deposit into such special fund or funds such other income, proceeds, revenues and funds it may receive from sources other than the revenues allocated to it under subsection (2)(b) of this section.
 - (4) For the purposes of section 63-803, Idaho Code, during the period when revenue allocation under this chapter is in effect, and solely with respect to any taxing district in which a revenue allocation area is located, the county commissioners shall, in fixing any tax levy, take into consideration the equalized assessed valuation of the taxable property situated in the revenue allocation area as shown in the base assessment roll, rather than the current equalized assessed value of such taxable property.
 - (5) For all other purposes, including, without limitation, for purposes of sections 33-802, 33-1002 and 63-1313, Idaho Code, reference in the Idaho Code to the term "market value for assessment purposes" (or any other such similar term) shall mean market value for assessment purposes as defined in section 63-208, Idaho Code.

50-2909. ISSUANCE OF BONDS -- BOND PROVISIONS.

- (1) If the local governing body of an authorized municipality has enacted an ordinance adopting a revenue allocation financing provision as part of an urban renewal plan, the urban renewal agency established by such municipality is hereby authorized and empowered:
 - (a) To apply the revenues allocated to it pursuant to section 50-2908, Idaho Code, for payment of the projected costs of any urban renewal project located in the revenue allocation area;
 - (b) To borrow money, incur indebtedness and issue one (1) or more series of bonds to finance or refinance, in whole or in part, the urban renewal projects authorized pursuant to such plan within the limits established by paragraph (c) of this subsection; and

- (c) To pledge irrevocably to the payment of principal of and interest on such moneys borrowed, indebtedness incurred or bonds issued by the agency the revenues allocated to it pursuant to section 50-2908, Idaho Code.

All bonds issued under this section shall be issued in accordance with section 50-2012, Idaho Code, except that such bonds shall be payable solely from the special fund or funds established pursuant to section 50-2908, Idaho Code.

- (2) The agency shall be obligated and bound to pay such borrowed moneys, indebtedness, and bonds as the same shall become due, but only to the extent that the moneys are available in a special fund or funds established under section 50-2908, Idaho Code; and the agency is authorized to maintain an adequate reserve therefor from any moneys deposited in such a special fund or funds.
- (3) Nothing in this chapter shall in any way impair any powers an urban renewal agency may have under subsection (a) of section 50-2012, Idaho Code.
- (4) When the revenue allocation area plan budget described in section 50-2903(5), Idaho Code, estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness and bonds have been paid in full, or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the agency funded through revenue allocation proceeds shall be satisfied and the agency has determined no additional project costs need be funded through revenue allocation financing, the allocation of revenues under section 50-2908, Idaho Code, shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the affected taxing districts in which the revenue allocation area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the revenue allocation area; and the powers granted to the urban renewal agency under section 50-2909, Idaho Code, shall hereupon terminate.

50-2910. BONDS NOT GENERAL OBLIGATION OF AGENCY OR MUNICIPALITY. Except to the extent of moneys deposited in a special fund or funds under this act and pledged to the payment of the principal of and interest on bonds or other obligations, the agency shall not be liable on any such bonds or other obligations. The bonds issued and other obligations incurred by any agency under this chapter shall not constitute a general obligation or debt of any municipality, the state or any of its political subdivisions. In no event shall such bonds or other obligations give rise to general obligation or liability of the agency, the municipality, the state, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds or properties other than the special fund or funds of the agency pledged therefor; and such bonds and other obligations shall so state on their face. Such bonds and other obligations shall not constitute an indebtedness or the pledging of faith and credit within the meaning of any constitutional or statutory debt limitation or restriction.

50-2911. LIMITATIONS ON REVIEW.

- (1) No direct or collateral action attacking or otherwise questioning the validity of any urban renewal plan, project or modification thereto (including one containing a revenue allocation provision), or the adoption or approval of such plan, project or modification, or any of the findings or determinations of the agency or the local governing body in connection with such plan, project or modification, shall be brought prior to the effective date of the ordinance adopting or modifying the plan. No direct or collateral action attacking or otherwise questioning the validity of bonds issued

pursuant to section 50-2909, Idaho Code, shall be brought prior to the effective date of the resolution or ordinance authorizing such bonds.

- (2) For a period of thirty (30) days after the effective date of the ordinance or resolution, any person in interest shall have the right to contest the legality of such ordinance, resolution or proceeding or any bonds which may be authorized thereby. No contest or proceeding to question the validity or legality of any ordinance, resolution or proceeding, or any bonds which may be authorized thereby, passed or adopted under the provisions of this chapter shall be brought in any court by any person for any cause whatsoever, after the expiration of thirty (30) days from the effective date of the ordinance, resolution or proceeding, and after such time the validity, legality and regularity of such ordinance, resolution or proceeding or any bonds authorized thereby shall be conclusively presumed. If the question of the validity of any adopted plan or bonds issued pursuant to this chapter is not raised within thirty (30) days from the effective date of the ordinance, resolution or proceeding issuing said bonds and fixing their terms, the authority of the plan, the authority adopting the plan, or the authority to issue the bonds, and the legality thereof, the same shall be conclusively presumed and no court shall thereafter have authority to inquire into such matters.

50-2912. SEVERABILITY. The provisions of this act are hereby declared to be severable and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of remaining portions of this act.

APPENDIX C

Notice of Public Hearing
Public Hearing Minutes

Spirit Lake City Council
Public Hearing
Community/Senior Center
6:30 P.M.

Mayor Roxy Martin called the hearing to order, there was a full Council present. The Council hearing was for the Urban Renewal Agency amendment. The amendment is to include the city parks in the URA, they had originally been excluded. There will be no dollar change... Tom Russell, chair of the URA gave a short presentation. Hearing was closed in a motion by Councilman Ventress, seconded by Councilwoman Tschida and a vote of aye by all.

Regular Council Meeting
7:00 PM

Mayor Martin called the meeting to order, followed by the Pledge of Allegiance. Roll call was taken by the Clerk. Council members present were Bill Erickson, Shelley Tschida, Todd Clary and Gary Ventress.

The minutes of the regular meeting and two special meetings were approved in a motion by Councilman Clary, seconded by Councilman Ventress and a roll call vote was taken. Council members Erickson, Tschida, Clary and Ventress all voting aye.

The financial statement and Accounts payable were approved in a motion by Councilwoman Tschida, seconded by Councilman Erickson and a roll call vote was taken. Council members Ventress, Clary, Tschida and Erickson all voting aye.

Cory & Melissa Speer were there to request permission to keep five dogs at their home; two are very old with health problems. The Speers live on 10th Ave, and have had complaints from neighbors regarding their dogs barking. Councilman Ventress moved to approve with the following conditions: 1. keep bark collars on the dogs, 2. no complaints from neighbors, 3. keep licensed, 4. no replacement of old dogs. Seconded by Councilwoman Tschida and a roll call vote was taken. Council members Ventress, Clary, Tschida, and Erickson all voting aye.

Tom Russell, Chamber President and Marc Kroetch, as vice chair, were present and presented plaques to the Mayor and Council in recognition of all their hard work this last year.

Liquor and Entertainment licenses for the year 2010 were approved in a motion by Councilwoman Tschida, seconded by Councilman Erickson and a roll call vote was taken. Council members Erickson, Tschida, Clary and Ventress all voting aye.

Mayor Martin read the title paragraph of the proposed ordinance #534, the amendment including the parks into the Urban Renewal projects. Councilman Ventress moved to suspend the three reading rule, seconded by Councilman Clary and a roll call vote was taken. Council members Erickson, Tschida, Clary and Ventress all voting aye. Councilman Clary moved to adopt the ordinance, seconded by Councilwoman Tschida and a roll call vote was taken. Council members Erickson, Tschida, Clary and Ventress all voting aye.

Sempre Annexation Agreement: Councilman Clary moved to accept the annexation agreement, seconded by Councilwoman Tschida and a roll call vote was taken. Council members Ventress, Clary, Tschida and Erickson all voting aye.

Sempre Annexation Ordinance: Mayor Martin read the title paragraph of the proposed ordinance #535. Councilman Clary moved to suspend the three reading rule, seconded by Councilwoman Tschida and a roll call vote was taken. Council members Ventress, Clary, Tschida, and Erickson all voting aye. Councilwoman Tschida moved to adopt ordinance #535, seconded by Councilman Clary and a roll call vote was taken. Council members Erickson, Tschida, Clary and Ventress all voting aye.

Spirit Shores project, Councilman Clary would like to see some changes to the contract before it goes out to bid, one change would be the name, not URA but City. Out to bid and back by March 1, and start construction on May 1, 2009, Also the scope of work. Councilwoman Tschida moved to accept changes mentioned, however if there is anything substantial should come back to the Council. Seconded by Councilman Erickson and a roll call vote was taken. Council members Erickson, Tschida, Clary and Ventress all voting aye.

Final plat for Fireside: Councilwoman Tschida moved to approve plat and authorize Mayor to sign, Seconded by Councilman Erickson and a roll call vote was taken. Council members Ventress, Clary, Tschida and Erickson all voting aye.

Mayor Martin appointed Sherry Schroeder to the city Planning and Zoning Commission (County representative) for a three year term. Councilwoman Tschida moved to approve Mayor's appointment, seconded by Councilman Clary and a roll call vote was taken. Council members Ventress, Clary, Tschida and Erickson all voting aye.

The Park & Rec. report was presented by Tonya Reed, she had a successful basket ball sign up for the 5th & 6th grade at Spirit Lake Elementary.

Chief Lawless presented the police department report, all is ready for Terrie Wise to go to POST in January. Working on dog contract with county and Post Falls. Needs/looking for tasers.

Councilman Ventress moved to adjourn the meeting, seconded by Councilman Erickson and a vote of aye by all.

APPENDIX D

Resolutions:

- 01-05-12, Agency Adoption of Plan
- 05-08-30B, Establishing Plan & Increment Area
- 09-08-11, Resolution of Deterioration

SPIRIT LAKE URBAN RENEWAL AGENCY
RESOLUTION NO. 01-05-12

A RESOLUTION OF THE SPIRIT LAKE URBAN RENEWAL AGENCY APPROVING A SPIRIT LAKE URBAN RENEWAL PLAN; CONFIRMING THE DETERIORATED DECLARATION; ADOPTING A REVENUE ALLOCATION AREA; MAKING CERTAIN FINDINGS AND CONCLUSIONS IN SUPPORT THEREOF; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS the City of Spirit Lake did on August 30, 2005, by Resolution No. 05-08-30B, declare that a specifically described portion of the city limits of the City of Spirit Lake was deteriorated and deterioration, and in need to remediation by an urban renewal agency, and

WHEREAS the City Council of the City of Spirit Lake recommended that the Mayor of the City of Spirit Lake appoint an urban renewal commission, and

WHEREAS the Mayor of the City of Spirit Lake did on December 13, 2005, with the advice and consent of the City Council, did establish by an Order of Appointment, the Spirit Lake Urban Renewal Agency, comprised of four Commissioners, and

WHEREAS the appointed Board of Commissioners of the Spirit Lake Renewal Agency has adopted By-Laws establishing its existence and has retained staff to assist it with its duties, and

WHEREAS staff of the Spirit lake Urban Renewal Agency has prepared an urban renewal plan pursuant to Title 50, Chapters 20 & 29, Idaho Code, for hearing and recommendation by the Board of Commissioners of the Spirit Lake Urban Renewal Agency, and

WHEREAS the Board of Commissioners of the Spirit Lake Urban Renewal Agency conducted a public hearing on December 13, 2005.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SPIRIT LAKE URBAN RENEWAL AGENCY AS FOLLOWS:

Section 1: The Agency hereby makes the following findings of fact:

- a. The area of the proposed plan has been previously declared by the City of Spirit Lake to be a deteriorated and deteriorating area, and the Agency finds that the deterioration described by the City Council does in fact exist.
- b. The Plan drafted by staff provides for varying methods to remediate the described deterioration and prevent future deterioration, and contains the necessary elements required by Idaho law, including a tax allocation feasibility study which finds that the estimated tax increment revenue is sufficient to repay the debt to be incurred to provide the improvements described within the Plan.

- c. The Plan drafted by staff indicates the type of improvements and rehabilitation projects that are proposed to be carried out, including land uses, densities, building requirements, methods of financing, and a revenue allocation provision.
- d. The Plan drafted by staff describes a revenue allocation area by metes and bounds description.
- e. The Plan drafted by staff conforms to the general plan of the City of Spirit Lake, and is in conformance with the Comprehensive Plan.
- f. The Plan drafted by staff does not anticipate the displacement of any families.
- g. The Plan drafted by staff will enhance public recreational facilities and activities within the City, and encourage private sector participation.

Section 2: The Spirit Lake Urban Renewal Agency does hereby adopt the Spirit Lake Urban Renewal as an urban renewal plan for recommendation to the City Council of the City of Spirit Lake for formal adoption as required by Idaho law. This resolution shall be effective upon its passage.

DATED this 13th day of December, 2005

SPIRIT LAKE URBAN RENEWAL AGENCY
An Idaho urban renewal agency

By: 
Gary Ventress, Chairman

CITY OF SPIRIT LAKE
RESOLUTION NO. 05-08-30B

A RESOLUTION OF THE CITY OF SPIRIT LAKE, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, MAKING FINDINGS THAT DETERIORATED AND DETERIORATING AREAS EXIST WITH THE CITY, DESCRIBING THE BOUNDARIES OF THE DETERIORATED AND DETERIORATING AREAS, DECLARING A NEED FOR AN URBAN RENEWAL AGENCY AND AN URBAN RENEWAL PLAN, AND REQUESTING THAT THE CITY COUNCIL APPOINT THEMSELVES AS AN URBAN RENEWAL COMMISSION.

WHEREAS, the city of Spirit Lake is an Idaho municipal corporation with the authority to declare all or a portion of its city limits as a deteriorated or deteriorating area pursuant to the Idaho Urban Renewal Law of 1965 (codified as Chapter 20, Title 50, Idaho Code, and

WHEREAS the City Council of the City of Spirit Lake has directed city representatives to study the magnitude of the deterioration and city representatives have reported to the City Council the nature of the deterioration and the area of the deterioration, and

WHEREAS the City Council of the City of Spirit Lake desires to begin to remediate existing deterioration and prevent future deterioration, in order to protect the public health, safety, morals and welfare of the residents of the municipality, and

WHEREAS Idaho law grants to municipal corporations the authority to create an urban renewal agency for the purposes of remediating and preventing municipal deterioration, and

WHEREAS Idaho law authorizes the City Council to appoint themselves as commissioners of the urban renewal agency and to designate the initial chairman of the commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPIRIT LAKE AS FOLLOWS:

Section 1. That there are areas within the city limits of the City of Spirit Lake that are deteriorated and/or deteriorating as defined in I.C. 50-2018 (h) and (i), as herein described without limitation:

- a. Buildings and improvements, both residential and non-residential which by reason of dilapidation, deterioration, age and obsolescence are detrimental to the public health, safety and welfare.

b. Inadequate public services and public buildings which substantially impairs the sound growth of the municipality and constitutes a social and economic liability, to wit:

- i. An inadequate wastewater collection system.
- ii. An inadequate domestic water supply system.
- iii. Inadequate public streets, sidewalks, curbs, and street lighting.
- iv. Inadequate public safety facilities.
- v. Inadequate public administration facilities.
- vi. Inadequate public parks and recreation facilities.

Section 2. That the area of deterioration and deteriorating conditions is described in Exhibit A and depicted in Exhibit B, attached hereto and incorporated by reference herein.

Section 3. That it is necessary for the City of Spirit Lake to form an urban renewal agency pursuant to Chapter 20, Title 50, Idaho Code, to adopt an urban renewal plan or plans in order to remediate the existing deterioration and to prevent future deterioration.

Section 4. That the City Council of the City of Spirit Lake chooses to appoint themselves as an urban renewal agency commission, comprised of all members of the Council not so residing within the boundaries of the District, and that the City Council will appoint an initial chairman of the commission.

ADOPTED AND APPROVED THIS 30TH DAY OF AUGUST, 2005


Roxy Martin, Mayor

ATTEST:


Barbara Brown, City Clerk

RESOLUTION NO.09-08-11

A RESOLUTION OF THE CITY OF SPIRIT LAKE FINDING DETERIORATED AND DETERIORATING AREAS OF THE CITY IN ADDITION TO THOSE PREVIOUSLY DESIGNATED IN RESOLUTION NO. 05-08-30B

WHEREAS, the Spirit Lake City Council previously adopted Resolution No. 05-08-30B on August 30, 2005 finding that certain areas described in the exhibits attached to the Resolution were deteriorated and/or deteriorating as defined in I.C. 50-2018(h) and (i); and

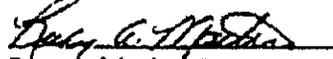
WHEREAS, the has City Council determined that there are additional areas within the city that are also deteriorated and/or deteriorating due to the dilapidation, age, deterioration and inadequacy of the public parks and recreation facilities; and

WHEREAS, Idaho laws grant to municipalities the authority to review the initial boundaries of an urban renewal district, to find that additional areas are deteriorated and/or deteriorating, and to include those areas within the boundaries of the established urban renewal district.

NOW THEREFORE, BE IT RESOLVED By the Mayor and City Council of the City of Spirit Lake as follows:

1. That there are areas within the city limits of the city of Spirit Lake, in addition to those describe in Resolution No. 05-08-30B, that have inadequate public services and public facilities which substantially impair the sound growth of the city and constitute a social and economic liability, to wit: Aging, dilapidated, deteriorated, and inadequate public parks and recreation facilities to serve the needs of the community.
2. That the additional specific areas deemed to be deteriorated and/or deteriorating pursuant to this Resolution are described in Exhibit A attached hereto and incorporated by reference herein.
3. That it is necessary to amend the boundaries of the previously adopted urban renewal plan, which already addresses the need for improvements to the public parks and recreations facilities, to include these areas of the city in order to remediate the existing deterioration and to prevent future deterioration of the public parks and recreation facilities.

ADOPTED AND APPROVED this 11 day of August, 2009.


Roxey A. Martin, Mayor

ATTEST:

Barbara L. Brown, City Clerk

Nancy M
4

Revised Legal Description of the Urban Renewal District for the Town of Spirit Lake
June 26, 2009

All that portion of Sections 5, 6, 7 and 8, Township 53 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, contained within the following described parcel:

Beginning at the Northwest Corner of said Section 5; thence East along the North Line of said Section 5 to the Northeast Corner of said Section 5; thence South along the East line of said Section 5 to the Southeast Corner of said Section 5; thence South along the East Line of said Section 8 to the Southeast Corner of the Northeast Quarter of the Northeast Quarter of said Section 8; thence West along the South Line of said Northeast Quarter of the Northeast Quarter of Section 8 to the Southwest Corner of said Northeast Quarter of the Northeast Quarter of Section 8; thence South along the West Line of the East Half of the East Half of said Section 8 to its intersection with the Southerly Right-of-Way Line of State Highway 54; thence Westerly, along said Southerly Right-of-Way Line of State Highway 54, to its intersection with the Westerly Right-of-Way Line of State Highway 41; thence Northerly along said Westerly Right-of-Way Line of State Highway 41 to its intersection with the South Line of Lakeview Addition to Spirit Lake; thence Westerly along said South Line to the Southeast Corner of Block "E" of said Lakeview Addition, being a point on the Northerly Right-of-Way Line of Connecticut Street; thence Westerly along said Northerly Right-of-Way Line to its intersection with the West Line of said Section 8; thence Northwesterly to the Southeast Corner of Tax Number 6254; thence Southwesterly along the South Line of said Tax Number 6254 to its intersection with the Westerly Right-of-Way Line of the County Road known as Spirit Lake Road; thence Southwesterly along said Right-of-Way Line 116 feet; thence Southwesterly 305 feet more or less to a point on the East Shore of Spirit Lake; thence Northerly, Northwesterly, Southwesterly, Southeasterly, Southwesterly, Northeasterly and Southeasterly to a point on the South Shore of Spirit Lake and the Westerly Right-of-Way of the County Road known as Spirit Lake Road; thence Southerly along said Westerly Right-of-Way to its intersection with the South Line of Government Lot 7 of said Section 7; thence west to the Southwest Corner of said Government Lot 7; thence North along the West Line of Government Lot 7 and Government Lot 8 to the North Line of said Section 7; thence North along the West Line of the East Half of the Southwest Quarter of said Section 6 to the Northwest Corner of said East Half of the Southwest Quarter; thence East along the North Line of said East Half of the Southwest Quarter and the North Line of the Northwest Quarter of the Northwest Quarter of the Southeast Quarter of said Section 6 to the Northeast Corner of said Northwest Quarter of the Northwest Quarter of the Southeast Quarter; thence North along the West Line of East Half of the Southwest Quarter of the Northeast Quarter of said Section 6 to the Northwest Corner of said East Half of the Southwest Quarter of the Northeast Quarter; thence East along the North Line of said East Half of the Southwest Quarter of the Northeast and the North Line of the Southeast Quarter of the Northeast Quarter of said Section 6 to its intersection with the West line of Tax Number 1522; thence North to the Northwest Corner of said Tax Number 1522; thence East along the North Line of said Tax Number 1522 to the West Line of said Section 5; thence North along said West Line to said Northwest Corner of Section 5, being the Point of Beginning.

Exhibit A'

Except for the following described parcels:

1.) Blocks 67 through 75 together with all streets and avenues lying between said blocks; Blocks 77 through 80, 83 through 86 and 89 and 90 together with all streets and avenues lying between said blocks; Madison Street, lying within the Southerly projection of the West Line of Block 67 and the East Line of Block 73; Harrison Street lying within the Northerly projection of the West Line of Block 69 and the East Line of Block 75 and South of the North Line of said Section 5; Madison Street, lying within the Southerly projection of the West Line of Block 78 and the East Line of Block 90; Blocks 88, 93, 99 through 102, Lot 1 and Lots 3 through 5 of Block 92, and Lots 2 through 5 of Block 91; all within "First Addition to Spirit Lake".

2.) Blocks 1, 2, 4 through 17, 22 through 25, Lots 1 through 13 and Lots 17 and 18 of Block 30; Block 31 and 33 through 66; Lots 13 through 22 of Block 18, together with the adjoining alleys; Lots 13 through 18 of Blocks 19 and 20, together with the adjoining alleys; Lots 13 through 18 of Block 21, together with the adjoining alley; Lots 1 through 6 of Block 26 through 29, together with the adjoining alleys; Lots 11 through 18 of Block 27, together with and the adjoining alley; Block 32 less Lots 7 and 8; that tract of land lying North of Maine Street, East of 2nd Avenue, South of Lot 7 of Block 31 and West of Lot 9 of said Block 31; Park Avenue; 1st through 3rd, 8th and 9th Avenues lying North of Maine Street; 4th, 6th and 7th Avenues lying North of the Southerly lots in Blocks 26 through 30; Park Drive; 3rd, 8th and 9th Avenues lying South of Maine Street; 4th, 6th and 7th Avenues lying South of the Northerly lots in Blocks 17 through 21; Monroe, Jefferson, Adams, Washington, New Hampshire and Vermont Streets lying between 1st and 5th Avenues; Monroe, Jefferson, Adams, Washington, New Hampshire and Vermont Streets lying between 5th and 10th Avenues; all within the plat of "Spirit Lake".

3.) "Lakeview Addition to Spirit Lake", including any roads, streets or avenues contained within said addition, except Block 1 and any portion of 5th or 10th Avenues lying within said addition.

4.) All of the Northeast Quarter of said Section 6, except the West 200 feet of the Southeast Quarter of the Northeast Quarter South of the County Road.

5.) "Blackwell Addition to Spirit Lake", except any portion of 10th Avenue lying within said addition.

6.) "Spokane Addition to Spirit Lake", except any portion of 10th Avenue lying within said addition.

7.) "Spirit Lake Village - Phase I"

8.) "Spirit Lake Village - Phase II, except any portion of Delaware Street lying within said Phase II.

9.) "Cobo Addition to Spirit Lake".

10.) "Coho 1st Addition to Spirit Lake".

11.) That tract of land lying South of the North line of said Section 8, East of "Spokane Addition to Spirit Lake", West of 12th Avenue, and North of "Northwoods Addition to Spirit Lake".

12.) 12th Avenue, lying West of "Spirit Lake Village - Phase I".

13.) "Blackwell Addition to Spirit Lake - Phase I".

14.) Blackwell Boulevard, lying East of 10th Avenue.

15.) Blackwell Boulevard, lying North of Lot 1 of Block 3 of "Blackwell Addition to Spirit Lake - Phase I".

16.) Lakeland Street, lying between Blocks 3 and 6 of "Blackwell Addition to Spirit Lake - Phase I".

17.) Stark Street, lying between Blocks 4 and 5 of "Blackwell Addition to Spirit Lake - Phase I".

18.) "Northwoods Addition to Spirit Lake".

19.) "Spirit Shores", except any Right-of-Ways lying within said "Spirit Shores".

20.) "Debbie - Tammie Addition to Spirit Lake", except any Right-of-Ways lying within said addition.

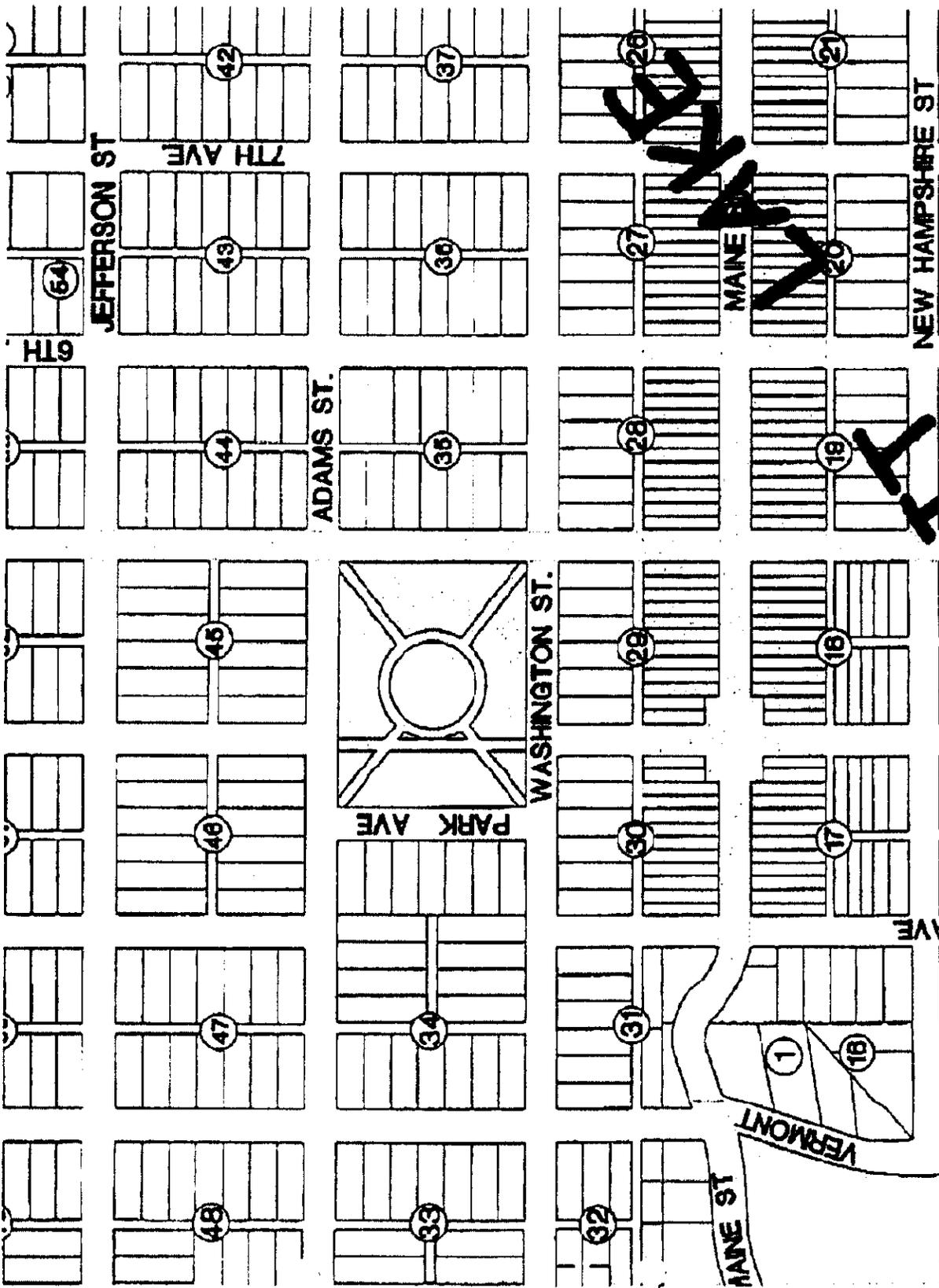
21.) "Hillside Addition to Spirit Lake".

22.) Block "D" of the Plat of "Spirit Lake".

23.) That part of the Northeast Quarter of the Southeast Quarter of Section 6, Township 53 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

Beginning at a point where the North Line of the Northeast Quarter of the Southeast Quarter, Section 6, intersects First Avenue, of the City of Spirit Lake (which point is designated by 3/4 inch pipe driven into the ground). Thence West along 1/4 line a distance 272 feet to a point designated by 3/4 inch pipe; thence South 160 feet to a point designated by 3/4 inch pipe driven into the ground; thence East a distance of 272 feet to a point (marked by 3/4 inch pipe) which intersects First Avenue of Spirit Lake. Thence North along First Avenue 160 feet to point of beginning.

24.) That tract of land lying South of the Southerly projection of the East and West lines of Lot 4 of Block 32 of the plat of "Spirit Lake" and North of Main Street.



APPENDIX E

Ordinances:

- 492, City Approval of Plan
- 534, City Approval of Plan Amendment

2001625

City of Spirit Lake

P.O. Box 309
Spirit Lake, ID 83869-0309

E. 409 Maine St.
(208) 623-2131

ORDINANCE NO. 492

AN ORDINANCE OF THE CITY OF SPIRIT LAKE, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, APPROVING THE SPIRIT LAKE URBAN RENEWAL PLAN; CONFIRMING THE DETERIORATED DECLARATION; ADOPTING A REVENUE ALLOCATION AREA; MAKING CERTAIN FINDINGS AND CONCLUSIONS IN SUPPORT THEREOF; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO, AND PROVIDING FOR THIS ORDINANCE TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

WHEREAS the City of Spirit Lake did on August 30, 2005, by Resolution No 05-08-30B, declare that a specifically described portion of the city limits of the City of Spirit Lake was deteriorated and deteriorating, and in need of remediation by an urban renewal agency, and

WHEREAS the City Council of the City of Spirit Lake recommended that the Mayor of the City of Spirit Lake appoint an urban renewal commission, and

WHEREAS the Mayor of the City of Spirit Lake did on December 13, 2005, with the advice and consent of the City Council, establish by an Order of Appointment, the Spirit Lake Urban Renewal Agency, comprised of the Spirit Lake City Council, and

WHEREAS the appointed Board of Commissioners of the Spirit Lake Urban Renewal Agency will adopt By-Laws establishing its existence and has retained staff to assist it with its duties, and

WHEREAS the Spirit Lake Urban Renewal Agency has prepared an urban renewal plan pursuant to Title 50, Chapters 20 & 29, Idaho Code, for remediation of the deterioration found to exist, hereinafter referred to as the Spirit Lake Urban Renewal Plan, and

WHEREAS the Board of Commissioners of the Spirit Lake Urban Renewal Agency conducted a public hearing (meeting) on December 13, 2005, and have adopted Resolution #01-05-12 recommending approval of the Spirit Lake Urban Renewal Plan by the City Council of the City of Spirit Lake, and

2001625

WHEREAS the Planning & Zoning Commission of the City of Spirit Lake has found that the Spirit Lake Urban Renewal Plan conforms with the general plan of the City of Spirit Lake.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SPIRIT LAKE AS FOLLOWS:

Section 1: The City Council hereby makes the following findings of fact:

- a. The area of the proposed plan has been previously declared by the City of Spirit Lake to be a deteriorated and deteriorating area, and the Agency finds that the deterioration described by the City Council does in fact exist.
- b. The Spirit Lake Urban Renewal Plan provides for varying methods to remediate the described deterioration and prevent future deterioration, and contains the necessary elements required by Idaho law, including a tax allocation feasibility study which finds that the estimated tax increment revenue is sufficient to repay the debt to be incurred to provide the improvements described within the Plan.
- c. The Spirit Lake Urban Renewal Plan indicates the type of improvements and rehabilitation projects that are proposed to be carried out, including land uses, densities, building requirements, methods of financing, and a revenue allocation provision.
- d. The Spirit Lake Urban Renewal Plan describes a revenue allocation area by metes and bounds description, as described in Exhibit 1 and displayed in Exhibit 2, attached and incorporated by reference herein, that does not exceed the limitations of I.C. 50-2904.(13).
- e. The Spirit Lake Urban Renewal Plan conforms to the general plan of the City of Spirit Lake, and is in conformance with the Comprehensive Plan.

2001625

- f. The Spirit Lake Urban Renewal Plan does not anticipate the displacement of any families.
- g. The Spirit Lake Urban Renewal Plan will enhance public recreational facilities and activities within the City, and encourage private sector participation.
- h. That unless the afore-mentioned conditions are improved, they will substantially impair the sound growth potential of the City of Spirit Lake and will constitute an economic and social liability, and that further development in the area without such improvements will endanger the public health, safety and welfare.
- i. That improvement of the property and the City services in the plan area are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 2: The Mayor and City Council of the City of Spirit Lake hereby adopts the Spirit Lake Urban Renewal and approves the revenue allocation area provided for in the Plan, and this Ordinance shall be effective immediately upon its adoption and approval.

ADOPTED AND APPROVED this 13th day of December, 2005.



Mayor, Roxy A. Martin

Attest:



Barbara L. Brown
City Clerk





PANHANDLE AREA COUNCIL, INC.

11100 N Airport Drive
Hayden, ID 83835-9798
(208) 772-0584
(208) 772-6196 FAX
www.pacni.org

December 21, 2009

Jeff Servatius
GIS Manager
800 Park Blvd., Plaza IV
P.O. Box 36
Boise, ID 83722

RE: Spirit Lake Urban Renewal District and Revenue Allocation Area

Dear Mr. Servatius:

On behalf of the Spirit Lake Urban Renewal Agency, and per Idaho Code 50-2907 (1) and (3), enclosed is the Amendment to the District Plan. Within the plan are the following documents:

- Ordinance No. 534 amending the Spirit Lake Urban Renewal District.
- Legal Description of the boundaries of the District, all of which is also identified in the urban renewal plan as the Revenue Allocation Area (R.A.A.) Also included are all of the parcels within the District and R.A.A.
- Map of the Urban Renewal District and R.A.A.

Copies of the ordinance, legal description and maps have been forwarded to the Kootenai County Clerk and forwarded to the County Assessor for filing.

Please let me know at your earliest convenience if you require anything else at this time. I can be reached at (208) 772-0584, ext. 3014 or at nancy@pacni.org.

Thanks very much for your efforts on our behalf.

Sincerely,

Nancy Mabile
Administrator
Spirit Lake Urban Renewal Agency

