

CITY OF PRIEST RIVER

URBAN RENEWAL PLAN
AND
FINANCIAL FEASIBILITY STUDY

NOVEMBER 2007

Prepared For and With:

The Priest River Urban Renewal Agency

By:

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Panhandle Area Council

PRIEST RIVER URBAN RENEWAL PLAN 2007

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PRIEST RIVER URBAN RENEWAL AGENCY 2007

CHAIR: TED RUNBERG

**MEMBERS: PEGGY GEORGE
BILL RISE
GARRY HOJAN
CARLENE PETERSON
LEROY CAMPBELL
GREG SNOW
RYAN FOBES**

CHAPTER 1

INTRODUCTION

PRIEST RIVER URBAN RENEWAL PLAN

INTRODUCTION:

The City of Priest River, a community with a 2000 population of approximately 1,750, is located in the panhandle of northern Idaho within Bonner County. Priest River is situated along the scenic Pend Oreille River and is approximately 6 miles east of Newport, Washington and 25 miles west of Sandpoint, Idaho.

Priest River is part of an area of the northwest that is among the fastest growing in the nation. Within a 100-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.

This increase in growth and development has been partially realized, especially in the Newport and Sandpoint areas, which have absorbed a large part of the commercial development of the area. New residential areas are either under construction or anticipated in Priest River, which is a natural occurrence in former resource-based towns that are in transition to resort communities. At the crossroads to beautiful Priest Lake, the city is in the path of progress both from its west and its east.

Unfortunately, infrastructure improvements in Priest River have not kept pace with the new residential development. This has led to the current deficiencies in the water and wastewater conditions within the city, as well as dangerous conditions for motorists and pedestrians. The Priest River Urban Renewal Agency has stated, and re-affirmed, that their number one concern is making improvements in these areas. This policy was implemented in the Priest River District improvements. In Priest River, most of the improvements will occur outside of the new residential developments, but in close proximity to the Priest River downtown.

The Downtown Priest River Area contains a mixture of vacant lots and lots that are underused or contain unsightly conditions. Some areas are being renovated but the progress has been slow. Although the downtown is beautifully situated on the Pend Oreille River, with boating access to hundreds of miles of waterways including Lake Pend Oreille, the waterfront area has limited development, somewhat hindered by the presence of railroad tracks for rail car parking. A county park is located on the waterfront, but could use upgrades to its facilities.

VISION AND MISSION:

The Priest River Urban Renewal Agency's Vision Statement for the Urban Renewal District states that the Vision is to create a vibrant community with a "State of the Art" water and sewage system. A vibrant economy with a "Rebirth" of community treasures as to its history and heritage with a picturesque waterfront and pleasing residential district.

The Priest River Urban Renewal Agency's Mission Statement for the Urban Renewal District states the Agency will provide leadership to promote activities to enrich the community economic environmental resources, its historic heritage, its social assets, and identify the human resources to achieve community wide benefits.

GROWTH CONCERNS AND COMPREHENSIVE PLAN:

It is anticipated that with on-going residential and commercial development in the Priest River area, traffic problems such as congestion, coupled with a lack of signalization, roadways, lighting, sidewalks, and curbing will hamper the existing efforts to provide a safe environment for residents.

As depicted on the following maps, the Comprehensive Plan projects this area to develop as residential, and the zoning map classifies the land area also as residential, with some commercial along Highway 2.

THE PLAN:

This Urban Renewal Plan describes the project area and improvements, how those improvements will be funded and outlines the powers, duties and obligations of the Priest River Urban Renewal Agency (the Agency). This plan, by way of adopted ordinance, establishes the Priest River Urban Renewal Area and Tax Allocation District, approximately 1,000 acres. The City has commissioned an economic feasibility study, which includes a fiscal impact statement. The economic feasibility study focuses on all aspects of the entire Priest River 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 Priest River 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

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 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.” ✓ or Community (Sept)

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.

IDENTIFYING DETERIORATED AREAS

1. Existing Social Conditions

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

I. 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

II. Dilapidation or Deterioration

- Structural conditions of buildings and poor site conditions in comparison to remainder of City

III. 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

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

I. 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

II. Substantially impairs or arrests the sound growth of a municipality.

a. 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.

b. Inadequate Public Facilities -

Need to be evaluated as in "a" (above)

- Parks
- Parking Facilities
- Priest River Waterfront
- Parking Lots

- c. Inadequate Utilities -
Should be evaluated as in "a" (above)
- Water processing and distribution facilities
 - Gas
 - Electrical (above ground/underground)
 - Cable television
 - Telephone and High Speed Internet
 - Wastewater treatment facilities
 - Sewers, storm drains

III. 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.

- a. 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)
- b. Prevalence of depreciated values
- c. 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

d. Prevalence of economic maladjustment

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

e. 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.

CHAPTER 2

BOUNDARY DESCRIPTION

This acknowledgement is to Amend, through clarifying and correcting the boundaries of certain parcels, the revenue allocation area of the Priest River Urban Renewal District as defined in Priest River Ordinance No. 507, Section 1. d. recorded as Instrument No. 744358 in the records of Bonner County, Idaho.

The attached revised legal description includes specific corrections and clarifications that were requested by the Bonner County Assessors department after their review of the proposed district. The intent of the Urban Renewal District, the actual Boundaries and the actual parcels included within the boundaries remained unchanged. These revised legal descriptions have been reviewed and acknowledged as correct by Bonnie Miller, Bonner County Assessor Employee.

The attached legal descriptions and accompanying maps for the revenue allocation area have been reproduced in their entirety and upon their recording will replace those legal descriptions and maps recorded as "Exhibits 1 and Exhibits 2" and referenced in Section 1. d. therein of Priest River Ordinance No. 507, recorded as Instrument No. 744358 in the records of Bonner County, Idaho.

PRIEST RIVER URBAN RENEWAL PROPERTY LEGALS

PRIEST RIVER AREA (**Letters** refer to Grouping Numbers on Attached Maps)

A. All that Portion of Gillingham's Additions as recorded in Books 1, 1, 1
Pages 19, 22, 22 records of Bonner County, Idaho

Excluding All Blocks 1-3, Block 4, Lots 1-3, 6-10, Blocks 5-11, Block 12, Lots 1-9,
Blocks 17-18

B. All that Portion of Park Addition as recorded in Book 1, Page 164 records of
Bonner County, Idaho

Excluding All Lots 1-12

C. All that portion of the following described parcels:

All that Portion of the Burlington Northern Railroad Right-of-Way from the West Section
Line of the NW of the NW Section 25, Township 56 North, Range 5 West of the Boise
Meridian, Bonner County, Idaho, Easterly to the East Section Line of the NE of the NE
Section 25 Township 56 North, Range 5 West of the Boise Meridian, Bonner County,
Idaho,

Including that Portion of the Burlington Northern Railway and Santa Fe Railway
Company's (formerly Great Northern Railway Company) 300.0 foot wide Station
Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and
100.0 feet wide on the Southerly side of said railway Company's Main Track centerline,
as now located and constructed upon, over and across Government Lot 6 of Section 25,
Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho,
described as follow. To-wit:

Beginning at the point of intersection of the Northerly line of Montgomery Street with the
centerline of Cedar Street, said point being 200.0 feet Northerly, as measured at right
angles from said Main Track centerline and 30.0 feet West of the Southwest corner of Lot
10, Block 5 Gillingham's Plat of Priest River as shown on the Plat of Gillingham's 3rd
Addition as recorded in Book 1, Page 22 records of Bonner County, Idaho;

thence South along the Southerly extension of the centerline of Cedar Street 119 feet,
more or less, to the intersection with a line drawn parallel with and distant 9.0 feet
Northerly, as measured at right angles from said Railway Company's most Northerly
House Track centerline, as now located and constructed;

thence Easterly along the last described parallel line to the intersection with a line drawn parallel with and distant 200.0 feet Easterly, as measured at right angles from the Southerly extension of the centerline of said Cedar Street;

thence Northerly along the last described parallel line 130 feet, more or less, to the Northerly line of Montgomery Street;

thence Westerly along said Northerly line 200.0 feet to the point of beginning.

Including that Portion of the Burlington Northern Railway and Santa Fe Railway Company's (formerly Great Northern Railway Company) 300.0 foot wide Station Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and 100.0 feet wide on the Southerly side of said Railway Company's Main Track centerline, as now located and constructed upon, over and across Government Lot 6 of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, described as follow. To-wit:

Commencing at the intersection of the South line of Montgomery Street (as established by easement from Great Northern Railway Company to the Village of Priest River dated March 16, 1927) with the Southerly extension of the West line of Main Street, according to the recorded plat of Priest River, Idaho;

thence West along said South Line 65.0 feet to the true point of beginning;

thence South at right angles to said South line 100.0 feet, more or less, to the intersection with a line drawn parallel with and distant 10.0 feet Northerly, as measured at right angles from said Railway Company's most Northerly House Tract centerline, as now located and constructed;

thence Westerly along the last described parallel line to the Easterly line of that certain easement from Great Northern Railway Company to Bonner County for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958;

thence Northerly and Easterly along said Easterly line to the said South line of Montgomery Street;

thence Easterly along said South line 150 feet, more or less, to the true point of beginning.

Including that Portion of the Burlington Northern Railway and Santa Fe Railway Company's (formerly Great Northern Railway Company) 300.0 foot wide Station Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and 100.0 feet wide on the Southerly side of said railway Company's Main Track centerline, as now located and constructed upon, over and across Government Lot 6 of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, described as follow. To-wit:

Beginning at the intersection with the Easterly line of that certain easement from Great Northern Railway Company to Bonner County, Idaho for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958 with the Southerly line of said Station Ground property;

thence Easterly along said Southerly line 371.0 feet;

thence Northerly at right angle to said Southerly line 50.0 feet;

thence Westerly parallel with said Main Track centerline 10.0 feet;

thence Northerly at right angles to said Main Track centerline 30.0 feet;

thence Westerly parallel with and 20.0 feet Southerly, as measured at right angles from said Main Track centerline 360 feet, more or less, to the Easterly line of said easement for the Southerly extension of Wisconsin Street;

thence Southerly along said Easterly line to the true point of beginning.

D. All that Portion of the following described parcel:

Beginning at the intersection of the Centerline of First Street and the Centerline of Montgomery Avenue;

thence Easterly, 166 feet along the Centerline of Montgomery Avenue;

thence Northerly, 20 feet along a line 166 feet East of and parallel to the Centerline of First Street to the true point of beginning;

thence Northerly, 60 feet along a line 166 feet East of and parallel to the Centerline of First Street;

thence Easterly, 124 feet along a line 60 feet North of and parallel to the North Right-of-Way of Montgomery Avenue;

thence Southerly, 60 feet along the line 200 feet East of and parallel to the center line of First Street to the North Right-of-Way line of Montgomery Avenue;

thence Westerly, 124 feet along the North Right-of-Way of Montgomery Avenue to the true point of beginning.

TOGETHER WITH All vacated streets and alleys appurtenant thereto whether vacated prior to or at any time after the date of this conveyance.

E. All that Portion of the following described parcel:

Beginning at the intersection with the Easterly line of that certain easement from Great Northern Railway Company to Bonner County, Idaho for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958 with the Southerly line of said Station Ground property, said point being the true point of beginning;

thence East along said South line of the Great Northern Railway Company Right-of-Way to the East line of Government Lot 6, of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 88° 31' 10" East, 251.11 feet along the South Right-of-Way line of Great Northern Railway Company;

thence South, 279.93 feet more or less to the North Bank of the Pend Oreille River;

thence Westerly along the North Bank of the Pend Oreille to a point where the same is intersected by the East line of a parcel of land sold to the Village of Priest River by Deed dated April 28, 1956, as Instrument No. 57492, and now used as a right of way and approach for the bridge across said river;

thence North along said East line to the South line of the Great Northern Railway Company Right-of-Way, to the true point of beginning.

F. All that Portion of the following described parcels:

All that Portion of High Street Extending from the point where High Street intersects the West Section line of the NW of the NW Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, as shown on the Plat of Gillingham's 2nd Addition as recorded in Book 1, Page 22 records of Bonner County, Idaho Northwestery to its intersection with the Southerly Right-of-Way line of State Highway 2 (200) (Albany Street).

Including All that Portions of the following described parcels;

Parcel I:

Beginning at a point which is West, 792.4 feet and South, 450.3 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, said point being the true point of beginning;

thence East 150 feet to a point;

thence North to the road connecting Albany Street with High Street;

thence Northwesterly along the Southern boundary of said road to a point directly North of the point of beginning;

thence South to the point of beginning.

EXCEPTING THEREFROM the South 250 feet thereof.

Parcel II:

A Portion of Government Lot 5, Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

Beginning at a point on the South Right-of-Way of State Highway 2 (200), which point is South, 33 feet and West, 792.4 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 25 feet to the true point of beginning;

thence West 15 feet;

thence South 141.62 feet;

thence East 15 feet;

thence North 141.62 feet to the true point of beginning.

Parcel III:

Beginning at a point which is West, 642.40 feet and South $0^{\circ} 26' 13''$ East, 293.00 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence North $89^{\circ} 33' 47''$ East, 102.58 feet;

thence North $0^{\circ} 26' 13''$ West, to its intersection with the Southerly Right-of-way line of Albany Street;

thence Northwesterly, along said Southerly line of Albany Street, to a point lying North $0^{\circ} 26' 13''$ West, from the Point of Beginning;

thence South $0^{\circ} 26' 13''$ East, to the point of beginning.
(See Record of Survey Recorder's Number 425606)

Parcel IV:

Beginning at a point which is West, 642.40 feet and South $0^{\circ} 26' 13''$ East, 293.00 feet and North $89^{\circ} 33' 47''$ East, 102.58 feet from the Northeast corner of said Section 26,

Township 56 North, range 5 West of the Boise Meridian, Bonner County, Idaho, said point being the true point of beginning;

thence North 89° 33' 47" East, 147.42 feet;

thence North 0° 26' 13" West, 293.00 feet (recorded as 103.06, records of Bonner County, Inst. No. 702259), more or less, to its intersection with the Southerly Right-of-Way line of Albany Street;

thence Northwesterly along said Southerly line of Albany Street, to a point lying a North 0° 26' 13" West, from the point of beginning;

thence South 02° 26' 13" East, to the point of beginning.
(See record of Survey Recorder's Number 425606)

G. All that Portion of the following described parcel:

Beginning at the intersection of the North Right-of-Way line of Albany Street (State Highway 2 (200)) and the West Right-of-Way line of Eleventh Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence North along the West Right-of-way line of Eleventh Street to its intersection with the extension of the North Right-of-Way line of Jefferson Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence East along the North Right-of-Way line of Jefferson to its intersection with the West Right-of-Way line of Ninth Street (State Highway 57) as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence South along the West Right-of-Way line of Ninth Street, 60 feet to its intersection with the South Right-of-Way line of Jefferson as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence West along the South Right-of-Way line of Jefferson Street to its intersection with the East Right-of-Way line of Tenth Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence South along the East Right-of-Way line of Tenth Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho to its intersection with the North Right-of-Way line of Albany Street;

thence West along the North Right-of-Way line of Albany Street to its intersection with West Right-of-Way line of Eleventh Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

H. All that Portion of the following described parcel:

Commencing at the Northeast corner of the Southeast Quarter of Section 23, township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 150 feet;

thence West 25 feet, more or less, to the edge of the County Road (State Highway 57), said point being the true point of beginning;

thence West, 425 feet;

thence South $89^{\circ} 55' 34''$ West, 450 feet;

thence North, 150 feet;

thence West, 420 feet;

thence South, 489 feet;

thence East, 660 feet to the West Right-of-Way line of Tenth Street as recorded in the Plat of Kluth's Addition recorded in Book 3 Page 80 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 44, Page 223 records of Bonner County, Idaho;

thence North, 20 feet along the West Right-of-Way line of Tenth Street as recorded in the Plat of Kluth's Addition recorded in Book 3 Page 80 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 44, Page 223 records of Bonner County, Idaho;

thence West, 184.93 feet;

thence North, 113.68 feet;

thence North $38^{\circ} 49'$ East, 77.75 feet;

thence East, 113.22 feet;

thence North $0^{\circ} 32'$ East, 120 feet

thence North $89^{\circ} 55' 34''$ East, 234.5 feet;

thence South, 120 feet;

thence East, 420 feet, more or less to the West edge of the County Road (State Highway 57);

thence in a Northerly direction along the West edge of said County Road (State Highway 57) to the true point of beginning.

I. All that Portion of the following described parcel:

All that Portion of Priest River, Block 7, Lots 1-12 including the Alley as shown on the plat of Priest River recorded in Book 1, Pages 18/28/32 records of Bonner County, Idaho;

J. All that Portion of the following described parcels:

All that Portion of Lincoln Avenue extending from the East Right-of Way line of Ninth Street to its intersection with the East Right-of-Way line of Fifth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

All that Portion of Fifth Street extending from the South Right-of-Way line of Lincoln to the North Right-of-Way line of Harriet Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

Beginning at a point which is the intersection of the North Right-of-Way line of Harriet Street and the East Right-of-Way line of Fifth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho, said point being the true point of beginning;

thence East along the North Right-of-Way line of Harriet Street to its intersection with the West Right-of-Way line of Fourth Street as extended Northerly as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North along the extended West Right-of-Way line of Fourth Street to its intersection with the North Right-of-Way line of Dixon Avenue as shown on the plat of Dow-Jones Addition recorded in Book 2 Page 3 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 95, Page 305 records of Bonner County, Idaho;

thence West, 260 feet along the North Right-of-Way of Dixon Avenue;

thence North, 250 feet;

thence West, 42.6 feet to the East Right-of-Way line of Fifth Street as extended Northerly as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North along the East Right-of-Way line of Fifth Street as extended to its intersection with the North Right-of-Way line of Warren Avenue as shown on the plat of Fairport Addition to Priest River recorded in Book 1 Page 190 records of Bonner County, Idaho;

thence South 89° 12' West, 170.40 feet along the North Right-of-way line of Warren Avenue as shown on the plat of Fairport Addition to Priest River recorded in Book 1 Page 190 records of Bonner County, Idaho to the Easterly Property Line of the Priest River Airport;

thence South 32° 31' 36" West, 59.8 feet along the East Property line of the Priest River Airport to the North line of the N1/2 of the NW of the SW of Section 24, Township 56 North, Range 5 West, of the Boise Meridian;

thence South 32° 28' 55" West, 789.52 feet along the East Property line of the Priest River Airport to the South Line of the N1/2 of the NW of the SW, said point being on the North Boundary of the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North 89° 18' East, 282.79 feet along said line to its intersection with the East Right-of-Way line of Sixth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence South, 150 feet, more or less, to the North Right-of-Way of Harriet Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence East, 360 feet to the true point of beginning.

Excluding any portion of the parcel described in Book of Deeds, Book 233, Page 139 records of Bonner County, Idaho.

K. All that Portion of the following described parcels:

All that Portion of the State Highway 2 (200) Right-of-Way extending from the North-South Centerline of Section 23 and Section 26, Township 56 North, Range 5 West, of the Boise Meridian Easterly to the East Section line of Section 24 and Section 25, Township 56 North, Range 5 West, of the Boise Meridian.

L. All that Portion of the following described parcel:

All that Portions of Ninth Street and Highway 57 Right-of-Ways extending from the North Right-of-Way of Highway 2 (200) Northerly to Station 73+00 of Highway 57 as

shown on the U. S. Department of Commerce, Bureau of Public Roads plans dated the 20th day of August, 1953, and described in Book 54, Page 136, Records of Bonner County, Idaho.

M. All that Portion of the following described parcels:

All that Portion of Fourth Street extending from the North Right-of Way line of Highway 2 (200) Northerly to its intersection with the West Right-of-Way line of Coolin Road as shown on the plats of Priest River recorded in Book 1 Pages 18/28/32, Jackson's 1st Addition recorded in Book 1 Page 163, Fairport Addition to Priest River recorded in Book 1, Page 190, Dow-Jones recorded in Book 2, Page 3 records of Bonner County, Idaho;

All that Portion of Coolin Road from its intersection with Fourth Street as shown on the Plat of Fairport Addition to Priest River recorded in Book 1, Page 190 extended Northwesterly to its intersection with the East Right-of-Way line of Highway 57 at approximately stationing 72+00 as shown on the U. S. Department of Commerce, Bureau of Public Roads plans dated the 20th day of August, 1953, and described in Book 54, Page 136, Records of Bonner County, Idaho.

N. All that Portion of the following described parcels:

Parcel I

The West 176 feet of the following described property;

Commencing at the NE Corner of the SE of the NE of Section 23, Township 56 North, Range 5 West, of the Boise Meridian, said point being the true point of beginning;

thence West 521 feet;

thence South 332.5 feet;

thence East 521 feet;

thence North 332.5 feet to the true point of beginning.

Parcel II

Commencing at the NE Corner of the SE of the NE of Section 23, Township 56 North, Range 5 West, of the Boise Meridian;

thence West, 521 feet, to the true point of beginning;

thence South, 332.5 feet to a point;

thence East, 521 feet, to the intersection with the East line of Section 23;

thence South along that East Section line, to a point on it which is 165.0 feet North to the SE Corner of the SE of the NE;

thence West, 1320.0 feet, to the Westerly line of the SE of the NE;

thence Northerly along the Westerly line, to the NW Corner (recorded Northeast corner records of Bonner County, Inst. No. 164007) of the SE of the NE;

thence East along the North line of the SE of the NE, to the true point of beginning.

LESS THE FOLLOWING DESCRIBED PARCELS:

Commencing at a point on the East line of the SE of the NE, which is North, 165.0 feet from the SE Corner, as the true point of beginning;

thence West, 323.0 feet to a point;

thence North, 274.2 feet, to a point;

thence East, 323.0 feet, to an intersection with the East line of the SE of the NE;

thence South along the East line, 274.2 feet, to the true point of beginning.

ALSO LESS:

Beginning at the NE Corner of Section 23, Township 56 North, Range 5 West, of the Boise Meridian;

thence South, 1654.65 feet along the East line of Section 23, to the true point of beginning;

thence S 89° 48' 09" W, 101.30 feet;

thence South, 390.45 feet;

thence N 89° 48' 09" E, 101.3 feet, to a point on the East line of Section 23;

thence North 390.45 feet along East line of Section 23, to the true point of beginning.

Parcel III:

Beginning at a point which is North, 290.5 feet along the East line of Section 23, Township 56 North, Range 5 West, of the Boise Meridian and West 150 feet from the East Quarter Corner of Section 23, said point being the true point of beginning;

thence West, 83 feet;

thence South, 25.5 feet;

thence West, 90 feet;

thence North, 174.2 feet;

thence East, 173 feet;

thence South 148.7 feet, to the true point of beginning.

Parcel IV:

Beginning at the NE Corner of the SE of the NE of Section 23, Township 56 North, Range 5 West, of the Boise Meridian;

thence South, 85 feet, to the true point of beginning;

thence West, 345 feet;

thence South, 257.5 feet;

thence East, 345 feet;

thence North, 257.5 feet, to the true point of beginning.

Parcel V:

Beginning at a point on the West line of the SW of the NW of Section 24, Township 56 North, Range 5 West, of the Boise Meridian that is South 1654.64 feet along the West line of Section 24, from the NW Corner of Section 24:

thence North along the West Line of the SW of the NW to the NW Corner of the SW of the NW;

thence East along the North line of the SW of the NW to the West Right of Way line of Highway No. 57;

thence Southwesterly along the West Right of Way line to a point East of the point of beginning;

thence West, to the true point of beginning.

Parcel VI:

Beginning at the North Section Corner common to Sections 23 and 24, Township 56 North, Range 5 West, of the Boise Meridian;

thence South, 2125.10 feet along the Section line common to Sections 23 and 24 to the true point of beginning;

thence West, 323.00 feet;

thence South, 80 feet;

thence East, 323.00 feet to a point on the Section line common to Sections 23 and 24;

thence North, 80 feet along the Section line common to Sections 23 and 24, to the true point of beginning.

Parcel VII:

Beginning at the North Section Corner common to Sections 23 and 24, Township 56 North, Range 5 West, of the Boise Meridian;

thence South, 2045.10 feet along the Section line common to Sections 23 and 24 to the true point of beginning;

thence South, 160 feet along the Section line common to Sections 23 and 24;

thence East, 55.59 feet, more or less, to the Westerly Right of Way line of Idaho State Highway 57;

thence Northeasterly along the Westerly Right of Way line of Idaho State Highway 57, to a point that is 81.28 feet, more or less, East of the true point of beginning;

thence West, 81.28 feet, more or less, to a point on the Section line common to Sections 23 and 24, said point being the true point of beginning.

O. All that Portion of the following described parcels:

Parcel I:

All that Portion of Hemlock Street, Birch Street and Spruce Street as shown on the Plat of the Second Airport Addition to the City of Priest River as shown on the plat of Airport 2nd Addition to Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho;

Beginning at the NE corner of the Second Airport Addition to the City of Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho, said point being the true point of beginning;

thence S 89° 08' 57" E, 833.47 feet more or less to the NW corner of the Priest River Airport;

thence S 34° 30' 26" W, 1533.72 feet more or less to the intersection of the Easterly line of the Second Airport Addition to the City of Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho;

thence North 0° 03' West, 1252.08 feet to the true point of beginning.

Parcel II:

Beginning at the SE Corner of the property described by the Corporation Quite Claim Deed, Book 93, Page 409, records of Bonner County, Idaho;

thence S 89° 17' 15" W, 69.99 feet to a 5/8 inch iron pin marking the intersection of the Easterly boundary of a tract of land owned by the City of Priest River with the Southerly boundary of the property described in the Corporation Quit Claim Deed, said point being the true point of beginning;

thence S 36° 48' 15" W, 314.88 feet;

thence S 89° 15' 38" W, 226.00 feet to a point on a curved line Easterly and parallel with (recorded 150 feet, records of Bonner County) the centerline of State Highway No. 57 according to the plans shown on Sheet 4, Project NR, Section 6A;

thence Southerly 135.40 feet along a curve to the left; the curve has a central angle of 01° 02' 34", a radius of 7439.40 feet, a long chord bearing S 09° 58' 41" W, 135.39 feet, and is parallel with and Easterly (recorded 150 feet, records of Bonner County), to a 5/8 inch iron pin on the Northerly boundary of the access to Priest River Airport:

thence S 73° 38' 19" W, 166.25 feet to a 5/8 inch iron pin on the Easterly Right of Way of State Highway No. 57 according to the plans shown on Sheet 4, Project NR, Section 6A;

thence Northerly along the Easterly Right of Way line of State Highway No. 57 to its intersection with the Southerly boundary of the Corporation Quite Claim Deed, Book 93, Page 409, records of Bonner County, Idaho;

thence Easterly along the Southern boundary of the Corporation Quite Claim Deed, to the true point of beginning.

Parcel III:

Beginning at a 5/8" iron pin said point being the intersection of the Southerly boundary of the access to Priest River Airport and the Easterly Right of Way line of State Highway No. 57 according to the plans shown on Sheet 4, Project NR, Section 6A;

thence N 73° 38' 19" E, 165.11 feet, to a 5/8" iron pin said point being on the Southerly boundary of the access to Priest River Airport;

thence Southerly, 434.14 feet along a curve to the left; the curve has a central angle of 03° 20' 37", a radius of 7439.40 feet, a long chord bearing South 06° 55' 57" West, 434.08 feet, and is parallel with and Easterly (recorded 150 feet, records of Bonner County) of the centerline of State Highway No. 57 to a 5/8 inch iron pin;

thence N 64° 56' 03" W, 159.23 feet, to a 5/8 pin on the Easterly Right of Way line of State Highway No.57;

thence Northeasterly along the East Right of Way line of State Highway No.57 according to the plans shown on Sheet 4, Project NR, Section 6A, to the true point of beginning.

P. All that Portion of the following described parcels:

Beginning at a point North, 1397 feet and West 488 feet from the S¼ Corner of Section 13, Township 56 North, Range 5 West, of the Boise Meridian;

thence North 51° 19' West, 200 feet to the true point of beginning;

thence South 50° 08' West, 197 feet;

thence North 46° 10' West, 680 feet;

thence Easterly, 420 feet to a point on a line that is North 50 08' East and 197 feet Northwesterly from the true point of beginning;

thence North 50° 08' East to the thread of Priest River;

thence following the thread of Priest River Southeasterly to a point which is North 50 08' East from the true point of beginning;

thence South 50° 08' West to the true point of beginning.

BONNER COUNTY AND WETLAND AREA (**Letters** refer to Grouping Numbers on Attached Maps)

A. All that Portion of the following described parcels:

Legal for Co Shop

B. All that Portion of the following described parcels:

Legal for Wetland

C. All that Portion of the following described parcels:

All that Portion of the Bonner County East Branch Road Right-of-Way (County Road No 280 (1), Road survey on file in Office of the Dept of Highways of the State of Idaho, filed Aug.11, 1951 in Book 82 of Deeds, Page 148, records of Bonner County, Idaho extending from the North Right-of-Way of the State Highway 2 (200) (Highway 2, Project No. F-5121(10) Highway Survey) Northerly, Easterly and Northerly to its intersection with the Bonner County East Settlement Road Right-of-Way all in the W1/2, Section 19, Township 56 North, Range 4 West, of the Boise Meridian.

D. All that Portion of the following described parcels:

All that Portion of the Bonner County Settlement Road Right-of-Way extending from the East Right-of-Way of the East Settlement Road (County Road No 280 (1), Road survey on file in Office of the Dept of Highways of the State of Idaho, filed Aug.11, 1951 in Book 82 of Deeds, Page 148, records of Bonner County, Idaho) Easterly and Southeasterly to the Center line of the NW Section 29. Township 56 North, Range 4 West, of the Boise Meridian.

E. All that Portion of the following described parcels:

All that Portion of the Burlington Northern Railway Right-of-Way extending from the East Section Line of the NE of the NE Section 25 Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, East and Southeasterly to the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian.

F. All that Portion of the following described parcels:

All that Portion of the State Highway 2 (200) Right-of-Way (Highway 2, Project No. F-5121(10) Highway Survey) extending from the East Section Line of Section 24 and 25 Township 56 North, Range 4 West, of the Boise Meridian, East and Southeasterly to the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian.

SETTLEMENT AREA (“Letters” refer to Grouping Numbers on Attached Maps)

A. All that Portion of the following described parcels:

Beginning at the intersection of the East Right-of-Way line of the State Highway 2 (200) and the Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian to the North 1/4 Corner of the SW Section 29 Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the Center line of the NW Section 29, Township 56 North, Range 4 West, of the Boise Meridian to its intersection with the Bonner County East Settlement Road;

Thence Easterly and Southeasterly along the Northerly and Easterly Right-of-Way line of the Bonner County East Settlement Road to its intersection with the Centerline of the NE of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East along the Centerline of the NE of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian to its intersection with the East section line of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the East section line of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian to the East 1/4 Corner of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East to the Center of Section 28, Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the Center line of Section 28, Township 56 North, Range 4 West, of the Boise Meridian to the South 1/4 of Section 28, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East along the South Section line of Section 28 to the SE Corner of Section 28 Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the East section line of Section 33 to its intersection with the South line of the N1/2 of the NE of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the South line of the N1/2 of the NE of Section 33 to the W1/4 of the NE of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the West Line of the NE of Section 33 to the Center of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the North line of the SW of Section 33 to the North 1/4 Corner of the SW of Section Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the West line of the SE of the SW of Section 33 to the Center of the SW of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the Centerline of the SW to its intersection with the Easterly Right-of-Way line of the State Highway 2 (200);

Thence Northerly along the East Right-of-Way line of the State Highway 2 (200) to its intersection with Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian, said point being the true point of beginning.

B. All that Portion of the following described parcels:

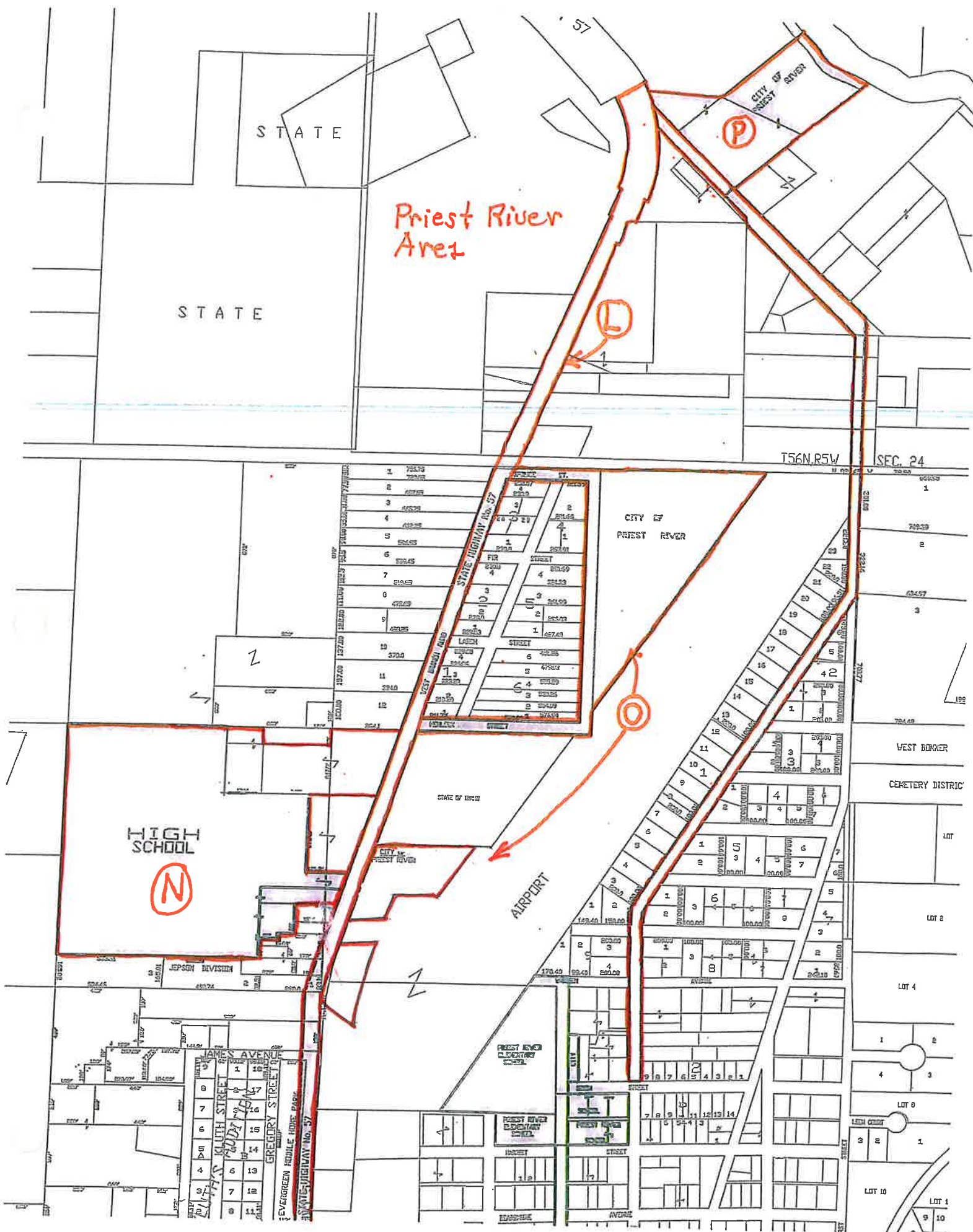
All that Portion of the Burlington Northern Railroad Right-of-Way from the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Southeasterly to the South line of the NW of the SW Section 33, Township 56 North, Range 4 West, of the Boise Meridian.

C. All that Portion of the following described parcels:

All that Portion of the State Highway 2 (200) Right-of-Way from the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Southeasterly to the South line of the NW of the SW Section 33, Township 56 North, Range 4 West, of the Boise Meridian.

D. All that Portion of the following described parcels:

All that Portion of the Bonner County East Settlement Road Right-of-Way extending from the Center line of the NW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Easterly and Southeasterly to its intersection with the NE of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;



Bonner County Wetland Area

The map illustrates the Bonner County Wetland Area, showing the Pend Oreille River, Priest River, and various land parcels. A red line traces a path through the area, with points labeled A through F. Key features include 'U.S. GOVERNMENT' land, 'HIGHWAY 2 ADDITION EAST', and 'SETTLEMENT ROAD'. The map is oriented with North at the top.

Settlement
Area

(D)

(A)

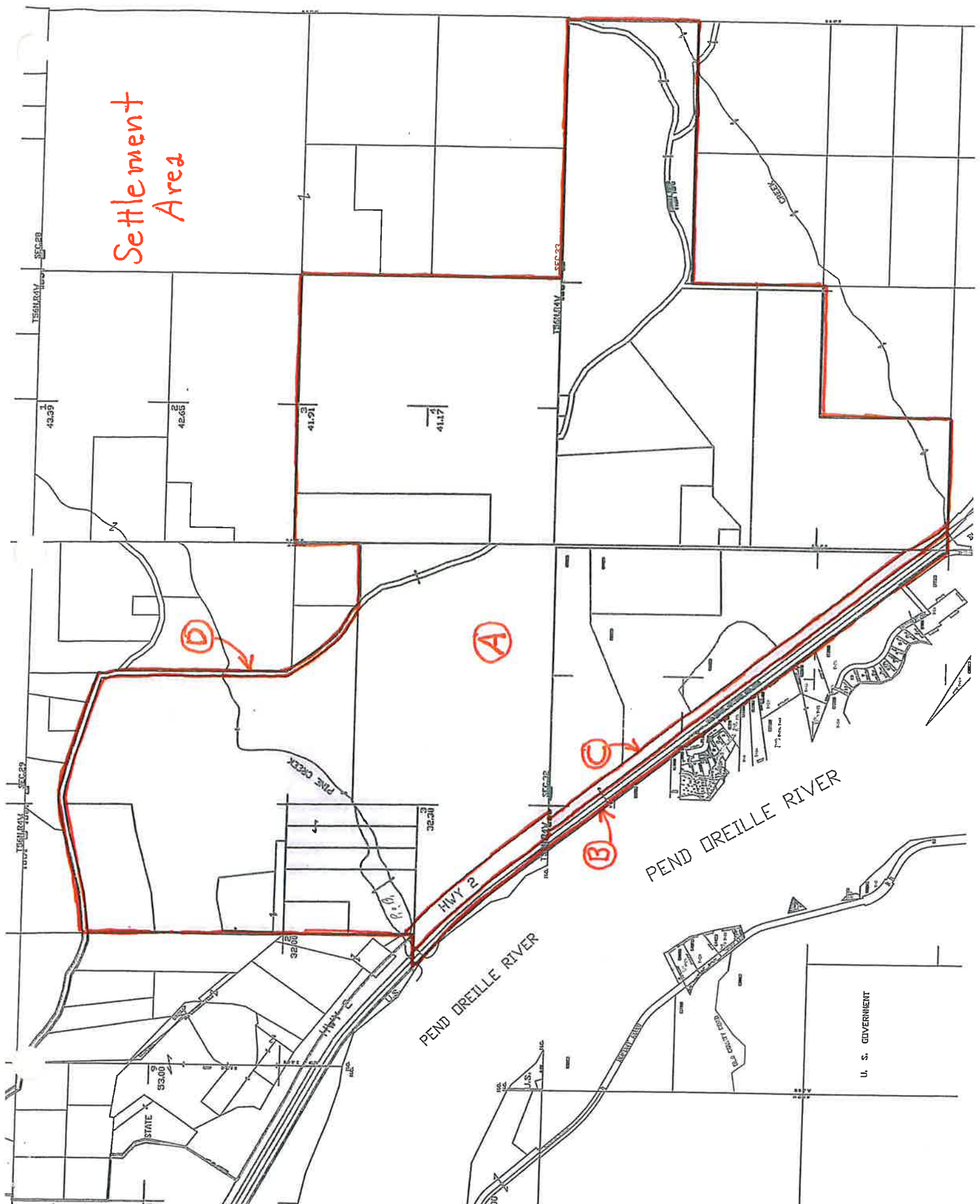
(C)

(B)

PEND OREILLE RIVER

PEND OREILLE RIVER

U. S. GOVERNMENT



CHAPTER 3

PROPOSED DEVELOPMENT ACTIONS

PROPOSED DEVELOPMENT ACTIONS:

General

The major objective of this urban renewal plan is to provide traffic improvements and other public improvements, which implement the goals of the Priest River Urban Renewal Agency (URA), and the City. To fulfill the Vision and Mission of the Agency, the following Project Goals are integral to the Agency, which will work to:

1. Identify community-wide resources, conduct assessments, maximize their values, and the applications to create opportunities for community enhancement.
2. Promote employment with competitive wages, benefits, workforce training opportunities, and job advancements to assure sustainability of the economy, wellbeing of the community residents.
3. Target inadequate basic structure and infrastructures for value added improvements for the “Quality of Life” in the community.
4. Promote community improvement projects that will encourage opportunities for a healthy lifestyle as recreational, for youth and adults, safety conditions, traffic management and street enhancement.
5. Promote community members input through communication such as new media, public meetings, volunteers and partnerships to improve community spirit and achievements.

The proposed projects include:

- **Streets**
Construct improvements to the downtown area of the city, including curbs, sidewalks and landscaping to create a more attractive and safe area. Construct roadway and utility improvements to allow for better traffic and pedestrian use.
 - **Upgrade of the Wastewater Plant**
Construct improvements to the plant as well as existing sewer line replacement. Construct new lines to serve potential developments in the city.
 - **Water Improvements**
Construct improvements to the system, including looping the system and constructing a standpipe, to enhance the ability of the city to provide sufficient water pressure and flows for fire protection.
-
- **Parks and Recreation**
Construct improvements to the Priest River Waterfront area in downtown as well as to existing parks in the city.
 - **Parking Improvements**
Construct new lots while rehabbing existing parking, to promote better access to downtown businesses.

In addition, a portion of the tax increment funds would be rebated back to the City to allow for the increased operating costs associated with new development. Below are the overall costs with this project as identified in appendix A of the Priest River Urban Renewal Plan.

Streets:		
Street Repair, Paving, Landscaping, Curbs	\$ <u>2,400,000</u>	
TOTAL STREETS		\$2,400,000

Workforce Housing		
Land, Construction	\$ <u>500,000</u>	
TOTAL WORKFORCE HOUSING		\$ 500,000

Infrastructure Improvements:		
Wastewater Plant Upgrade	\$3,750,000	
Wastewater Sewer Lines Upgrade	6,250,000	
Wastewater New Lines	1,000,000	
Water Standpipe	2,861,100	
Well	966,000	
Water System Upgrade (Looping)	759,000	
PRVs and North End Tie-in	819,900	
Parking Improvements	<u>200,000</u>	
TOTAL INFRASTRUCTURE		\$16,606,000

Public Facilities:		
Priest River Waterfront Improvements	\$ 500,000	
Parks Improvements	<u>500,000</u>	
TOTAL PUBLIC FACILITIES		\$1,000,000

Rebates:		
For City Operations	\$ <u>660,000</u>	
TOTAL REBATES		\$ 660,000

TOTAL COSTS VIA URBAN RENEWAL INCREMENT:		\$21,166,000
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Make Note of Infrz bond failure => this process makes those improvements reducing tax burden on Community

Conformance with State and Local Requirements

The proposed redevelopment as proposed in this plan conforms to the Comprehensive Plan for the City of Priest River. This plan was reviewed by the Priest River City Council and the City's Planning and Zoning Commission, stating that this plan is in conformity with the Priest River Comprehensive Plan.

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.

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.

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.

Owner Participation Agreements

The Owner Participation Agreements 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 (not all inclusive) and does not prevent the Agency from including or excluding any of the commitments below:

1. The Agency's Commitments
 - a) What it will do:
 - site acquisition
 - site improvements
 - 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:
 - Emphasis on residential use
 - Public site improvements
 - 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) Guarantee of the bonds or loans by Priest River developers.

CHAPTER 4

USES PERMITTED IN PROJECT AREA

USES PERMITTED IN PROJECT AREA:

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 Priest River 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.

Designated Land Uses of The Comprehensive Plan

The Urban Renewal District land uses are consistent with the Generalized Land Use Map of the Priest River 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.

Regional / Community Commercial / Office:

Commercial designation is found in the urban renewal plan area along Highway 2 and in the downtown area. 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.

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 in need of repair. 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 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.

Interim Uses:

There may be a need for the temporary use of vacant properties, wetlands 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.

Non-Conforming Uses:

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

General Controls and Limitations

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 or by a developer through an Owner Participation Agreement (OPA.)

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.

CHAPTER 5

PROJECT FINANCING METHODS

PROJECT FINANCING METHODS:

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 its 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:

1. Advances
2. Loans
3. Grants
4. Contributions
5. Any other form of financial assistance from public or private sources

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.

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. That is why the Priest River Urban Renewal Agency will require that the developer guarantee the public financing, in case the projected tax increment fails to materialize.

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.

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. 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 two 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.

In Priest River's situation, a developer may wish to loan the agency the necessary startup funds, and also guarantee any loans or bonds that are sold for the infrastructure improvements. A portion, or all of the funds advanced would then be repaid by the agency pursuant to an agreement with the developer, as funds from the increment are generated.

Loans and Grants

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.

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 prorata share. The LID expenses are paid off via the tax rolls over a predetermined period of time.

Loans and Advances:

The URA may borrow funds for a project from the city or a lending institution. 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 and increment is created.

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 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. As stated above, it would be wise for the Agency to ask developers to guarantee any public financing included in this plan.

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:

1. The public agency
2. A bank, financial institution or lender (buys the present value of future lease payments)
3. Purchasers or investors (purchase the COP's)
4. A trustee (holds security for payment of lease - if any)
5. 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.

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.

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.

CHAPTER 6
TAX ALLOCATION DISTRICT

LEGAL DESCRIPTION
URBAN RENEWAL DISTRICT

**THE TAX ALLOCATION DISTRICT FOR THE PRIEST RIVER URBAN RENEWAL
PROJECT AREA AS DEFINED BY THE FOLLOWING DESCRIBED BOUNDARY:**

Affected Agencies

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

West Bonner School District 83
Bonner County
Bonner County Ambulance
Bonner County Road and Bridge
City of Priest River
~~West Priest Lake Fire~~
West Bonner Library
West Bonner Cemetery
Pend Oreille Hospital

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 project's 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.

CHAPTER 7

ACTIONS BY THE CITY COUNCIL

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.
4. Where possible, preservation of historical sites, and wetlands, 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.

CHAPTER 8

ENFORCEMENT

ENFORCEMENT

The enforcement and administration of this plan, including the preparation and execution of all the documents used for the implementation of the Priest River Plan, shall be performed by the URA and/or the City of Priest River. The provisions of the Priest River 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

CHAPTER 9

DURATION OF THE PLAN

DURATION OF THE PLAN

The duration of the various segments which make up this urban renewal plan for the Priest River Area are as follows:

- 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.

RESOLUTION NO. 2016-01

PRIEST RIVER URBAN RENEWAL AGENCY

TITLE: A RESOLUTION OF THE PRIEST RIVER URBAN RENEWAL AGENCY, PRIEST RIVER, IDAHO, RECOMMENDING AN AMENDMENT TO THE PRIEST RIVER URBAN RENEWAL PLAN AND THE REVENUE ALLOCATION AREAS DESCRIBED THEREIN TO EXTEND THE TERMINATION DATES THEREOF; PROVIDING FOR SEVERABILITY, PREEMPTION AND PRECEDENCE; PROVIDING FOR THE REPEAL OF ALL CONFLICTING RESOLUTIONS; PROVIDING AN EFFECTIVE DATE; PROVIDING A DATE OF PASSAGE AND APPROVAL, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS: The Priest River Urban Renewal Agency (hereinafter the "Agency"), a public body of the State of Idaho, seeks to revitalize the City of Priest River through the utilization of the Idaho Urban Renewal Law; and,

WHEREAS: On December 17, 2007, the City Council of the City of Priest River, Idaho adopted Ordinance Number 507, which approved the Priest River Urban Renewal Plan along with the revenue allocation area define therein (hereinafter the "Plan"); and,

WHEREAS: Chapter 9 of the Plan states that the Plan shall be effective or ten (10) years from the date of adoption of the Plan by the Urban Renewal Agency and the Tax allocation District and its respective revenue allocation financing shall be in effect for a period not to exceed ten (10) years;

WHEREAS: Chapter 10 of the Plan provides for Plan Amendment Procedures that include revisions to the Length of the Term of the District: and,

WHEREAS: The Priest River Urban Renewal Agency reviewed the Plan and completed projects by the Agency Based on proposed projects in the Plan and the goals of the Agency the Termination Date must be extended to allow sufficient tax increment revenues to be generated to fund projects in the Plan.

NOW, THEREFORE, BE IT RESOLVED THAT: by the Board of Commissioners of the Priest River Urban Renewal Agency as follows:

SECTION ONE: AMENDMENT TO THE PRIEST RIVER URBAN RENEWAL PLAN AND THE REVENUE ALLOCATION AREAS DESCRIBED THEREIN TO EXTEND THE TERMINATION DATES THEREOF

The agency hereby recommends that the Termination Date imposed by Ordinance No. 507 be extended by the City Council to December 17, 2027.

SECTION TWO: SEVERABILITY, PREEMPTION, AND PRECEDENCE

This Resolution is hereby declared to be severable. Should any portion of this Resolution be declared invalid by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect and shall be read to carry out the purposed of the Resolution, then the provision shall be read to be preempted to the extent and for the time required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that has been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding without the requirement of further action by the Agency, and any amendments to this Resolution as a result of such provision being preempted shall no longer be of any force or effect with respect to that provision.

SECTION THREE: REPEAL OF CONFLICTING RESOLUTIONS

All Resolutions and parts of Resolutions in conflict with of addressing the same subject matter as the provisions of this Resolution are hereby repealed.

SECTION FOUR: EFFECTIVE DATE

This Resolution shall take effect and be in full force from and after its passage and approval.

SECTION FIVE: DATE OF PASSAGE AND APPROVAL

Passed and approved at a regular meeting of the Commissioners of the Priest River Urban Renewal Agency, Priest River, Idaho, held on 19th day of January, 2016, on which a roll call vote was duly taken.

DATED this 19th day of January, 2016.

Commissioner Wagner voted	<u>Aye</u>
Commissioner Connolly voted	<u>Aye</u>
Chairman Martin voted	<u>Absent</u>
Commissioner Edwards voted	<u>Aye</u>
Commissioner George voted	<u>Aye</u>


James L. Martin
Mayor

ATTEST:


Laurel Knoles
Secretary

ORDINANCE NO. 579

AN ORDINANCE OF THE CITY OF PRIEST RIVER, BONNER COUNTY, IDAHO, AMENDING PRIEST RIVER ORDINANCE NO. 507 TO PROVIDE A REVISED TERMINATION DATE OF DECEMBER 17, 2027, FOR THE PRIEST RIVER URBAN RENEWAL PLAN; PROVIDING THAT THE TERMINATION DATE ADOPTED HEREBY SHALL SUPERSEDE ALL PREVIOUSLY ESTABLISHED TERMINATION DATES FOR SUCH PLAN; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the City of Priest River, Bonner 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 the Idaho Code, Title 50, Chapters 20 and 29, to adopt urban renewal plans, to adopt deteriorated area declarations, to adopt revenue allocation areas, and to provide improvements and betterment within an urban renewal area, as designated by the Plan; and

WHEREAS, the City designated the area included in the Priest River Urban Renewal Plan a deteriorated area by Resolution No. 07-020, adopted on the 4th day of September, 2007; and

WHEREAS, the City held one duly noticed public hearing on December 5, 2007 to review and consider adoption of the Priest River Urban Renewal Plan; and

WHEREAS, the City Council of the City of Priest River did on December 17, 2007, adopt the initial Priest River Urban Renewal Plan by enacting Priest River Ordinance 507; and,

WHEREAS, the Priest River Urban Renewal Agency did on January 19, 2016, approve Resolution No. 2016-01, recommending that the termination date of the Priest River Urban Renewal Plan be extended to December 17, 2027.

WHEREAS, upon request by the Priest River Urban Renewal Agency, the Priest River City Council has conducted a public hearing on February 16, 2016, to consider extending the termination date of the Priest River Urban Renewal Area to December 17, 2027.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PRIEST RIVER, BONNER COUNTY, IDAHO, as follows:

Section 1: The City hereby approves extension of the duration of the Priest River Urban Renewal Plan (as initially approved by the City of Priest River and adopted by Ordinance 507) from its current date of December 17, 2017, to a new termination date of December 17, 2027. The termination date established by this ordinance hereby supersedes the termination date previously established by Priest River Ordinance 507.

Section 2: All other provisions of Priest River Ordinance 507 remain unchanged by the enactment. City staff is directed to take such steps as are necessary to implement this ordinance.

Section 3: This Ordinance shall be effective upon the date of its passage by the Priest River City Council. It is authorized to be published in summary form as provided by law, using the title of the ordinance as the core of the summary.

Passed by the City Council and approved by the Mayor, under suspension of the rules, as an Ordinance of the City of Priest River, Bonner County, Idaho, at a regular meeting of the Priest River City Council held on the 16th day of February, 2016.


James L. Martin
Mayor



ATTEST:


Laurel Knoles, CMC
City Clerk/Treasurer

CHAPTER 10

PLAN AMENDMENT PROCEDURES

PLAN AMENDMENT PROCEDURES

The Priest River 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 (if one is by then formed) 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. Length of the Term of the District
3. Land Acquisition
4. Changes to plan objectives

CHAPTER 11

TAX FEASIBILITY STUDY

City of Priest River

**Tax Allocation Feasibility Study
For
The Priest River Redevelopment Area**

September 2007

Tax Allocation Feasibility Study For The Priest River Redevelopment Area

Executive Summary

The use of the Tax Allocation Financing Provision in the proposed Priest River 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 investments listed here are in major part the result of expected development in the Priest River project, an investment expected to total \$385,000,000 over ten years. Increment received has been reduced in this schedule to ensure the viability of the 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	Cost
Public Facilities/Rebates	\$2,360,000
Public Works	18,806,000
Total Project Costs	\$21,166,000

Source: City of Priest River

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, 2007. 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 can be decreased taxes.

To determine the feasibility of a tax increment financing provision for improving the Priest River Redevelopment Area, the first task was to list all properties by parcel number. Then, for each parcel within the taxing area a market value of each, with exemptions.

With a complete inventory of properties and their existing market values, a baseline projection of tax revenues was created. This projection was based on the projected build out in the district, as estimated based on proposed development.

Growth trends in the balance of the district not included in the Priest River development were not included, since expectations are that the deteriorated area will require several years to recover, even after the project infrastructure improvements are completed.

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 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 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 Priest River 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 Bonner County Assessor has identified the parcels within the redevelopment area. The value of each parcel constitutes the basis of the total property tax revenue the taxing districts will receive during the project build out. The value of approximately \$5 million is within the allowable ten percent of the total Priest River City valuation.

A complete listing of parcels and their size is provided in Appendix 1.

Vacant Land

Within the redevelopment area there is a total of about 900 acres of undeveloped and vacant land. Most of this property is within the Settlement development and as such will be developed as residential property.

Planned Development and Infrastructure Extensions

Planned infrastructure development includes improvements to streets, extension of water and sewer facilities and lines, parks and parking lots, and other miscellaneous items that will also be funded. 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.

Baseline Build-out Potential

Resident Population

Nearly all of redevelopment area is residential. With this in mind, most of projected build out in the plan will be based on residential construction, as estimated based on discussions with potential developers.

Development Acreage and Timing Projection

A projection of development acreage and timing has been prepared to provide an overview of the likely future development of the Priest River Redevelopment Area.

The following table shows the timing projection by year. A full projection, by year is provided in Appendix 6.

TABLE 2
PRIEST RIVER REDEVELOPMENT AREA
DEVELOPMENT PROJECTION, 2008 TO 2017

Year	Housing Units
2008	70
2009	70
2010	70
2011	70
2012	70
2013	70
2014	70
2015	70
2016	70
2017	<u>70</u>
TOTAL	700

Source: Priest River Urban Renewal Agency and Developers' Estimate

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 developers are confident that the build out projection is reliable, and even conservative in nature. In the unlikely event that the projections are not achieved, the amount of debt financing for the projects may be reduced, or the developer may work with the Urban Renewal Agency to find alternate funding methods.

The following table shows the growth in investment through the year 2017.

TABLE 3
PRIEST RIVER REDEVELOPMENT AREA
PRIVATE SECTOR INVESTMENT GROWTH, 2008 TO 2017

Year	Residential
2008	38,500,000
2009	38,500,000
2010	38,500,000
2011	38,500,000
2012	38,500,000
2013	38,500,000
2014	38,500,000
2015	38,500,000
2016	38,500,000
2017	<u>38,500,000</u>
TOTAL	\$385,000,000

Source: Priest River Urban Renewal Agency and Developers' Estimate

Property Tax Generation

As investment occurs in the Priest River 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.

TABLE 4
PRIEST RIVER REDEVELOPMENT AREA
PROPERTY TAX GENERATION, 2008 TO 2017

Year	Total
2008	328,599
2009	657,199
2010	985,798
2011	1,314,398
2012	1,642,997
2013	1,971,596
2014	2,300,196
2015	2,628,795
2016	2,957,394
2017	<u>3,285,994</u>

TOTAL \$18,072,966

Source: Priest River Urban Renewal Agency and Developers' Estimate

Tax Allocation Projection Calculation

The following projection is based on the projected 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 developer and the City of Priest River.

Urban Renewal District Improvements

Improvements will be thoroughly described in the Urban Renewal Plan. These improvements include curbs and gutters, sidewalks, streets, water and sewer systems, 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/ \$1,000
City of Priest River	.004492108
Bonner Co. Road and Bridge	.000714862
? W. Priest Lake Fire District	.000141880
West Bonner Library District	.000301255
West Bonner School District	.000401675
Bonner County	.002016642
Bonner County Ambulance	.000294056
West Bonner Cemetery	.000037028
Pend Oreille Hospital Dist.	.000135540
Total	.008535049

Source: Bonner County Clerk

Coverage Ratio

The coverage ratio applied to the Priest River Urban Renewal Project's Tax Increment Revenues is 110%. 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.

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 changed in 2006 to remove operations and management costs from taxpayers. As such, no O and M taxes from school districts come to the URA.

Determination of the Timing of the Required Incremental Tax Base

As development occurs within the Priest River Redevelopment Area, additional investment will add incremental tax revenues. Based on the Idaho Economic Forecast's growth assumptions, there will be sufficient increment added to the redevelopment area by the year 2007. Since taxes are not collected until the following year, the tax required to pay for bonds will be available in January, 2009. The table on the following page shows this anticipated growth and the amount of incremental taxes expected.

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 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 at any point without voter approval. However, it is more reasonable to do so if they have a sufficient source of assessed value to produce tax revenues. The Urban Renewal Project can create these sources of additional tax revenue.

Levy Rate Calculation

Idaho State law limits the increase in budgets of each taxing district. In our assumption, however, we anticipate constant levy rates because of the use of foregone taxes and new construction within each district

Feasibility of Tax Increment Financing Improvements

As a result of this analysis, the feasibility of using the Tax Allocation Financing Provision for improvements within the Priest River Redevelopment Area is positive given the assumptions included in this report.

Growth assumptions applied to the development 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.

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.

Conclusion

The City of Priest River is facing increasing pressure to accommodate the demand for new growth in the area. Their deteriorating infrastructure only adds to the pressure faced by the City. As a burgeoning resort community, Priest River needs to address its current deteriorated infrastructure and plan for the future expansion requirements.

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

Appendix 1

AREA STATISTICS

The following table is a list of parcels within the Priest River Redevelopment Area with their respective size.

Appendix 2

TAX VALUATION BY PARCEL

Appendix 3

BASELINE PROPERTY TAX GENERATION , 2008 TO 2017

	Residential
2008	328,599
2009	657,199
2010	985,798
2011	1,314,398
2012	1,642,997
2013	1,971,596
2014	2,300,196
2015	2,628,795
2016	2,957,394
2017	<u>3,285,994</u>
TOTAL	<u>\$18,072,966</u>

Appendix 4

DEBT SERVICE SCHEDULE, MARGINS AND DISCOUNTS

Bond/Loan 2008	\$13,500,000
Interest Rate	5%
Term	10 Years
Debt Service Margin	10%
Present Value Discount	2.5%
Bond/Loan Payment	\$ 1,718,261
 Total Payments	 \$17,182,613
Debt Service Margin	1,546,434
Payable in Year 2017	(1,546,434)
Present Value Discount	<u>429,570</u>
 Total Debt Costs	 \$17,612,183

Note: Estimates only. Third party, such as a developer, should guarantee payments or provide improvements via an Owner Participation Agreement, subject to reimbursement if and when TIF is available.

Appendix 5

TAXING DISTRICT PROJECTIONS

Annual Tax Increment Available for Districts after Bond Retirement

First Year Received **2018**

Total Annual Tax Increment \$3,430,402

Annual Revenue By District

West Bonner School Dist.	154,646
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Bonner County	776,407
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Bonner County Ambulance	113,212
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Bonner County Road/ Bridge	275,222
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City of Priest River	1,729,462
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West Priest Lake Fire	54,624
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West Bonner Cemetery	14,256
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Pend Oreille Hospital	52,183
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West Bonner Library District 115,983

Total \$3,285,995

Appendix 6

TOTAL FINANCIAL PROJECTION

See Excel Spreadsheet - Priest River Feasibility Table.xls

PRIEST RIVER URBAN RENEWAL AGENCY

SOURCES OF FUNDS	TOTAL	1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017	TOTAL
TAX INCREMENT FINANCING REVENUES												
Increased Assessed Values 70 ERUs/year @ \$550K each	\$ 385,000,000	\$ 38,500,000	\$ 77,000,000	\$ 115,500,000	\$ 154,000,000	\$ 192,500,000	\$ 231,000,000	\$ 269,500,000	\$ 308,000,000	\$ 346,500,000	\$ 385,000,000	
Net Incremental Property Tax Revenues	\$ 18,072,966	\$ 328,599	\$ 657,199	\$ 985,798	\$ 1,314,398	\$ 1,642,997	\$ 1,971,596	\$ 2,300,196	\$ 2,628,795	\$ 2,957,394	\$ 3,285,994	\$ 18,072,966
Levy Rate (constant from 2007)	0.008535049	0.008535049	0.008535049	0.008535049	0.008535049	0.008535049	0.008535049	0.008535049	0.008535049	0.008535049	0.008535049	
ONE-TIME FEE ESTIMATES												
Water Hook-up Fees 700 @ \$3000	\$ 2,100,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 2,100,000
Sewer Hook-up Fees 700 @ \$4500	3,150,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	3,150,000
Impact Fees @ \$1,500/ ERU	1,050,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	1,050,000
Subtotal	\$ 6,300,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 6,300,000
GRANT POSSIBILITIES												
Matching Grants - Water	\$ 500,000	\$ 500,000										\$ 500,000
Matching Grants - Sewer	500,000		\$ 500,000									500,000
Waterway Grant--Parks & Recreation	350,000	350,000										350,000
Total Grants	\$ 1,350,000	\$ 850,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,350,000
LOAN/BOND		\$ 13,500,000										\$ 13,500,000
TOTAL: TIF, BONDS, ONE-TIME FEES , GRANTS	\$ 25,722,966	\$ 15,308,599	\$ 1,787,199	\$ 1,615,798	\$ 1,944,398	\$ 2,272,997	\$ 2,601,596	\$ 2,930,196	\$ 3,258,795	\$ 3,587,394	\$ 3,915,994	\$ 39,222,966
USES OF FUNDS		1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017	TOTAL
STREETS												
Curbs, Sidewalks, Streets, Landscaping	\$2,400,000		\$2,400,000									\$ 2,400,000
WORKFORCE HOUSING												
Land (Donated)												
Housing	500,000		500,000									500,000
WASTEWATER												
Sewer Line Replacement	6,250,000	\$6,250,000										6,250,000
Wastewater Treatment Plant Improvements	3,750,000	3,750,000										3,750,000
Misc. Sewer Line to New Developments	500,000	500,000										500,000
WATER												
Option 5 Well, Looping, Standpipe	5,406,000	5,406,000										5,406,000
Misc. Water Line to New Developments	500,000	500,000										500,000
PARKS AND RECREATION												
Priest River Waterfront	500,000		500,000									500,000
Parks	500,000		500,000									500,000
PARKING IMPROVEMENTS												
Parking Lots, Repaving and New	200,000	200,000										
REBATES												
City of Priest River (Approximately 3.5% of TIF)	660,000	12,000	24,000	36,000	48,000	60,000	72,000	84,000	96,000	108,000	120,000	\$ 660,000
TOTAL CAPITAL/REBATE COSTS	\$21,166,000	\$16,618,000	\$3,924,000	\$36,000	\$48,000	\$60,000	\$72,000	\$84,000	\$96,000	\$108,000	\$120,000	\$ 21,166,000
LESS: CAPITALIZATION/IMPACT FEES, GRANTS	\$ 7,650,000	\$ 1,480,000	\$ 1,130,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 7,650,000
AMOUNT FROM TIF	\$ 13,516,000											
TIF FINANCING		\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	
Interest Rate		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Term in Years		10	10	10	10	10	10	10	10	10	10	
Debt Service Margin		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Present Value Discount		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
DEBT SERVICE												
Bond Payment	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 1,718,261	\$ 17,182,613
Debt Service Margin (Applied to Final Bond Payment)	171,826	171,826	171,826	171,826	171,826	171,826	171,826	171,826	171,826	171,826	(1,546,434)	-
Present Value Discount	42,957	42,957	42,957	42,957	42,957	42,957	42,957	42,957	42,957	42,957	42,957	429,570
Total Bond Costs	\$ 1,933,044	\$ 1,933,044	\$ 1,933,044	\$ 1,933,044	\$ 1,933,044	\$ 1,933,044	\$ 1,933,044	\$ 1,933,044	\$ 1,933,044	\$ 1,933,044	\$ 214,784	\$ 17,612,183
Administration	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	360,000
TOTAL EXPENDITURES/ NET OF CAP/IMPACT FEES	\$ 18,587,044	\$ 5,893,044	\$ 2,005,044	\$ 2,017,044	\$ 2,029,044	\$ 2,041,044	\$ 2,053,044	\$ 2,065,044	\$ 2,077,044	\$ 2,089,044	\$ 2,101,044	\$ 39,138,183
BALANCE - S. FALL FROM DEVELOPERS - BALANCE TO AGENCY	\$ (3,278,445)	\$ (4,105,846)	\$ (389,246)	\$ (72,647)	\$ 243,953	\$ 560,552	\$ 877,151	\$ 1,193,751	\$ 1,510,350	\$ 1,826,950	\$ 2,143,550	\$ 84,783

APPENDIX A

PROJECT COSTS

**PRIEST RIVER TAX INCREMENT PROJECTS
ESTIMATED COSTS**

Project:	Estimated Costs:
1) Streets	\$ 2,400,000
2) Workforce Housing	\$ 500,000
3) Infrastructure	\$16,406,000
4) Public Facilities/Rebates	<u>\$1,860,000</u>
<u>GRAND TOTAL OVERALL COSTS:</u>	<u>\$21,166,000</u>

COST ESTIMATES
FOR
TAX INCREMENT FINANCING
PRIEST RIVER PROJECT

Project:

Streets

Description:

Construct improvements to the streets within downtown, including street construction, roadway widening, sidewalks, curbing, drainage, street lighting, traffic signal upgrades, and utilities extensions. Miscellaneous items.

Estimated Costs:

\$2,400,000

COST ESTIMATES
FOR
TAX INCREMENT FINANCING
PRIEST RIVER PROJECT

Project:

Workforce Housing

Description:

Obtain land (via donation) and provide discount on housing construction. Miscellaneous items.

Costs:

\$500,000

COST ESTIMATES
FOR
TAX INCREMENT FINANCING
PRIEST RIVER PROJECT

Project:

Infrastructure Improvements

Description:

Construct improvements to the Wastewater Plant and Wastewater service lines. Construct a potable Water Reservoir and upgrade existing lines. Loop the current water system to increase pressure and fire flow capacities. Miscellaneous items.

Costs:

\$16,406,000

COST ESTIMATES
FOR
TAX INCREMENT FINANCING
PRIEST RIVER PROJECT

Project:

Public Facilities and Rebates

Description:

Construct Improvements to the Priest River Waterfront and City Parks, plus new parking lots and rehab of existing lots. Also rebate a portion of the TIF to affected agencies. Miscellaneous items.

Costs:

\$1,860,000

APPENDIX B

IDAHO CODE SECTION 50-2008

APPENDIX B

State Code Section 50-2008

50-2008. Preparation and approval of plan for urban renewal project. (a) An urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.

(b) An urban renewal agency may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to an urban renewal agency. Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within 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 therefore 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 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

- (e) (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 subdivision, 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.
- (f) 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.
- (g) 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.
- (h) 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. [1965, ch. 246, § 8, p. 600.]

Compiler's notes. For words "this act" see
Compiler's notes, § 50-2001.
Public Law 875, Eighty-first Congress, referred to in this
section, was repealed.

Sec. to sec. ref. This section is referred to in §§ 50-
2018, 50-2903 and 50-2906.

APPENDIX C
NOTICE OF PUBLIC HEARINGS

**NOTICE OF PUBLIC HEARING
CITY OF PRIEST RIVER**

At their regular meeting on November 5, 2007, the Priest River City Council set a public hearing to consider comments on an urban renewal plan, feasibility study and map of the proposed Priest River Urban Renewal District, an area found by the City Council at their meeting in September to be deteriorated. The hearing will be held at Priest River City Hall in Priest River, Idaho, on December 5, 2007 at 6:00 PM. All interested persons and/or entities are encouraged to attend and offer comments on the plan, feasibility study and district map.

The City of Priest River encourages participation in public hearings. Information regarding the public hearing can be obtained by contacting the City at (208) 448-2123 or PO Box 415 Priest River, ID 83856. Individuals with special needs of access to or participation in the public hearing should contact the City Clerk.

PUBLIC HEARING NOTICE CITY OF PRIEST RIVER

NOTICE IS HEREBY GIVEN that the City Council of Priest River, Idaho will hold a public hearing at City Hall, 552 High Street, Priest River, Idaho, on the 16th day of February, 2016 at 5:30 pm concerning a recommendation from the Priest River Urban Renewal Agency to extend the duration of the Priest River Urban Renewal District from a termination date of December 17, 2017, to a new termination date of December 17, 2027. The Priest River Urban Renewal District is an irregular shaped area including the area commonly known as "The Settlement" as well as the waterfront on the Pend Oreille River, the Downtown area, and all publicly owned structures and Rights of Way, as more particularly described in Priest River Ordinance 507 (available from the office of the Priest River City Clerk). The lands within the district established by Ordinance 507 extend no farther north than the former City of Priest River landfill site, no farther south than the Pend Oreille River waterfront, no farther west than Bodie Canyon Road, and no farther east than the current City limits at the area commonly Known as "The Settlement". The extension has been deemed necessary in order to allow sufficient tax increment revenues to be generated to fund projects in the urban renewal plan.

All persons desiring to be heard should appear at this hearing. Written testimony or comments may be dropped off at the office of the City Clerk, or mailed to the City of Priest River at PO Box 415, Priest River, ID 83856. Written comments must be received no later than 5:00 pm on February 16, 2016. Oral testimony may be provided during the public hearing.

The City of Priest River encourages participation in public hearings. Information regarding the public hearing can be obtained by contacting the City at (208) 448-2123 or PO Box 415 Priest River, ID 83856. Individuals with special needs of access to or participation in the public hearing should contact the City Clerk.

APPENDIX D

RESOLUTION No.

07-020

**CITY OF PRIEST RIVER
RESOLUTION 07-020**

A RESOLUTION OF THE CITY OF PRIEST RIVER, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, MAKING FINDINGS THAT DETERIORATED AND DETERIORATING AREAS EXIST WITHIN 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 APPOINTMENT OF AN URBAN RENEWAL AGENCY FOR THIS PURPOSE.

WHEREAS, the City of Priest River is an Idaho Municipal Corporation with the authority to declare all or a portion of it's 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 Mayor and City Council of the City of Priest River 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 Priest River 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 an agency and to designate the initial chairman of the commission,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PRIEST RIVER AS FOLLOWS:

Section 1. That there are areas within the City Limits of the City of Priest River 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.

ORIGINAL

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 depicted as a map in Exhibit A, attached hereto and incorporated by reference herein.

Section 3. That it is necessary for the City of Priest River 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 following members are hereby appointed to the agency:


Ted Runberg
Leroy Campbell
Ryan Fobes
Peggy George
Garry Hojan
Carlene Peterson
Bill Rise
Greg Snow

ADOPTED AND APPROVED THIS 4TH DAY OF SEPTEMBER, 2007.



James L. Martin
Mayor

ATTEST:



Laurel Hatfield
City Clerk

EXHIBIT A
MAP OF THE URBAN RENEWAL AGENCY AREA OF DETERIORATION AND
DETERIORATING CONDITIONS

APPENDIX E
RESOLUTION No.

NOT APPLICABLE

APPENDIX F
RESOLUTION 02-XX

NOT APPLICABLE

APPENDIX G

ORDINANCE ~~02-XX~~

507

744358

ORDINANCE NO. 507

AN ORDINANCE OF THE CITY OF PRIEST RIVER, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, APPROVING THE PRIEST RIVER 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 Priest River did on September 4, 2007, by Resolution No. 07-020, declare that a specifically described portion of the city limits of the City of Priest River was deteriorated and deteriorating, and in need of remediation by an urban renewal agency, and

WHEREAS the City Council of the City of Priest River recommended that the Mayor of the City of Priest River appoint an urban renewal commission, and

WHEREAS the Mayor of the City of Priest River did on June 18, 2007, with the advice and consent of the City Council, establish by an Order of Appointment, the Priest River Urban Renewal Agency, comprised of Peggy George, Bill Rise, Ted Runberg, Garry Hojan, Carlene Peterson, Greg Snow, Brian Fobes, and Leroy Campbell, and

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

WHEREAS the Priest River 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 Priest River Urban Renewal Plan, and

WHEREAS the Board of Commissioners of the Priest River Urban Renewal Agency conducted a public hearing on December 5, 2007, and have adopted Resolution 07-026 recommending approval of the Priest River Urban Renewal Plan by the City Council of the City of Priest River.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PRIEST RIVER 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 Priest River 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 Priest River 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 Priest River 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 Priest River 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 Priest River Urban Renewal Plan conforms to the general plan of the City of Priest River, and is in conformance with the Comprehensive Plan.
- f. The Priest River Urban Renewal Plan does not anticipate the displacement of any families.
- g. The Priest River 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 Priest River 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

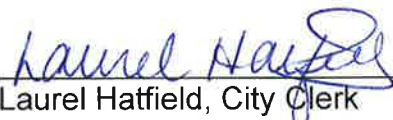
growth and development of the City in accordance with sound planning standards and local community objectives.

Section 2: The Mayor and City Council of the City of Priest River hereby adopts the Priest River Urban Renewal Plan 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 17th day of December, 2007.


James L Martin, Mayor

ATTEST:


Laurel Hatfield, City Clerk



FILED BY
2008 JAN 14 A 10:44
MARIE SCOTT
BONNER COUNTY RECORDER
DEPUTY

PRIEST RIVER URBAN RENEWAL PROPERTY LEGALS

PRIEST RIVER AREA ("Letters" refer to Grouping Numbers on Attached Maps)

A. All that Portion of Gillingham's Additions as recorded in Books 1, 1, 1
Pages 19, 22, 22 records of Bonner County, Idaho

Excluding All Blocks 1-3, Block 4, Lots 1-3, 6-10, Blocks 5-11, Block 12, Lots 1-9,
Blocks 17-19

B. All that Portion of Park Addition as recorded in Book 1, Page 164 records of
Bonner County, Idaho

Excluding All Lots 1-12

C. All that portion of the following described parcels:

All that Portion of the Burlington Northern Railroad Right-of-Way from the West Section
Line of the NW of the NW Section 25, Township 56 North, Range 5 West of the Boise
Meridian, Bonner County, Idaho, Easterly to the East Section Line of the NE of the NE
Section 25 Township 56 North, Range 5 West of the Boise Meridian, Bonner County,
Idaho,

Including that Portion of the Burlington Northern Railway and Santa Fe Railway
Company's (formerly Great Northern Railway Company) 300.0 foot wide Station
Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and
100.0 feet wide on the Southerly side of said railway Company's Main Track centerline,
as now located and constructed upon, over and across Government Lot 6 of Section 25,
Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho,
described as follow. To-wit:

Beginning at the point of intersection of the Northerly line of Montgomery Street with the
centerline of Cedar Street, said point being 200.0 feet Northerly, as measured at right
angles from said Main Track centerline and 30.0 feet West of the Southwest corner of Lot
10, Block 5 Gillingham's Plat of Priest River as shown on the Plat of Gillingham's 3rd
Addition as recorded in Book 1, Page 22 records of Bonner County, Idaho;

thence South along the Southerly extension of the centerline of Cedar Street 119 feet,
more or less, to the intersection with a line drawn parallel with and distant 9.0 feet
Northerly, as measured at right angles from said Railway Company's most Northerly
House Track centerline, as now located and constructed;

thence Easterly along the last described parallel line to the intersection with a line drawn parallel with and distant 200.0 feet Easterly, as measured at right angles from the Southerly extension of the centerline of said Cedar Street;

thence Northerly along the last described parallel line 130 feet, more or less, to the Northerly line of Montgomery Street;

thence Westerly along said Northerly line 200.0 feet to the point of beginning.

Including that Portion of the Burlington Northern Railway and Santa Fe Railway Company's (formerly Great Northern Railway Company) 300.0 foot wide Station Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and 100.0 feet wide on the Southerly side of said Railway Company's Main Track centerline, as now located and constructed upon, over and across Government Lot 6 of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, described as follow. To-wit:

Commencing at the intersection of the South line of Montgomery Street (as established by easement from Great Northern Railway Company to the Village of Priest River dated March 16, 1927) with the Southerly extension of the West line of Main Street, according to the recorded plat of Priest River, Idaho;

thence West along said South Line 65.0 feet to the true point of beginning;

thence South at right angles to said South line 100.0 feet, more or less, to the intersection with a line drawn parallel with and distant 10.0 feet Northerly, as measured at right angles from said Railway Company's most Northerly House Tract centerline, as now located and constructed;

thence Westerly along the last described parallel line to the Easterly line of that certain easement from Great Northern Railway Company to Bonner County for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958;

thence Northerly and Easterly along said Easterly line to the said South line of Montgomery Street;

thence Easterly along said South line 150 feet, more or less, to the true point of beginning.

Including that Portion of the Burlington Northern Railway and Santa Fe Railway Company's (formerly Great Northern Railway Company) 300.0 foot wide Station Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and 100.0 feet wide on the Southerly side of said railway Company's Main Track centerline, as now located and constructed upon, over and across Government Lot 6 of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, described as follow. To-wit:

Beginning at the intersection with the Easterly line of that certain easement from Great Northern Railway Company to Bonner County, Idaho for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958 with the Southerly line of said Station Ground property;

thence Easterly along said Southerly line 371.0 feet;

thence Northerly at right angle to said Southerly line 50.0 feet;

thence Westerly parallel with said Main Track centerline 10.0 feet;

thence Northerly at right angles to said Main Track centerline 30.0 feet;

thence Westerly parallel with and 20.0 feet Southerly, as measured at right angles from said Main Track centerline 360 feet, more or less, to the Easterly line of said easement for the Southerly extension of Wisconsin Street;

thence Southerly along said Easterly line to the true point of beginning.

D. All that Portion of the following described parcel:

Beginning at the intersection of the Centerline of First Street and the Centerline of Montgomery Avenue;

thence Easterly, 166 feet along the Centerline of Montgomery Avenue;

thence Northerly, 20 feet along a line 166 feet East of and parallel to the Centerline of First Street to the true point of beginning;

thence Northerly, 60 feet along a line 166 feet East of and parallel to the Centerline of First Street;

thence Easterly, 124 feet along a line 60 feet North of and parallel to the North Right-of-Way of Montgomery Avenue;

thence Southerly, 60 feet along the line 200 feet East of and parallel to the center line of First Street to the North Right-of-Way line of Montgomery Avenue;

thence Westerly, 124 feet along the North Right-of-Way of Montgomery Avenue to the true point of beginning.

TOGETHER WITH All vacated streets and alleys appurtenant thereto whether vacated prior to or at any time after the date of this conveyance.

E. All that Portion of the following described parcel:

Beginning at the intersection with the Easterly line of that certain easement from Great Northern Railway Company to Bonner County, Idaho for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958 with the Southerly line of said Station Ground property, said point being the true point of beginning;

thence East along said South line of the Great Northern Railway Company Right-of-Way to the East line of Government Lot 6, of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 88° 31' 10" East, 251.11 feet along the South Right-of-Way line of Great Northern Railway Company;

thence South, 279.93 feet more or less to the North Bank of the Pend Oreille River;

thence Westerly along the North Bank of the Pend Oreille to a point where the same is intersected by the East line of a parcel of land sold to the Village of Priest River by Deed dated April 28, 1956, as Instrument No. 57492, and now used as a right of way and approach for the bridge across said river;

thence North along said East line to the South line of the Great Northern Railway Company Right-of-Way, to the true point of beginning.

F. All that Portion of the following described parcels:

All that Portion of High Street Extending from the point where High Street intersects the West Section line of the NW of the NW Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, as shown on the Plat of Gillingham's 2nd Addition as recorded in Book 1, Page 22 records of Bonner County, Idaho Northwesterly to its intersection with the Southerly Right-of-Way line of State Highway 2 (200) (Albany Street).

Including All that Portions of the following described parcels;

Parcel I:

Beginning at a point which is West, 792.4 feet and South, 450.3 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, said point being the true point of beginning;

thence East 150 feet to a point;

thence North to the road connecting Albany Street with High Street;

thence Northwesterly along the Southern boundary of said road to a point directly North of the point of beginning;

thence South to the point of beginning.

EXCEPTING THEREFROM the South 250 feet thereof.

Parcel II: A Portion of Government Lot 5, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

Beginning at a point on the South Right-of-Way of State Highway 2 (200), which point is South, 33 feet and West, 792.4 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 25 feet to the true point of beginning;

thence West 15 feet;

thence South 141.62 feet;

thence east 15 feet;

thence North 141.62 feet to the true point of beginning.

Parcel III:

Beginning at a point which is West, 642.40 feet and South $0^{\circ} 26' 13''$ East, 293.00 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence North $89^{\circ} 33' 47''$ East, 102.58 feet;

thence North $0^{\circ} 26' 13''$ West, to its intersection with the Southerly Right-of-way line of Albany Street;

thence Northwesterly, along said Southerly line of Albany Street, to a point lying North $0^{\circ} 26' 13''$ West, from the Point of Beginning;

thence South $0^{\circ} 26' 13''$ East, to the point of beginning.
(See Record of Survey Recorder's Number 425606)

Parcel IV:

Beginning at a point which is West, 642.40 feet and South $0^{\circ} 26' 13''$ East, 293.00 feet and North $89^{\circ} 33' 47''$ East, 102.58 feet from the Northeast corner of said Section 26,

Township 56 North, range 5 West of the Boise Meridian, Bonner County, Idaho, said point being the true point of beginning;

thence North 89° 33' 47" East, 147.42 feet;

thence North 0° 26' 13" West, 103.06 feet , more or less, to its intersection with the Southerly Right-of-Way line of Albany Street;

thence Northwesterly along said Southerly line of Albany Street, to a point lying a North 0° 26' 13" West, from the point of beginning;

thence South 02° 26' 13" East, to the point of beginning.
(See record of Survey Recorder's Number 425606)

G. All that Portion of the following described parcel:

Beginning at the intersection of the North Right-of-Way line of Albany Street (State Highway 2 (200)) and the West Right-of-Way line of Eleventh Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence North along the West Right-of-way line of Eleventh Street to its intersection with the extension of the North Right-of-Way line of Jefferson Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence East along the North Right-of-Way line of Jefferson to its intersection with the West Right-of-Way line of Ninth Street (State Highway 57) as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence South along the West Right-of-Way line of Ninth Street, 60 feet to its intersection with the South Right-of-Way line of Jefferson as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence West along the South Right-of-Way line of Jefferson Street to its intersection with the East Right-of-Way line of Tenth Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence South along the East Right-of-Way line of Tenth Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho to its intersection with the North Right-of-Way line of Albany Street;

thence West along the North Right-of-Way line of Albany Street to its intersection with the West Right-of-Way line of Eleventh Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

H. All that Portion of the following described parcel:

Commencing at the Northeast corner of the Southeast Quarter of Section 23, township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 150 feet;

thence West 25 feet, more or less, to the edge of the County Road (State Highway 57), said point being the true point of beginning;

thence West, 425 feet;

thence South 89° 55' 34" West, 450 feet;

thence North, 150 feet;

thence West, 420 feet;

thence South, 489 feet;

thence East, 660 feet to the West Right-of-Way line of Tenth Street as recorded in the Plat of Kluth's Addition recorded in Book 3 Page 80 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 44, Page 223 records of Bonner County, Idaho;

thence North, 20 feet along the West Right-of-Way line of Tenth Street as recorded in the Plat of Kluth's Addition recorded in Book 3 Page 80 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 44, Page 223 records of Bonner County, Idaho;

thence West, 184.93 feet;

thence North, 113.68 feet;

thence North 38° 49' East, 77.75 feet;

thence East, 113.22 feet;

thence North 0° 32' East, 120 feet

thence North 89° 55' 34" East, 234.5 feet;

thence South, 120 feet;

thence East, 420 feet, more or less to the West edge of the County Road (State Highway 57);

thence in a Northerly direction along the West edge of said County Road (State Highway 57) to the true point of beginning.

I. All that Portion of the following described parcel:

All that Portion of Priest River, Block 7, Lots 1-12 including the Alley as shown on the plat of Priest River recorded in Book 1, Pages 18/28/32 records of Bonner County, Idaho;

J. All that Portion of the following described parcels:

All that Portion of Lincoln Avenue extending from the East Right-of-Way line of Ninth Street to its intersection with the East Right-of-Way line of Fifth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

All that Portion of Fifth Street extending from the South Right-of-Way line of Lincoln to the North Right-of-Way line of Harriet Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

Beginning at a point which is the intersection of the North Right-of-Way line of Harriet Street and the East Right-of-Way line of Fifth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho, said point being the true point of beginning;

thence East along the North Right-of-Way line of Harriet Street to its intersection with the West Right-of-Way line of Fourth Street as extended Northerly as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North along the extended West Right-of-Way line of Fourth Street to its intersection with the North Right-of-Way line of Dixon Avenue as shown on the plat of Dow-Jones Addition recorded in Book 2 Page 3 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 95, Page 305 records of Bonner County, Idaho;

thence West, 260 feet along the North Right-of-Way of Dixon Avenue;

thence North, 250 feet;

thence West, 42.6 feet to the East Right-of-Way line of Fifth Street as extended Northerly as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North along the East Right-of-Way line of Fifth Street as extended to its intersection with the North Right-of-Way line of Warren Avenue as shown on the plat of Fairport Addition to Priest River recorded in Book 1 Page 190 records of Bonner County, Idaho;

thence South 85° 12' West, 170.40 feet along the North Right-of-way line of Warren Avenue as shown on the plat of Fairport Addition to Priest River recorded in Book 1 Page 190 records of Bonner County, Idaho to the Easterly Property Line of the Priest River Airport;

thence South 32° 31' 36" West, 59.8 feet along the East Property line of the Priest River Airport to the South line of the N1/2 of the NW of the SW of Section 24, Township 56 North, Range 5 West, of the Boise Meridian;

thence South 32° 28' 55" West, 789.52 feet along the East Property line of the Priest River Airport to the South Line of the N1/2 of the NW of the SW, said point being on the North Boundary of the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North 89° 18' East, 282.79 feet along said line to its intersection with the East Right-of-Way line of Harriet Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence South, 150 feet, more or less, to the North Right-of-Way of Sixth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence East, 360 feet to the true point of beginning.

Excluding any portion of the parcel described in Book of Deeds, Book 233, Page 134 records of Bonner County, Idaho.

K. All that Portion of the following described parcels:

All that Portion of the State Highway 2 (200) Right-of-Way extending from the North-South Centerline of Section 23 and Section 26, Township 56 North, Range 5 West, of the Boise Meridian Easterly to the East Section line of Section 24 and Section 25, Township 56 North, Range 5 West, of the Boise Meridian.

L. All that Portion of the following described parcel:

All that Portions of Ninth Street and Highway 57 Right-of-Ways extending from the North Right-of-Way of Highway 2 (200) Northerly to Station 73+00 of Highway 57 as shown on the U. S. Department of Commerce, Bureau of Public Roads plans dated the

20th day of August, 1953, and described in Book 54, Page 136, Records of Bonner County, Idaho.

M. All that Portion of the following described parcels:

All that Portion of Fourth Street extending from the North Right-of Way line of Highway 2 (200) Northerly to its intersection with the West Right-of-Way line of Coolin Road as shown on the plats of Priest River recorded in Book 1 Pages 18/28/32, Jackson's 1st Addition recorded in Book 1 Page 163, Fairport Addition to Priest River recorded in Book 1, Page 190, Dow-Jones recorded in Book 2, Page 3 records of Bonner County, Idaho;

All that Portion of Coolin Road as shown on the Plat..... and as extended Northwesterly to its intersection with the East Right-of-Way line of Highway 57 at approximately stationing 72+00 as shown on the U. S. Department of Commerce, Bureau of Public Roads plans dated the 20th day of August, 1953, and described in Book 54, Page 136, Records of Bonner County, Idaho.

N. All that Portion of the following described parcels:

The West 176 feet of the following described property; That part of the Southeast Quarter of the Northeast Quarter of Section 23, Township 56 North, Range 5 West, Boise Meridian, described as follows: Beginning at the Northeast corner of said Southeast Quarter of the Northeast Quarter; thence West 521 feet; thence South 332.5 feet; thence East 521 feet; thence North 332.5 feet to Point of Beginning, LESS THE FOLLOWING DESCRIBED TRACT: Beginning at the Northeast corner of said Southeast Quarter of the Northeast Quarter; thence West 521 feet; thence South 85 feet; thence East 521 feet; thence North 85 feet to the Place of Beginning.

A parcel of land in the Southeast Quarter of the Northeast Quarter of Section 23, Township 56 North, Range 5 West, Boise Meridian, more particularly described as follows:

Commencing at the Northeast Corner of above Southeast Quarter of the Northeast Quarter; thence 521 feet West to the True Point of Beginning; thence 332.5 feet South, to a point; thence 521 feet East, to an intersection with the East line of above Section 23; thence South along that East Section line to a point on it which is 165.0 feet North of the Southeast Corner of above Southeast Quarter of the Northeast Quarter; thence West 1320.0 feet to the Westerly line of above Southeast Quarter of the Northeast Quarter; thence Northerly along that Westerly line to the Northeast Corner of above Southeast Quarter of the Northeast Quarter; thence East along the North line of above Southeast Quarter of the Northeast Quarter to the True Point of Beginning

EXCEPTING from above parcel the following parce, namely:

Commencing at a point on the East line of above Southeast Quarter of the Northeast Quarter, which is 165.0 North of its Southeast Corner, as True Point of Beginning; thence West 323.0 feet, to a point; thence North 274.2 feet, to a point; thence East 323.0 feet, to an intersection with the East line of above Southeast Quarter of the Northeast Quarter; thence South along that East line 274.2 feet, to the True Point of Beginning.

A tract of land located in the Southeast Quarter of the Northeast Quarter of Section 23, Township 56 North, Range 5 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at a point which is North, along the East line of said Section 23, 290.5 feet and West 150 feet from the East Quarter Corner of said Section 23; thence West 83 feet; thence South 25.5 feet; thence West 90 feet; thence North 174.2 feet; thence East 173 feet; thence South 148.7 feet to the point of beginning. Said tract containing approximately 0.64 acres.

A parcel of land located in Sections 23 and 24, Township 56 North, Range 5 West, Boise Meridian, Bonner County, Idaho, more specifically described as follows:

Beginning at the North Section corner common to said Sections 23 and 24; thence South, 2125.10 feet along the Section line common to Sections 23 and 24 to the True Point of Beginning; thence West, 323.00 feet; thence South 80.00 feet; thence East, 323.00 feet to a point on the Section Line common to said Sections 23 and 24; thence South along said Section line, 346.24 feet to a point on the East Right-of-Way line of Idaho State Highway 57, said point being the point of cusp of a curve, concave to the Southeast, having a radius of 7689.34 feet; thence Northeasterly along said curve 431.76 feet, to a point which bears North 09°07'12" East, 431.70 feet from point of cusp; thence West, 68.43 feet to the True Point of Beginning, embracing 0.908 acres, more or less.

Parcel 1:

That part of the Southeast quarter of the Northeast quarter of Section 23, Township 56 North, Range 5 West, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at the Northeast corner of said Southeast quarter of the Northeast quarter; thence South 85 feet to the true point of beginning; thence West 345 feet; thence South 257.5 feet; thence East 345 feet; thence North 257.5 feet to the point of beginning.

Parcel 2:

That part of the Southwest quarter of the Northwest quarter of Section 24, Township 56 North, Range 5 West, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point on the West line of said Southwest quarter of the Northwest quarter that is South 1654.65 feet along the West line of said Section from the Northwest corner of said Section 24; thence North along the West line of said Southwest quarter of the Northwest quarter to the Northwest corner of the Northwest quarter; thence East along the North line of said Southwest quarter of the Northwest quarter to the West right of way line of Highway No. 57; thence Southwesterly along said West right of way line to a point East of the point of beginning; thence West to the true point of beginning.

O. All that Portion of the following described parcels:

All that Portion of Hemlock Street, Birch Street and Spruce Street as shown on the Plat of the Second Airport Addition to the City of Priest River as shown on the plat of Airport 2nd Addition to Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho;

Beginning at the NE corner of the Second Airport Addition to the City of Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho, said point being the true point of beginning;

thence South 89° 08' 57" East, 833.47 feet more or less to the NW corner of the Priest River Airport;

thence South 34° 30' 26" West, 1533.72 feet more or less to the intersection of the Easterly line of the Second Airport Addition to the City of Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho;

thence North 0° 03' West, 1252.08 feet to the true point of beginning.

Beginning at the SE Corner of the property described by the Corporation Quite Claim Deed, Book 93, Page 409, records of Bonner County, Idaho;

thence South 89° 17' 15" West, 69.99 feet to a 5/8 inch iron pin marking the intersection of the Easterly boundary of a tract of land owned by the City of Priest River with the Southerly boundary of the property described in the Corporation Quit Claim Deed, said point being the true point of beginning;

thence South 36° 48' 15" West, 314.88 feet;

thence South 89° 15' 38" West, 226.00 feet to a point on a curved line 150 feet Easterly and parallel with the centerline of State Highway No. 57 according to the plans shown on Sheet 4, Project NR, Section 6A;

thence Southerly 135.40 feet along a curve to the left; the curve has a central angle of 01° 02' 34", a radius of 7439.40 feet, a long chord bearing South 09° 58' 41" West, 135.39 feet, and is parallel with and 150 feet Easterly of the centerline of State Highway No. 57 to a 5/8 inch iron pin on the Northerly boundary of the access to Priest River Airport;

thence South 73° 38' 19" West, 166.25 feet to a 5/8 inch iron pin on the Easterly Right-of-Way of State Highway No. 57, described in Book 54, Page 136, Records of Bonner County, Idaho;

thence Southerly 110.20 feet along a curve to the left; the curve has a central angle of 00° 49' 55", a radius of 7589.40 feet, a long chord bearing South 08° 29' 38" West, 110.2 feet, and is parallel with and 50 feet Easterly of the centerline of State Highway No. 57, to a 5/8 inch iron pin;

thence North 73° 38' 19" East, 165.11 feet to a 5/8 inch iron pin on the Southerly boundary of the access to Priest River Airport;

thence Southerly 434.14 feet along a curve to the left; the curve has a central angle of 03° 20' 37", a radius of 7439.40 feet, a long chord bearing South 06° 55' 57" West, 434.08 feet, and is parallel with and 150 feet Easterly of the centerline of State Highway No. 57 to a 5/8 inch iron pin;

thence North 64° 56' 03" West, 159.23 feet to a 5/8 pin on the Easterly Right-of-Way line of State Highway No.57, described in Book 54, Page 21, records of Bonner County, Idaho;

thence Northeasterly along the East Right-of-Way line of State Highway No.57, described in Book 54, Page 21, records of Bonner County, Idaho along a curve to the right to the SW corner of the property described by the Corporation Quite Claim Deed, Book 93, Page 409, records of Bonner County, Idaho;

thence East along the South line of the property described in the Corporation Quit Claim Deed to the true point of beginning.

P. All that Portion of the following described parcels:

Beginning at a point North,1397 feet and West 488 feet from the ¼ Corner of Section 13, Township 56 North, Range 5 West, of the Boise Meridian;

thence North 51° 19' West, 200 feet to the true point of beginning;

thence South 50° 08' West, 197 feet;

thence North 46° 10' West, 680 feet;

thence Easterly, 420 feet to a point on a line that is North 50 08' East and 197 feet Northwesterly from the true point of beginning;

thence North 50° 08' East to the thread of Priest River;

thence following the thread of Priest River Southeasterly to a point which is North 50 08' East from the true point of beginning;

thence South 50° 08' West to the true point of beginning.

BONNER COUNTY AND WETLAND AREA ("Letters" refer to Grouping Numbers on Attached Maps)

A. All that Portion of the following described parcels:

THENCE DEPARTING SAID RIGHT-OF-WAY LINE SOUTH 89°16'34" EAST 914.49 FEET;

THENCE SOUTH 00°43'26" WEST 816.43 FEET;

THENCE NORTH 89°16'34" WEST 112.45 FEET;

THENCE SOUTH 45°26'29" WEST 70.82 FEET;

THENCE SOUTH 26°20'33" WEST 168.30 FEET;

THENCE SOUTH 00°26'00" WEST 556.77 FEET, MORE OR LESS, TO A POINT WHICH LIES ON THE NORTH RIGHT-OF-WAY LINE OF U.S. HIGHWAY 2;

THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 2 TO A POINT WHICH REPRESENTS THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 2 AND THE EASTERLY RIGHT-OF-WAY LINE OF EAST BRANCH ROAD, SAID POINT BEARS NORTH 87°56'01" WEST 71.15 FEET, MORE OR LESS, FROM THE PREVIOUSLY DESCRIBED POINT;

THENCE LEAVING SAID NORTH RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 2 AND ALONG THE EAST RIGHT-OF-WAY LINE OF EAST BRANCH ROAD NORTH 23°27'11" WEST 553.56 FEET;

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF A 2905.00 FOOT RADIUS CURVE LYING CONCAVE SOUTHWESTERLY AN ARC DISTANCE OF 334.01 FEET THROUGH A CENTRAL ANGLE OF 06°35'16";

THENCE ALONG SAID RIGHT-OF-WAY LINE NORTH 30°02'27" WEST 326.56 FEET;

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF A 437.40 FOOT RADIUS CURVE WHICH LIES CONCAVE NORTHEASTERLY AN ARC DISTANCE OF 231.88 FEET THROUGH A CENTRAL ANGLE OF 30°22'27";

THENCE NORTH 00°20'00" EAST 271.05 FEET TO THE TRUE POINT OF BEGINNING.

A PARCEL OF LAND LOCATED IN GOVERNMENT LOTS 3 AND 4 OF SECTION 19, TOWNSHIP 56 NORTH, RANGE 4 WEST, BOISE MERIDIAN, BONNER COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1-1/4 INCH PIPE MARKING THE WEST QUARTER CORNER OF SAID SECTION 19, FROM WHICH A 5/8 INCH REBAR MARKED R.L.S. 922 MARKING THE NORTHWEST CORNER OF SAID SECTION 19 BEARS NORTH 00°32'51" EAST 2666.40 FEET;

THENCE SOUTH 02°19'35" EAST 925.44 FEET TO A POINT WHICH LIES ON THE EAST RIGHT-OF-WAY LINE OF EAST BRANCH ROAD (COUNTY ROAD NO. 280(1), SAID POINT BEING THE TRUE POINT OF BEGINNING;

B. All that Portion of the following described parcels:

Legal for Wetland

Those portions of Section 19, in Township 56 North, Range 4 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

The East half of the Southwest quarter, those portions of the Southwest quarter of the Southeast quarter, and the South 25 rods of the Northwest quarter of the Southeast quarter lying Southerly and Westerly of the county road right of way also known as the Settlement Road;

That part of Government Lot 4 lying East of the Coolin Road right of way and North of the right of way of U.S. Highway No. 2;

Government Lot 3 and that part of the Southeast quarter of the Northwest quarter lying South of the county road right of way, known as the Settlement Road, and East of the East Branch Road S-280 (1) Survey;

LESS the East Branch Road as shown in the S-280 (1) Road Survey on file in the office of the Department of Highways of the State of Idaho, filed August 11, 1951 in Book 82 of Deeds, Page 148, records of Bonner County, Idaho;

EXCEPT a tract described as follows:

A parcel of land in Government Lots 3 and 4 of Section 19, Township 56 North, Range 4 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Commencing at a 1 1/4 inch pipe marking the West quarter corner of said Section 19, from which a 5/8 inch rebar marked RLS 922, marking the Northwest corner of said Section 19 bears North 00° 32'51" East 2666.40 feet;

Thence South 02° 19'35" East 925.44 feet to a point which lies on the East right of way line of East Branch Road (County Road No. 280(1), said point being the true point of beginning;

Thence departing said right of way line South 89° 16'34" East 914.49 feet;

Thence South 00° 43'26" West 816.43 feet;

Thence North 89° 16'34" West 112.45 feet;

Thence South 45° 26'29" West 70.82 feet;

Thence South 26° 20'33" West 168.30 feet;

Thence South 00° 26'00" West 556.77 feet, more or less, to a point which lies on the North right of way line of U.S. Highway 2;

Thence along the North right of way line of U.S. Highway No. 2, to a point which represents the intersection of the North right of way line of U.S. Highway No. 2 and the Easterly right of way line of East Branch Road, said point bears North 87°-56'01" West 71.15 feet, more or less, from the previously described point;

Thence leaving said North right of way line of U.S. Highway No. 2 and along the East right of way line of East Branch Road, North 23° 27'11" West 553.56 feet;

Thence continuing along said right of way line and along the arc of a 2905.00 foot radius curve lying concave Southwesterly an arc distance of 334.01 feet through a central angle of 06° 35'16";

Thence along said right of way line North 30° 02'27" West 326.56 feet;

except that 35
County map

Thence continuing along said right of way line and along the arc of a 437.40 foot radius curve which lies concave Northeasterly an arc distance of 231.88 feet through a central angle of $30^{\circ} 22' 27''$;

Thence North $00^{\circ} 20' 00''$ East 271.05 feet to the true point of beginning.

AND that portion of Section 30, Township 56 North, Range 4 West, Boise Meridian, Bonner County, Idaho, described as follows:

All that portion of the Northwest quarter of the Northeast quarter and Northeast quarter of the Northwest quarter, lying Northerly of the U.S. Highway No. 2 right of way, said Northerly right of way line being described as follows:

Commencing at the Northwest corner of the Northeast quarter of the Northwest quarter of Section 30, Township 56 North, Range 4 West, Boise Meridian;

Thence Southerly along the West line of said Northeast quarter of the Northwest quarter a distance of 165.0 feet, more or less, to a point in the center line of existing U.S. Highway 2, which point is the Real Point of Beginning;

Thence Northerly along said West line 88.0 feet, more or less, to a point in a line parallel with and 75.0 feet Northeasterly from the center line of said U.S. Highway 2 Project no. F-5121(10) Highway Survey;

Thence along said parallel line as follows:

Southeasterly along a 1712.02 foot radius curve right 420.0 feet, more or less, to a point opposite Station 390+52.78 of said Highway Survey, Southeasterly along a spiral curve right having a central angle of $3^{\circ} 30'$ a distance of 204.58 feet to a point opposite Station 392+52.78 back equals 392+57.79 ahead of said Highway Survey, South $46^{\circ} 02' 30''$ East 301.04 feet to a point opposite Station 395+58.83 of said Highway Survey;

Thence leaving said parallel line, South $48^{\circ} 41' 47''$ East 165.06 feet to a point in the Northeasterly right of way line of existing U.S. Highway No. 2, which point bears North $42^{\circ} 42' 30''$ East 80.85 feet from Station 397+25.5 of said Highway Survey;

Thence Southeasterly along said existing U.S. Highway 2 right of way line 940.0 feet, more or less, to a point in the South line of the Northwest quarter of the Northeast quarter of said Section 30.

AND that portion of Lot 5, Section 30, Township 56 North, Range 4 West, Boise Meridian, Bonner County, Idaho, situated North and East of State Highway #2, in Bonner County, State of Idaho.

AND that portion of Government Lots 8 and 9 and the Northeast quarter of the Northeast quarter of Section 30, Township 56 North, Range 4 West, Boise Meridian, Bonner County, Idaho, lying Northeast of the Burlington Northern (Great Northern) Railway right of way and lying South and West of the following described line:

Beginning at the Northwest corner of the Northeast quarter of the Northeast quarter of Said Section 30;

Thence South $0^{\circ} 44' 28''$ West along the West line of the Northeast quarter of the Northeast quarter a distance of 258.82 feet;

Thence South $37^{\circ} 19' 44''$ East a distance of 936.45 feet;

Thence North $87^{\circ} 42' 15''$ West to the West line of the Northeast quarter of the Northeast quarter of said Section 30 to the beginning point of the herein described line;

Thence South 87° 42'15" East to the Northwest corner of the State of Idaho Borrow Pit property;

Thence South 3° 20'42" West a distance of 120.30 feet, (records South 3° 08'45" West 119.88 feet);

Thence South 47° 22'02" East a distance of 170.86 feet, (record South 47° 09'45" East 171.26 feet);

Thence South 16° 29'02" East a distance of 108.06 feet, (record South 16° 25'45" East 108.10 feet);

Thence South 4° 51'41" West a distance of 403.28 feet, (record South 4° 51' East, 403.28 feet).

Said point being the Southwest corner of the State of Idaho Borrow Pit Property said corner also being the most Northerly corner of the access road to the Borrow Pit;

Thence Southwesterly along the Northwest right of way line of access road right of way to its intersection with the North right of way line of U.S. Highway No. 2;

Thence continuing along an extension of said access road right of way to the North right of way line of the Burlington Northern Railroad right of way;

LESS any portion thereof lying within U.S. Highway No. 2 right of way.

AND that portion of the Northeast quarter of the Northwest quarter of Section 30, Township 56 North, Range 4 West, Boise Meridian, Bonner County, Idaho, lying between the Northerly right of way of the Great Northern Railway Company and lying Southerly of the right of way of U.S. Highway No. 2, as established by Deed from Hedlund Lumber Co., Inc., an Idaho corporation, to State of Idaho, filed May 7, 1962 and recorded under Document No. 85160 in Book 108 of Deeds, Page 512, records of Bonner County, Idaho.

C. All that Portion of the following described parcels:

All that Portion of the Bonner County East Branch Road Right-of-Way (County Road No 280 (1), Road survey on file in Office of the Dept of Highways of the State of Idaho, filed Aug.11, 1951 in Book 82 of Deeds, Page 148, records of Bonner County, Idaho extending from the North Right-of-Way of the State Highway 2 (200) (Highway 2, Project No. F-5121(10) Highway Survey) Northerly, Easterly and Northerly to its intersection with the Bonner County East Settlement Road Right-of-Way all in the W1/2, Section 30, Township 56 North, Range 4 West, of the Boise Meridian.

D. All that Portion of the following described parcels:

All that Portion of the Bonner County Settlement Road Right-of-Way extending from the East Right-of-Way of the East Settlement Road (County Road No 280 (1), Road survey on file in Office of the Dept of Highways of the State of Idaho, filed Aug.11, 1951 in Book 82 of Deeds, Page 148, records of Bonner County, Idaho) Easterly and Southeasterly to the Center line of the NW Section 29. Township 56 North, Range 4 West, of the Boise Meridian.

E. All that Portion of the following described parcels:

All that Portion of the Burlington Northern Railway Right-of-Way extending from the East Section Line of the NE of the NE Section 25 Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, East and Southeasterly to the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian.

F. All that Portion of the following described parcels:

All that Portion of the State Highway 2 (200) Right-of-Way (Highway 2, Project No. F-5121(10) Highway Survey) extending from the East Section Line of Section 24 and 25 Township 56 North, Range 4 West, of the Boise Meridian, East and Southeasterly to the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian.

SETTLEMENT AREA ("Letters" refer to Grouping Numbers on Attached Maps)

A. All that Portion of the following described parcels:

Beginning at the intersection of the East Right-of-Way line of the State Highway 2 (200) and the Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian to the North 1/4 Corner of the SW Section 29 Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the Center line of the NW Section 29, Township 56 North, Range 4 West, of the Boise Meridian to its intersection with the Bonner County East Settlement Road;

Thence Easterly and Southeasterly along the Northerly and Easterly Right-of-Way line of the Bonner County East Settlement Road to its intersection with the Centerline of the NE of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East along the Centerline of the NE of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian to its intersection with the East section line of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the East section line of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian to the East 1/4 Corner of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East to the Center of Section 28, Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the Center line of Section 28, Township 56 North, Range 4 West, of the Boise Meridian to the South 1/4 of Section 28, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East along the South Section line of Section 28 to the SE Corner of Section 28 Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the East section line of Section 33 to its intersection with the South line of the N1/2 of the NE of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the South line of the N1/2 of the NE of Section 33 to the W1/4 of the NE of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the West Line of the NE of Section 33 to the Center of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the North line of the SW of Section 33 to the North 1/4 Corner of the SW of Section Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the West line of the SE of the SW of Section 33 to the Center of the SW of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the Centerline of the SW to its intersection with the Easterly Right-of-Way line of the State Highway 2 (200);

Thence Northerly along the East Right-of-Way line of the State Highway 2 (200) to its intersection with Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian, said point being the true point of beginning.

B. All that Portion of the following described parcels:

All that Portion of the Burlington Northern Railroad Right-of-Way from the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Southeasterly to the South line of the NW of the SW Section 33, Township 56 North, Range 4 West, of the Boise Meridian.

C. All that Portion of the following described parcels:

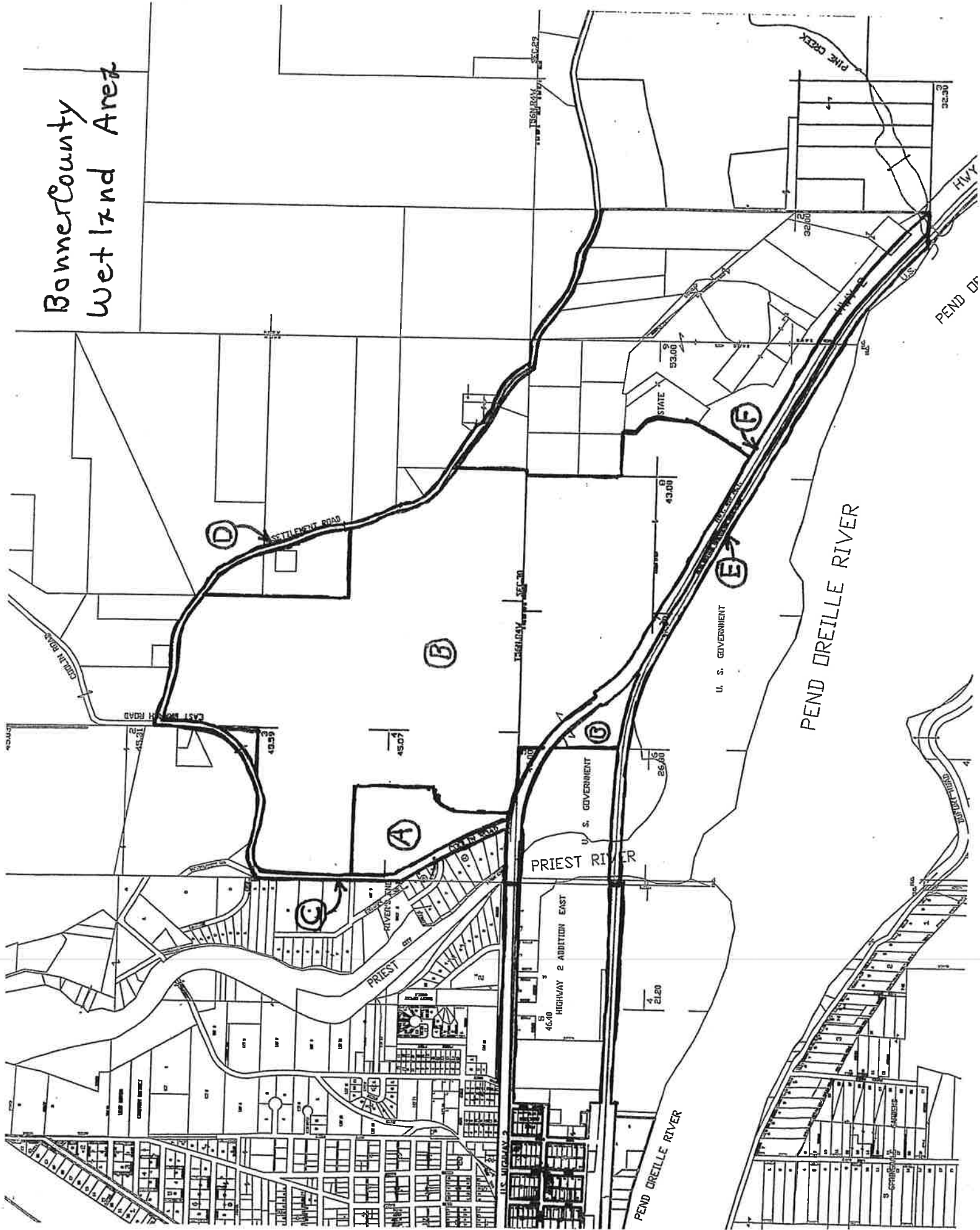
All that Portion of the State Highway 2 (200) Right-of-Way from the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Southeasterly to the South line of the NW of the SW Section 33, Township 56 North, Range 4 West, of the Boise Meridian.

D. All that Portion of the following described parcels:

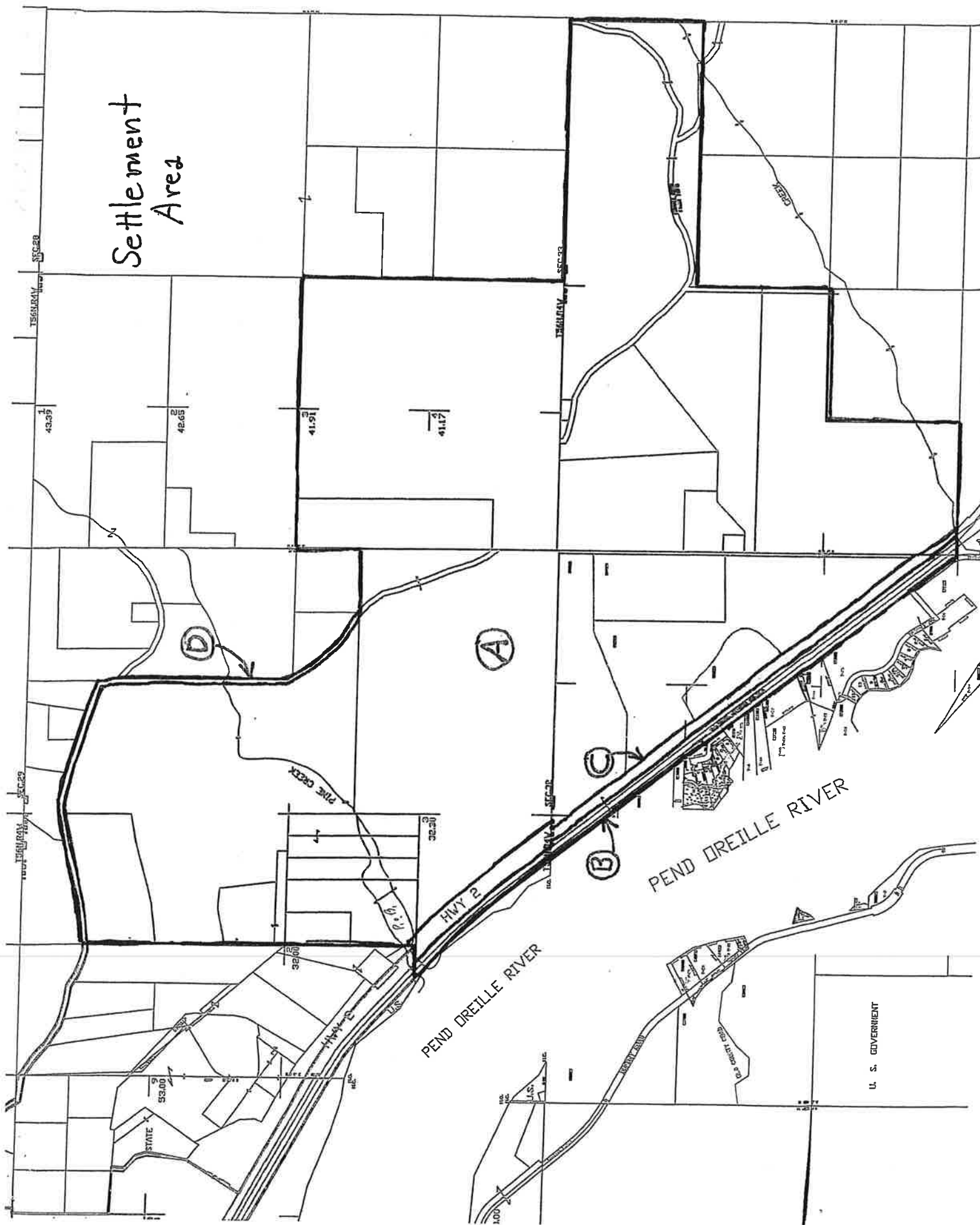
All that Portion of the Bonner County East Settlement Road Right-of-Way extending from the Center line of the NW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Easterly and Southeasterly to its intersection with the NE of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

DOCUMENT 3

Banner County
Wetland Area



Settlement
Area



U. S. GOVERNMENT

December 31, 2007

Ms. Marie Scott
Bonner County Recorder
215 S. 1st Avenue
Sandpoint, ID 83864

RE: Priest River Urban Renewal District and Revenue Allocation Area

Dear Ms. Scott:

On behalf of the Priest River Urban Renewal District, and per Idaho Code 63-215 (1), I am submitting the enclosed documents for recording:


- Ordinance No. 507 creating the Priest River Urban Renewal District.
- Legal Description of the boundaries of the District.
- Maps of the District

Copies of the ordinance, legal description and maps have been forwarded to the State Tax Commission as well.

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. 3020 or at john@pacni.org.

Thanks very much for your efforts on our behalf.

Sincerely,



John F. Austin

Priest River Urban Renewal District

Council of Governments
Certified Development
Company
Government Procurement
International Trade
Associate Office
Urban Renewal District
Business Incubator Center
North Idaho Community
Services Corporation

CITY OF PRIEST RIVER

OFFICE OF THE MAYOR

P.O. Box 415
Priest River, ID 83856
(208) 448-2123
Fax (208) 448-2232



May 1, 2008

This acknowledgement is to Amend, through clarifying and correcting the boundaries of certain parcels, the revenue allocation area of the Priest River Urban Renewal District as defined in Priest River Ordinance No. 507, Section 1.d. recorded as Instrument No. 744358 in the records of Bonner County, Idaho.

The attached revised legal description includes specific corrections and clarifications that were requested by the Bonner County Assessors department after their review of the proposed district. The intent of the Urban Renewal District, the actual boundaries, and the actual parcels included within the boundaries remained unchanged. These revised legal descriptions have been reviewed and acknowledged as correct by Bonnie Miller, Bonner County Assessor Employee.

The attached legal descriptions and accompanying maps for the revenue allocation area have been reproduced in their entirety and upon their recording will replace those legal descriptions and maps recorded as "Exhibits 1 and Exhibits 2" and referenced in Section 1.d. therein of Priest River Ordinance No. 507, recorded as Instrument No. 744358 in the records of Bonner County, Idaho.

Sincerely,

James L Martin
Mayor

PRIEST RIVER URBAN RENEWAL PROPERTY LEGALS

PRIEST RIVER AREA ("Letters" refer to Grouping Numbers on Attached Maps)

A All that Portion of Gillingham's Additions as recorded in Books 1, 1, 1
Pages 19, 22, 22 records of Bonner County, Idaho

Excluding All Blocks 1-3, Block 4, Lots 1-3, 6-10, Blocks 5-11, Block 12, Lots 1-9,
Blocks 17-18

B All that Portion of Park Addition as recorded in Book 1, Page 164 records of
Bonner County, Idaho

Excluding All Lots 1-12

C All that portion of the following described parcels:

All that Portion of the Burlington Northern Railroad Right-of-Way from the West Section
Line of the NW of the NW Section 25, Township 56 North, Range 5 West of the Boise
Meridian, Bonner County, Idaho, Easterly to the East Section Line of the NE of the NE
Section 25 Township 56 North, Range 5 West of the Boise Meridian, Bonner County,
Idaho,

Including that Portion of the Burlington Northern Railway and Santa Fe Railway
Company's (formerly Great Northern Railway Company) 300.0 foot wide Station
Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and
100.0 feet wide on the Southerly side of said railway Company's Main Track centerline,
as now located and constructed upon, over and across Government Lot 6 of Section 25,
Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho,
described as follow. To-wit:

Beginning at the point of intersection of the Northerly line of Montgomery Street with the
centerline of Cedar Street, said point being 200.0 feet Northerly, as measured at right
angles from said Main Track centerline and 30.0 feet West of the Southwest corner of Lot
10, Block 5 Gillingham's Plat of Priest River as shown on the Plat of Gillingham's 3rd
Addition as recorded in Book 1, Page 22 records of Bonner County, Idaho;

thence South along the Southerly extension of the centerline of Cedar Street 119 feet,
more or less, to the intersection with a line drawn parallel with and distant 9.0 feet
Northerly, as measured at right angles from said Railway Company's most Northerly
House Track centerline, as now located and constructed;

thence Easterly along the last described parallel line to the intersection with a line drawn parallel with and distant 200.0 feet Easterly, as measured at right angles from the Southerly extension of the centerline of said Cedar Street;

thence Northerly along the last described parallel line 130 feet, more or less, to the Northerly line of Montgomery Street;

thence Westerly along said Northerly line 200.0 feet to the point of beginning.

Including that Portion of the Burlington Northern Railway and Santa Fe Railway Company's (formerly Great Northern Railway Company) 300.0 foot wide Station Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and 100.0 feet wide on the Southerly side of said Railway Company's Main Track centerline, as now located and constructed upon, over and across Government Lot 6 of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, described as follow. To-wit:

Commencing at the intersection of the South line of Montgomery Street (as established by easement from Great Northern Railway Company to the Village of Priest River dated March 16, 1927) with the Southerly extension of the West line of Main Street, according to the recorded plat of Priest River, Idaho;

thence West along said South Line 65.0 feet to the true point of beginning;

thence South at right angles to said South line 100.0 feet, more or less, to the intersection with a line drawn parallel with and distant 10.0 feet Northerly, as measured at right angles from said Railway Company's most Northerly House Tract centerline, as now located and constructed;

thence Westerly along the last described parallel line to the Easterly line of that certain easement from Great Northern Railway Company to Bonner County for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958;

thence Northerly and Easterly along said Easterly line to the said South line of Montgomery Street;

thence Easterly along said South line 150 feet, more or less, to the true point of beginning.

Including that Portion of the Burlington Northern Railway and Santa Fe Railway Company's (formerly Great Northern Railway Company) 300.0 foot wide Station Ground property at Priest River, Idaho, being 200.0 feet wide on the Northerly side and 100.0 feet wide on the Southerly side of said railway Company's Main Track centerline, as now located and constructed upon, over and across Government Lot 6 of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, described as follow. To-wit:

Beginning at the intersection with the Easterly line of that certain easement from Great Northern Railway Company to Bonner County, Idaho for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958 with the Southerly line of said Station Ground property;

thence Easterly along said Southerly line 371.0 feet;

thence Northerly at right angle to said Southerly line 50.0 feet;

thence Westerly parallel with said Main Track centerline 10.0 feet;

thence Northerly at right angles to said Main Track centerline 30.0 feet;

thence Westerly parallel with and 20.0 feet Southerly, as measured at right angles from said Main Track centerline 360 feet, more or less, to the Easterly line of said easement for the Southerly extension of Wisconsin Street;

thence Southerly along said Easterly line to the true point of beginning.

D All that Portion of the following described parcel:

Beginning at the intersection of the Centerline of First Street and the Centerline of Montgomery Avenue;

thence Easterly, 166 feet along the Centerline of Montgomery Avenue;

thence Northerly, 20 feet along a line 166 feet East of and parallel to the Centerline of First Street to the true point of beginning;


thence Northerly, 60 feet along a line 166 feet East of and parallel to the Centerline of First Street;

thence Easterly, 124 feet along a line 60 feet North of and parallel to the North Right-of-Way of Montgomery Avenue;

thence Southerly, 60 feet along the line 200 feet East of and parallel to the center line of First Street to the North Right-of-Way line of Montgomery Avenue;

thence Westerly, 124 feet along the North Right-of-Way of Montgomery Avenue to the true point of beginning.

TOGETHER WITH All vacated streets and alleys appurtenant thereto whether vacated prior to or at any time after the date of this conveyance.

 All that Portion of the following described parcel:

Beginning at the intersection with the Easterly line of that certain easement from Great Northern Railway Company to Bonner County, Idaho for roadway purposes of the Southerly extension of Wisconsin Street dated April 15, 1958 with the Southerly line of said Station Ground property, said point being the true point of beginning;


thence East along said South line of the Great Northern Railway Company Right-of-Way to the East line of Government Lot 6, of Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 88° 31' 10" East, 251.11 feet along the South Right-of-Way line of Great Northern Railway Company;

thence South, 279.93 feet more or less to the North Bank of the Pend Oreille River;

thence Westerly along the North Bank of the Pend Oreille to a point where the same is intersected by the East line of a parcel of land sold to the Village of Priest River by Deed dated April 28, 1956, as Instrument No. 57492, and now used as a right of way and approach for the bridge across said river;

thence North along said East line to the South line of the Great Northern Railway Company Right-of-Way, to the true point of beginning.

 All that Portion of the following described parcels:

All that Portion of High Street Extending from the point where High Street intersects the West Section line of the NW of the NW Section 25, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, as shown on the Plat of Gillingham's 2nd Addition as recorded in Book 1, Page 22 records of Bonner County, Idaho Northwesterly to its intersection with the Southerly Right-of-Way line of State Highway 2 (200) (Albany Street).

Including All that Portions of the following described parcels;

Parcel I:

Beginning at a point which is West, 792.4 feet and South, 450.3 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, said point being the true point of beginning;

thence East 150 feet to a point;

thence North to the road connecting Albany Street with High Street;

thence Northwesterly along the Southern boundary of said road to a point directly North of the point of beginning;

thence South to the point of beginning.

EXCEPTING THEREFROM the South 250 feet thereof.

Parcel II:

A Portion of Government Lot 5, Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

Beginning at a point on the South Right-of-Way of State Highway 2 (200), which point is South, 33 feet and West, 792.4 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 25 feet to the true point of beginning;

thence West 15 feet;

thence South 141.62 feet;

thence East 15 feet;

thence North 141.62 feet to the true point of beginning.

Parcel III:

Beginning at a point which is West, 642.40 feet and South $0^{\circ} 26' 13''$ East, 293.00 feet from the Northeast corner of said Section 26, Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence North $89^{\circ} 33' 47''$ East, 102.58 feet;

thence North $0^{\circ} 26' 13''$ West, to its intersection with the Southerly Right-of-way line of Albany Street;

thence Northwesterly, along said Southerly line of Albany Street, to a point lying North $0^{\circ} 26' 13''$ West, from the Point of Beginning;

thence South $0^{\circ} 26' 13''$ East, to the point of beginning.
(See Record of Survey Recorder's Number 425606)

Parcel IV:

Beginning at a point which is West, 642.40 feet and South $0^{\circ} 26' 13''$ East, 293.00 feet and North $89^{\circ} 33' 47''$ East, 102.58 feet from the Northeast corner of said Section 26,


Township 56 North, range 5 West of the Boise Meridian, Bonner County, Idaho, said point being the true point of beginning;

thence North 89° 33' 47" East, 147.42 feet;

thence North 0° 26' 13" West, 293.00 feet (recorded as 103.06, records of Bonner County, Inst. No. 702259), more or less, to its intersection with the Southerly Right-of-Way line of Albany Street;

thence Northwesterly along said Southerly line of Albany Street, to a point lying a North 0° 26' 13" West, from the point of beginning;

thence South 02° 26' 13" East, to the point of beginning.
(See record of Survey Recorder's Number 425606)

 All that Portion of the following described parcel:

Beginning at the intersection of the North Right-of-Way line of Albany Street (State Highway 2 (200)) and the West Right-of-Way line of Eleventh Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence North along the West Right-of-way line of Eleventh Street to its intersection with the extension of the North Right-of-Way line of Jefferson Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence East along the North Right-of-Way line of Jefferson to its intersection with the West Right-of-Way line of Ninth Street (State Highway 57) as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence South along the West Right-of-Way line of Ninth Street, 60 feet to its intersection with the South Right-of-Way line of Jefferson as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence West along the South Right-of-Way line of Jefferson Street to its intersection with the East Right-of-Way line of Tenth Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

thence South along the East Right-of-Way line of Tenth Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho to its intersection with the North Right-of-Way line of Albany Street;

thence West along the North Right-of-Way line of Albany Street to its intersection with West Right-of-Way line of Eleventh Street as shown on the plat of Beardmore Addition recorded in Book 1, Page 187 records of Bonner County, Idaho;

☐ All that Portion of the following described parcel:

Commencing at the Northeast corner of the Southeast Quarter of Section 23, township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho;

thence South 150 feet;

thence West 25 feet, more or less, to the edge of the County Road (State Highway 57), said point being the true point of beginning;

thence West, 425 feet;

thence South $89^{\circ} 55' 34''$ West, 450 feet;

thence North, 150 feet;

thence West, 420 feet;

thence South, 489 feet;

thence East, 660 feet to the West Right-of-Way line of Tenth Street as recorded in the Plat of Kluth's Addition recorded in Book 3 Page 80 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 44, Page 223 records of Bonner County, Idaho;

thence North, 20 feet along the West Right-of-Way line of Tenth Street as recorded in the Plat of Kluth's Addition recorded in Book 3 Page 80 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 44, Page 223 records of Bonner County, Idaho;

thence West, 184.93 feet;

thence North, 113.68 feet;

thence North $38^{\circ} 49'$ East, 77.75 feet;

thence East, 113.22 feet;


thence North $0^{\circ} 32'$ East, 120 feet

thence North $89^{\circ} 55' 34''$ East, 234.5 feet;


thence South, 120 feet;

thence East, 420 feet, more or less to the West edge of the County Road (State Highway 57);

thence in a Northerly direction along the West edge of said County Road (State Highway 57) to the true point of beginning.

 All that Portion of the following described parcel:

All that Portion of Priest River, Block 7, Lots 1-12 including the Alley as shown on the plat of Priest River recorded in Book 1, Pages 18/28/32 records of Bonner County, Idaho;

 All that Portion of the following described parcels:

All that Portion of Lincoln Avenue extending from the East Right-of-Way line of Ninth Street to its intersection with the East Right-of-Way line of Fifth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

All that Portion of Fifth Street extending from the South Right-of-Way line of Lincoln to the North Right-of-Way line of Harriet Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

Beginning at a point which is the intersection of the North Right-of-Way line of Harriet Street and the East Right-of-Way line of Fifth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho, said point being the true point of beginning;

thence East along the North Right-of-Way line of Harriet Street to its intersection with the West Right-of-Way line of Fourth Street as extended Northerly as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North along the extended West Right-of-Way line of Fourth Street to its intersection with the North Right-of-Way line of Dixon Avenue as shown on the plat of Dow-Jones Addition recorded in Book 2 Page 3 records of Bonner County, Idaho and as recorded in Book of Deeds, Book 95, Page 305 records of Bonner County, Idaho;

thence West, 260 feet along the North Right-of-Way of Dixon Avenue;

thence North, 250 feet;

thence West, 42.6 feet to the East Right-of-Way line of Fifth Street as extended Northerly as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North along the East Right-of-Way line of Fifth Street as extended to its intersection with the North Right-of-Way line of Warren Avenue as shown on the plat of Fairport Addition to Priest River recorded in Book 1 Page 190 records of Bonner County, Idaho;

thence South 89° 12' West, 170.40 feet along the North Right-of-way line of Warren Avenue as shown on the plat of Fairport Addition to Priest River recorded in Book 1 Page 190 records of Bonner County, Idaho to the Easterly Property Line of the Priest River Airport;

thence South 32° 31' 36" West, 59.8 feet along the East Property line of the Priest River Airport to the North line of the N1/2 of the NW of the SW of Section 24, Township 56 North, Range 5 West, of the Boise Meridian;

thence South 32° 28' 55" West, 789.52 feet along the East Property line of the Priest River Airport to the South Line of the N1/2 of the NW of the SW, said point being on the North Boundary of the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence North 89° 18' East, 282.79 feet along said line to its intersection with the East Right-of-Way line of Sixth Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence South, 150 feet, more or less, to the North Right-of-Way of Harriet Street as shown on the plat of Jackson's 1st Addition recorded in Book 1, Page 163 records of Bonner County, Idaho;

thence East, 360 feet to the true point of beginning.

Excluding any portion of the parcel described in Book of Deeds, Book 233, Page 139 records of Bonner County, Idaho.



All that Portion of the following described parcels:

All that Portion of the State Highway 2 (200) Right-of-Way extending from the North-South Centerline of Section 23 and Section 26, Township 56 North, Range 5 West, of the Boise Meridian Easterly to the East Section line of Section 24 and Section 25, Township 56 North, Range 5 West, of the Boise Meridian.



All that Portion of the following described parcel:


All that Portions of Ninth Street and Highway 57 Right-of-Ways extending from the North Right-of-Way of Highway 2 (200) Northerly to Station 73+00 of Highway 57 as

shown on the U. S. Department of Commerce, Bureau of Public Roads plans dated the 20th day of August, 1953, and described in Book 54, Page 136, Records of Bonner County, Idaho.

 All that Portion of the following described parcels:

All that Portion of Fourth Street extending from the North Right-of Way line of Highway 2 (200) Northerly to its intersection with the West Right-of-Way line of Coolin Road as shown on the plats of Priest River recorded in Book 1 Pages 18/28/32, Jackson's 1st Addition recorded in Book 1 Page 163, Fairport Addition to Priest River recorded in Book 1, Page 190, Dow-Jones recorded in Book 2, Page 3 records of Bonner County, Idaho;

All that Portion of Coolin Road from its intersection with Fourth Street as shown on the Plat of Fairport Addition to Priest River recorded in Book 1, Page 190 extended Northwesterly to its intersection with the East Right-of-Way line of Highway 57 at approximately stationing 72+00 as shown on the U. S. Department of Commerce, Bureau of Public Roads plans dated the 20th day of August, 1953, and described in Book 54, Page 136, Records of Bonner County, Idaho.

 All that Portion of the following described parcels:

Parcel I

The West 176 feet of the following described property;

Commencing at the NE Corner of the SE of the NE of Section 23, Township 56 North, Range 5 West, of the Boise Meridian, said point being the true point of beginning;

thence West 521 feet;

thence South 332.5 feet;

thence East 521 feet;

thence North 332.5 feet to the true point of beginning.

Parcel II

Commencing at the NE Corner of the SE of the NE of Section 23, Township 56 North, Range 5 West, of the Boise Meridian;

thence West, 521 feet, to the true point of beginning;

thence South, 332.5 feet to a point;

thence East, 521 feet, to the intersection with the East line of Section 23;

thence South along that East Section line, to a point on it which is 165.0 feet North to the SE Corner of the SE of the NE;

thence West, 1320.0 feet, to the Westerly line of the SE of the NE;

thence Northerly along the Westerly line, to the NW Corner (recorded Northeast corner records of Bonner County, Inst. No. 164007) of the SE of the NE;

thence East along the North line of the SE of the NE, to the true point of beginning.

LESS THE FOLLOWING DESCRIBED PARCELS:

Commencing at a point on the East line of the SE of the NE, which is North, 165.0 feet from the SE Corner, as the true point of beginning;

thence West, 323.0 feet to a point;

thence North, 274.2 feet, to a point;

thence East, 323.0 feet, to an intersection with the East line of the SE of the NE;

thence South along the East line, 274.2 feet, to the true point of beginning.

ALSO LESS:

Beginning at the NE Corner of Section 23, Township 56 North, Range 5 West, of the Boise Meridian;

thence South, 1654.65 feet along the East line of Section 23, to the true point of beginning;

thence S 89° 48' 09" W, 101.30 feet;

thence South, 390.45 feet;

thence N 89° 48' 09" E, 101.3 feet, to a point on the East line of Section 23;

thence North 390.45 feet along East line of Section 23, to the true point of beginning.

Parcel III:

Beginning at a point which is North, 290.5 feet along the East line of Section 23, Township 56 North, Range 5 West, of the Boise Meridian and West 150 feet from the East Quarter Corner of Section 23, said point being the true point of beginning;

thence West, 83 feet;

thence South, 25.5 feet;

thence West, 90 feet;

thence North, 174.2 feet;

thence East, 173 feet;

thence South 148.7 feet, to the true point of beginning.

Parcel IV:

Beginning at the NE Corner of the SE of the NE of Section 23, Township 56 North, Range 5 West, of the Boise Meridian;

thence South, 85 feet, to the true point of beginning;

thence West, 345 feet;

thence South, 257.5 feet;

thence East, 345 feet;

thence North, 257.5 feet, to the true point of beginning.

Parcel V:

Beginning at a point on the West line of the SW of the NW of Section 24, Township 56 North, Range 5 West, of the Boise Meridian that is South 1654.64 feet along the West line of Section 24, from the NW Corner of Section 24:

thence North along the West Line of the SW of the NW to the NW Corner of the SW of the NW;

thence East along the North line of the SW of the NW to the West Right of Way line of Highway No. 57;

thence Southwesterly along the West Right of Way line to a point East of the point of beginning;

thence West, to the true point of beginning.

Parcel VI:

Beginning at the North Section Corner common to Sections 23 and 24, Township 56 North, Range 5 West, of the Boise Meridian;

thence South, 2125.10 feet along the Section line common to Sections 23 and 24 to the true point of beginning;

thence West, 323.00 feet;

thence South, 80 feet;

thence East, 323.00 feet to a point on the Section line common to Sections 23 and 24;

thence North, 80 feet along the Section line common to Sections 23 and 24, to the true point of beginning.

Parcel VII:

Beginning at the North Section Corner common to Sections 23 and 24, Township 56 North, Range 5 West, of the Boise Meridian;

thence South, 2045.10 feet along the Section line common to Sections 23 and 24 to the true point of beginning;

thence South, 160 feet along the Section line common to Sections 23 and 24;

thence East, 55.59 feet, more or less, to the Westerly Right of Way line of Idaho State Highway 57;

thence Northeasterly along the Westerly Right of Way line of Idaho State Highway 57, to a point that is 81.28 feet, more or less, East of the true point of beginning;

thence West, 81.28 feet, more or less, to a point on the Section line common to Sections 23 and 24, said point being the true point of beginning.



All that Portion of the following described parcels:

Parcel I:

All that Portion of Hemlock Street, Birch Street and Spruce Street as shown on the Plat of the Second Airport Addition to the City of Priest River as shown on the plat of Airport 2nd Addition to Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho;

Beginning at the NE corner of the Second Airport Addition to the City of Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho, said point being the true point of beginning;

thence S 89° 08' 57" E, 833.47 feet more or less to the NW corner of the Priest River Airport;

thence S 34° 30' 26" W, 1533.72 feet more or less to the intersection of the Easterly line of the Second Airport Addition to the City of Priest River recorded in Book 2, Page 4 records of Bonner County, Idaho;

thence North 0° 03' West, 1252.08 feet to the true point of beginning.

Parcel II:

Beginning at the SE Corner of the property described by the Corporation Quite Claim Deed, Book 93, Page 409, records of Bonner County, Idaho;

thence S 89° 17' 15" W, 69.99 feet to a 5/8 inch iron pin marking the intersection of the Easterly boundary of a tract of land owned by the City of Priest River with the Southerly boundary of the property described in the Corporation Quit Claim Deed, said point being the true point of beginning;

thence S 36° 48' 15" W, 314.88 feet;

thence S 89° 15' 38" W, 226.00 feet to a point on a curved line Easterly and parallel with (recorded 150 feet, records of Bonner County) the centerline of State Highway No. 57 according to the plans shown on Sheet 4, Project NR, Section 6A;

thence Southerly 135.40 feet along a curve to the left; the curve has a central angle of 01° 02' 34", a radius of 7439.40 feet, a long chord bearing S 09° 58' 41" W, 135.39 feet, and is parallel with and Easterly (recorded 150 feet, records of Bonner County), to a 5/8 inch iron pin on the Northerly boundary of the access to Priest River Airport:

thence S 73° 38' 19" W, 166.25 feet to a 5/8 inch iron pin on the Easterly Right of Way of State Highway No. 57 according to the plans shown on Sheet 4, Project NR, Section 6A;

thence Northerly along the Easterly Right of Way line of State Highway No. 57 to its intersection with the Southerly boundary of the Corporation Quite Claim Deed, Book 93, Page 409, records of Bonner County, Idaho;

thence Easterly along the Southern boundary of the Corporation Quite Claim Deed, to the true point of beginning.

Parcel III:


Beginning at a 5/8" iron pin said point being the intersection of the Southerly boundary of the access to Priest River Airport and the Easterly Right of Way line of State Highway No. 57 according to the plans shown on Sheet 4, Project NR, Section 6A;

thence N 73° 38' 19" E, 165.11 feet, to a 5/8" iron pin said point being on the Southerly boundary of the access to Priest River Airport;

thence Southerly, 434.14 feet along a curve to the left; the curve has a central angle of 03° 20' 37", a radius of 7439.40 feet, a long chord bearing South 06° 55' 57" West, 434.08 feet, and is parallel with and Easterly (recorded 150 feet, records of Bonner County) of the centerline of State Highway No. 57 to a 5/8 inch iron pin;

thence N 64° 56' 03" W, 159.23 feet, to a 5/8 pin on the Easterly Right of Way line of State Highway No.57;

thence Northeasterly along the East Right of Way line of State Highway No.57 according to the plans shown on Sheet 4, Project NR, Section 6A, to the true point of beginning.

 All that Portion of the following described parcels:

Beginning at a point North,1397 feet and West 488 feet from the S¼ Corner of Section 13, Township 56 North, Range 5 West, of the Boise Meridian;

thence North 51° 19' West, 200 feet to the true point of beginning;

thence South 50° 08' West, 197 feet;

thence North 46° 10' West, 680 feet;

thence Easterly, 420 feet to a point on a line that is North 50 08' East and 197 feet Northwesterly from the true point of beginning;

thence North 50° 08' East to the thread of Priest River;

thence following the thread of Priest River Southeasterly to a point which is North 50 08' East from the true point of beginning;

thence South 50° 08' West to the true point of beginning.

BONNER COUNTY AND WETLAND AREA (“Letters” refer to Grouping Numbers on Attached Maps)



All that Portion of the following described parcels:

Legal for Co Shop



All that Portion of the following described parcels:

Legal for Wetland



All that Portion of the following described parcels:

All that Portion of the Bonner County East Branch Road Right-of-Way (County Road No 280 (1), Road survey on file in Office of the Dept of Highways of the State of Idaho, filed Aug.11, 1951 in Book 82 of Deeds, Page 148, records of Bonner County, Idaho extending from the North Right-of-Way of the State Highway 2 (200) (Highway 2, Project No. F-5121(10) Highway Survey) Northerly, Easterly and Northerly to its intersection with the Bonner County East Settlement Road Right-of-Way all in the W1/2, Section 19, Township 56 North, Range 4 West, of the Boise Meridian.



All that Portion of the following described parcels:

All that Portion of the Bonner County Settlement Road Right-of-Way extending from the East Right-of-Way of the East Settlement Road (County Road No 280 (1), Road survey on file in Office of the Dept of Highways of the State of Idaho, filed Aug.11, 1951 in Book 82 of Deeds, Page 148, records of Bonner County, Idaho) Easterly and Southeasterly to the Center line of the NW Section 29. Township 56 North, Range 4 West, of the Boise Meridian.



All that Portion of the following described parcels:

All that Portion of the Burlington Northern Railway Right-of-Way extending from the East Section Line of the NE of the NE Section 25 Township 56 North, Range 5 West of the Boise Meridian, Bonner County, Idaho, East and Southeasterly to the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian.



All that Portion of the following described parcels:

All that Portion of the State Highway 2 (200) Right-of-Way (Highway 2, Project No. F-5121(10) Highway Survey) extending from the East Section Line of Section 24 and 25 Township 56 North, Range 4 West, of the Boise Meridian, East and Southeasterly to the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian.

~~SETTLEMENT AREA~~ ("Letters" refer to Grouping Numbers on Attached Maps)



All that Portion of the following described parcels:

Beginning at the intersection of the East Right-of-Way line of the State Highway 2 (200) and the Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian to the North 1/4 Corner of the SW Section 29 Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the Center line of the NW Section 29, Township 56 North, Range 4 West, of the Boise Meridian to its intersection with the Bonner County East Settlement Road;

Thence Easterly and Southeasterly along the Northerly and Easterly Right-of-Way line of the Bonner County East Settlement Road to its intersection with the Centerline of the NE of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East along the Centerline of the NE of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian to its intersection with the East section line of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence North along the East section line of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian to the East 1/4 Corner of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East to the Center of Section 28, Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the Center line of Section 28, Township 56 North, Range 4 West, of the Boise Meridian to the South 1/4 of Section 28, Township 56 North, Range 4 West, of the Boise Meridian;

Thence East along the South Section line of Section 28 to the SE Corner of Section 28 Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the East section line of Section 33 to its intersection with the South line of the N1/2 of the NE of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the South line of the N1/2 of the NE of Section 33 to the W1/4 of the NE of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the West Line of the NE of Section 33 to the Center of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the North line of the SW of Section 33 to the North 1/4 Corner of the SW of Section Township 56 North, Range 4 West, of the Boise Meridian;

Thence South along the West line of the SE of the SW of Section 33 to the Center of the SW of Section 33 Township 56 North, Range 4 West, of the Boise Meridian;

Thence West along the Centerline of the SW to its intersection with the Easterly Right-of-Way line of the State Highway 2 (200);

Thence Northerly along the East Right-of-Way line of the State Highway 2 (200) to its intersection with Center line of the SW Section 29, Township 56 North, Range 4 West, of the Boise Meridian, said point being the true point of beginning.



All that Portion of the following described parcels:

All that Portion of the Burlington Northern Railroad Right-of-Way from the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Southeasterly to the South line of the NW of the SW Section 33, Township 56 North, Range 4 West, of the Boise Meridian.



All that Portion of the following described parcels:

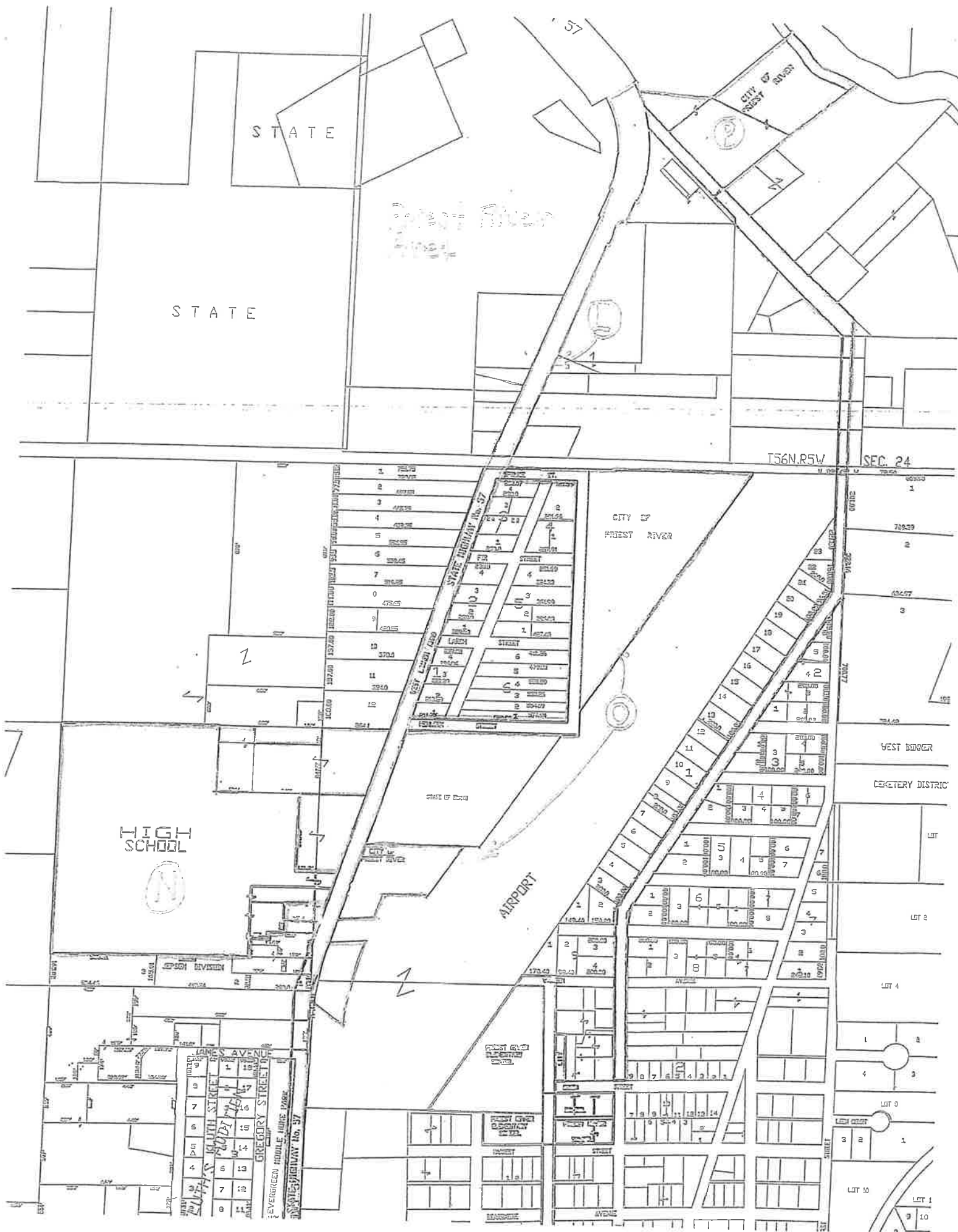
All that Portion of the State Highway 2 (200) Right-of-Way from the Centerline of the SW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Southeasterly to the South line of the NW of the SW Section 33, Township 56 North, Range 4 West, of the Boise Meridian.



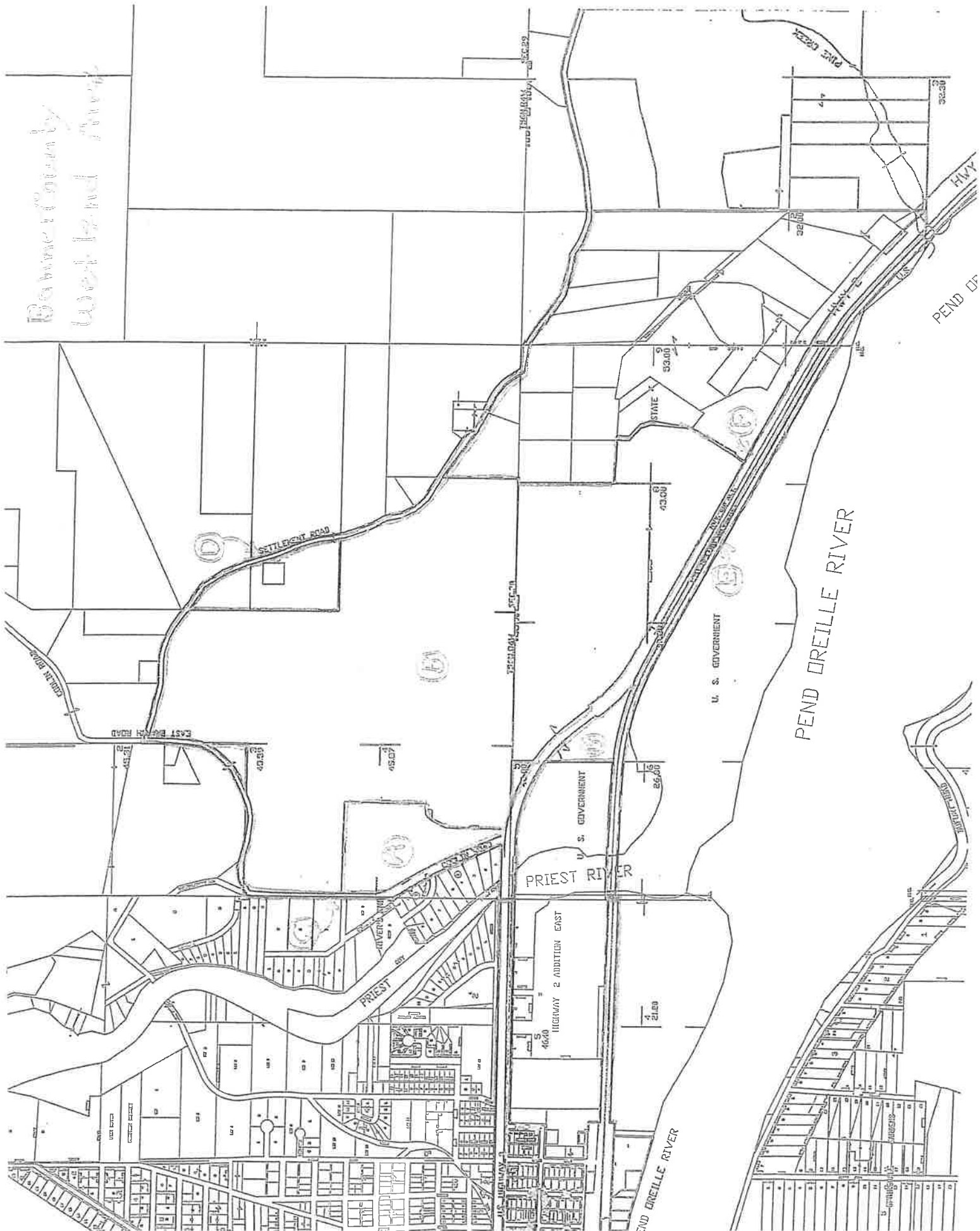
All that Portion of the following described parcels:

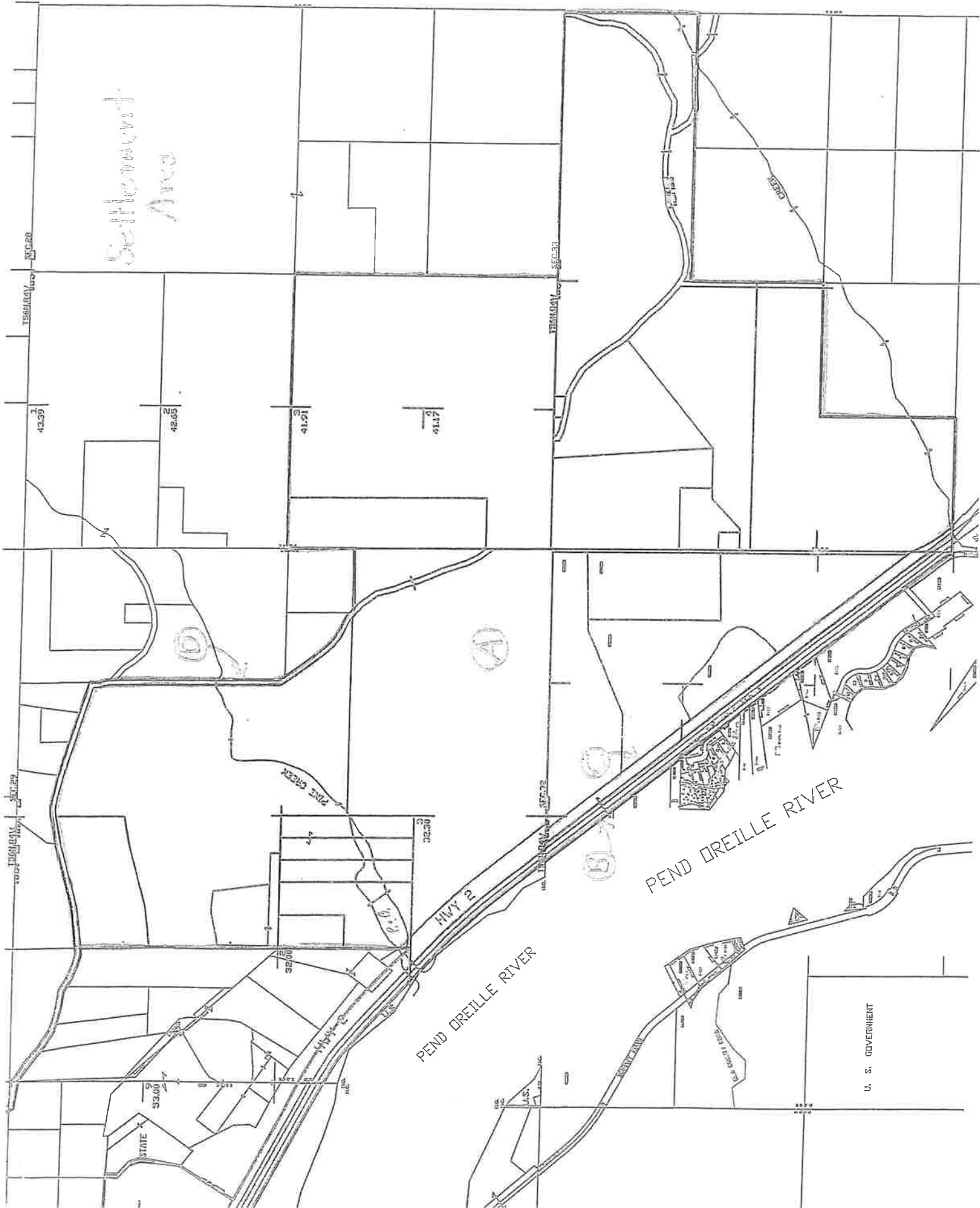
All that Portion of the Bonner County East Settlement Road Right-of-Way extending from the Center line of the NW of Section 29, Township 56 North, Range 4 West, of the Boise Meridian Easterly and Southeasterly to its intersection with the NE of the SE of Section 29, Township 56 North, Range 4 West, of the Boise Meridian;





Banner County
Westland Survey





Settlement Area

PEND OREILLE RIVER

PEND OREILLE RIVER

U. S. GOVERNMENT