

**URBAN RENEWAL PLAN FOR THE  
208 BUSINESS PARK URBAN RENEWAL PROJECT AREA  
HEYBURN URBAN RENEWAL AGENCY  
CITY OF HEYBURN, IDAHO**

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

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

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

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## 100 INTRODUCTION

This is the Urban Renewal Plan (the “Plan”) for the 208 Business Park Urban Renewal Project (the “Project”) in the city of Heyburn (the “City”), county of Minidoka, state of Idaho. Attachments 1 through 5 attached hereto (collectively the “Plan Attachments”) are incorporated herein and shall be considered a part of this Plan.

The term “Project” is used herein to describe the overall activities defined in this Plan and conforms to the statutory definition of an urban renewal project. Reference is specifically made to Idaho Code §§ 50-2018(10) and 50-2903(13) for the various activities contemplated by the term “Project.” Such activities include both private and public development of property within the urban renewal area. The term “Project” is not meant to refer to a specific activity or development scheme. The 208 Business Park Project Area is also referred to as the “Project Area.”

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

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

- (1) A statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality;
- (2) A statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area;
- (3) An economic feasibility study;
- (4) A detailed list of estimated project costs;
- (5) A fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property on the revenue allocation area;
- (6) A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred;
- (7) A termination date for the plan and the revenue allocation area as provided for in section 50-2903(20), Idaho Code. In determining the termination date, the plan

shall recognize that the agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the urban renewal plan; and

- (8) A description of the disposition or retention of any assets of the agency upon the termination date. Provided however, nothing herein shall prevent the agency from retaining assets or revenues generated from such assets as long as the agency shall have resources other than revenue allocation funds to operate and manage such assets.

This Plan includes the above information with specificity.

The proposed redevelopment of the Project Area as described in this Plan conforms to the City of Heyburn Comprehensive Plan, as may be amended from time to time (the “Comprehensive Plan”) and adopted by the Heyburn City Council (the “City Council”) on April 9, 2009. The Agency intends to rely heavily on the City’s applicable design standards.

**This Plan is subject to the Plan modification limitations and reporting requirements set forth in Idaho Code § 50-2903A. Subject to limited exceptions as set forth in Idaho Code § 50-2903A, if this Plan is modified by City Council ordinance, then the base value for the year immediately following the year in which modification occurs shall be reset to the then current year’s equalized assessed value of the taxable property in the revenue allocation area, effectively eliminating the Agency’s revenue stream. Should the Agency have any outstanding financial obligations, the City shall not adopt an ordinance modifying this Plan unless written consent has been obtained by any creditors, including but not limited to lending institutions and developers who have entered into reimbursement agreements with the Agency.**

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

This Plan provides the Agency with powers, duties, and obligations to implement and further the program generally formulated in this Plan for the development, redevelopment, rehabilitation, and/or revitalization of the area within the boundaries of the Project Area. The Agency retains all powers allowed by the Law and Act. This Plan presents a process and a basic framework within which plan implementation, including contracts, agreements and ancillary documents will be presented and by which tools are provided to the Agency to fashion, develop, and proceed with plan implementation. The Plan has balanced the need for flexibility over the twenty (20)-year timeframe of the Plan to implement the improvements identified in Attachment 5, with the need for specificity as required by Idaho Code § 50-2905. The Plan narrative

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

## **101 General Procedures of the Agency**

The Agency is a public body, corporate and politic, as defined and described under the Law and the Act. The Agency is also governed by its bylaws as authorized by the Law and adopted by the Agency. Under the Law, the Agency is governed by the Idaho open meeting law, the Public Records Act, and the Ethics in Government Act of 2015, Chapters 1, 2 and 4 of Title 74, Idaho Code; reporting requirements pursuant to Idaho Code §§ 67-450B, 67-450E, 50-2903A and 50-2913; and the competitive bidding requirements under Chapter 28, Title 67, Idaho Code, as well as other procurement or other public improvement delivery methods.

Subject to limited exceptions, the Agency shall conduct all meetings in open session and allow meaningful public input as mandated by the issue considered or by any statutory or regulatory provision.

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

## **102 Procedures Necessary to Meet State and Local Requirements: Conformance with the Idaho Urban Renewal Law of 1965, as Amended**

Idaho law requires that an urban renewal plan be prepared for an area deemed eligible as an urban renewal area by the City Council. The Project Area was reviewed and determined to be eligible by Agency Resolution No. 2018-4 on June 5, 2018. The Project Area was deemed eligible by the City Council by adoption of Resolution No. 2018-5 on June 27, 2018.

With the adoption of City Council Resolution No. 2018-5, the City Council found the Project Area to be a deteriorated area and/or a deteriorating area existing in the City as defined by the Law and Act and authorized the preparation of an urban renewal plan.

The Plan was prepared and submitted to the Agency for its review and approval. The Agency approved the Plan by the adoption of Agency Resolution No. 2018-10 on September 20, 2018, and submitted the Plan to the City Council with its recommendation for adoption.

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

Pursuant to the Law and Act, the City Council having published due notice thereof, a public hearing was held on this Plan. Notice of the hearing was published in the *Times-News*, a

newspaper having general circulation in the City. The City Council adopted this Plan on [\_\_\_\_\_, 2018, by Ordinance No. [\_\_\_\_\_].

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

This Project Area includes approximately 38.82 acres of land of the former Knudsen's Industrial Park, generally located southeast of the intersection of State Highway 27, also referred to as South 600 West Road, and West 300 South Road. Parcels within the Knudsen's Industrial site were sold, and a portion of a platted street was vacated and incorporated into a neighboring parcel rendering a significant portion of the Project Area inaccessible. In addition to faulty lot layout, water and sewer facilities, as well as insufficient fire flows, are inadequate to serve the proposed development in the Project Area. As a result, the Project Area is slow-growing in comparison to adjacent parcels and other areas within the City, and the property is underdeveloped. But for the creation of the Project Area, this site would be unlikely to develop due to the significant public infrastructure improvements that present an obstacle to development. The Project Area is in the process of proceeding with a re-plat and a name change from Knudsen's Industrial Park Subdivision to 208 Business Park.

This Plan contemplates the development of a commercial and industrial area. The preparation and approval of an urban renewal plan, including a revenue allocation financing provision, provides additional resources to solve the public infrastructure issues in the Project Area. The property taxes generated by new developments within the Project Area may be used by the Agency to finance a variety of needed public improvements and facilities. Finally, the new developments may also generate new job opportunities in the City that would, in turn, benefit area residents.

### **104 Purpose of Activities**

The description of activities, public improvements, and the estimated costs of those items are intended to create an outside limit of the Agency's activity. The Agency reserves the right to change amounts from one category to another, as long as the overall total amount estimated is not substantially exceeded. The items and amounts are not intended to relate to any one particular development, developer, or owner. Rather, the Agency intends to discuss and negotiate with any owner or developer who seeks Agency assistance. During such negotiation, the Agency will determine, on an individual basis, the eligibility of the activities sought for Agency funding, the amount the Agency may fund by way of percentage or other criteria including the need for such assistance. The Agency will also take into account the amount of revenue allocation proceeds estimated to be generated from the developer's activities. The Agency also reserves the right to establish by way of policy, its funding percentage or participation, which would apply to all developers and owners.

Throughout this Plan, there are references to Agency activities, Agency funding, and the acquisition, development, and contribution of public improvements. Such references do not necessarily constitute a full, final, and formal commitment by the Agency but, rather, grant to the Agency the discretion to participate as stated subject to achieving the objectives of this Plan and



provided such activity is deemed eligible under the Law and the Act. The activities listed in Attachment 5 will be determined or prioritized as the overall Project Area develops and through the annual budget setting process.

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

The activities listed in Attachment 5 are also prioritized by way of importance to the Agency by the amounts funded, and by year of funding, with earlier years reflecting the more important activities, achievement of higher objectives, long term goals, and commitments. The projected timing of funding is primarily a function of the availability of market conditions and financial resources but is also strategic, considering the timing of private development partnership opportunities and the ability of certain strategic activities to stimulate development at a given point in time within the planned 20-year period of the urban renewal district and revenue allocation area.

## **105 Open Land Criteria**

Open land parcels within the Project Area may be acquired by the Agency so long as the area meets the conditions set forth in Idaho Code § 50-2008(d). These conditions include defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout, all of which are included in one form or another in the definitions of deteriorated area or deteriorating area set forth in Idaho Code §§ 50-2018(8), (9) and 50-2903(8). The issues listed only in Idaho Code § 50-2008(d)(4)(2) (the open land section) include economic disuse, unsuitable topography, and “the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.”

Open land areas qualify for Agency acquisition and development for primarily nonresidential uses if acquisition is necessary to facilitate the proper growth and development of the Project Area in accordance with City planning objectives if any of the deteriorating area conditions set forth in Idaho Code §§ 50-2018(8), (9), and 50-2903(8) apply. But such areas also qualify if any of the issues listed only in 50-2008(d)(4)(2) apply. The lack of water and sewer facilities, large parcel size, a deficient street system, lack of fire protection facilities, and economic disuse are all conditions which delay or impair development of the open land areas and satisfy the open land conditions as more fully supported by the 208 Business Park Urban Renewal Eligibility Report, prepared by Brent Tolman, Outwest Policy Advisors, dated June 8, 2018.

## **200 DESCRIPTION OF PROJECT AREA**

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

## **300 PROPOSED REDEVELOPMENT ACTIONS**

### **301 General**

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

- a. The acquisition of real property (if needed) for right-of-way improvements, pedestrian facilities, and to encourage development opportunities consistent with the Plan, including, but not limited to, future disposition to qualified developers;
- b. The demolition or removal of certain buildings and improvements for public rights-of-way for streets, utilities, walkways, and other improvements; for public facility building sites; to eliminate unhealthful, unsanitary, or unsafe conditions; enhance density; eliminate obsolete or other uses detrimental to the public welfare; or otherwise to remove or to prevent the spread of deteriorating or deteriorated conditions;
- c. The provision for participation by the property owner in projects within the Project Area to achieve the objectives of this Plan;
- d. The management of any property acquired by and under the ownership and control of the Agency;
- e. The installation, construction, or reconstruction of streets and utilities, including removal, burying, or relocation of overhead utilities; extension of electrical distribution lines and transformers; improvement of irrigation and drainage ditches and laterals; addition of fiber optic lines or other communication systems; and improvement of storm drainage facilities, and other public improvements, including, but not limited to, water and sewer improvements, fire protection systems, roadways, curbs, gutters, and streetscapes, which for purposes of this Plan, the term streetscapes includes sidewalks, lighting, landscaping, and similar amenities between the curb and right-of-way line; and other public improvements, including public or other community facilities or buildings owned

or occupied by other public agencies that may be deemed appropriate by the Agency Board;

- f. The disposition of real property through a competitive process in accordance with this Plan, Idaho law, including Idaho Code § 50-2011, and any disposition policies adopted by the Agency;
- g. The development of land by private enterprise or public agencies for uses in accordance with this Plan;
- h. The preparation and assembly of adequate sites for the development and construction of facilities for industrial, commercial, and governmental use;
- i. To the extent allowed by law, lend or invest federal funds to facilitate redevelopment;
- j. The environmental assessment and remediation of brownfield sites or sites where environmental conditions detrimental to redevelopment exist;
- k. The construction of storm water management infrastructure to support compliance with federal and local regulations for storm water discharge and to support private development;
- l. In collaboration with property owners and other stakeholders, working with the City to amend zoning regulations (if necessary) and standards and guidelines for the design of streetscapes, open space, and other like public spaces applicable to the Project Area as needed to support implementation of this Plan;
- m. The enhancement, construction, and possible realignment of streets, pathways, sidewalks, and related streetscape amenities, including but not limited to improvements to add a left-hand turn lane to 300 South, to make necessary alignment changes to Highway 27\600 W, and adding appropriate traffic control devices;
- n. The provision of financial and other assistance to encourage and attract business enterprise, including, but not limited to, start-ups and microbusiness, mid-sized companies, and large-scale corporations;
- o. In conjunction with the City, the establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area, including commitment of funds for planning studies, achieving high standards of development, and leveraging such development to achieve public objectives and efficient use of scarce resources.

In the accomplishment of these purposes and activities and in the implementation and furtherance of this Plan, the Agency is authorized to use all the powers provided in this Plan and as permitted by the Law and the Act.

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

Urban renewal activity is necessary in the Project Area to combat problems of physical deterioration or deteriorating conditions. As set forth in greater detail in Section 103, the Project Area has a history of a slow-growing tax base based on deteriorated or deteriorating conditions that have arrested or impaired growth in the Project Area primarily attributed to underdeveloped properties based on faulty lot layout and inadequate water and sewer facilities and fire protection. The Plan for the Project Area is a proposal to work in partnership with private entities to improve, develop, and grow the economy within the Project Area by the implementation of a strategy and program set forth in Section 301.

The provisions of this Plan are applicable to all public and private property in the Project Area. The provisions of the Plan shall be interpreted and applied as objectives and goals, recognizing the need for flexibility in interpretation and implementation, while at the same time not in any way abdicating the rights and privileges of the property owners which are vested in the present and future zoning classifications of the properties. All development under any owner participation agreement shall conform to those standards specified in Section 303 of this Plan.

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

- a. Initiate simultaneous projects designed to revitalize the Project Area. From street and utility improvements to significant new development, the Agency plays a key role in creating the necessary momentum to get and keep things going.
- b. Develop new commercial and industrial opportunities as well as encourage other economic development opportunities.

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

Land use in the Project Area will be modified to the extent that the existing vacant land and land now devoted to scattered inconsistent uses will be converted to commercial, including industrial uses. Because of the commercial and industrial nature of the Project Area, park and recreational facilities have not been proposed. In implementing the activities described in this Plan, the Agency shall give due consideration to the provision of adequate park and recreational

areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of residents in the general vicinity of the site covered by the Plan, recognizing the primary commercial and industrial nature of the Project Area.

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

The Agency may enter into various development participation agreements with any existing or future owner of property in the event the property owner seeks and/or receives assistance from the Agency in the development of the property. The term “participation agreement” is intended to include all participation agreements with a property owner, including reimbursement agreements, grant agreements, and owner participation agreements.

Generally, these participation agreements shall meet the conditions described below:

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

**All participation agreements will address development timing, justification and eligibility of project costs, and achievement of the objectives of the Plan. The Agency shall retain its discretion in the funding level of its participation. Obligations under participation agreements shall terminate no later than the termination date of this Plan—December 31, 2038. The Agency shall retain its discretion to negotiate an earlier date to accomplish all obligations under any participation agreement.**

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

In the event a participant under a participation agreement fails or refuses to rehabilitate, develop, use, and maintain its real property pursuant to this Plan and a participation agreement, the real property or any interest therein may be acquired by the Agency in accordance with Section 305.1 of this Plan and sold or leased for rehabilitation or development in accordance with this Plan.

Participation agreements may be used to implement the following objectives:

- Encouraging property owners to revitalize and/or remediate deteriorated areas and/or deteriorating areas of their parcels to accelerate development in the Project Area.
- Subject to the limitations of the Law and the Act, providing incentives to property owners to encourage utilization and expansion of existing permitted uses during the transition period to prevent a decline in the employment base and a proliferation of vacant and deteriorated parcels in the Project Area during the extended redevelopment of the Project Area.
- Allowing existing nonconforming uses to continue in accordance with City regulations and to accommodate improvements and expansions allowed by City regulations.
- Subject to the limitations of the Law and Act, providing incentives to improve nonconforming properties so they implement the design guidelines contained in this Plan to the extent possible and to encourage an orderly transition from nonconforming to conforming uses through the term of the Plan.
- Provide for advance funding by the developer/owner participant of those certain public improvements related to or needed for the private development. In that event, the Agency will agree as set out in the participation agreement to reimburse a portion of, or all of, the costs of public improvements identified in the participation agreement from the revenue allocation generated by the private development.

### **304 Cooperation with Public Bodies**

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

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency will seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. All plans for development

of property in the Project Area by a public body shall be subject to Agency approval, in the event the Agency is providing any financial assistance.

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

The Agency intends to cooperate to the extent allowable with the City for the construction of public facilities and improvements, including, but not limited to streets, streetscapes, water and sewer improvements, and environmental remediation/site preparation. The Agency shall also cooperate with the City on various relocation, screening, or underground projects and the providing of fiber optic capability. To the extent any public entity, including the City, has funded certain improvements such as water and sewer facilities or storm drainage improvements, the Agency may reimburse those entities for those expenses. The Agency also intends to cooperate and seek available assistance from state, federal and other sources for economic development.

In the event the Agency is participating in the public development by way of financial incentive or otherwise, the public body shall enter into a participation agreement with the Agency and then shall be bound by the Plan and other land use elements and shall take into consideration those standards specified in Section 303 of this Plan.

This Plan does not financially bind or obligate the Agency to any project or property acquisition; rather, for purposes of determining the economic feasibility of the Plan certain projects and expenditures have been estimated and included in the analysis. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in any participation agreement and in the annual budget adopted by the Agency Board.

## **305 Property Acquisition**

### **305.1 Real Property**

Only as specifically authorized herein, the Agency may acquire, through the voluntary measures described below, but is not required to acquire, any real property located in the Project Area where it is determined that the property is needed for construction of public improvements, required to eliminate or mitigate the deteriorated or deteriorating conditions, to facilitate economic development, including acquisition of real property intended for disposition to qualified developers through a competitive process, and as otherwise allowed by law. The acquisition shall be by any means authorized by law, including, but not limited to, the Law, the Act, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, but shall not include the right to invoke eminent domain authority except as authorized herein. The Agency is authorized to acquire either the entire fee or any other interest

in real property less than a fee, including structures and fixtures upon the real property, without acquiring the land upon which those structures and fixtures are located.

The Agency intends to acquire any real property through voluntary or consensual gift, devise, exchange, or purchase. Such acquisition of property may be for the development of the public improvements identified in this Plan. Such properties may include properties owned by private parties or public entities. This Plan does not anticipate the Agency's use of its resources for property acquisition, except as may be necessary for the construction of the public improvements identified in this Plan.

In the event the Agency identifies certain property which should be acquired to develop certain public improvements intended to be constructed under the provisions of this Plan, the Agency shall coordinate such property acquisition with any other public entity (e.g., without limitation, the City, the state of Idaho, or any of its authorized agencies), including the assistance of the Agency of funds to acquire said property either through a voluntary acquisition or the invocation of eminent domain authority as limited by Idaho Code § 7-701A.

The Agency is authorized by this Plan and Idaho Code §§ 50-2010 and 50-2018(12) to acquire the properties identified in Attachment 3 hereto for the purposes set forth in this Plan. At the present time, the Agency cannot specifically identify which parcels may be necessary for acquisition. The Agency reserves the right to determine which properties, if any, should be acquired in furtherance of implementing the projects identified in this Plan. The open land areas qualify for Agency acquisition as further set forth in Section 105 of this Plan.

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

### **305.2 Personal Property**

Generally, personal property shall not be acquired. However, where necessary in the execution of this Plan, the Agency is authorized to acquire personal property in the Project Area by any lawful means, including eminent domain for the purpose of developing the public improvements described in section 305.1.

### **306 Property Management**

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



### **307 Relocation of Persons (Including Individuals and Families), Business Concerns, and Others Displaced by the Project**

If the Agency receives federal funds for real estate acquisition and relocation, the Agency shall comply with 24 C.F.R. Part 42, implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

There are no current residents in the Project Area and no future residents are anticipated due to the commercial and industrial nature of the Project Area. As a result, relocation benefits under the Law or the Act are not contemplated in this Plan.

In the event the Agency's activities result in displacement of families, the Agency shall comply with, at a minimum, the standards set forth in the Law. The Agency shall also comply with all applicable state laws concerning relocation benefits and shall also coordinate with the various local, state, or federal agencies concerning relocation assistance.

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

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

Further, the Agency is authorized (but not required) to prepare, or cause to be prepared, as building sites any real property in the Project Area owned by the Agency including site preparation. In connection therewith, the Agency may cause, provide for, or undertake the installation or construction of streets, utilities, parks, pedestrian walkways, parking facilities, drainage facilities, and other public improvements necessary to carry out this Plan.

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

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

For the purposes of this Plan, the Agency is authorized to sell, lease, lease/purchase, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property under the reuse provisions set forth in Idaho law, including Idaho Code § 50-2011 and pursuant to any disposition policies adopted by the Agency. To the extent permitted by law, the Agency is authorized to dispose of real property by negotiated lease, sale, or transfer without public bidding.

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

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

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

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

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

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

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

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

That the developers, their successors, and assigns agree:

- a. That a plan and time schedule for the proposed development shall be submitted to the Agency. Schedule revisions will be made only at the option of the Agency.
- b. That the purchase or lease of the land and/or subterranean rights and/or air rights is for the purpose of redevelopment and not for speculation.
- c. That the building of improvements will be commenced and completed as jointly scheduled and determined by the Agency and the developer(s).
- d. That the site and construction plans will be submitted to the Agency for review as to conformity with the provisions and purposes of this Plan.

- e. All new construction shall have a minimum estimated life of no less than twenty (20) years.
- f. That rehabilitation of any existing structure must assure that the structure is safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years.
- g. That the Agency receives adequate assurance acceptable to the Agency to ensure performance under the contract for sale.
- h. All such buildings or portions of the buildings which are to remain within the Project Area shall be reconstructed in conformity with all applicable codes and ordinances of the City.
- i. All disposition and development documents shall be governed by the provisions of Section 408 of this Plan.

**The Agency also reserves the right to determine the extent of its participation based upon the achievements of the objectives of this Plan. Obligations under any disposition and development agreement and deed covenants, except for covenants which run with the land, beyond the termination date of this Plan, shall terminate no later than December 31, 2038. The Agency shall retain its discretion to negotiate an earlier date to accomplish all obligations under any disposition and development agreement.**

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

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

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

The Agency may enter into contracts, leases, and agreements with the City or other public body or private entity pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code § 50-2909 which may be made payable out of the taxes levied in the Project Area

and allocated to the Agency under Idaho Code § 50-2908(2)(b) and Section 504 to this Plan or out of any other available funds.

### **310 Development Plans**

All development plans (whether public or private) prepared, pursuant to disposition and development agreement or participation agreement, shall be submitted to the Agency Board for approval and review. All development in the Project Area must conform to those standards specified in Section 408 and all applicable City ordinances.

### **311 Personal Property Disposition**

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

### **312 Participation with Others**

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

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

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

As allowed by law, the Agency may also use funds from any other sources or participate with the private or public sector with regard to any programs administered by the Idaho Department of Commerce for any purpose set forth under the Law or Act.

The Agency may enter into contracts, leases, and agreements with the City, or other public body or private entity, pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code § 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under Idaho Code § 50-2908(2)(b) and Section 504 to this Plan or out of any other available funds.

### **313 Conforming Owners**

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

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

### **401 Designated Land Uses**

The Agency intends to rely upon the overall land use designations and zoning classifications of the City, as may be amended, and as tentatively depicted on Attachment 4 and as set forth in the City's Comprehensive Plan, including the future land use map and zoning classifications, as may be amended. Provided, however, nothing herein within this Plan shall be deemed to be granting any particular right to zoning classification or use.

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

The major public streets within the Project Area are West 300 South Road and Highway 27 as further set forth on Attachment 1. Additional public streets, alleys, and easements may be created in the Project Area as needed for proper development. Existing dirt roadways, streets, alleys, easements, and irrigation or drainage laterals or ditches (if any) may be improved, abandoned, closed, vacated, expanded or modified as necessary for proper development of the Project Area, in accordance with any applicable policies and standards of the City regarding changes to dedicated rights-of-way, and appropriate irrigation or drainage districts regarding changes to laterals or ditches.

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

- a. A balancing of the needs of proposed and potential new developments for adequate vehicular access, vehicular parking, and delivery loading docks with the similar needs of any existing developments permitted to remain. Such balancing shall take into consideration the rights of existing owners and tenants under the rules for owner and tenant participation adopted by the Agency for the Project Area and any participation agreements executed thereunder;
- b. The requirements imposed by such factors as topography, traffic safety, and aesthetics; and

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

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

Continued growth in Minidoka County over the next decade will increase both residential and commercial traffic in the City. The residential growth that is occurring within a 2-mile radius of the Project Area, will impact the intersection of 300 South and Highway 27. Additionally, commercial traffic leaving the Project Area will likely utilize 300 South to access Highway 27 to avoid entering a four-lane highway from the southern entrance to the Project Area. The City anticipates the need to add a left-hand turn lane to 300 South. Adding a turn lane will require widening the roadway and making necessary alignment changes to Highway 27\600 W and adding appropriate traffic control devices.

#### **403 [RESERVED]**

#### **404 Interim Uses**

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

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

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

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

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

In addition to the Heyburn City Code, ordinances, or other requirements governing development in the Project Area, additional specific performance and development standards may be adopted by the Agency to control and direct redevelopment activities in the Project Area in the event of a disposition and development agreement or Development Agreement.

#### **407 Minor Variations**

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

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

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

#### **408 Design for Development**

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

In the case of property which is the subject of a disposition and development agreement or a participation agreement with the Agency, no new improvement shall be constructed, and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated, except in accordance with this Plan. Under those agreements the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. One of the objectives

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

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

#### **409 Nonconforming Uses**

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

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

All nonconforming uses shall also comply with the City ordinances.

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

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

The Agency is authorized to finance this Project with revenue allocation funds, financial assistance from the City (loans, grants, other financial assistance), state of Idaho, federal government or other public entities, interest income, developer advanced funds, donations, loans from private financial institutions (bonds, notes, line of credit), the lease or sale of Agency-owned property, public parking revenue, or any other available source, public or private, including assistance from any taxing district or any public entity.

The Agency is also authorized to obtain advances, lines of credit, borrow funds, and create indebtedness in carrying out this Plan. The Agency may also consider an inter-fund



transfer from other urban renewal project areas. The principal and interest on such advances, funds, and indebtedness may be paid from any funds available to the Agency. The City, as it is able, may also supply additional assistance through City loans and grants for various public facilities.

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

## **502 Revenue Allocation Financing Provisions**

The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, effective retroactively to January 1, 2018. These revenue allocation provisions shall apply to all taxing districts which are located in or overlap the Revenue Allocation Area shown and described on Attachments 1 and 2 to this Plan. The Agency shall take all actions necessary or convenient to implement these revenue allocation financing provisions. The Agency specifically finds that the equalized assessed valuation of property within the Revenue Allocation Area is likely to increase as a result of the initiation of the Project.

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

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

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

A statement listing proposed public improvements and facilities, a schedule of improvements, an economic feasibility study, estimated project costs, fiscal impact upon other taxing districts, and methods of financing project costs required by Idaho Code § 50-2905 is included in Attachment 5 to this Plan. This statement necessarily incorporates estimates and

projections based on the Agency's present knowledge and expectations. The Agency is hereby authorized to adjust the presently anticipated urban renewal projects and use of revenue allocation financing of the related Project Costs if the Board deems such adjustment necessary or convenient to effectuate the general objectives of the Plan in order to account for revenue inconsistencies and unknown future costs. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in the annual budget.

Revenues will continue to be allocated to the Agency until termination of the revenue allocation area as set forth in Section 800. Attachment 5 incorporates estimates and projections based on the Agency's present knowledge and expectations concerning the length of time to complete the improvements and estimated future revenues. The activity may take longer depending on the significance and timeliness of development. Alternatively, the activity may be completed earlier if revenue allocation proceeds are greater or the Agency obtains additional funds.

### **502.1 Economic Feasibility Study**

Attachment 5 constitutes the Economic Feasibility Study ("Study") for the urban renewal area prepared by Brent Tolman, Outwest Policy Advisors. The Study constitutes the financial analysis required by the Act and is based upon existing information from property owners, developers, the Agency, City and others.

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

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

The Plan and the Plan Attachments incorporate estimates and projections based on the Agency's present knowledge and expectations. The Plan proposes certain public improvements as set forth in Attachment 5, which will facilitate development in the Revenue Allocation Area.

The assumptions set forth in the Study are based upon the best information available to the Agency through public sources or discussions with property owners, developers, and others. The information has been analyzed by the Agency and its consultants in order to provide an analysis that meets the requirements set forth under the Law and Act. At the point in time when the Agency may seek a loan from lenders or others, a more detailed and then-current financial pro forma will be presented to those lenders or underwriters for analysis to determine the

borrowing capacity of the Agency. As set forth herein, the Agency reserves the right to fund the Project on a “pay as you go” basis. The Agency Board will prioritize the activities set forth in this Plan and determine what funds are available and what activities can be funded. The Agency will establish those priorities through its mandated annual budgetary process.

The assumptions concerning revenue allocation proceeds are based upon certain assessed value increases and assumed levy rates as more specifically set forth in Attachment 5.

The types of new construction expected in the Project Area are: industrial and commercial areas, other public facilities and improvements, including, but not limited to streets, streetscapes, water and sewer improvements, and environmental remediation/site preparation. The Project Area has potential for a significant increase in industrial and commercial growth due to the location of the Project Area. However, without a method to construct the identified public improvements such as water lines and street infrastructure, development is unlikely to occur in much of the Project Area.

### **502.3 Ten Percent Limitation**

Under the Act, the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed taxable value for the entire City. According to the Minidoka County Assessor, the assessed taxable value for the City as of January 1, 2018, less homeowner’s exemptions is \$189,691,183. Therefore, the 10% limit is \$18,969,118.

The adjusted base assessed value of each of the existing or proposed revenue allocation areas as of January 1, 2018, is as follows:

Northwest Heyburn Industrial Project Area	\$553,377
208 Business Park Project Area	\$1,162,935
The Boulevard Project Area	\$241,672
TOTAL:	\$1,957,984

The adjusted base values for the combined revenue allocation areas total \$1,957,984, which is less than 10% of the City’s 2018 taxable value.

### **502.4 Financial Limitation**

The Study identifies several capital improvement projects. Use of any particular financing source for any particular purpose is not assured or identified. Use of the funding source shall be conditioned on any limitations set forth in the Law, the Act, by contract, or by other federal regulations. If revenue allocation funds are unavailable, then the Agency will need to use a different funding source for that improvement.

The amount of funds available to the Agency from revenue allocation financing is directly related to the assessed value of new improvements within the Revenue Allocation Area. Under the Act, the Agency is allowed the revenue allocation generated from inflationary

increases and new development value. Increases have been assumed based upon the projected value of new development as that development occurs along with possible land reassessment based on a construction start.

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

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

Attachment 5 lists those public improvements the Agency intends to construct through the term of the Plan. The costs of improvements are estimates only as it is impossible to know with any certainty what the costs of improvements will be in future years. There is general recognition that construction costs fluctuate and are impacted by future unknowns, such as, the cost of materials and laborers. Final costs will be determined by way of construction contract public bidding or by an agreement between the developer/owner and Agency. The listing of public improvements does not commit the Agency to any particular level of funding; rather, identification of the activity in the Plan allows the Agency to negotiate the terms of any reimbursement with the developer. This Plan does not financially bind or obligate the Agency to any project or property acquisition; rather, for purposes of determining the economic feasibility of the Plan certain projects and expenditures have been estimated and included in the analysis. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in any participation agreement and in the annual budget adopted by the Agency Board.

The Agency reserves its discretion and flexibility in deciding which improvements are more critical for development, and the Agency intends to coordinate its public improvements with associated development by private developers/owners. The Agency also intends to coordinate its participation in the public improvements with the receipt of certain grants or loans which may require the Agency's participation in some combination with the grant and loan funding.

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

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

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

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

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

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

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

An estimate of the overall impact of the revenue allocation project on each taxing district is shown in the Study.

The assessed value for each property in a revenue allocation area consists of a base value and an increment value. The base value is the assessed value as of January 1 of the year in which a revenue allocation area is approved by a municipality, with periodic adjustments allowed by Idaho law. The increment value is the difference between the adjusted base assessed value and current assessed taxable value in any given year while the property is in a revenue allocation area. Under Idaho Code § 63-802, taxing entities are constrained in establishing levy rates by the amount each budget of each taxing district can increase on an annual basis. Taxing entities submit proposed budgets to the County Board of Commissioners, which budgets are required to comply with the limitations set forth in Idaho Code § 63-802. Therefore, the impact of revenue allocation is more of a product of the imposition of Idaho Code § 63-802, than the effect of urban renewal.

The County Board of Commissioners calculates the levy rate required to produce the proposed budget amount for each taxing entity using the assessed values which are subject to each taxing entity's levy rate. Assessed values in urban renewal districts which are subject to revenue allocation (incremental values) are not included in this calculation. The combined levy

rate for the taxing entities is applied to the incremental property values in a revenue allocation area to determine the amount of property tax revenue which is allocated to an urban renewal agency. The property taxes generated by the base values in the urban renewal districts and by properties outside revenue allocation areas are distributed to the other taxing entities. Properties in revenue allocation areas are subject to the same levy rate as they would be outside a revenue allocation area. The difference is how the revenue is distributed. If the overall levy rate is less than assumed, the Agency will receive fewer funds from revenue allocation.

In addition, without the Revenue Allocation Area and its ability to pay for public improvements and public facilities, fewer substantial improvements within the Revenue Allocation Area would be expected during the term of the Plan; hence, there would be lower increases in assessed valuation to be used by the other taxing entities.

One result of new construction occurring outside the revenue allocation area (Idaho Code §§ 63-802 and 63-301A) is the likely reduction of the levy rate as assessed values increase for property within each taxing entity's jurisdiction. From and after December 31, 2006, Idaho Code § 63-301A prohibits taxing entities from including, as part of the new construction roll, the increased value related to new construction within a revenue allocation area until the revenue allocation authority is terminated. Any new construction within the Project Area is not available for inclusion by the taxing entities to increase their budgets. Upon termination of this Plan or deannexation of area, the taxing entities will be able to include the accumulated new construction roll value in setting the following year's budget and revenue from such value is not limited to the three percent increase allowed in Idaho Code § 63-802(1)(a).

As 2018 certified levy rates are not determined until late September 2018, the 2017 certified levy rates have been used in the Study for purposes of the analysis.<sup>1</sup> Those taxing districts and rates are as follows:

Taxing District Levies:

Minidoka County <sup>2</sup>	.004217701
City of Heyburn	.005181688
Minidoka School District No. 331	.000000
Heyburn Cemetery District No. 3	.000118558
West End Fire Protection District	.000999186
Minidoka Highway District	.001080302
TOTAL:	.011597435

The Study has made certain assumptions concerning the levy rate. The levy rate is estimated to stay level for the life of the revenue allocation area. The Study estimates annual

<sup>1</sup> Due to the timing of the taxing districts' budget and levy setting process, certification of the 2018 levy rates did not occur until this Plan had been prepared and was in the process of being considered by the Agency. In order to provide a basis to analyze the impact on the taxing entities, the 2017 levy rates are used. Use of the 2017 levy rates provides a more accurate base than estimating the 2018 levy rates.

<sup>2</sup> In this Plan, the levy rates for the fair, indigent and historical society have been collapsed into the Minidoka County levy rate; however, those levy rates have been separately broken out in the Study. The total levy rate used is the same in the Plan and the Study.

increases to the land values by .01 and annual increases to the improvement/building values by .02. The Study does not consider value from personal property. If the overall levy rate is less than projected, or the land values do not increase as expected, or expected development fails to occur as estimated, the Agency shall receive fewer funds from revenue allocation.

Pursuant to Idaho Code § 50-2908, the Agency is not entitled to revenue allocation proceeds from certain levy increases which are allowed by either specific statutory authorization or approved by an election of the qualified electors of the particular taxing district. Therefore, for any levy election, the Agency will not receive revenue allocation funds which would have been generated by imposing that levy on the assessed valuation within the Project Area. The Study has taken this statute into account.

### **503 Lease Revenue and Bonds**

Under the Law (Idaho Code § 50-2012), the Agency is authorized to issue revenue bonds to finance certain public improvements identified in the Plan. Under that type of financing, the public entity would pay the Agency a lease payment annually which provides certain funds to the Agency to retire the bond debt. Another variation of this type of financing is sometimes referred to as conduit financing, which provides a mechanism where the Agency uses its bonding authority for the Project, with the end user making payments to the Agency to retire the bond debt. These sources of revenues are not related to revenue allocation funds and are not particularly noted in the Study, because of the “pass through” aspects of the financing. Under the Act, the economic feasibility study focuses on the revenue allocation aspects of the Agency’s financial model.

These financing models typically are for a longer period of time than the 20-year period set forth in the Act. However, these financing models do not involve revenue allocation funds, but rather funds from the end users which provide a funding source for the Agency to continue to own and operate the facility beyond the term of the Plan as allowed by Idaho Code § 50-2905(8) as those resources involve funds not related to revenue allocation funds.

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

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

## **600 ACTIONS BY THE CITY**

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

- a. Institution and completion of proceedings necessary for changes and improvements in private and publicly owned public utilities within or affecting the Project Area.
- b. Revision of zoning (if necessary) within the Project Area to permit the land uses and development authorized by this Plan.
- c. Imposition wherever necessary of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.
- d. Provision for administrative enforcement of this Plan by the City after development. The City and the Agency may develop and provide for enforcement of a program for continued maintenance by owners of all real property, both public and private, within the Project Area throughout the duration of this Plan.
- e. Building Code enforcement.
- f. Performance of the above actions and of all other functions and services relating to public peace, health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.
- g. The undertaking and completing of any other proceedings necessary to carry out the Project.
- h. Administration of Idaho Community Development Block Grant funds that may be made available for this Project.
- i. Appropriate agreements with the Agency for administration, supporting services, funding sources, and the like.
- j. Use of public entity labor, services, and materials for construction of the public improvements listed in this Plan.
- k. Coordination of the development agreements entered into by the City and developer with the goals of the Plan.



In addition to the above, the City may elect to waive hookup or installation fees for sewer, water, or other utility services for any facility owned by any public entity or Agency facility and waive any city impact fee for development within the Project Area. The foregoing actions to be taken by the City do not constitute any commitment for financial outlays by the City.

#### **601 Maintenance of Public Improvements**

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

#### **700 ENFORCEMENT**

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

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

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan, shall be effective for twenty (20) years from the effective date of the Plan subject to modifications and/or extensions set forth in Idaho Code §§ 50-2904 and 50-2905(7). The revenue allocation authority will expire on December 31, 2038, except for any revenue allocation proceeds received in calendar year 2039, as contemplated by Idaho Code § 50-2905(7). The Agency may use proceeds in 2039 to complete the projects set forth herein. As stated in the Plan, any Development Agreement or disposition and development agreement obligations will cease as of December 31, 2038.

Idaho Code § 50-2903(5) provides the Agency shall adopt a resolution of intent to terminate the revenue allocation area by September 1. In order to provide sufficient notice of termination to the affected taxing districts to allow them to benefit from the increased budget capacity, the Agency will use its best efforts to provide notice of its intent to terminate this Plan and its revenue allocation authority by May 1, 2039, or if the Agency determines an earlier terminate date, then by May 1 of the early termination year:

- a. When the Revenue Allocation Area plan budget estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness, and bonds have been paid in full or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the Agency funded through revenue allocation proceeds shall be satisfied and the Agency has determined no additional project costs need be funded through

revenue allocation financing, the allocation of revenues under Idaho Code § 50-2908 shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the affected taxing districts in which the Revenue Allocation Area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the Revenue Allocation Area; and the powers granted to the urban renewal agency under Idaho Code § 50-2909 shall thereupon terminate.

- b. In determining the termination date, the Plan shall recognize that the Agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the Plan.
- c. For the fiscal year that immediately predates the termination date, the Agency shall adopt and publish a budget specifically for the projected revenues and expenses of the Plan and make a determination as to whether the Revenue Allocation Area can be terminated before January 1 of the termination year pursuant to the terms of Idaho Code § 50-2909(4). In the event that the Agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by May 1, but in any event, no later than September 1, the Agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the State Tax Commission, recommending the adoption of an ordinance for termination of the Revenue Allocation Area by December 31 of the current year, and declaring a surplus to be distributed as described in Idaho Code § 50-2909 should a surplus be determined to exist. The Agency shall cause the ordinance to be filed with the office of the county recorder and the Idaho State Tax Commission as provided in Idaho Code § 63-215.

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

As allowed by Idaho Code § 50-2905(8), the Agency may retain assets or revenues generated from such assets as loans; the Agency shall have resources other than revenue allocation funds to operate and manage such assets. Similarly, facilities which provide a least income stream to the Agency for full retirement of the facility debt will allow the Agency to meet debt services obligations and provide for the continued operation and management of the facility.

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

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

To the extent there is any outstanding loans or obligations, this Plan shall not be modified pursuant to the provisions set forth in Idaho Code § 50-2903A. Modification of this Plan results in a reset of the base assessment roll values to the current values in the year following the modification year as more fully set forth in Idaho Code § 50-2903A subject to certain limited exceptions contained therein. As more specifically identified above, the Agency's projections are based on estimated values, estimated levy rates, estimated future development, and estimated costs of future construction/improvements. Annual adjustments as more specifically set forth in the Agency's annual budget will be required to account for more/less estimated revenue and prioritization of projects. Any adjustments for these stated purposes are technical and ministerial and are not deemed a modification under Idaho Code § 50-2903A.

## **1000 SEVERABILITY**

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

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

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

Additionally, the Agency must comply with certain other reporting requirements as set forth in Idaho Code § 67-450E, the local government registry portal, Idaho Code § 50-2913, the tax commission plan repository, and Idaho Code § 50-2903A, the tax commission's plan modification annual attestation. Failure to report the information requested under any of these statutes results in significant penalties, including loss of increment revenue, and the imposition of other compliance measures by the Minidoka County Board of County Commissioners.

## **1200 APPENDICES, ATTACHMENTS, EXHIBITS, TABLES**

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

## Attachment 1

### Project Area and Revenue Allocation Area Boundary Map



## Attachment 2

### Legal Description of Project Area and Revenue Allocation Area

An area consisting of approximately 38.82 acres as more particularly described as follows:

#### BUSINESS PARK 208

DESCRIPTION: A REPLAT OF THE KNUDSEN INDUSTRIAL PARK, RECORDED APRIL 7, 1978 AS INSTR. No. 280703, MINIDOKA COUNTY RECORDS.

TOWNSHIP 10 SOUTH, RANGE 23 EAST, BOISE MERIDIAN, MINIDOKA COUNTY, IDAHO.

SECTION 9: A PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 9, MONUMENTED BY A 5/8" REBAR WITH ALUMINUM CAP PERPETUATED DECEMBER 14, 1998 AS INSTR. No. 438735, MINIDOKA COUNTY RECORDS AND FOLLOWING ALONG THE NORTH SECTION LINE NORTH 89°42'27" EAST 60.00 FEET TO A 5/8" REBAR AND LS CAP SET ON THE EAST HIGHWAY 27 RIGHT-OF-WAY AND THE TRUE POINT OF BEGINNING.

THENCE CONTINUING ALONG SAID NORTH SECTION LINE NORTH 89°42'27" EAST 1264.90 FEET TO A 5/8" REBAR AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER;

THENCE SOUTH 0°06'30" EAST ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER 1321.86 FEET TO A 5/8" REBAR AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER;

THENCE SOUTH 89°44'27" WEST ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER 1282.57 FEET TO A 5/8" REBAR SET ON THE EAST RIGHT-OF-WAY OF HIGHWAY 27;

THENCE NORTH 0°12'34" WEST ALONG THE EAST RIGHT-OF-WAY OF SAID HIGHWAY 27, 721.84 FEET TO A 5/8" REBAR AND LS CAP;

THENCE CONTINUING ALONG SAID EAST RIGHT-OF-WAY NORTH 2°41'35" EAST 197.49 FEET TO A 5/8" REBAR AND LS CAP AT STA: 127+23.19, 50.00 FEET RIGHT, ALONG THE NORTH BOUND LANE PER FEDERAL AID PROJECT No. S2862(4);

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY NORTH  $0^{\circ}12'34''$  WEST 355.71 FEET TO A 5/8" REBAR AND LS CAP AT STA: 130+78.57, 50.00 FEET RIGHT;

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY NORTH  $89^{\circ}47'26''$  EAST 10.00 FEET TO A 5/8" REBAR AND LS CAP;

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY NORTH  $0^{\circ}12'34''$  WEST 46.35 FEET TO THE TRUE POINT OF BEGINNING.

BUSINESS PARK 208 CONTAINS 38.82 ACRES MORE OR LESS.

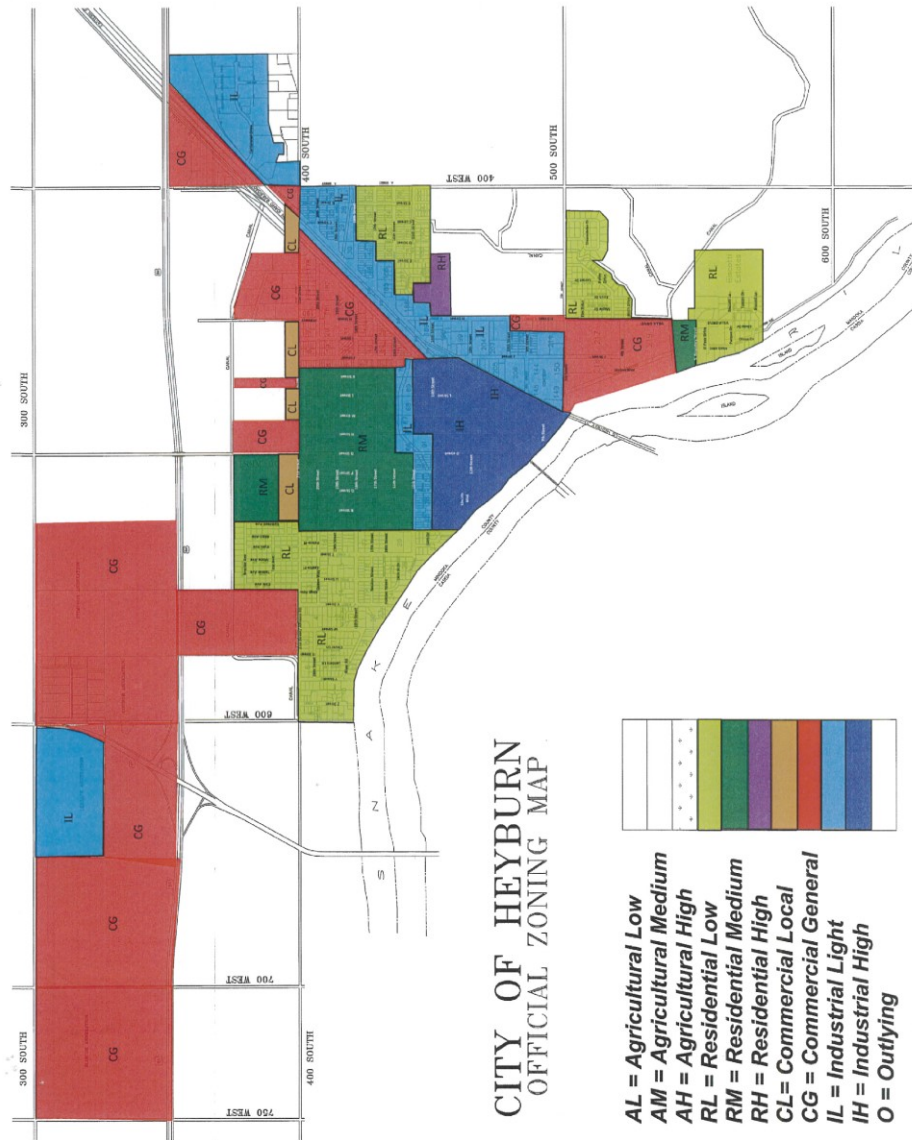
### Attachment 3

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

1. The Agency has not identified any particular parcel for the construction of public improvements or for private redevelopment. Properties which may be subject to acquisition included parcels to:
  - a) assemble with adjacent parcels to facilitate redevelopment;
  - b) assemble with adjacent rights-of-way to improve configuration and enlarge parcels for redevelopment;
  - c) reconfigure sites for development and possible extension of streets or pathways
  - d) assemble for future transfer to qualified developers to facilitate the development of industrial and commercial areas.
  - e) assemble for the construction of certain public improvements, including but not limited to streets, streetscapes, water and sewer improvements, environmental remediation/site preparation, parking, community facilities, parks, pedestrian/bike paths and trails, school facilities and other public facilities.
2. The Agency reserves the right to acquire any additional right-of-way or access routes near or around existing or planned rights-of-way.
3. The Agency reserves the right to acquire property needed to provide adequately sized sites for high priority projects for the development of public improvements (the exact location of which has not been determined).
4. Other parcels may be acquired for the purpose of facilitating catalyst or demonstration projects, constructing public parking, constructing new streets or pathways, enhancing public spaces, or to implement other elements of the urban renewal plan strategy and/or any master plan for the Project Area.



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



Attachment 5

Economic Feasibility Study

**Statement of Proposed Public Improvements,  
Costs, Revenues, Tax Impacts and Financing Options**

<b>BACKGROUND</b>	<b>Page 2</b>
<b>PROJECT DESCRIPTION</b>	<b>Page 2</b>
<b>FEASIBILITY STUDY</b>	<b>Page 4</b>
<b>FINANCING OPTIONS</b>	<b>Page 4</b>
<b>IMPACT ON TAXING DISTRICTS</b>	<b>Page 5</b>
<b>CASH FLOW ANALYSIS</b>	<b>Page 6</b>
<b>CONCLUSION</b>	<b>Page 6</b>
<b>APPENDIX “A”</b>	

## **Statement of Proposed Public Improvements, Costs, Revenues, Tax Impacts and Financing Options**

This report is intended to give an overview of the proposed public improvements and related costs, the incremental tax revenues in the proposed revenue allocation area (RAA), the impacts of the revenue allocation area on the taxing districts serving the proposed RAA, and possible financing options to cover the costs of the proposed improvements.

### **BACKGROUND**

The proposed urban renewal district (URD) and corresponding RAA are located on property formerly known as the Knudsen Industrial Subdivision. The property is generally located on the southeast corner of Highway 27 and 300 S in Heyburn. Two parcels within the former subdivision have been sold; one to Idaho Power and the other to Treadway Investments. The remaining lots within the subdivision have sat idle for the past 15+ years. The property was recently acquired by an investment group MBB Properties (Developer) of Burley, Idaho. The developer intends to re-plat the remaining lots making them more accessible for development.

In accordance with Idaho Code 50-2008 and 50-2903, the property was found to be in a deteriorated or deteriorating condition by the Heyburn Urban Renewal Agency (Agency) on June 25, 2018. This finding was subsequently accepted by the Heyburn City Council on June 27, 2018. As a result of such finding, the Agency and the Developer agreed to pursue the development of an urban renewal plan for the project area. This study was in compliance with Idaho Code 50-2008 and Idaho Code 50-2905 which require that an urban renewal plan be completed with specific details relating to the proposed public infrastructure and proposed project developments to demonstrate the feasible and the public improvements can be paid for using the incremental tax revenues derived from the increase in property values within the revenue allocation area.

### **PROJECT DESCRIPTION**

The project proposed by the developer and for which the developer is seeking assistance from the Agency is to install water, storm & wastewater collection system, roadways and street lighting within the subdivision to be renamed Business Park 208. In addition to the improvements to be made by the developer, the city anticipates the need to add a left turn lane on 300 S to accommodate the additional commercial traffic exiting the area and utilizing 300 S to access State Highway 27\600 W to gain easier access to interstate 84. The addition of a turn lane will also require alignment with State Highway 27\600 W and adding appropriate traffic control devices. The proposed public infrastructure costs are outlined in **Table 1** below.

**Table 1**  
**Proposed Public Infrastructure**

<b>Roads</b>	<b>\$187,134</b>
Curb & Gutter	\$55,500
Excavation & Site Grading	\$12,000
Wastewater	\$50,350
Storm Water Collection	\$16,400
Water System & Fire Hydrants	\$95,330
Street Lights	\$10,000
Engineering & Testing	<u>\$12,000</u>
<b>Sub-Total</b>	\$438,714
Contingency 10%	\$44,621
300 S turn lane and related improvements	<u><b>\$700,291</b></u>
<b>TOTAL</b>	<b>\$1,183,626</b>

The proposed developments within the project area include the building of light industrial and commercial facilities that comply with the developer's CC&R including requiring all buildings to have more than one elevation, at least three different exterior finishes, paved parking areas, sidewalks, lighted signage, and landscaping interior to the lot boundaries. **Table 2** below shows the anticipated development by year and estimated taxable value.

**Table 2**  
**Anticipated Private Development**

		<b>Year</b>	<b>Building SqFt</b>	<b>Land Value</b>	<b>New Improvement Value<sup>1</sup></b>	<b>Total New Value</b>
<b>Blk 1 Lot 2</b>	Commercial building	2	10000	\$41,628	\$378,000	\$419,628
<b>Blk 1 Lot 3</b>	Commercial building	2	10000	\$41,628	\$378,000	\$419,628
<b>Blk 1 Lot 4</b>	Commercial building	3	10000	\$41,628	\$378,000	\$419,628
<b>Blk 1 Lot 5</b>	Commercial building	4	11500	\$46,746	\$434,700	\$481,446
<b>Blk 1 Lot 6</b>	Commercial building	4	11500	\$46,746	\$434,700	\$481,446
<b>Blk 2 Lot 1</b>	Commercial building	1	8500	\$27,667	\$321,300	\$348,967
<b>Blk 2 Lot 2</b>	Commercial building	3	10000	\$41,628	\$378,000	\$419,628
<b>Blk 2 Lot 3</b>	Budget Truck Sales <sup>2</sup>	1		\$67,419	\$25,000	\$92,419
<b>Blk 2 Lot 4</b>	Budget Truck Sales <sup>3</sup>	1		\$46,736	\$25,000	\$71,736
<b>Blk 2 Lot 5</b>	Budget Truck Sales	1	15010	\$46,740	\$1,200,000	\$1,246,740
<b>Blk 3 Lot 1</b>	Commercial building	5	12000	\$46,740	\$453,600	\$500,340
<b>Blk 3 Lot 2</b>	Commercial building	5	12000	\$46,736	\$453,600	\$500,336
<b>Blk 3 Lot 3</b>	Commercial building	5	12000	\$67,419	\$453,600	\$521,019
<b>TOTALS</b>			<b>122510</b>	<b>\$609,460</b>	<b>\$5,313,500</b>	<b>\$5,922,960</b>

<sup>1</sup> Includes building and pavement of parking area, estimated based on proposed construction values for known development of Budget Truck Sales Facility

<sup>2</sup>	Budget Truck Sales will pave this lot as lot sales occur, New Improvement Value only reflects cost of paving
<sup>3</sup>	Budget Truck Sales will pave this lot as lot sales occur, New Improvement Value only reflects cost of paving

## FEASIBILITY STUDY

As required by the Idaho Urban Renewal Law (I.C. 50-20 et seq.) and the Idaho Economic Development Act (I.C. 50-29 et seq.) prior to adopting an urban renewal plan and accompanying revenue allocation area, an economic feasibility study of the proposed project must be conducted. **Table 3** (Appendix A), shows the anticipated property developments and estimated valuations, and the resulting tax increments available for proposed public improvements shown in Table 1 previously. Following this table is a list of assumptions used in creating this forecast.

### ASSUMPTIONS:

- 1 *Land Values inflation per year 1.00%*
- 2 *Improvement Values inflation per year 2.00%*
- 3 *Administrative costs = 20.00% , annual cap of \$40,000*
- 4 *Assumes no owner occupied structures eligible for Homeowner's Exemption*
- 5 *Property tax income available the year following completion of construction*
- 6 *New construction values inflate on same basis as original improvement values*
- 7 *IF APPLICABLE, Includes increased land value as a result of loss of AG Exclusion*
- 8 This projection assumes levy rates will remain constant during the life of the RAA
- 9 Taxes will be collected the year following this year

## FINANCING OPTIONS

A number of financing options are available to fund the construction of the public improvements intended in the project area. These include but are not limited to:

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

The primary source of funds for the proposed public improvements in this revenue allocation area will be paid by and reimbursed to the developers. The intent of the revenue stream analysis is to determine if there is sufficient tax increment revenue to fund the proposed public improvements shown in **Table 1**. When comparing the projected income stream derived from the incremental revenues to the projected costs of the proposed public improvements, there are sufficient revenues to fund the improvements.

The Business Park 208 urban renewal district will generate an estimated \$1,519,084 during the life of the revenue allocation area. The proposed public improvement costs are estimated at \$483,336. Provided the assumptions listed above hold true and the developments occur as projected, the projected revenues will generate four times the cost of the anticipated revenues. This provides a cushion should the projected developments occur at a much slower rate than anticipated. The Idaho Urban Renewal Law provides for the increase in personal property assessed values to be included in the tax increment revenues that are derived from the increase in taxable property values. The model used here to project the incremental tax revenue stream does not include an estimate for estimated personal property values. As such, this provides an additional cushion in the projected revenue stream should development occur at a slower pace than anticipated.

## IMPACT ON TAXING DISTRICTS

Tax rates used in this analysis are shown in **Table 4**. This model assumes tax levy rates will remain constant during the life of the urban renewal district. Taxing districts ability to increase budgets is limited by Idaho Code. Therefore, the impact of revenue allocation on taxing districts is more constrained by law than by the use of urban renewal to assist with public infrastructure needs of economic development.

**Table 4:**  
**2017 Tax Levy Rates**

TAXING DISTRICT	LEVY RATE
Cemetery 3	0.000118558
County	0.003675393
Fair	0.000102573
Heyburn	0.005181688
Highway	0.001080302
Historical Society	0.000032271
Indigent	0.000407464
SD 331 <sup>1</sup>	0.000000000
West End Fire	0.000999186
<b>Total</b>	<b>0.013993485</b>

<sup>1</sup> The levy rate for the Minidoka School District #331 is actually .002396050. However, for purposes of the financial analysis the study has assumed no levy rate attributable from the school district, as the only levy which will come from the district would be from tort/judgment levies which is a very minimal amount.

## **CASH FLOW ANALYSIS**

The Cash Flow Analysis in **Table 5** (Appendix A), shows the anticipated revenues to the Agency from **Table 3**, the Expenses shown in **Table 2** allocated to each year as applicable, and the operating and debt service expenses to pay the costs public improvements funded by the developer and city.

## **CONCLUSION**

The analysis demonstrates that the project will generate adequate funds within the project area to fund the necessary public improvements. The investment in public infrastructure as part of the Business Park 208 development will benefit the community by bringing new businesses, new jobs and new opportunities to the area.

It is possible that the agency could decide to end the urban renewal plan earlier than the twenty year life allowable under the Idaho Economic Development Law and the Idaho Urban Renewal Act if the tax revenues pay off the cost of the public improvements earlier than anticipated. Doing so could generate significant tax dollars to each taxing district earlier than the end of the twenty allowable life of the revenue allocation area.

Long term, the investment will allow controlled growth in the community and provide additional revenues to the taxing entities thus lowering the taxing burden on all taxpayers. If the agency closes the district sooner than the allowable life of the district, the benefit to the taxpayers will be realized that much sooner.

Appendix A  
Tax Increment Revenue and Source & Use of Funds  
Projections



**Table 3:**  
**Estimated Valuation of New Improvements and Corresponding Tax Increment Revenues**

Heyburn Urban Renewal Agency  
Business Park 208  
October 2018

Scenario #1 Low Inflation Rate: 1% annual increase in land Value and 2% annual increase in Improvement Value; Conservative Private Investment															
BASE	AG Exclusion	Initial Land Value	Improvement	Initial Base Value											
Value	N	\$ 561,238	\$ 601,697	\$ 1,162,935											
RAA YEAR	Year	Land Value +inflation w/o AG exclusion	Initial Improvement Value + Inflation	Total Assessed Value w/AG ex	Initial Assessed Base Value	Initial Base Value Increase due to Inflation	Annual New Const. Value on tax roll	Cum. New Const Value + Inflation	Cumulative Homeowners' Exemption	Total Taxable Value	Increment Value (Taxable Value - Base)	Levy Rate	Tax Increment Yield	Admin Costs	Funding for Capital Projects/Debt Service
		1	2	12	127	CH&P	2	126	8	12AA7	12AA7			3	9
1	2019	\$ 561,238	\$ 601,697	\$ -	\$ 1,162,935	\$ -	\$ 1,667,443	\$ 1,667,443	\$ -	\$ 2,830,378	\$ 1,667,443	0.011597435	\$ 19,338	\$ 3,868	\$ 15,470
2	2020	\$ 566,850	\$ 613,731	\$ -	\$ 1,162,935	\$ 17,646	\$ 839,256	\$ 2,540,048	\$ -	\$ 3,720,629	\$ 2,557,694	0.011597435	\$ 29,663	\$ 5,933	\$ 23,730
3	2021	\$ 572,519	\$ 626,006	\$ -	\$ 1,162,935	\$ 35,589	\$ 931,675	\$ 3,522,524	\$ -	\$ 4,721,048	\$ 3,558,113	0.011597435	\$ 41,265	\$ 8,253	\$ 33,012
4	2022	\$ 578,244	\$ 638,526	\$ -	\$ 1,162,935	\$ 53,835	\$ 962,891	\$ 4,555,866	\$ -	\$ 5,772,636	\$ 4,609,701	0.011597435	\$ 53,461	\$ 10,692	\$ 42,769
5	2023	\$ 584,027	\$ 651,296	\$ -	\$ 1,162,935	\$ 72,388	\$ 1,521,695	\$ 6,168,678	\$ -	\$ 7,404,001	\$ 6,241,066	0.011597435	\$ 72,380	\$ 14,476	\$ 57,904
6	2024	\$ 589,867	\$ 664,322	\$ -	\$ 1,162,935	\$ 91,254	\$ -	\$ 6,292,052	\$ -	\$ 7,546,241	\$ 6,383,306	0.011597435	\$ 74,030	\$ 14,806	\$ 59,224
7	2025	\$ 595,765	\$ 677,609	\$ -	\$ 1,162,935	\$ 110,439	\$ -	\$ 6,417,893	\$ -	\$ 7,691,267	\$ 6,528,332	0.011597435	\$ 75,712	\$ 15,142	\$ 60,570
8	2026	\$ 601,723	\$ 691,161	\$ -	\$ 1,162,935	\$ 129,949	\$ -	\$ 6,546,251	\$ -	\$ 7,839,135	\$ 6,676,200	0.011597435	\$ 77,427	\$ 15,485	\$ 61,942
9	2027	\$ 607,740	\$ 704,984	\$ -	\$ 1,162,935	\$ 149,789	\$ -	\$ 6,677,176	\$ -	\$ 7,989,900	\$ 6,826,965	0.011597435	\$ 79,175	\$ 15,835	\$ 63,340
10	2028	\$ 613,818	\$ 719,084	\$ -	\$ 1,162,935	\$ 169,966	\$ -	\$ 6,810,720	\$ -	\$ 8,143,621	\$ 6,980,686	0.011597435	\$ 80,958	\$ 16,192	\$ 64,766
11	2029	\$ 619,956	\$ 733,465	\$ -	\$ 1,162,935	\$ 190,486	\$ -	\$ 6,946,934	\$ -	\$ 8,300,355	\$ 7,137,420	0.011597435	\$ 82,776	\$ 16,555	\$ 66,221
12	2030	\$ 626,155	\$ 748,135	\$ -	\$ 1,162,935	\$ 211,355	\$ -	\$ 7,085,873	\$ -	\$ 8,460,163	\$ 7,297,228	0.011597435	\$ 84,629	\$ 16,926	\$ 67,703
13	2031	\$ 632,417	\$ 763,097	\$ -	\$ 1,162,935	\$ 232,579	\$ -	\$ 7,227,590	\$ -	\$ 8,623,104	\$ 7,460,169	0.011597435	\$ 86,519	\$ 17,304	\$ 69,215
14	2032	\$ 638,741	\$ 778,359	\$ -	\$ 1,162,935	\$ 254,165	\$ -	\$ 7,372,142	\$ -	\$ 8,789,242	\$ 7,626,307	0.011597435	\$ 88,446	\$ 17,689	\$ 70,757
15	2033	\$ 645,129	\$ 793,926	\$ -	\$ 1,162,935	\$ 276,120	\$ -	\$ 7,519,585	\$ -	\$ 8,958,640	\$ 7,795,705	0.011597435	\$ 90,410	\$ 18,082	\$ 72,328
16	2034	\$ 651,580	\$ 809,805	\$ -	\$ 1,162,935	\$ 298,450	\$ -	\$ 7,669,977	\$ -	\$ 9,131,362	\$ 7,968,427	0.011597435	\$ 92,413	\$ 18,483	\$ 73,930
17	2035	\$ 658,096	\$ 826,001	\$ -	\$ 1,162,935	\$ 321,162	\$ -	\$ 7,823,377	\$ -	\$ 9,307,474	\$ 8,144,539	0.011597435	\$ 94,456	\$ 18,891	\$ 75,565
18	2036	\$ 664,677	\$ 842,521	\$ -	\$ 1,162,935	\$ 344,263	\$ -	\$ 7,979,845	\$ -	\$ 9,487,043	\$ 8,324,108	0.011597435	\$ 96,538	\$ 19,308	\$ 77,230
19	2037	\$ 671,323	\$ 859,371	\$ -	\$ 1,162,935	\$ 367,760	\$ -	\$ 8,139,442	\$ -	\$ 9,670,137	\$ 8,507,202	0.011597435	\$ 98,662	\$ 19,732	\$ 78,930
20	2038	\$ 678,037	\$ 876,559	\$ -	\$ 1,162,935	\$ 391,661	\$ -	\$ 8,302,231	\$ -	\$ 9,856,827	\$ 8,693,892	0.011597435	\$ 100,827	\$ 20,165	\$ 80,662
						\$ 3,718,856	\$ 5,922,960								
													\$ 1,519,085	\$ 299,949	\$ 1,199,798

**ASSUMPTIONS:**

- <sup>1</sup> Land Values inflation per year 1.00%
- <sup>2</sup> Improvement Values inflation per year 2.00%
- <sup>3</sup> Administrative costs: 10% 20.00% annual cap of \$ 40,000
- <sup>4</sup> Assumes no owner occupied structures eligible for Homeowner's Exemption
- <sup>5</sup> Property tax income available the year following completion of construction
- <sup>6</sup> New construction values inflate on same basis as original improvement values
- <sup>7</sup> IF APPLICABLE, Includes increased land value as a result of loss of AG Exclusion
- <sup>8</sup> This projection assumes levy rates will remain constant during the life of the RAA
- <sup>9</sup> Taxes will be collected the year following this year

**Heyburn Urban Renewal Agency  
Cash Flow Analysis**

[illegible]

**Heyburn Urban Renewal Agency  
Cash Flow Analysis**

<b>Business Park 208</b>										
	2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
<b>Beginning Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Source of Funds</b>										
Revenue Allocation	\$ 84,629	\$ 86,519	\$ 88,446	\$ 90,410	\$ 92,413	\$ 94,456	\$ 96,538	\$ 98,662	\$ 100,827	\$ 1,519,085
Developer Contribution										\$ 514,977
City Contribution										\$ 700,291
URA Inter-District Loan *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue - Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Funds Available</b>	\$ 84,629	\$ 86,519	\$ 88,446	\$ 90,410	\$ 92,413	\$ 94,456	\$ 96,538	\$ 98,662	\$ 100,827	\$ 2,734,353
<b>USES OF FUNDS</b>										
<b>INVESTMENTS</b>										
Sewer & Storm Water System										\$ 73,539
Water System										\$ 105,026
Streets										\$ 267,312
Street Lights										\$ 11,017
300 S Turn Lane										\$ 700,291
Property Acquisition /Site Remediation										\$ 26,442
<b>TOTAL INVESTMENTS</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,183,627
<b>Net available for Operating Expenses &amp; Debt Service</b>	\$ 84,629	\$ 86,519	\$ 88,446	\$ 90,410	\$ 92,413	\$ 94,456	\$ 96,538	\$ 98,662	\$ 100,827	\$ 1,550,726
<b>OPERATING EXPENSES</b>										
Agency Operating Expenses	\$ 16,926	\$ 17,304	\$ 17,689	\$ 18,082	\$ 18,483	\$ 18,891	\$ 19,308	\$ 19,732	\$ 20,165	\$ 303,817
Eligibility Report										
Urban Renewal Plan										
<b>TOTAL OPERATING EXPENSES</b>	\$ 16,926	\$ 17,304	\$ 17,689	\$ 18,082	\$ 18,483	\$ 18,891	\$ 19,308	\$ 19,732	\$ 20,165	\$ 335,458
<b>Net Available After Investments &amp; Operating Expenses</b>	\$ 67,703	\$ 69,215	\$ 70,757	\$ 72,328	\$ 73,930	\$ 75,565	\$ 77,230	\$ 78,930	\$ 80,662	\$ 1,215,268
<b>DEBT SERVICE</b>										
Available for Debt Service	\$ 67,703	\$ 69,215	\$ 70,757	\$ 72,328	\$ 73,930	\$ 75,565	\$ 77,230	\$ 78,930	\$ 80,662	\$ 1,215,268
OPA Debt Service Obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 514,977
Additional OPA Principal										\$ -
City Bond Payment	\$ 67,703	\$ 69,215	\$ 70,757	\$ 72,328	\$ 73,930	\$ 75,565	\$ 77,230	\$ 78,930	\$ 80,662	\$ 700,291
Repay Inter-District Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL DEBT SERVICE</b>	\$ 67,703	\$ 69,215	\$ 70,757	\$ 72,328	\$ 73,930	\$ 75,565	\$ 77,230	\$ 78,930	\$ 80,662	\$ 1,215,268
<b>Total Use of Funds</b>	\$ 84,629	\$ 86,519	\$ 88,446	\$ 90,410	\$ 92,413	\$ 94,456	\$ 96,538	\$ 98,662	\$ 100,827	\$ 2,734,353
<b>Ending Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Available for Other In-District Projects</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -