



# IFRA

## Idaho Falls Redevelopment Agency



# 2015 Annual Report

## **EXECUTIVE SUMMARY**

The mission of the Idaho Falls Redevelopment Agency is to strengthen the tax base of the City of Idaho Falls and Bonneville County through the encouragement of growth and development within the Snake River corridor. To achieve this goal, the Idaho Falls City Council has formed four urban renewal districts since 1988. Through the financing of public improvements such as water, sewer, streets, and storm drainage facilities, the Agency has contributed the following to the tax base:

<b>Urban Renewal District</b>	<b>Year Created</b>	<b>Year of Termination</b>	<b>Tax Increment, 2015</b>
Amended Snake River District	1988	2018	\$146,506,167
River Commons	2004	2028	\$55,555,741
Pancheri-Yellowstone	2007	2019	\$6,994,275
Eagle Ridge	2014	2034	\$232,483

The current 2015 tax increment value of all districts is \$73,667,819, less than 2.45 % of the net valuation of the City. The land area of these four urban renewal districts is 743.5 acres or slightly less than 7% of the City's total land area. The Agency has also supported several public improvements within the project area.

In 2015, the Idaho Falls Redevelopment Agency accomplished the following:

- Entered into negotiations with the property owners of the Kelsch property (former Savings Center site) at the intersection of Memorial Drive and Broadway as well as negotiations with Kent and Ingrid Lott for the Bonneville Hotel on Constitution Way. These negotiations culminated in the Agency entering into a purchase agreement with the Mildred H. Kelsch Marital Trust for purchase of 0.96 acres of vacant land. The Agency executed an option to purchase the Bonneville Hotel. The option is to be exercised if a suitable investor is found. The purchase price for each of these properties is \$1.5 million.
- Prior to entering into agreements to purchase properties downtown, the Agency hired Leland Consulting Group to complete a downtown housing market analysis. The study found, considering the employment in downtown and the population of Idaho Falls, it is likely downtown Idaho Falls could support 450 to 500 housing units provided the community continues to invest leadership and resources in the downtown area.
- Entered into an owner participation agreement with Eagle Ridge Development LLC to reimburse the developer in an amount not to exceed \$1,750,000 for the reconstruction of Snake River Parkway north of the Porter Canal, the intersection with Utah Avenue, and the extension and improvement of Pioneer Road. This reimbursement will be from the future tax

increment generated by Eagle Ridge Subdivision. In addition, the Agency agreed to reimburse Eagle Ridge Development \$345,000 from the tax increment of the Amended Snake River District for improvements to Pioneer Road immediately south of Pancheri Drive.

- Approved \$94,000 for lighting along the path on the Greenbelt south of the Marriott Residence Inn and north of Pancheri Drive on the west side of the Snake River. This was in addition to the \$390,000 paid by the Agency for the improvements to the River Gardens west of the Snake River and north of Pancheri Drive.
- At the request of the developer, the Agency began negotiations with Woodbury Corporation to reconstruct Simplot Circle east of Porter Canal, construct Riverwalk Drive south to Bridgeport Drive, relocate and extend water and sewer facilities in the immediate area, and improve the Greenbelt south of the WATCO railroad bridge. The initial estimates for these public improvements were \$3.4 million. Woodbury is proposing to construct a four story Springhill Suites hotel at the eastern end of Simplot Circle. The private investment will be over ten million dollars on one of the nine lots proposed for development.
- Executed a note to Ball Ventures in the amount of \$250,000 for public improvements in Snake River Landing, Divisions No. 6 and 7. This note is to reimburse the developer for street and storm drainage improvements necessary to develop the Curtiss-Wright Flow Corporation building as well as Bandon River Apartments. The developer will be repaid from the tax increment generated in 221 acres of Snake River Landing.
- The Agency approved an amendment to the owner participation agreement with BV Lending, LLC, for \$665,000 for assistance for rock removal on Snake River Landing, Division No. 8. Division No. 8 is a 9.5 acre parcel which will house over 200 higher-end apartments and sits immediately south of Curtiss-Wright Flow Corporation. This agreement completes the assistance envisioned in the urban renewal plan approved in 2004.



Falls Apartments at Snake River Landing

*To strengthen the tax base and promote the successful growth and development of the City of Idaho Falls by using, when necessary, tax increment financing to facilitate the construction of publicly owned infrastructure, giving due consideration to that which promotes and enhances the Snake River Greenbelt and encourages desirable land uses near that Greenbelt.*

Mission Statement, Idaho Falls Redevelopment Agency

## **ORGANIZATION AND MISSION**

The Idaho Falls Redevelopment Agency, originally created on July 6, 1966, was re-established by the Idaho Falls Mayor and Council on October 20, 1988. More than twenty years after its re-establishment, the Agency is charged with implementing four urban renewal plans: Snake River Urban Renewal Project Plan, River Commons Urban Renewal Plan, Pancheri-Yellowstone Urban Renewal Plan, and Eagle Ridge Urban Renewal Plan.

In the year 2015, the following individuals served on Board of Commissioners:

Lee Radford, Chair  
Terri Gazdik, Secretary-Treasurer  
Thomas Hally  
Linda Martin  
Lee Staker  
Brent Thompson, Vice-Chair  
Kirk Larsen

Ryan Armbruster of Elam and Burke serves as legal counsel to the Agency. Thane Sparks is the treasurer for the Agency, and Renee Magee was the executive director through 2015. Brad Cramer will serve as executive director beginning in February, 2016.

## **THE YEAR 2015**

### **River Commons Urban Renewal District**

River Commons Urban Renewal District, a former gravel pit for Monroc, Inc., lies immediately south of Pancheri Drive and borders the Snake River. The district encompasses 211 acres and was created in 2004 at the request of the new owner of the property, Ball Ventures. The Agency entered into an owner participation agreement with Ball Ventures in March, 2005, and agreed to participate in the construction of Snake River Parkway and Pier View Drive, reconstruction of Milligan Road, power line and utility improvements, storm drainage and landscape improvements, and Greenbelt improvements with the exception of the pier. In January, 2009, the Agency entered into the Amended and Restated Limited Recourse Promissory Note for the principal amount of \$8,812,602. In addition, the Agency paid Ball Ventures \$40,000 in cash. The River Common Urban Renewal Plan (Attachment 5C-1) for this district anticipates \$10,552,602 in assistance to the developers within the district.

In 2015, the Agency approved an amendment to the owner participation agreement with BV Lending, LLC, for \$665,000 for assistance for rock removal on Snake River Landing, Division No. 8. Division No. 8 is a 9.5 acre parcel which will house over 200 higher-end apartments and sits immediately south of Curtiss-Wright Flow Corporation. This agreement completes the assistance envisioned in the urban renewal plan approved in 2004.

In 2014, the Agency amended its agreement with BV Lending, LLC, to provide an additional \$670,000 in assistance, of which \$170,000 was to be paid to the developer when the buildings to be occupied by Curtiss-Wright Flow Corporation (Scientech) and the streets and utilities serving these buildings were completed. The estimated value of the project was \$9 million. The project occupies a portion of the former gravel pit operated by Monroc and a site which was a landfill for construction waste. This project, while eliminating slum and blight in the center of the city, was projected to retain 200 jobs in Idaho Falls and create 148 new positions with an average wage rate of \$21 per hour. In 2014, the Agency and developer agreed to change the method of repayment after the project was completed. The Agency paid \$420,000 in cash and, in 2015, executed a note to the developer for \$250,000 with an interest rate of 4.5%.



The Agency also assisted Bandon River LLC with \$365,000 towards the construction of Lochsa Drive to provide access to forty-eight senior apartment units. The assistance was in the form of a note to the developer to be repaid from the taxes generated by the development. The interest rate of this note is also 4.5%.

## **Pancheri-Yellowstone Urban Renewal District**

The Pancheri-Yellowstone urban renewal district, with a term of twelve years, was created by the Mayor and Council of Idaho Falls in December, 2007. This area of 33 acres sandwiched between the Snake River and Yellowstone Highway and south of Pancheri Drive includes a former manufacturing facility, a lumber yard, and oil distribution businesses as well as open storage and vacant land. It has no public road system and is served by utilities which do not meet today's standards. In early 2008, the Agency entered into an owner participation agreement with Hotel Developers - Snake River LLC in which the Agency agreed to participate in Greenbelt improvements, utility relocation and trenching, and demolition. In late 2009, the Agency executed notes totaling \$129,289 for such work completed on the site of Candlewood Suites and the adjacent Greenbelt. The note has been paid from the increment generated by Candlewood Suites. As of December, 2015, the total incremental value of this district was \$6,994,275, the majority of which was due to the construction and opening of Candlewood Suites by Hotel Developers - Snake River LLC. In December, 2015, the Agency had \$525,467 in cash reserves.

## **Snake River Urban Renewal District**

The Snake River Urban Renewal District is the City's oldest existing urban renewal district. It was created in 1988 and encompassed the area bounded on the north by State Highway 20, I-15 and Utah Avenue south of Broadway on the west, the Snake River on the east and Pancheri Drive on the south. In 1988, the revenue allocation area did not encompass the entire district. In 1992, both the district and revenue allocation area were expanded. The 1992 amended boundary for both was State Highway 20 on the north, I-15 on the west, approximately Pancheri Drive on the south, and the Snake River on the east. In 2006, the area of the district was expanded to include the downtown area west of the Snake River. The district will close on December 31, 2018.

There are two active owner participation agreements within the Snake River Urban Renewal District. Through these agreements, a developer finances the costs of public improvements, generally off-site improvements, for a new development. Each developer is repaid the cost of these public improvements with a portion of the taxes generated by the new development. In lieu of the Agency seeking a bond or a loan to pay for public improvements, the developer finances the costs of these improvements.

The oldest active agreement is with Renaissance Partners, LLP, and was executed in March, 2004. This agreement covers the expenses in relocating and demolishing Tiffany Metals (a salvage yard), United Parcel Service, American Fabrication, and Broadway Properties. Today, Wal-Mart, the Olive Garden, Famous Dave's Barbecue, Fairfield Inn, Wendy's, Arctic Circle, Panda Express, and two retail commercial strip centers occupy this area. The agreement also covered relocating a power line and improving Wardell Street, including the railroad crossing. In December, 2004, the Agency entered into a note with Renaissance Partners for the amount of \$4,042,000.

The second active owner participation agreement is with Taylor Crossing on the River, LLC. This agreement provided for notes to a maximum of \$6,335,204 to improve the Greenbelt from Broadway to Pancheri, construct Riverwalk Drive to connect Broadway to Pancheri east of Porter Canal, relocate ABF, reconstruct Simplot Circle, demolish the former Army Surplus building (where the Marriott Residence Inn now sits), provide the necessary public utilities and remove any rock as necessary for development. To date, Taylor Crossing has entered into two notes with the Agency, both of which have been repaid from a portion of the tax increment generated by the Taylor Crossing development. The first note was for \$600,000 to relocate ABF and the second was \$200,000 to demolish the Army Surplus building. Recent payments to Taylor Crossing for Greenbelt improvements have been made under the agreement and from the tax increment generated to date. This past year the owner participation agreement was modified to increase Agency assistance for Greenbelt improvements to approximately \$900,000 and reduce assistance to \$1,000,000 for Riverwalk Drive. The Agency has participated in several public improvement projects related to the Taylor Crossing Project.

## Taylor Crossing on the River

In 2010, the Agency reimbursed Taylor Crossing \$286,954 for relocation of a portion of the Greenbelt path north of Pancheri Drive Bridge. The majority of the reimbursement covered the costs of removing brush and debris from the area, terracing the bank, and installing stone walls. The Agency committed \$100,000 towards the irrigation system and placement of sod in late 2011. Idaho Falls Division of Parks and Recreation contributed the labor to install the sprinkler system. In 2012, the Parks and Recreation Division completed the irrigation system, installed the sod, and planted many of the trees and shrubs. This work and the payment of \$67,573 to Taylor Crossing for stabilization and installation of an electrical system continued the commitment made by the Agency to improve the Greenbelt north of the Pancheri Bridge. The Agency reimbursed the City Parks and Recreation Division \$33,959 in 2013 for its work on this portion of the Greenbelt and committed another \$10,000 to move in boulders, plant additional trees, and complete the sod.



In early 2014, the City Division of Parks and Recreation requested \$391,000 to complete the “River Gardens Phase II,” the portion of the Greenbelt between Broadway and Pancheri Drive and north of the sewer main crossing. After the Agency approved this request, work began on creating terracing through the installation of boulders, the irrigation system, and plantings. The work, except for lighting for the pathway, was completed in 2015. In 2015, Parks and Recreation requested an additional \$94,000 for such lighting. These commitments will increase the payments under the Taylor Crossing owner participation agreement to approximately \$1,698,500. When the payment to Woodbury for parking and access on the Marriott Residence Inn described below is considered, the amount increases to \$1,997,400 under the agreement.

In 2011, Woodbury Corporation, a Salt Lake City based commercial real estate company, purchased the majority share of the unfinished Marriott Residence Inn on West Broadway near the Snake River. Woodbury Corporation completed the Marriott Inn in late summer of 2012 and the Certificate of Occupancy was issued in September, 2012. In 2013, the Woodbury Corporation, acting as Bienvendios LLC, with Taylor Crossing, entered into an agreement with the Agency to set aside eighteen parking spaces, including the handicapped spaces, for public use. These spaces are adjacent to the Greenbelt and replica of the Taylor Bridge. Public vehicular and pedestrian access east of the Inn was also secured. For this commitment to public use, the Agency provided \$298,915 to Bienvendios for public improvements and site preparation

costs, including storm drainage.



Future location of Riverwalk Drive

In 2015, Woodbury Corporation requested Agency assistance for public improvements associated with the construction of a four story hotel, Springhill Suites, south of the Marriott Residence Inn and east of Simplot Circle. The hotel will be contiguous to the Greenbelt. The present request is for approximately \$3.4 million to complete Simplot Circle, construct Riverwalk Drive, reconstruct the circle of Bridgeport Drive, relocate and extend water and sewer mains, construct storm water facilities for Simplot Circle and Riverwalk Drive, and continue the River Gardens concept on the Greenbelt. If an owner participation agreement is executed with Woodbury, the agreement with Taylor Crossing will be fulfilled.

### Westbank of Snake River

The City of Idaho Falls applied for a grant to reconstruct the path on the Greenbelt north of Broadway and south of U. S. 20 on the west side of the Snake River in early 2014. The Division of Parks and Recreation requested \$400,000 from the Agency to match the grant. In the fall of 2014, after the grant was approved, the Agency entered into an agreement with the City to design and administer the project. Construction of this project began in 2015.

### Downtown Idaho Falls

After investigating the development of a parking structure with a private property owner in early 2010 and later an underground structure with Bonneville County, the Agency decided to construct a public parking lot mid-2010. The Agency acquired the property on the southwest corner of D Street and Park Avenue, demolished the two structures on the property, and financed the construction of a public parking lot on the parcel. In late 2011, the Agency deeded the lot to the City of Idaho Falls. The Agency also assisted Bonneville County with curb, gutter and sidewalk replacement in connection with the County's construction of a new parking lot north of the Court House.

In 2012, the dream of reconstructing Memorial Drive was realized. From about 1915 until the late 1950's or early 1960's, Memorial Drive had a landscaped median in the center of its eighty foot right-of-way. Due to the need for parking to serve the downtown merchants, the median was removed and parking was placed in the center of the right-of-way. Not only did the parking which backed into traffic pose a safety issue but, by the late 1990's, Memorial Drive was in need of reconstruction. The crown was too high. Curbs and gutters, which move water to storm

drains, were missing along much of Memorial Drive. The asphalt was rutting and shoving due to the number of overlays on the street.

During 2009, community leaders, including representatives of the City Council, County Commissioners, and Idaho Falls Downtown Development Corporation met with Pierson Land Works, a landscape architectural firm, to develop concepts for Memorial Drive. In August, the concept accepted by this group of community leaders was the subject of open houses at Community Night Out, Idaho Falls Public Library, and University Place. The comments from these open houses spurred the construction, leasing, and designation of additional long-term parking downtown. A bus turn-out and careful attention to the needs of the disabled in the design of the round-about were addressed in response to comments at these open houses.

In 2010, the Agency contracted with the City of Idaho Falls to design Memorial Drive. The engineering department held additional open houses on a design in November, 2011, and completed the design in early 2012. After the cost estimates were prepared, representatives of the Agency and City met to allocate the costs of Memorial Drive. In the spring of 2012, the Agency and City executed an agreement for construction management and the Agency pledged to spend approximately \$2.7 million to reconstruct Memorial Drive. The construction on Memorial Drive began on July 9, 2012, after the July 4<sup>th</sup> celebration was held on the Greenbelt in the Memorial Drive area. The project, except for seal-coating, was completed in mid-November, 2012.

Today, Memorial Drive is a two lane street with parking on the east side. All modes of transportation have been recognized in its new design. It was constructed as a sharrow, a lane to be shared by motor vehicles and bicycles. Turn-outs are provided in each direction to accommodate buses. The pedestrian facilities have been improved by signage and narrowing the intersections to reduce the crossing distance. The lighting on the street matches the downtown lighting, creating a tie into the downtown. Electrical outlets have been provided to accommodate vendors and others using the Greenbelt for community events. As a result of narrowing the paved travel way, the Greenbelt has been widened to provide additional space for community events.



The Agency made its final payment of \$101,732.72 on Memorial Drive reconstruction in November, 2013, bringing the Agency's contribution to the reconstruction project, not including the costs for the concept development by Pierson Land Works, to \$2,515,301. This amount includes \$100,000 for the engineering design.

Continuing with efforts towards downtown revitalization, the Agency met with representatives of the Mildred H. Kelsch Marital Trust in 2015 to discuss purchase of 0.96 acres on the northeast corner of Memorial Drive and Broadway. The parcel has been vacant since the Savings Center and adjacent retail building were demolished. The Agency and owners arrived at a purchase price of \$1.5 million and executed a purchase agreement on the parcel in October, 2015. The Agency undertook environmental studies to determine if there were contaminated soils on the site. Prior to the construction of the Savings Center over fifty years ago, the site housed two service stations and one metal fabrication facility. The intent of the Agency is to request proposals for redevelopment of the parcel after the studies are complete.

During 2015, the Board members of the Agency also met with the owners of the Bonneville Hotel. In late 2015, the Agency executed an option to purchase the Bonneville Hotel for a purchase price of \$1.5 million. The Agency will request proposals for redevelopment and, if a suitable investor is found, the Agency will execute the option prior to October 1, 2018.



Bonneville Hotel

## Eagle Ridge Urban Renewal District

In May, 2014, Eagle Ridge Development, LLC, requested the Agency consider the creation of a fourth district in Idaho Falls, one which would ultimately be approximately 55 acres sandwiched between the Snake River urban renewal district to the north and the River Commons urban renewal district to the south. The area was found to be eligible for a district previously in 1999 and 2004. In 2014, the Agency Board engaged the services of Kushlan Associates to determine if the area was still eligible as a deteriorated and deteriorating area. The study found the area is significantly vacant, there is a defective street layout, the few existing streets do not meet city standards, there is no central water system or adequate fire protection, the sewer system does not serve the entire area, and the area contains trash sites, old foundations, and a dump for construction waste. In July, 2014, the Agency accepted the eligibility report and forwarded it to the Mayor and Council for consideration. The Mayor and Council concurred with the report's findings in August and requested the Agency prepare an urban renewal plan for the area. Prior to the Council's concurrence, the Bonneville County Commissioners adopted the findings of the eligibility study by resolution.

The Agency engaged Elam and Burke to draft the plan and Kushlan Associates to prepare the financial projections for the plan. While the plan was being drafted, Agency staff met with the Bonneville County Commissioners to review the existing intergovernmental agreement covering roles and responsibilities of the city and county as to urban renewal. Agency staff also met with the property owners who owned agricultural lands within the proposed district. The consent of the owners of agricultural lands was needed to be included within the district. One owner of an agricultural operation gave their permission.



Intersection of Utah and Snake River Parkway

The plan was adopted by the Agency on October 16, 2014, and conveyed to the Mayor and Council for their consideration. A public hearing on the plan was held on December 11, 2014. Afterwards, the plan was adopted by ordinance by the Mayor and Council. The plan contemplates primarily water, sewer, and street improvements which are estimated to total approximately \$6.5 million in costs over the twenty year life of the plan. It is estimated private development of roughly \$41.4 million will generate \$8.4 million in tax increment to finance such public improvement costs. It is anticipated

the first expenditures for public improvements will be financed by the developer. Repayment to the developer will be through a note from the Agency, and the tax increment will be used to repay the developer.

An owner participation agreement with Eagle Ridge Development LLC was completed in July of 2015. The agreement provides for reimbursement to the developer in an amount not to exceed \$1,750,000 for the reconstruction of Snake River Parkway north of the Porter Canal, the intersection with Utah Avenue, and the extension and improvement of Pioneer Road. This reimbursement will be from the future tax increment to be generated by Eagle Ridge Subdivision. In addition, the Agency agreed to reimburse Eagle Ridge Development \$345,000 from the tax revenues of the Amended Snake River District for improvements to Pioneer Road immediately south of Pancheri Drive. Construction on the roadways began in early summer, 2015.

**SUMMARY OF PROJECTS COMPLETED BY AGENCY, SNAKE RIVER DISTRICT**

The following table summarizes the projects and studies completed by the Agency through 2015.

Description of Project	Monies Spent
Lindsay-Utah Avenue (street and utilities)	\$2,111,648
South Utah Avenue (street)	\$687,435
Wardell-Mercury improvements (street and utilities)	\$969,374
John Hole's pedestrian safety improvements	\$90,000
Snake River walkway improvements	\$41,360
South Utah construction and utilities	\$1,194,000
Pancheri-Utah Avenue intersection improvements (1/2 cost)	\$298,000
Relocation of power lines	\$1,388,614
Bridgeport Drive (Milligan Road) and utility improvements	\$395,615
Storm water facilities, landscaping, and demolition	\$297,200
Utility improvements	\$409,473
Days Inn demolition reimbursement	\$293,000
Yellowstone: installation median with trees in downtown	\$235,414
Snake River Parkway (north of Pancheri, south of Wal-Mart)	\$200,455
I-15 entrance welcome sign and landscaping including demolition	\$82,527
Elm/ Yellowstone parking lot contribution, earlier parking studies	\$247,050
Reimbursement to Bonneville County for land on Legion Drive	\$150,000
River Gardens on Snake River, Taylor Crossing	\$808,487
Purchase and completion of public parking lot on D Street	\$1,192,800
Memorial Drive Reconstruction	\$2,535,933
<b>TOTAL PROJECTS</b>	<b>\$13,628,115</b>

The above public improvements were financed by bond proceeds, loans, or cash reserves.

**SUMMARY OF “INCREMENT VALUE,” IDAHO FALLS URBAN RENEWAL DISTRICTS, 2015<sup>1</sup>**

The following table shows the “increment value” or increase in assessed value generated through urban renewal districts.

<b>District</b>	<b>Net Taxable, 2015</b>	<b>Base Value, 2015</b>	<b>Tax Increment, 2015</b>
Snake River Amended	\$203,852,305	\$60,903,299	\$146,506,167
River Commons	\$55,041,217	\$136,054	\$55,555,741
Pancheri-Yellowstone	\$11,812,326	\$4,818,051	\$6,994,275
Eagle Ridge	\$8,314,190	\$8,081,707	\$232,283

**LEGAL REQUIREMENTS AND ADDITIONAL DOCUMENTATION**

Under the Idaho Urban Renewal Law, an urban renewal agency is required to file with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include a complete financial statement setting forth its assets, liabilities, income and operating expense at the end of the calendar year. By virtue of certain amendments to the Idaho Urban Renewal Law adopted in 2002, the fiscal year of an urban renewal agency has been established as October 1 through September 30. Consequently, any formal financial statement is limited to a report through the end of the Agency’s fiscal year.

The Agency reviewed its audited financial statements from Rudd and Company in spring, 2016. This report identifies the Agency’s assets, liabilities, income and expenses through September 30, 2015. A copy of the report is attached.

Beginning with the annual report for activities during 2012, the Agency has taken public outreach measures soliciting public comment on the annual report. To solicit comment, the Agency will:

- § Publish a display advertisement.
- § Complete a press release to the media.
- § Post the annual report and the meeting announcement on its page on the city website.

The Agency is also required to formally adopt its fiscal year budget by September 1 of each year. The Agency adopted its Fiscal Year 2016 budget on August 20, 2015. As required by the Idaho Urban Renewal Law and Local Economic Development Act, the Agency has filed its budget with the City of Idaho Falls. For 2016, the Agency budget anticipated revenues and

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<sup>1</sup>Information provided by Bonneville County Assessor’s Office and Data Processing

expenditures of \$6,317,750 for the Snake River Allocation Fund; River Commons Revenue Allocation Fund, \$1,329,000; and Pancheri-Yellowstone Revenue Allocation Fund, \$4,300. Copies of the budget are available through the Agency's offices or the City Clerk.

Under the Idaho Urban Renewal Law, an agency is required to include in its annual report its plans for disposition of property previously acquired by the agency. The Agency fully intends to dispose of its property interests of the two parcels described in this annual report within three years of its acquisition.

## **GOVERNING STATUTES**

Urban renewal agencies and revenue allocation areas are governed by Idaho statutes Chapter 20, Urban Renewal Law, and Chapter 29, Local Economic Development Act, of Title 50, Municipal Corporations. Chapter 20 provides authority to city councils to find areas within the municipality are deteriorated and deteriorating and, as a result of such deterioration, create a liability upon the municipality, decrease the tax base, and impair the sound growth of the community. To correct these issues, the council is authorized to adopt an urban renewal plan. The plan is prepared by the urban renewal agency and submitted to the planning commission for its review and recommendation to the council. Prior to the adoption of the plan, the council shall hold a public hearing after notice of the public hearing and general nature of the plan is advertised. Once adopted, the urban renewal agency is empowered to undertake the projects outlined within the plan, to construct or reconstruct public improvements, to acquire property and to renovate or prepare such property for development, and to borrow funds, including bonding, to implement the plan.

Chapter 29, Local Economic Development Act, provides a revenue source to finance the economic growth and development of urban renewal districts. A portion of the property taxes levied in a revenue allocation area (all or a portion of an urban renewal area) are allocated to the agency to finance the urban renewal plan. An agency has no authority to levy taxes. The revenue allocation area is created by council as part of an urban renewal plan. New revenue allocation areas are limited to a life of twenty years and, therefore, any bonding or notes are limited to a life of twenty years or less.

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