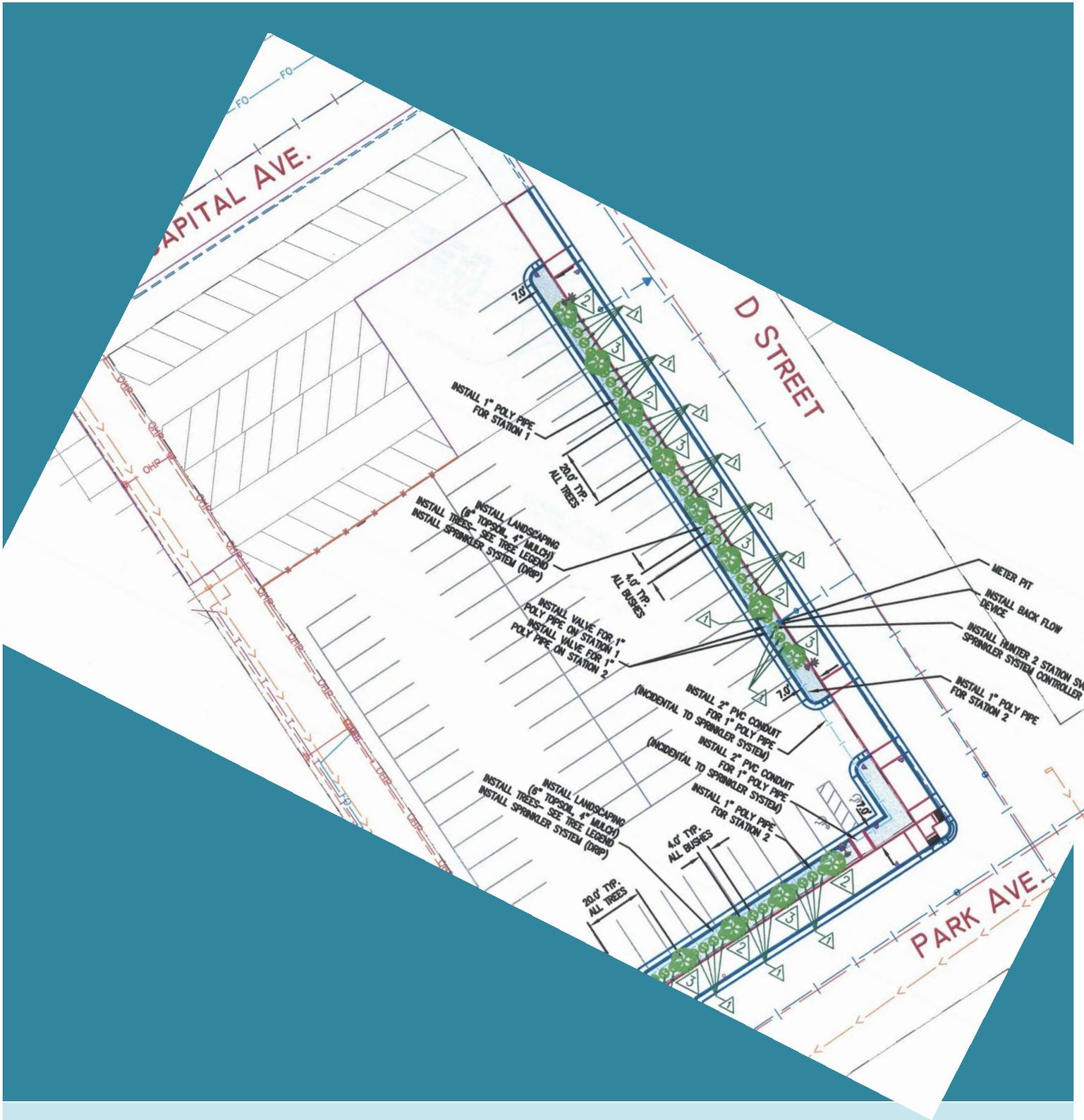


2010 Annual Report



EXECUTIVE SUMMARY

In 2010, the Idaho Falls Redevelopment Agency accomplished the following:

- Completed a Memorandum of Understanding with Bonneville County and the City of Idaho Falls to replace approximately 210 parking spaces on Memorial Drive with 54 spaces on Memorial Drive, 70 long-term spaces on a public parking lot at D Street and Park Avenue, 45 long-term leased spaces, 20 long-term spaces on Constitution Way, 30 long-term spaces in vacated Legion Drive parking area, and 50 long-term spaces on portions of Park Avenue, Capital Avenue, and D Street.
- Purchased two properties south of D Street between Capital Avenue and Park Avenue to be used for a public parking lot.
- Entered into an agreement with the City of Idaho Falls to design and engineer and provide cost estimates and construction management for the reconstruction of Memorial Drive. The maximum committed to design, including services of a transportation engineer and landscape architect, is \$100,000.
- Entered into an agreement with the City of Idaho Falls for design and engineering for a public parking lot, including demolition of existing buildings and parking area.
- Reimbursed Taylor Crossing on the River LLC in the amount of \$286,954 for work on the path and Greenbelt north of Pancheri Bridge.
- Participated with other urban renewal agencies in the formation of the organization Redevelopment Agencies of Idaho.
- Amended the Owner Participation Agreement with Hotel Developers – Snake River LLC for Greenbelt improvements to clarify maintenance of the Greenbelt and pathway.

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 three urban renewal plans: Snake River Urban Renewal Project Plan, River Commons Urban Renewal Plan, and Pancheri-Yellowstone Urban Renewal Plan. These three urban renewal districts encompass 688 acres in central Idaho Falls or approximately 5% of the city.

The Agency Board of Commissioners is comprised of seven individuals:

Robert Barnes, Chair
LaMar John, Secretary-Treasurer
Thomas Hally
Lee Radford
Linda Martin
David Radford
Robert Utterbeck

David Radford, Bonneville County Board of Commissioners, was first appointed to the Board in 2003 to represent the interests of Bonneville County. Thomas Hally is the City Council liaison to the Board. Robert Utterbeck was appointed in 2010 to replace Greg Hill.

Ryan Armbruster of Elam and Burke serves as legal counsel to the Agency. Thane Sparks is the treasurer for the Agency, and Renee Magee is the executive director. Harlan Mann is a consultant for the Agency.

The mission of the Agency is ***“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.”***

THE YEAR 2010

Pancheri-Yellowstone Urban Renewal District



The Pancheri-Yellowstone urban renewal district, with a term of 12 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, 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. As of December, 2010, the total incremental value in this newest district was \$7,469,421, the majority of which was due to the construction and opening of Candlewood Suites by Hotel Developers – Snake River LLC.

River Commons Urban Renewal District

River Commons Urban Renewal District, a former gravel pit for Monroc, Inc., sits 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. This note essentially completed the commitment under the owner participation agreement executed by the Agency and Ball Ventures in March, 2005. As of December, 2010, the former gravel pit had an increment value of \$30,417,418.

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 encompasses 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 terminate in 2018.

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. During 2010, Taylor Crossing was still unable to secure financing for the Extended Stay Marriott Inn on Broadway and the building has not been completed.



In 2011, Taylor Crossing anticipates working with Idaho Falls Parks and Recreation Division to begin installation of a sprinkler system and, ultimately, landscaping for the banks of the Snake River north of the Pancheri bridge.

Downtown Idaho Falls



The Redevelopment Agency investigated developing a downtown parking structure with two private property owners in early 2010. Neither possibility developed beyond the planning stages, and the Agency decided to follow the recommendation of Carl Walker, Inc., a national parking consultant, and purchase two properties south of D Street between Capital and Park Avenues for use as public parking. A parking lot on the parcels would accommodate about 70 vehicles.

Brunt and Messick Properties



Brunt Building

March 2011



Brunt Building

May 2011



Messick Building

March 2011



Messick Building

April 2011



Leather Works

November 2010



Leather Works

May 2011

Prior to finalizing the purchase of the properties, the Agency completed a Memorandum of Understanding (MOU) with Bonneville County and the City of Idaho Falls. The MOU delineates the responsibilities of each party for the replacement of approximately 210 parking spaces on Memorial Drive. Under the MOU, the entities committed to replacement parking as follows:

- 70 long-term spaces in the proposed public parking lot south of D Street
- 45 leased long-term parking spaces within three blocks of the County Court House
- 50 long-term parking spaces on portions of Capital and Park Avenues, D and E Streets
- 20 long-term spaces on Constitution Way
- 30 long-term spaces in Bonneville County parking area

In addition, the City of Idaho Falls recently created 22 long-term public spaces at the intersection of Constitution Way and Shoup Avenue.

To begin the construction of the public parking lot and the reconstruction of Memorial Drive, the Agency entered into agreements with the City of Idaho Falls to design and engineer the projects and manage construction. Both contracts were completed in 2010.

SUMMARY OF PROJECTS AND STUDIES COMPLETED BY AGENCY

The following table summarizes the projects and studies completed by the Agency through 2010.

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's Hole 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
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
Downtown Parking Study Completed by Carl Walker, Inc.	\$47,050
Reimbursement to Bonneville County for Land on Legion Drive	\$150,000
Concept of Memorial Drive Completed by Pierson Land Works	\$20,362
Terracing and Retaining Wall of Snake River, Taylor Crossing	\$316,954
Purchase of Property for Public Parking Lot	\$825,000
TOTAL PROJECTS	\$10,053,481

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

SUMMARY OF “INCREMENT VALUE”, IDAHO FALLS URBAN RENEWAL DISTRICTS, 2010

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

District	Increment Value
Snake River Amended	\$139,176,945
River Commons	\$30,417,418
Pancheri-Yellowstone	\$7,469,421

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 received a report dated January 28, 2010, of its audited financial statements from Rudd and Company. This report identifies the Agency’s assets, liabilities, income and expenses through September 20, 2009. A copy of the report is available in the Controller’s Office, City Hall, or Planning Department, City Hall Annex.

The Agency is also required to formally adopt its fiscal year budget in September 1 of each year. The Agency adopted its Fiscal Year 2010 budget on August 20, 2009. 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. Copies of the budget are available through the Agency’s offices or the City Clerk.