

**ATTACHMENT 5**  
**ANDERSON BUSH ECONOMIC FEASIBILITY STUDY**  
**January, 2023**

***Purpose of Study***

The purpose of this economic feasibility study is to determine if the private development envisioned in the potential Anderson Bush revenue allocation area (the “Anderson Bush Project Area”) will be sufficient to finance the public improvements requested by the Developer (defined below) and funded by the Idaho Falls Redevelopment Agency (“IFRA” or “Agency”). This study relies on estimates provided by the Developer for site remediation and development costs, public infrastructure, and the value and timing of private investments, including assessed valuation and potential annual increases in valuation. This information was supplemented by discussions with the City of Idaho Falls staff and Bonneville County.

***Description of Project***

The Developer, Blacktail West LLC, or its successor or assignee (the “Developer”), is planning to construct an apartment complex with 156 units of affordable housing in ten buildings on approximately seven acres north of and adjacent to West Anderson Street. The site is west of A. H. Bush Elementary School. This will be a Section 42 housing project which provides tax credits to investors who build affordable housing. Idaho Code Section 63-205A addresses market value of Section 42 housing for assessment purposes:

The market value for assessment purposes of section 42 low-income housing shall be determined by the county assessor using the following criteria:

- (a) The sales comparison approach using rent restricted properties, the cost approach, and the income approach, shall be considered in valuing section 42 low-income properties. The cost approach shall include an economic obsolescence factor associated with the income and rent restrictions provided with each development’s tax credit regulatory agreement with the Idaho housing and finance association. The three (3) approaches will be reconciled into a single property value.

Idaho Code Section 63-205A.

The Developer estimates the costs to construct the apartment complex will exceed \$42 million dollars, and, under the income approach, the project will be valued at \$19.5 million. Construction is scheduled to start in July, 2023, and the Certificate of Occupancy is projected to be issued in February, 2025. Development costs include the necessary basalt rock removal, utilities, and roadway improvements. The Developer was involved on a similar project with 72 housing units on Lomax Street. The construction cost for the 72 units was approximately \$11 million and the present assessed value, according to the Bonneville County parcel viewer and Manatron, is \$6,387,506.

To be able to financially complete this project, the Developer has requested the assistance of IFRA to fund, through reimbursement, potentially eligible costs for certain public infrastructure improvements including rock excavation and removal, utility trenching, structural fill, roadway improvements, and Anderson Street improvements. The eligible development costs, including rock removal, will be initially funded by the Developer and, through the parameters contained in a to be negotiated owner participation agreement (OPA), reimbursed by the Agency from increment tax revenues generated by the apartment complex. If the apartment complex is not completed or generates less tax increment revenue than anticipated, the reimbursement, if any, will also be curtailed.

***Summary of Findings***

Depending on the increase in assessed values over the twenty years of the revenue allocation area, the timing of development and the annual levy rate, the project is projected to generate approximately \$3,000,000 in tax increment revenues between 2023 and 2043.<sup>1</sup> In addition, it is anticipated the Anderson Bush Project Area will be loaned a maximum of \$30,000, pursuant to an inter-district loan from unpledged, surplus funds in the River Commons Project Area, for administration costs in the formative years. The urban renewal planning costs of preparing the necessary documents have been initially funded by the Developer and will be reimbursed by the project revenues.

The total public improvement projects costs are anticipated to be approximately \$2,500,000, including the estimated eligible costs to be reimbursed to the Developer (\$2,255,000) and those public improvement projects in the later portion of the RAA's life and administered by a public agency (\$225,000), as further described below. In addition to reimbursements for \$2,255,000 for costs requested by the Developer, the OPA will provide for reimbursement to the Developer for the monies committed to IFRA in a Memorandum of Understanding (MOU) to finance the work to create an urban renewal plan and revenue allocation area. This MOU reimbursement increases the reimbursement to the Developer by approximately \$40,000 for a total reimbursement of approximately \$2,300,000. The projections also include the repayment of \$30,000 to the River Commons Project Area for a proposed inter-district loan for administration costs. In addition to reimbursements requested by Developer, it is estimated there is need for \$225,000 for public right-of-way and sidewalk (including school sidewalk) improvements.

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<sup>1</sup> The termination date in the Plan is December 31, 2043, recognizing that IFRA will receive revenues in the year following the termination date. The projections based on an annual 2% increase in valuation indicate the project will be feasible as of 2042, and, therefore, projections through the duration of the Plan and Project were not necessary. If the increase in value for the development is 1% annually, revenues in 2043 indicate the project is still feasible. It may be feasible with an annual increase of 0.5%, if a portion of the revenues received in 2044 are also allocated to the Developer.

### *Summary of Projects*

The table below lists the projects, projected time periods, and estimated costs. The costs are in 2022 dollars and may, therefore, increase over time.

#### **Projects Within Anderson Bush Project Area<sup>2</sup>**

<b>Project Description</b>	<b>Estimated Cost</b>	<b>Estimated Timing</b>
Rock excavation and structural fill (Developer)	\$1,150,000	2023-24
Utility trenching for public utilities (Developer)	\$680,000	2023-24
Roadway improvements on site (Developer)	\$260,000	2023-24
Anderson Street improvements (Developer)	\$165,000	2023-24
Other right-of-way, sidewalk, public utility improvements	\$225,000	2032 -2042
<b>Total</b>	<b>\$2,480,000</b>	

Presently the project requests of the Developer total \$2,255,000. Specific project funding requests will be reviewed by the IFRA Board prior to the development of the OPA and will be further described and identified in that process. It is anticipated the costs for eligible improvements completed by the Developer will be reimbursed under the OPA as will advances paid by the Developer under the MOU.

### *Levy Rates*

The levy rates for the Anderson Bush Project Area are based on the Manatron system of Bonneville County, November, 2022. These levy rates were verified with the publication entitled *2022 Bonneville County Levies Based on Each \$1.00 Market Value*, which is found on the Bonneville County website, in December, 2022. The 2022 levy rates were reduced by 22 percent from 2021 levy rates. The 2022 levy rates are:

<b>Taxing Districts</b>	<b>Levy Rate</b>
Bonneville County	0.002728941
Idaho Falls	0.006036944
School District No. 91	NA
Flood Control	0.000004475
Lincoln Cemetery	0.000004903
Ambulance	0.000228589
College of Eastern Idaho	0.000095065
<b>Total</b>	<b>0.009098917</b>

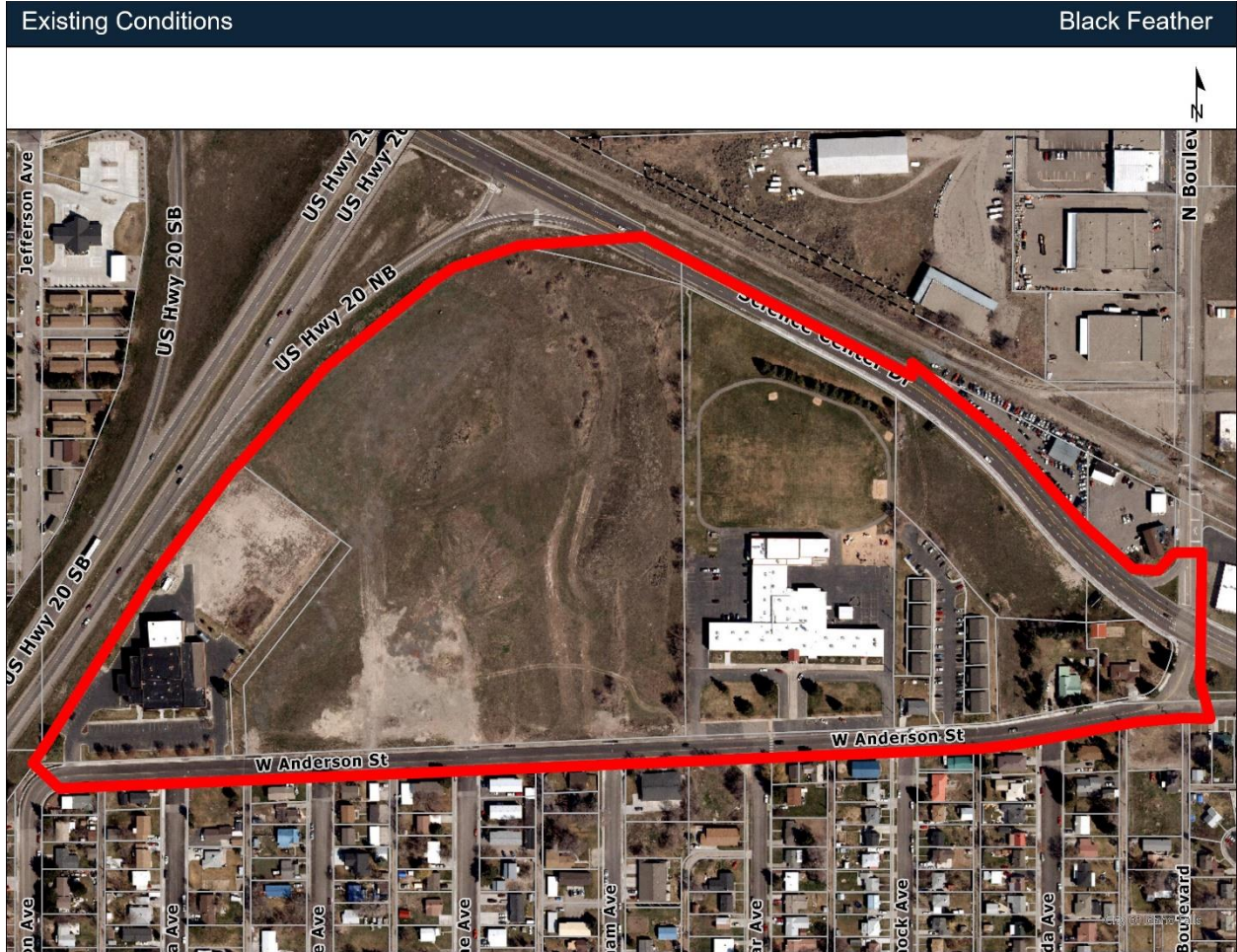
SOURCE: Manatron system of Bonneville County; Municipal Services, City of Idaho Falls; email from Peggy Manning, Bonneville County Clerk.

In the projections below, the levy rate is reduced annually by one percent. Such an approach is taken to be conservative in the projections.

<sup>2</sup> The sources of the estimated costs are Blacktail West LLC (the Developer) and the staff of the City of Idaho Falls.

**Approach of Study**

The Anderson Bush Project Area will consist of the area shown in the aerial below. It is bounded by U. S. 20 on the west, Anderson Street on the south, North Boulevard on the east, and Science Center Drive on the north. Properties north of Science Drive are not included in the proposed project area.



### ***Estimated Tax Increment Revenues with an Increase of 2% in Valuation of Section 42 Housing***

Below is the estimated tax increment revenue to be generated by the apartment complex of 156 units. It is anticipated the assessed value of the apartment complex will increase by 2% annually. Annual rent increases of 1% to 2% are not uncommon.<sup>3</sup> There is also an inflationary increase (1% annually) in value estimated for the properties not anticipated to be substantially improved in the RAA. The table below only estimates the tax increment to be received, not other possible revenues, such as loans, brownfield grants, or other governmental programs.

Year	Total Assessed Valuation	Estimated Valuation of Apartment Development	Estimated Assessed Valuation Project Area	Estimated Valuation Minus Base Value	Levy Rate	Estimated Tax Increment Revenue Blacktail	Estimated Tax Increment Revenue Project Area
2023	\$6,425,722		\$6,425,722	\$0	0.0090981700		\$0
2024	\$6,489,979		\$6,489,979	\$64,257	0.0090071883		\$579
2025	\$6,554,879	\$0	\$6,554,879	\$129,157	0.0089171164		\$1,152
2026	\$6,620,428	\$0	\$6,620,428	\$194,706	0.0088279453		\$1,719
2027	\$6,686,632	\$19,500,000	\$26,186,632	\$19,760,910	0.0087396658	\$170,423	\$172,704
2028	\$6,753,498	\$19,890,000	\$26,643,498	\$20,217,776	0.0086522691	\$172,094	\$174,930
2029	\$6,821,033	\$20,287,800	\$27,108,833	\$20,683,111	0.0085657465	\$173,780	\$177,166
2030	\$6,889,244	\$20,693,556	\$27,582,800	\$21,157,078	0.0084800890	\$175,483	\$179,414
2031	\$6,958,136	\$21,107,427	\$28,065,563	\$21,639,841	0.0083952881	\$177,203	\$181,673
2032	\$7,027,718	\$21,529,576	\$28,557,293	\$22,131,571	0.0083113352	\$178,940	\$183,943
2033	\$7,097,995	\$21,960,167	\$29,058,162	\$22,632,440	0.0082282219	\$180,693	\$186,225
2034	\$7,168,975	\$22,399,371	\$29,568,345	\$23,142,623	0.0081459396	\$182,464	\$188,518
2035	\$7,240,664	\$22,847,358	\$30,088,022	\$23,662,300	0.0080644802	\$184,252	\$190,824
2036	\$7,313,071	\$23,304,305	\$30,617,376	\$24,191,654	0.0079838354	\$186,058	\$193,142
2037	\$7,386,202	\$23,770,391	\$31,156,593	\$24,730,871	0.0079039971	\$187,881	\$195,473
2038	\$7,460,064	\$24,245,799	\$31,705,863	\$25,280,141	0.0078249571	\$189,722	\$197,816
2039	\$7,534,664	\$24,730,715	\$32,265,379	\$25,839,657	0.0077467075	\$191,582	\$200,172
2040	\$7,610,011	\$25,225,329	\$32,835,340	\$26,409,618	0.0076692405	\$193,459	\$202,542
2041	\$7,686,111	\$25,729,836	\$33,415,947	\$26,990,225	0.0075925481	\$195,355	\$204,925
2042	\$7,762,972	\$26,244,433	\$34,007,405	\$27,581,683	0.0075166226	\$197,269	\$207,321
						\$2,936,658	\$3,040,236

SOURCE: Bonneville County Parcel Viewer for total assessed value of Anderson Bush project area, November, 2022. Confirmed with Manatron records, Bonneville County.

The following assumptions were made to generate estimated tax increment revenues:

1. The Certificate of Occupancy for the apartment complex will be granted in February, 2025. Therefore, the full value of the complex may not be reflected in the tax rolls until 2026, with revenue allocation proceeds flowing to the Agency in 2027. No attempt was made to determine any estimated tax prior to 2027.
2. The mill levy will decrease by 1% annually.
3. The value of the new development will increase by 2% annually.
4. The increase in valuation for the existing parcels, those parcels not developed by Blacktail West LLC, will be 1% annually.
5. The assessed valuation of new development reflects the estimate of the Developer which is \$19,500,000.

<sup>3</sup> SOURCE: Blacktail West LLC and Westmont Advisors, [westmontadvisors.com](http://westmontadvisors.com), FAQ for LIHTC/Tax Credit Tenants.

The table above only considers revenues generated by tax increment. There are other potential sources of funding. Such sources could be funds generated by one or more of the following programs:

1. Local improvement district,
2. Business improvement district,
3. Development impact fees,
4. Franchise fees,
5. Grants from non-profits,
6. Grants from federal, state, local, or regional governmental entities,
7. Bonds, notes, and/or loans for public infrastructure,
8. Improvements and payments made or advance funded by developers.

The revenues, projected costs of projects, and timing are based on IFRA's present knowledge and on the information from the Developer, Bonneville County, and the City of Idaho Falls.

***Anticipated Revenues and Expenses with 2% Increase in Section 42 Housing***

The following table illustrates anticipated revenues and the uses of the funds in the proposed RAA:

<b>Year</b>	<b>Estimated Revenues</b>	<b>Revenues From</b>	<b>Debt Service (OPA)</b>	<b>Administration (10% of revenues after 2027)</b>	<b>Repayment of \$30K Loan from RAA</b>	<b>Funding for Additional Public Projects</b>
	<b>RAA</b>	<b>Blacktail</b>	<b>80%</b>			
2023	\$38,000			\$30,000		
2024	\$30,579			\$20,000		\$10,579
2025	\$1,152			\$6,000		\$1,152
2026	\$1,719			\$6,000		\$1,719
2027	\$172,704	\$170,423	\$136,339	\$6,000	\$15,000	\$15,365
2028	\$174,930	\$172,094	\$137,675	\$17,493	\$15,000	\$4,762
2029	\$177,166	\$173,780	\$139,024	\$17,717		\$20,425
2030	\$179,414	\$175,483	\$140,387	\$17,941		\$21,086
2031	\$181,673	\$177,203	\$141,762	\$18,167		\$21,743
2032	\$183,943	\$178,940	\$143,152	\$18,394		\$22,397
2033	\$186,225	\$180,693	\$144,555	\$18,623		\$23,048
2034	\$188,518	\$182,464	\$145,971	\$18,852		\$23,695
2035	\$190,824	\$184,252	\$147,402	\$19,082		\$24,340
2036	\$193,142	\$186,058	\$148,846	\$19,314		\$24,982
2037	\$195,473	\$187,881	\$150,305	\$19,547		\$25,621
2038	\$197,816	\$189,722	\$151,778	\$19,782		\$26,257
2039	\$200,712	\$191,582	\$153,265	\$20,071		\$27,376
2040	\$202,542	\$193,459	\$154,767	\$20,254		\$27,521
2041	\$204,925	\$195,355	\$156,284	\$20,493		\$28,148
2042	\$207,321	\$197,269	\$110,000	\$20,732		\$76,589
	\$3,108,778		\$2,301,511	\$354,462	\$30,000	\$426,804

The following assumptions were made to generate this table:

1. The Developer advanced \$38,000 under the MOU to finance the eligibility study and the urban renewal plan.
2. The inter-district loan from the River Commons Project Area will be in the estimated amount of \$30,000 to the Anderson Bush Project Area to cover administrative costs in the initial years. These initial costs are shown as \$6,000 per year. The \$38,000 advanced by the Developer will be expended in 2023-24 for costs to prepare the necessary documents to create the urban renewal plan.
3. The Developer costs for qualifying expenses will be repaid with tax increment generated by the apartment complex upon completion and placement on the tax rolls. The repayment will be covered by an owner participation agreement (OPA), and the revenues generated by the development will be the only source of repayment.
4. For purposes of the economic feasibility study, 80% of the tax increment from the development will be committed to repay the Developer, and a payment of 80% is reflected under the table above. The repayment of the \$30,000 to River Commons will be from the 20% anticipated to be retained by the Agency for administration and public projects.
5. Ten percent of the total increment will be used to cover administrative expenses. In 2027-28, the amount retained by the Agency will be the source to repay River Commons.

6. For purposes of this study, repayment to the Developer is estimated to be approximately \$2,300,000, which covers the estimated costs for rock excavation and removal, utility trenching and sewer lift station, structural fill, roadway improvements, Anderson Street improvements, and the advanced funds under the MOU.
7. Funds not necessary for administration or repayment to the Developer may be accumulated to repay debt service earlier than anticipated and close the Anderson Bush Project Area or to fund additional public improvements. Such public improvements include right-of-way improvements including curb replacement and sidewalk repair and replacement (including portions of sidewalks at A. H. Bush Elementary School).
8. It is assumed the public projects will be paid initially by the Developer and repaid through an OPA or completed on a pay-as-you-go process, especially in the later years of the RAA. A loan from a bank or a federal grant may be another funding source.

Provided the development proceeds as presently projected, this proposed Anderson Bush Project Area will have tax increment revenues to repay the Developer the costs for the necessary improvements to assure the construction of an apartment complex with 156 units. In addition, there will be sufficient tax increment in later years to repair or replace curbs and sidewalks in the Anderson Bush Project Area. This project is economically feasible and will benefit the area immediately south of Science Center Drive east of U.S. 20.

***Cash Flow Assuming Blacktail Development Increases 2% Annually***

The following page contains the cash flow analysis if the development increases in assessed value 2% annually and the Owner Participation Agreement (OPA) commits 80% of the increment from the development to repaying the Developer.



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Cash on hand	\$0	\$8,000	\$18,579	\$13,731	\$9,450	\$24,815	\$29,577	\$50,002	\$71,088	\$92,832
<b>Revenues</b>										
Tax increment	\$0	\$579	\$1,152	\$1,719	\$172,704	\$174,930	\$177,166	\$179,414	\$181,673	\$183,943
Developer advance	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interdistrict loan	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$38,000	\$30,579	\$1,152	\$1,719	\$172,704	\$174,930	\$177,166	\$179,414	\$181,673	\$183,943
Total Funds Available	\$38,000	\$38,579	\$19,731	\$15,450	\$182,154	\$199,745	\$206,743	\$229,416	\$252,761	\$276,775
<b>Use of Funds</b>										
Debt Service	\$0	\$0	\$0	\$0	\$136,339	\$137,675	\$139,024	\$140,387	\$141,762	\$144,555
Repayment of loan	\$0	\$0	\$0	\$0	\$15,000	\$15,000	\$0	\$0	\$0	\$0
Administration	\$30,000	\$20,000	\$6,000	\$6,000	\$6,000	\$17,493	\$17,717	\$17,941	\$18,167	\$18,623
<b>Total Use of Funds</b>	\$30,000	\$20,000	\$6,000	\$6,000	\$157,339	\$170,168	\$156,741	\$158,328	\$159,929	\$163,178
<b>Balance</b>	\$8,000	\$18,579	\$13,731	\$9,450	\$24,815	\$29,577	\$50,002	\$71,088	\$92,832	\$113,597
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Cash on hand	\$113,597	\$61,644	\$85,339	\$34,679	\$59,661	\$85,282	\$36,538	\$63,374	\$90,895	\$119,043
<b>Revenues</b>										
Tax increment	\$186,225	\$188,518	\$190,824	\$193,142	\$195,473	\$197,816	\$200,172	\$202,542	\$204,925	\$207,321
Developer advance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interdistrict loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	\$186,225	\$188,518	\$190,824	\$193,142	\$195,473	\$197,816	\$200,172	\$202,542	\$204,925	\$207,321
Total Funds Available	\$299,822	\$250,162	\$276,163	\$227,821	\$255,134	\$283,098	\$236,710	\$265,916	\$295,820	\$326,364
<b>Use of Funds</b>										
Debt Service	\$144,555	\$145,971	\$147,402	\$148,846	\$150,305	\$151,778	\$153,265	\$154,767	\$156,284	\$110,000
Repayment of loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration	\$18,623	\$18,852	\$19,082	\$19,314	\$19,547	\$19,782	\$20,071	\$20,254	\$20,493	\$20,732
Public improvements	\$75,000	\$0	\$75,000	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0
<b>Total Use of Funds</b>	\$238,178	\$164,823	\$241,484	\$168,160	\$169,852	\$246,560	\$173,336	\$175,021	\$176,777	\$130,732
<b>Balance</b>	\$61,644	\$85,339	\$34,679	\$59,661	\$85,282	\$36,538	\$63,374	\$90,895	\$119,043	\$195,632

**Ten Percent Limitation on Assessed Valuation within Revenue Allocation Area**

Idaho statutes limit the assessed valuation permitted in a revenue allocation area. The combined base assessment rolls are not to exceed at any time ten percent of the current assessed valuation of all taxable property within the municipality.

“Revenue allocation area” means that portion of an urban renewal area .... where the equalized assessed valuation (as shown on the taxable property assessment rolls) of which the local governing body has determined, on and as a part of the urban renewal plan, is likely to increase as a result of the initiation of an urban renewal project .... The base assessment roll or rolls of revenue allocation area or areas shall not exceed at any time ten percent (10%) of the current assessed valuation of all taxable property within the municipality.

Idaho Code Section 50-2903(15).

The Data Processing Department of Bonneville County provided the City of Idaho Falls assessed value as well as the adjusted base of the existing urban renewal areas/revenue allocation areas in July, 2022.

<b>Statutory Ten Percent Limitation Analysis</b>		
Area	Assessed Value	Percentage
City of Idaho Falls	\$7,009,313,999	
10%	\$700,931,399	
	Adjusted Base	
River Commons RAA	\$272,621	
Eagle Ridge RAA	\$7,378,925	
Jackson Hole Junction RAA	\$398,710	
Pancheri East Bank RAA	\$7,301,157	
Anderson Bush Proposed RAA	\$6,425,722	
Total Assessed Base RAAs	\$21,777,135	0.31%

SOURCE: Bonneville County Data Processing, July, 2022. PM106-2020 Annual Assessed Value, Real Property, Personal Property, Mobile Home. URD055, Urban Renewal by Pin within TAG. The source material refers to the revenue allocation areas (RAA) as urban renewal areas (URA) since the revenue allocation area corresponds to the urban renewal boundaries.

The total adjusted base of the existing RAAs and the Anderson Bush Project Area will not exceed the ten percent limitation. The base of all RAAs, including the new Pancheri East Bank Project Area and this proposal for Anderson Bush, will be less than 1% of the assessed valuation of Idaho Falls, easily less than \$700,931,399 or ten percent of the current assessed valuation of all taxable property within the City of Idaho Falls. The estimated base value of the Anderson Bush Project Area is based on the total assessed values as shown on the Bonneville County parcel viewer and the Manatron system of Bonneville County.

**Alternative: 1% Increase in Valuation of Section 42 Housing Project**

Below is the alternative if the development only increases 1% annually. The Developer has stated a three percent increase is realistic in his experience (based on increases in real estate taxes); however, the income approach may suggest annual assessed valuations may be lower than generally used in financial feasibility studies.

***Estimated Tax Increment Revenues with 1% Increase in Valuation***

Below is the estimated tax increment revenue to be generated by the apartment complex of 156 units if the assessed valuation increases annually by one percent. Only tax increment is projected, not other sources of income.

Year	Total Assessed Valuation	Estimated Valuation of Apartment Development	Estimated Assessed Valuation Project Area	Estimated Valuation Minus Base Value	Levy Rate	Estimated Tax Increment Revenue Blacktail Only	Estimated Tax Increment Revenue Project Area
2023	\$6,425,722		\$6,425,722	\$0	0.0090981700		
2024	\$6,489,979		\$6,489,979	\$64,257	0.0090071883		\$579
2025	\$6,554,879	\$0	\$6,554,879	\$129,157	0.0089171164		\$1,152
2026	\$6,620,428	\$0	\$6,620,428	\$194,706	0.0088279453		\$1,719
2027	\$6,686,632	\$19,500,000	\$26,186,632	\$19,760,910	0.0087396658	\$170,423	\$172,704
2028	\$6,753,498	\$19,695,000	\$26,448,498	\$20,022,776	0.0086522691	\$170,406	\$173,242
2029	\$6,821,033	\$19,891,950	\$26,712,983	\$20,287,261	0.0085657465	\$170,389	\$173,776
2030	\$6,889,244	\$20,090,870	\$26,980,113	\$20,554,391	0.0084800890	\$170,372	\$174,303
2031	\$6,958,136	\$20,291,778	\$27,249,914	\$20,824,192	0.0083952881	\$170,355	\$174,825
2032	\$7,027,718	\$20,494,696	\$27,522,413	\$21,096,691	0.0083113352	\$170,338	\$175,342
2033	\$7,097,995	\$20,699,643	\$27,797,638	\$21,371,916	0.0082282219	\$170,321	\$175,853
2034	\$7,168,975	\$20,906,639	\$28,075,614	\$21,649,892	0.0081459396	\$170,304	\$176,359
2035	\$7,240,664	\$21,115,706	\$28,356,370	\$21,930,648	0.0080644802	\$170,287	\$176,859
2036	\$7,313,071	\$21,326,863	\$28,639,934	\$22,214,212	0.0079838354	\$170,270	\$177,355
2037	\$7,386,202	\$21,540,131	\$28,926,333	\$22,500,611	0.0079039971	\$170,253	\$177,845
2038	\$7,460,064	\$21,755,533	\$29,215,597	\$22,789,875	0.0078249571	\$170,236	\$178,330
2039	\$7,534,664	\$21,973,088	\$29,507,752	\$23,082,030	0.0077467075	\$170,219	\$178,810
2040	\$7,610,011	\$22,192,819	\$29,802,830	\$23,377,108	0.0076692405	\$170,202	\$179,285
2041	\$7,686,111	\$22,414,747	\$30,100,858	\$23,675,136	0.0075925481	\$170,185	\$179,755
2042	\$7,762,972	\$22,638,895	\$30,401,867	\$23,976,145	0.0075166226	\$170,168	\$180,220
2043	\$7,840,602	\$22,865,284	\$30,705,886	\$24,280,164	0.0074414564	\$170,151	\$180,680
						\$2,894,883	\$3,008,989

The assumptions are summarized below:

1. Revenue will not flow to the Agency until 2027.
2. The mill levy will decrease by 1% annually.
3. The value of new construction will increase by 1% annually.
4. The value of the parcels not improved by Blacktail West LLC will increase by 1% annually.
5. The assessed valuation of new construction has been provided by the Developer and is \$19,500,000.

***Anticipated Revenues and Expenses, 1% Increase in Annual Valuation***

The table below illustrates the anticipated revenues and uses of funds in the proposed RAA:

Year	Estimated Revenues	Revenues From Blacktail	Debt Service (OPA) 85%	Administration (10% of revenues after 2027)	Repayment \$30K Loan from RAA	Funding for Additional Public Projects
2023	\$38,000			\$30,000		
2024	\$30,579			\$20,000		\$10,579
2025	\$1,152			\$6,000	1,000	\$1,152
2026	\$1,719			\$6,000	2,000	\$1,719
2027	\$172,704	\$170,423	\$144,860	\$6,000	\$19,000	\$2,844
2028	\$173,242	\$170,406	\$144,845	\$17,324	\$8,000	\$3,073
2029	\$173,776	\$170,389	\$144,831	\$17,378		\$11,567
2030	\$174,303	\$170,372	\$144,817	\$17,430		\$12,056
2031	\$174,825	\$170,355	\$144,802	\$17,483		\$12,541
2032	\$175,342	\$170,338	\$144,788	\$17,534		\$13,020
2033	\$175,853	\$170,321	\$144,773	\$17,585		\$13,495
2034	\$176,359	\$170,304	\$144,759	\$17,636		\$13,964
2035	\$176,859	\$170,287	\$144,744	\$17,686		\$14,429
2036	\$177,355	\$170,270	\$144,730	\$17,735		\$14,890
2037	\$177,845	\$170,253	\$144,715	\$17,784		\$15,345
2038	\$178,330	\$170,236	\$144,701	\$17,833		\$15,796
2039	\$178,810	\$170,219	\$144,686	\$17,881		\$16,243
2040	\$179,285	\$170,202	\$144,672	\$17,928		\$16,684
2041	\$179,755	\$170,185	\$144,657	\$17,975		\$17,122
2042	\$180,220	\$170,168	\$130,000	\$18,022		\$32,198
2043	\$180,680	\$170,151	\$0	\$18,068		\$162,612
	\$3,076,990		\$2,301,379	\$351,284	\$30,000	\$401,327

The assumptions under this scenario echo those under the 2% increase outlined above.

The assumptions are:

1. The Developer advanced \$38,000 to finance the eligibility study and urban renewal plan and will be repaid from the tax increment generated by the project pursuant to the OPA.
2. The inter-district loan is more realistically \$27,000, although the table above illustrates a repayment of \$30,000 prior to 2029. A portion of the loan is used for its repayment.
3. The revenues generated by the housing complex will be the only source of repayment to the Developer. The financing for qualifying public improvements and the repayment will be covered in an owner participation agreement (OPA).
4. 85% of the tax increment generated by the development will be dedicated to repaying the Developer and is reflected in the table above. The remaining fifteen percent of the increment will be used for administration, repaying the inter-district loan, and possibly fund additional eligible public improvements.
5. It is assumed public projects will be paid initially by the Developer and repaid through an OPA.

### *Cash Flow Analysis with a 1% Annual Increase*

The following is the cash flow analysis assuming the assessed valuation of the new development increases 1% annually. In this scenario, 85% of the increment from the development is allocated to repaying the developer for approved expenses.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Cash on hand	\$0	\$8,000	\$18,579	\$12,731	\$8,450	\$11,294	\$14,367	\$25,934	\$37,990	\$50,530	
<b>Revenues</b>											
Tax increment	\$0	\$579	\$1,152	\$1,719	\$172,704	\$173,242	\$173,776	\$174,303	\$174,825	\$175,342	
Developer advance	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Interdistrict loan	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Revenues</b>	<b>\$38,000</b>	<b>\$30,579</b>	<b>\$1,152</b>	<b>\$1,719</b>	<b>\$172,704</b>	<b>\$173,242</b>	<b>\$173,776</b>	<b>\$174,303</b>	<b>\$174,825</b>	<b>\$175,342</b>	
Total Funds Available	\$38,000	\$38,579	\$19,731	\$14,450	\$181,154	\$184,536	\$188,143	\$200,237	\$212,815	\$225,872	
<b>Use of Funds</b>											
Debt Service	\$0	\$0	\$0	\$0	\$144,860	\$144,845	\$144,831	\$144,817	\$144,802	\$144,788	
Repayment of loan	\$0	\$0	\$1,000	\$2,000	\$19,000	\$8,000	\$0	\$0	\$0	\$0	
Administration	\$30,000	\$20,000	\$6,000	\$4,000	\$6,000	\$17,324	\$17,378	\$17,430	\$17,483	\$17,534	
<b>Total Use of Funds</b>	<b>\$30,000</b>	<b>\$20,000</b>	<b>\$7,000</b>	<b>\$6,000</b>	<b>\$169,860</b>	<b>\$170,169</b>	<b>\$162,209</b>	<b>\$162,247</b>	<b>\$162,285</b>	<b>\$162,322</b>	
<b>Balance</b>	<b>\$8,000</b>	<b>\$18,579</b>	<b>\$12,731</b>	<b>\$8,450</b>	<b>\$11,294</b>	<b>\$14,367</b>	<b>\$25,934</b>	<b>\$37,990</b>	<b>\$50,530</b>	<b>\$63,550</b>	
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Cash on hand	\$63,550	\$77,045	\$16,009	\$30,438	\$45,328	\$10,674	\$26,470	\$42,713	\$9,398	\$26,521	\$8,719
<b>Revenues</b>											
Tax increment	\$175,853	\$176,359	\$176,859	\$177,355	\$177,845	\$178,330	\$178,810	\$179,285	\$179,755	\$180,220	\$180,680
Developer advance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interdistrict loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$175,853</b>	<b>\$176,359</b>	<b>\$176,859</b>	<b>\$177,355</b>	<b>\$177,845</b>	<b>\$178,330</b>	<b>\$178,810</b>	<b>\$179,285</b>	<b>\$179,755</b>	<b>\$180,220</b>	<b>\$180,680</b>
Total Funds Available	\$239,403	\$253,404	\$192,868	\$207,793	\$223,173	\$189,004	\$205,280	\$221,998	\$189,153	\$206,741	\$189,399
<b>Use of Funds</b>											
Debt Service	\$144,773	\$144,759	\$144,744	\$144,730	\$144,715	\$144,701	\$144,686	\$144,672	\$144,657	\$130,000	\$0
Repayment of loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration	\$17,585	\$17,636	\$17,686	\$17,735	\$17,784	\$17,833	\$17,881	\$17,928	\$17,975	\$18,022	\$18,068
Public improvements	\$0	\$75,000	\$0	\$0	\$50,000	\$0	\$0	\$50,000	\$0	\$50,000	\$0
<b>Total Use of Funds</b>	<b>\$162,358</b>	<b>\$237,395</b>	<b>\$162,430</b>	<b>\$162,465</b>	<b>\$212,499</b>	<b>\$162,534</b>	<b>\$162,567</b>	<b>\$212,600</b>	<b>\$162,632</b>	<b>\$198,022</b>	<b>\$18,068</b>
<b>Balance</b>	<b>\$77,045</b>	<b>\$16,009</b>	<b>\$30,438</b>	<b>\$45,328</b>	<b>\$10,674</b>	<b>\$26,470</b>	<b>\$42,713</b>	<b>\$9,398</b>	<b>\$26,521</b>	<b>\$8,719</b>	<b>\$171,331</b>

### *Limitations to Feasibility Study*

This study is based on information provided by the Developer as to estimated valuation of the development and potential increases in assessed valuation over time. The projections within this study may be modified substantially by changes in the economy of the Idaho Falls region, significant changes in the tax levies, revisions to applicable legislation, and timing of the development. The total project costs and potential tax increment revenues are estimates.