

Sandpoint Urban Renewal Agency The City of Sandpoint

Northern Revenue Allocation Area Plan 2005

SURA CHAIR:

MARK WILLIAMS

SURA BOARD MEMBERS:

John Corn, Nancy Hadley, Debbie Meaux and
Eric Pauli

Plan prepared by *John Austin*, Pan Handle Area Council, *Stephen Drinkard*, City
of Sandpoint Planning Department and *Dana Wetzel* of Wetzel & Wetzel PLLC.

Printed: October 24, 2005

TABLE OF CONTENTS

1. INTRODUCTION

Deterioration Defined

Identifying Deteriorated Areas

Existing Social Conditions

Existing Economic Conditions

Other Factors

City of Sandpoint Findings

2. PROPOSED DEVELOPMENT ACTIONS

General

Background Summary

Specific Plans and Costs

Conformance With State And Local Requirements

Property Acquisition

Relocation of Businesses, Persons and Others

Disposition and Development Agreements

3. USES PERMITTED IN PROJECT AREA

Comprehensive and Urban Renewal Plans

General controls and limitations

Construction

Rehabilitation and retention of property

4. PROJECT FINANCING METHODS

General Description Of Financing Methodology

Bond Anticipation Notes

Tax Increment Funds

Loans And Grants

Community Development Block Grants

Local Improvement Districts

Loans And Advances

Tax Increment Guarantees

Certificates Of Participation

Joint Powers Authority

63-20 Debt

5. URBAN RENEWAL AREA and TAX ALLOCATION AREA

Urban Renewal Area and Tax Allocation Area Legal Description

Affected Agencies

6. ACTIONS BY THE CITY COUNCIL

7. ENFORCEMENT

8. DURATION OF THE PLAN/ DISPOSITION OF ASSETS

9. PLAN AMENDMENT PROCEDURES

10. TAX FEASIBILITY STUDY [Separate Document, appended]

11. APPENDIXES

Appendix A Project Costs and Engineer's Report On The Project.

Appendix B IDAHO CODE SECTION 50-2008

Appendix C NOTICE OF PUBLIC HEARINGS

Appendix D Resolution No. 05-29: Formation of Urban Renewal Agency And Its First Urban Renewal Area

- Appendix E Resolution No. 05-58: Amended Urban Renewal Area Created
- Appendix F Minutes of Planning Commission Review of RAA Plans
- Appendix G Map of Urban Renewal Area and Revenue Allocation Area
- Appendix H (Ordinance No. 05-XX)

CHAPTER 1:

INTRODUCTION

The City of Sandpoint, a community with a population of approximately 8,000, is located in the panhandle of northern Idaho within Bonner County. Sandpoint is situated on Lake Pend Oreille and the Pend Oreille River, approximately 60 miles from the Canadian border.

Sandpoint is part of an area of the northwest that is among the fastest growing in the nation. Within a 50-mile radius, considered as a comfortable distance for reaching business, industry, education, medical, etc., there is in excess of a half a million people. Using the same yardstick, Boise has a market population of 400,000, Idaho Falls 150,000, and Pocatello 130,000.

This increase in growth and development has been partially realized in the greater Sandpoint area, which has absorbed a majority of the commercial development and, on the other side of the economic coin, the City of Sandpoint has absorbed much of the costs associated with serving more people in the area without recourse to being able to dramatically increase its tax revenue.

The Northern Area of Sandpoint contains a mixture of industrial development, but also vacant lots and lots that are underused or contain unsightly conditions. New commercial development has been slow in the northern area of Sandpoint, primarily because of an inadequate road to service the area. The Sandpoint Urban Renewal Agency or SURA is charged with finding ways to rehabilitate deteriorating areas while encouraging more commercial and industrial development.

SURA was created to be an urban renewal agency unique to Sandpoint, not to replicate other urban renewal agencies in other Idaho cities. It was created for the primary reason of funding two critical infrastructure projects in Sandpoint, projects that have been a top priority of the City of Sandpoint Council at least since 2002 when it officially identified as “priority year one” projects the revitalization of downtown and the construction of an all weather road in the light industrial zone in the northwest area of Sandpoint. Funding for both of these projects, without the use of tax increment financing, has not been forthcoming, although the mayor, city staff and others, including state and federal agencies, have made every effort for the past four years.

The re-construction of Great Northern Road/ Woodland Drive, and provision of full service utilities, is obviously essential to the full development of light industry west of the airport. Such development has the potential to dramatically increase the tax base of the city and to create more jobs, but more importantly it increases the chances of Sandpoint to weather the next inevitable lull in economic activity. Diversity is just not a keynote for ecological health, but economic health as well.

The **Northern Revenue Allocation Area** is proposed under the deteriorated urban renewal law. This Urban Renewal Plan describes the project area and improvements, how those improvements will be funded and outlines the powers, duties and obligations of the Sandpoint Urban Renewal Agency (the Agency). This plan, by way of adopted ordinance, establishes the Northern Urban Renewal Area or District and one Revenue Allocation Area [RAA], approximately 250 acres in size. The City has commissioned an economic feasibility study (see Chapter 10), which includes

a fiscal impact statement. The economic feasibility study focuses on all aspects of the entire Northern Urban Renewal Area, and aspects directly related to the project area or RAA. It is the intention of the Agency for much of the costs incurred by this plan to be funded by tax allocation financing, for a period not to exceed ten (10) years.

The Sandpoint Urban Renewal Agency has adopted two revenue allocation areas ["Northern" and "Downtown"], so incremental growth within each will fund projects in their area of development.

DETERIORATION DEFINED

Under Idaho Local Economic Development Act (Municipal Corporations Code, Sec. 50-290 et. seq.) the city council must find and determine, on the basis of substantial evidence in the record, the project area as a "deteriorated area" (when adopting an ordinance approving and adopting Urban Renewal plan for a project area). The purpose of this chapter is to present the conditions of deterioration as set forth in the Local Economic Development Act (LEDA), to show how such conditions relate to categories of being deteriorated, and to provide examples of the types of data to illustrate and substantiate the various conditions of deterioration.

The LEDA defines a deteriorated area as an area which is characterized by one or more of the conditions set forth in Sections 50-2903(7), which conditions cause a reduction or lack of, proper utilization of the area and place a burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone. Section 50-2903(7) of the LEDA reads as follows:

"(7)(a) Any area, including slum area, in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

(b) Any area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, results in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present conditions and use.

(c) Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area, or substantially impairs or arrests the sound growth of a municipality. The provisions of section 50-2008(d), Idaho Code (see Appendix A), shall apply to open areas.

(d) Any area which the local governing body certifies is in need of redevelopment or rehabilitation as a result of a flood, storm, earthquake, or other natural disaster or catastrophe respecting which the governor of the state has certified the need for disaster assistance under any federal law.

(e) Any area which by reason of its proximity to the border of an adjacent state is competitively disadvantaged in its ability to attract private investment, business or commercial development which would promote the purposes of this chapter.”

Information presented in the deteriorated section of the plan is divided in two divisions, which address the broad categories prescribed by the law. Appropriate headings for these major divisions are: “Existing Social Conditions”, and “Existing Economic Conditions”. Within these major divisions, subheadings are used, to the extent applicable to the particular project area.

IDENTIFYING DETERIORATED AREAS

1. Existing Social Conditions

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

I. Inadequate and Unsafe Public Rights of Way

- Surfacing of roadways in deterioration
- Narrow roadways
- Partially paved streets
- Partially completed rights-of-way
- Unpaved streets
- Uncompleted (dead end) rights of way

II. Dilapidation or Deterioration

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

III. Age or Obsolescence

- Age of buildings
- Obsolescence is mainly applicable to industrial and commercial buildings where size, layout, or other original design features may no longer be appropriate to current uses.

2. Existing Economic Conditions

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

- I. Inadequate and sub-standard traffic movements and flow
 - Streets, sidewalks, curbs, gutters non existent or in disrepair
 - Poor traffic circulation
 - Street lighting non existent or in disrepair

- II. Substantially impairs or arrests the sound growth of a municipality.
 - a. Inadequate public improvements
 - Public improvements should be surveyed to determine adequacy/inadequacy by using the following factors:
 - ✓ Poor physical condition
 - ✓ age
 - ✓ deterioration
 - ✓ improper design
 - ✓ lack of sufficient capacity
 - ✓ total absence of improvement in face of demonstrable need.

 - b. Inadequate Public Facilities -
Need to be evaluated as in "a" (above)
 - Parks
 - Parking Facilities
 - Fire Station/EMS
 - City Beach

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

- III. Retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.
 - a. Shifting of uses:

- Rapid changes in tenants within commercial structures (this week a thrift store, used furniture the next week)
 - Conversions to uses other than the original use (service station converted to fast food operation)
- b. Prevalence of depreciated values
- c. Prevalence of impaired investments

An “impaired investment” is a rented or leased commercial, industrial or residential property on which the values or the return on the owner’s equity are diminished or have stopped altogether, and/or the equity itself is in danger of being partially or totally lost. These conditions are evidenced by:

- Decline in gross sales or gross rents.
 - Inordinate increases in expenses due to circumstances existing in the area (such as higher insurance costs, inability to obtain insurance at all or higher costs for security protection)
 - Increasing vacancy rates
 - Inability to sell properties at reasonable prices
 - Inability to obtain loans to maintain, rehabilitate or expand
 - Increased public safety related issues
- d. Prevalence of economic maladjustment
- Business failures and move-outs
 - Declining employment figures
 - Increasing unemployment
 - Vacant stores, and buildings
 - Declining business registrations.
 - Declining property tax revenues and increasing police and fire services
 - Declining sales taxes or stagnation of same
 - Inability of property owners to bear special assessments
 - Low incomes of residents
- e. Existing land uses inappropriate to needs of businesses, industries and residents of city.
- The existence of vacant or partially vacant buildings of recent construction
 - The existence of unused or unique facilities of marginal need or usefulness
 - Lack of expansion area

- Lack of proper access for customers & deliveries
- Lack of transportation facilities
- Lack of adequate parking
- Lack of necessary utilities (water, power)
- Improper zoning

3. Other Factors

The conditions of deterioration affect the entire project area. Non-blighted properties have been included because their inclusion is necessary for effective redevelopment.

4. City of Sandpoint Findings:

That there is an area within the City of Sandpoint which is a deteriorated or a deteriorated area as defined by Idaho Code Section 50-2018(h), (i) and 50-2903(b),

That the area proposed is approximately bounded by the Burlington Northern Santa Fe Railway on the West, the Union Pacific Railway, Walnut Street, and Grahams Addition on the South, Sand Creek in Section 15 and North Boyer Avenue in Section 10 on the East, and the City Limits on the North. To this area shall be added on the southeast the property commonly known as the LP/ Riley Creek property and a one block area to the west of the LP/ Riley Creek property bounded by Chestnut, Forest, Spruce and Boyer streets commonly known as Lincoln School; also to be added is the property known as Farmin-Stidwell Schools; also to be added shall be newly annexed property on the northern boundaries of the area as well as Bonner County property that contains the county jail, the sheriff's office, and the county fairgrounds. The amended boundary is set forth on the attached map and incorporated herein. This area shall be known as the Northern Urban Renewal area.

City findings:

- a. The Area includes the airport for the City of Sandpoint and Bonner County and it is predominately zoned Light Industrial. This Area is a likely and probable location for future commercial and industrial expansion of Sandpoint community activity.
- b. Many streets within the area are inadequate; portions of the Area, such as Great Northern Road, consist of graveled or partially paved surfaces. Most are without curb, gutter or adequate sidewalks. Usage on the existing streets will far exceed their current capacity if further development occurs as expected in the area.
- c. The City of Sandpoint Comprehensive Plan bike path map proposes a path on Boyer Avenue, North Boyer Avenue, and Baldy Mountain Road. Removal of blight in the Area will enhance the experience and safety of those utilizing the trail.
- d. Undeveloped weed-covered vacant lots exist throughout this Area, acting as a drain on the City's resources through a decreased tax base and reduced tax revenues; many of these lots constitute a nuisance and are a social liability.

- e. Existing City sewer and water lines are inadequate to service the anticipated further commercial and public development.
- f. There are parcels of property in the area that lack safe and adequate street improvements necessary for their full development.
- g. It is necessary for the health, safety, and welfare that streets, sidewalks, and other public improvements be constructed or re-conditioned in this Area.
- h. This Area contains less than ten percent (10%) of the total assessed value in the City.
- i. That unless the aforementioned conditions are improved, they will substantially impair the sound growth potential of the City of Sandpoint and will constitute an economic and social liability; further development in the Area without such improvements will endanger public, health and welfare.
- j. That improvement of property and City services in the Area is necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and the local community objectives.
- k. Based upon the Conditions described above, and pursuant to Idaho Code Sections 50-2001, et. Seq. and 50-2901, et. Seq., there is a need for the Urban Renewal Agency to function in the City.

CHAPTER 2: PROPOSED DEVELOPMENT ACTIONS

Banner County Urban Areas

Banner County Area Transportation Plan



GENERAL



LEGEND	
[Symbol]	PROPOSED ROAD
[Symbol]	EXISTING ROAD
[Symbol]	PROPOSED UTILITY
[Symbol]	EXISTING UTILITY
[Symbol]	PROPOSED DRAINAGE
[Symbol]	EXISTING DRAINAGE
[Symbol]	PROPOSED LAND USE
[Symbol]	EXISTING LAND USE

The major objective of this urban renewal plan or RAA is to provide traffic improvements and other public improvements in the Northern Urban Renewal Area, which implement the goals of the Sandpoint Urban Renewal Agency (SURA), and the City. Reconstruction of the "GN Road" was formally identified as being a "Priority One" project in the long range Council "Items as Prioritized" document dated March 26, 2002.

Consequently, the URA has established immediate goals for the proposed area, which are as follows:

- Rebuild 1.75 miles of Great Northern Road and Woodland Drive in order to:
- Create the opportunity for build-out by appropriate light industry businesses in the area west of the airport;
 - Thereby creating more jobs and increased tax revenue;
- Secure the long-term sustainability of existing business in the area;
- Mediate storm water drainage

problems in the area;

- Develop sewer and utility capacity for the entire area served by Great Northern and Woodland;
- Provide an all-weather road to service not only new businesses but also the increasing numbers of residential properties north and west of the two roads, as well as provide an important north-south arterial to meet increasing demands of area-wide traffic.



BACKGROUND SUMMARY

The lack of development in the light industrial area zone west of the airport and the terrible condition of the Great Northern Road/ Woodland Drive “arterial” has been on the city’s radar for some time. Although decades of poor market conditions certainly has played a role in the lack of business development in this area, it is common knowledge that lack of public services (water, sewer, storm water management, power) and the poor road also played a significant role.

In 1999, the City brought sewer services to the east end of Woodland Drive through an LID and a Community Development Block Grant. That action made it feasible for Quest Air, then known as Packer Aircraft Company, and a few other smaller businesses to bring sewer and water services to properties these companies had purchased on the west and north side of the airport.

In 2000 the City invited the Economic Development Agency and the Idaho Department of Commerce to the site for the purpose of seeking funding to rebuild these two roads. Both agencies were enthusiastic about the project, but the block grant was conditioned at that time upon finding enough companies willing to guarantee a certain number of jobs in order to secure \$500,000 in state/ HUD funding. (With the \$500,000 as match, the EDA would then accept an application for \$2,000,000.) At that time, the City engineer had roughly estimated the project to cost about \$2.5 to \$3 million. That estimate, however, was admittedly rough and did not take into account a number of other cost factors that were not seen until some years later.

Unfortunately, none of the businesses were confident enough of their potential for success to “guarantee” a certain number of jobs. The project went into limbo status, although the city did in 2002 a “patch repair” the road with asphalt grindings from other road repairs in the city.

As market conditions improved in 2004 and early 2005, prompting more general inquiries about purchasing property in the GN Road area, and as Quest Aircraft began to see itself as successful, hoping to generate about 150 good paying jobs within five years, the City again invited the EDA and the Department of Commerce to come and review the project. They once again were enthusiastic supporters of rebuilding the arterial to provide incentive for a true Sandpoint Airport Industrial Park on the west side of the airport. They also saw that because of increased pressure for residential development in the area, a reconstructed road would prove valuable in many ways.

Around this time, Litehouse Foods, Inc., with its 400 to 500 employees, also began a search for a site to build a new facility and the Great Northern Road area proved feasible to them, but only if there were some secure signs that there would be a reconstruction of the arterial. Moreover, Quest Aircraft began to realize that their long-term sustainability at their location was also dependent upon a rebuilt road.

A new cost analysis, however, proved that the costs would be much higher than EDA or Block grant and LID funding could begin to provide. An additional funding source would have to be found to meet this growing, critical need.

SPECIFIC PLANS AND COSTS

In the spring of 2005 the City hired engineer Ryan Luttmann to prepare a cost analysis of the Great Northern Road/ Woodland Road project. Here are excerpts from his July 28, 2005 description of the project. (The full text of his report is included in Appendix A):

Location

The project begins at the intersection of Great Northern Road and Baldy Mountain Road in Township 57N Range 2W Section 16, continues in a northeast direction through sections 16 and 19 to the intersection of Great Northern Road and Woodland Drive in Section 10 and then continues east in Section 10 to the intersection of Woodland Drive and North Boyer Avenue. The total length of the road improvements is approximately 1.75 miles.

Design Considerations

The Great Northern Road/Woodland Drive connector is currently a two-lane road providing an alternate North-South route around the west side of the Bonner County Airport. The location of the roads provide great potential for economic and industrial growth for Sandpoint, provide an alternate access route to Schweitzer Mountain Resort and will serve to connect Sandpoint's pedestrian facilities toward the recently established Mickinnick Trailhead.

The proposed improvements include the following design considerations:

1. Roadway Width - 40 ft wide (curb to curb)
2. Road Section – designed for truck traffic
3. Pedestrian Facility - 10 ft wide and separated
4. Storm water Collection Facility
5. Sewer Collection Facility
6. Lighting and Landscape Improvements
7. Right-of-Way Purchase

Roadway Width and section

A 40 ft curb to curb width has been recommended for this project as it provides flexibility for development along the corridor and matches the future needs for the area. A 40 ft wide road in Sandpoint can be used in the following three options:

1. Provide two 12 ft travel lanes with 8 ft parking on both sides
2. Provide two 14 ft travel lanes with 6 ft striped bicycle lanes on both sides
3. Provide two 14 ft shared vehicle/bicycle lanes with a 12 ft center turn lane

For this estimate it is assumed that the future use of the road will utilize option 3 listed above.

Pedestrian facilities

The Sandpoint Pedestrian Advisory Committee has identified this corridor as a walk to school route and the addition of new subdivisions in progress/planning near the project has increased the needs for pedestrian facilities along the proposed route. In addition, the Mickinnick Trail has recently opened and this corridor will link the trailhead to other pedestrian trails existing and those planned for construction in the greater Sandpoint area.

A total width of 10 ft for a pedestrian facility for the entire length has been estimated for this project. This can be accomplished with one separated facility along the corridor or two 5 ft sidewalks on each side, as illustrated in the typical section. Both scenarios should include separation from the roadway.

Storm Water

Permeability of the silt loam soil is slow and water is standing in the ditch line and portions of the surrounding property in early winter and spring. Two main drainage areas exist for the project area:

1. Chuck Slough – Drainage crosses the railroad tracks near the southern end of the project. This area ponds water for part of the year.
2. Sand Creek – The Woodland Drive area is graded to flow towards the northern portion of the airport, which drains across Boyer toward Sand Creek.

Sewer

J-U-B ENGINEERS, Inc. is currently working with the City of Sandpoint to perform a Sewer Master Plan. The initial review of the area needs indicates that a sewer lift station is most likely needed in the area of Great Northern Road and Mountain View Road with approximately 600 ft of force main to be directed toward the north or south end of this project. In addition, a collection system will be required along a majority of the project length.

Lighting and Landscaping

Previous City projects have included lighting and landscaping in the scope. The increased lighting serves to provide a safer, more pedestrian-friendly environment. Other improvements include the implementation of accent pieces such as benches, trees, and landscaping which provide a warmer, more inviting feel. Some debate exists in the area with relation to maintaining a rural atmosphere and avoiding the interruption of the night sky with additional lighting. However, it was determined that costs for such improvements should be included at this stage of the estimate so that funding could be pursued if this is to be included in the future of this project.

Right-of-Way Purchase

The purchase of right-of-way will be one of the most expensive items related to the project. Real estate values for the Sandpoint Area have increased rapidly in the past year and continue to rise. City records indicate that over the past few years, real estate along the project corridor has ranged between \$3 and \$6 per square foot. The Idaho Department of Transportation has seen the purchase of right-of-way range between \$1 and \$10 per square foot in the area lately.

Below is a summary of the overall costs with this project as identified in appendix A of the Northern Urban Renewal Plan.

Item	Cost	Cost per Mile
Construction	\$4,012,000	\$2,292,571
Contingency	\$401,200	\$229,257
Engineering	\$1,003,000	\$573,143
Right-of-Way Purchase	\$2,456,784	\$1,403,876
Total	\$7,872,984	\$4,498,847

It should be noted that this cost estimate, according Public Works Director Kody Van Dyk, represents a “high end” project. It is very possible, through judicial removal of some of the line items in the estimate, that costs can be reduced. However, we also know that construction costs are rising rapidly and that by the time of actual construction even a revised scope of work might still cost what Mr. Luttman has estimated. Therefore, it is suggested that the high end cost estimate be kept as the funding goal.

CONFORMANCE WITH STATE AND LOCAL REQUIREMENTS

The proposed redevelopment as proposed in this plan conforms to the Comprehensive Plan for the City of Sandpoint. This plan will be reviewed by the Sandpoint City Council, upon recommendation by the City’s Planning and Zoning Commission on October 4, 2005, stating that this plan is in conformity with the Sandpoint Comprehensive Plan. (See Appendix F for Planning Commission Minutes.)

PROPERTY ACQUISITION

Pursuant to State Code Section 50-2007 the URA may acquire (by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise) real property. At the present time the only property contemplated for acquisition is some right of way for Great Northern Road.

RELOCATION OF BUSINESSES, PERSONS AND OTHERS

No individuals, families, businesses, non-profit organizations or others are required to relocate as a result of this plan.

DISPOSITION AND DEVELOPMENT AGREEMENTS

The Disposition and Development Agreements are the legal documents that form Public/Private partnerships. They are used by the URA when entering into an agreement with a private developer for a specific project. Contemplated agreements could be effected for such things as public site improvements, other public capital improvements including off site improvements, and public parking.

CHAPTER 3: **USES PERMITTED IN PROJECT AREA**

COMPREHENSIVE AND URBAN RENEWAL PLANS

Idaho State Code 50-2008 states that:

Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. [italics added.]

The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within thirty (30) days after receipt of the plan for review.

The main concern of the state law is whether or not the project[s] for a particular Revenue Allocation Area within a designated Urban Renewal Area is/are compatible with designated or planned land uses of the city's comprehensive plan.

The project for this particular plan consists entirely of the reconstruction of roads within an area so designated by the Comprehensive Plan Map as "Industrial" and so designated by the City Zoning Map as "Light Industrial." Moreover, with the reconstruction of Great Northern / Woodland Roads also comes attending refurbishment of the area's storm water, sewer and utilities systems. Therefore, this project will neither affect nor cause change to the current or planned use of properties within the area.

Moreover, this particular project will directly compliment many goals and policies of the Sandpoint Comprehensive Plan. Here follow applicable excerpts from the Comprehensive Plan [portions of the text are highlighted to indicate a particularly complimentary relationship to the reconstruction of Great Northern/ Woodland]:

Section 2: Community Design

Policy 3: All neighborhoods and districts in Sandpoint should be encouraged to develop in a manner and way that expresses a concern and appreciation for qualities of environment while maintaining unique characteristics which allow the area to be recognized as an individual entity.

Implementation: Encourage rehabilitation of existing structures, tree planting, landscaping and preservation of ground cover and encourage new construction of a design and nature to be compatible with the surrounding areas and encouraging at all times neighborhood and community input during the consideration of proposed development.

Section 8: Economics

Goal: *To maintain and promote a healthy social and economic condition and development for the residents of Sandpoint.*

Policy 1: *To promote the orderly development of land use at optimum locations as they relate to facilities and adjacent land uses.*

Implementation:

1. *Encourage commercial developments; to concentrate in areas so as to minimize the negative influences on adjacent land uses and on traffic congestion, parking, and noise.*
2. *Commercial developments should develop only in non-residential areas.*
3. *Promote the use of industrial parks; to centralize commercial and industrial land uses.*

Policy 2: *Encourage the diversification and expansion of compatible industry so as to create more employment for local residents by encouraging the expansion of recreational, educational, cultural, and service facilities.*

Implementation: *Seek recreational, educational, cultural, and service facilities to provide for year-round economic stability and pursue state and federal funding for the development of said facilities.*

Policy 3: *Make effective use of tax resources so as not to burden the already established areas while providing for services and facilities for new growth.*

Section 11: Public Service Facilities and Utilities

Goal: *Public services facilities and systems should fulfill present needs and anticipated future needs.*

Policy 1: *Sandpoint should provide and be responsible for sewage treatment within the City limits and immediate adjoining area to the limits of the facility capabilities.*

Implementation: *Pursue all avenues of funding sources and available assistance for expanding the facility capabilities so as to provide for adequate existing requirements and to provide a system available to new developments providing that extension of service should be paid for by those creating the necessity for extension and encouraging county and other municipal entities to cooperate and coordinate with the proposed system.*

Policy 2: *Systems of transportation should be maintained and improved when necessary.*

Implementation: *Attention should be given to the paving and safety standards for City Street with underground drainage provided for run-off when necessary while encouraging improved systems of transportation, parking facilities, and street uses.*

Section 12: Transportation

Goal: *To provide for the safe and effective circulation of vehicular traffic, pedestrian and bicycle traffic.*

Policy 1: *Provide for adequate circulation patterns and handicap access in all new or reconfigured roads.*

Implementation: Maintain and improve City Streets and examine the feasibility of methods of more safe and efficient traffic flow and essential business districts and study alternative traffic patterns so as to maximize the efficient traffic movement.

Policy 3: *Promote and encourage the development of bicycle and pedestrian walking paths throughout the City. Support the effort of local community groups, business agencies, and other governmental agencies with plans to create safe bicycle and pedestrian passageways.*

Goal: *To guide development around the Sandpoint Airport that will minimize land use conflicts between the airport and the surrounding area.*

In summary, the reconstruction of Great Northern Road/ Woodland Drive into an all-weather, 40' wide road, with accompanying pedestrian facilities, lighting, storm water remediation and new utility services (sewer, water, electrical, gas) to much of that area does meet both the letter and the intention of the Comprehensive Plan. Moreover, it will not only provide a transportation system for the light industrial area and encourage further development within that zone, it will also provide a safe road for the increasing number of residential properties that are being developed to the west and north of Great Northern/ Woodland. Clearly, a reconstructed Great Northern Road/ Woodland Drive will be a major arterial because there is a need not only to meet industrial and residential demands but also to meet the area wide demands for another north-south arterial to help relieve increasing congestion on Boyer Avenue and on Highway 95.

GENERAL CONTROLS AND LIMITATIONS

Construction:

All construction, which is funded or partially funded by the Urban Renewal Agency as a part of this plan, will be required to meet all applicable city and state specifications. In addition, each project must meet any requirements made by the URA as a condition of assistance. Such requirements may be in the form of additional performance and development standards. Construction may be by the Agency independently, or in conjunction with any other public agency.

Rehabilitation And Retention Of Property:

Rehabilitation of dilapidated commercial structures is an objective of the URA, in as much as the use of the structure complies with the plan and revenues available for assistance. Except in extenuating circumstances, ownership retention will always be a priority for most projects undertaken by the URA.

CHAPTER 4:

PROJECT FINANCING METHODS

GENERAL DESCRIPTION OF FINANCING METHODOLOGY

State law provides that urban renewal agencies have the power to finance urban renewal (redevelopment) activities and related costs. Agencies can issue both short and long term debt with existing and projected revenues. The debt of an urban renewal agency can be its own, or, it can include any assignments of revenues from others. For the most part, urban renewal agencies utilize tax increment financing (TIF) as the financing tool. However, Government Code Section 50-2007(f) allows other financing mechanisms, as well. The following, are merely illustrative, and is not an all inclusive list, nor do they bind the Urban Renewal Agency to use one or any of the following financing mechanisms:

1. advances
2. loans
3. grants
4. contributions
5. any other form of financial assistance from public or private sources

BOND ANTICIPATION NOTES

Bond Anticipation Notes (BANs) are utilized when an agency needs to raise higher levels of financing than possible with a standard financing mechanism. The basic assumption of BAN financing is that tax increments will grow substantially over several years, due in part or whole to the application of the BANs funding to agency programs, and the agency will subsequently be able to afford a standard financing to refinance the BANs when the whole principal balance becomes due. BANs will typically have interest only payments for the short duration of the financing term, with all principal coming due in anticipation of a fully amortized standard bond financing that will refinance or take out the BANs.

BANs can raise substantial capital in advance of tax increment generation and project development. These notes can provide funding that can encourage private development in the early stages of the project when "seed" capital is needed most.

The customary BAN structure calls for the forecasting of tax increment revenues several years into the future, making an assumption about what interest rates will be at the end of the forecast / finance period, and then issuing short (two to three year) to medium (four to six year) notes. The financing program anticipates that the notes will be fully amortized standard bonds when the notes mature. Ban financing often includes a large component of capitalized (prepaid from note proceeds) interest, as the agency can typically not support full interest payments on the notes with tax increment funds. Thus, for \$100.00 of program funding, a BAN financing will require two sets of costs of issuance (both the BAN and permanent bond financing) totaling approximately \$7.00 per hundred, plus at least \$20.00 per hundred of capitalized interest. When the takeout

bonds are issued, the agency will be borrowing over \$127.00 (plus reserves) to pay for \$100.00 of initial project funding.

Despite the higher financing costs, in a relatively stable legal, political and financial climate BANs can prove to be quite effective. The URA can borrow substantial additional funds compared to a standard financing mechanism and after investing these funds in project improvements, cause further tax increment revenue growth. The concept is an attractive and convenient one that answers the problems facing any project area. Subsidies and public investment are needed up front to spur development that generates tax increment within twelve to eighteen months following construction.

The risk is straight forward - if the tax increment does not grow as projected and is not adequate to support a standard financing to take out the BAN when it comes due, the agency faces a number of unpleasant choices, including borrowing funds from the city to help retire the note debt, rolling the BAN with a second BAN issue, or default. That is why the Sandpoint Urban Renewal Agency will require that the developer guarantee the public financing, in case the projected tax increment fails to materialize.

The accuracy of the tax increment forecast is absolutely critical to the success of the program, market / interest rate fluctuations are also a significant variable, and the ability to "take-out" the BAN with bonds is subject to legal and political factors which are beyond the control of the URA. A successful BAN financing must take these variables fully into account.

A taxable BAN which is to be taken out with taxable bonds make more sense than tax-exempt notes because one of the primary risks, alterations of the tax law, is essentially removed. Because taxable financing is typically utilized as bridge financing, waiting for private repayments, the short-term nature of a BAN can be most effective.

TAX INCREMENT FUNDS

Tax increment financing is the principal method of financing the public costs of redevelopment. "Ad Valorem" property taxes generated from the increase in assessed valuation of property values, created by new development within a specified project area, is the major source of tax increment revenue. The assessed valuation at the time of adoption of the urban renewal plan becomes the base year value and is frozen at that level for the purpose of distribution of taxes to the various affected taxing entities (excepting schools). Each fiscal year, following the adoption of an urban renewal plan, the taxes generated by the assessed valuation that exceeds the base year level (known as tax increment) is paid to the urban renewal agency. The URA in turn utilizes these funds for the repayment of debt incurred by the URA in connection with redeveloping the project area.

When an urban renewal project is approved, there isn't any tax increment immediately available to the agency. The fiscal year following the adoption of the project there is an opportunity for some tax increment to be generated, but only if the assessed valuation of the area has increased from the prior year.

Normally very little funding is available within the first few years of a project. Therefore, funding for the initial cost of a project and the costs of implementation must be provided from

other sources. Many times the city will loan funds to the URA, or provide the capital improvements in the project area with the URA agreeing to reimburse the city when the agency receives its revenues.

In Sandpoint's situation, a developer will loan the agency the necessary startup funds, and he will also guarantee any bonds that are sold for the infrastructure improvements. A portion, or all of the funds advanced would be repaid by the agency pursuant to an agreement with the developer.

LOANS AND GRANTS

Community Development Block Grants:

The Community Development Block Grants (CDBG) program replaced a number of specific aid programs (such as the former federal Urban Renewal program) to allow local communities broader discretion in the administration of community development funds. Eligible activities include acquisition of property, clearance and demolition, relocation, public facilities and historic preservation. The funds must be targeted to specific areas to benefit low and moderate-income persons or to eliminate slums and blight. CDBG funds are widely used throughout the state for economic development and senior facilities.

Local Improvement Districts:

Local Improvement Districts (LID) have been used to fund public improvements that benefit private development. LID's place upon the benefited property the costs that are not borne by the urban renewal agency (or city). The State of Idaho has determined that LID's are a legal means for the city to fund such improvements. Formation of an LID requires the approval of a majority of the property owners in the affected area. The costs of the improvements are determined, and each property is assigned its prorata share. The LID expenses are paid off via the tax rolls over a predetermined period of time (usually 15 to 20 years).

Loans and Advances:

The URA may borrow funds for a project from the city or a lending institution. The drawback being the rate of interest. In addition, developers may advance or loan working capital to urban renewal agencies for preliminary redevelopment activities. Generally the developer is at risk with these advances and will be repaid only if the project goes forward.

Tax Increment Guarantees:

The willingness, or ability, of an urban renewal agency to incur project financial obligations for a specific development may be based on a projection that the development will produce tax increments in a certain amount, within a definite period of time. As an inducement to the urban renewal agency to proceed with its part of the development activities, such as paying for the costs of public facilities to serve the development, a developer may agree to guarantee to the URA the receipt of tax increments from the development in the amount and by the time projected. As stated above, the Sandpoint developer will guarantee any public financing included in this plan.

Certificates Of Participation:

Certificates of Participation (COP's) provide long term financing through a lease with an option to purchase, (also called a conditional sale agreement). This financing method is used for long term financing of major projects such as public facilities, parking garages, and recreational activities.

Where applicable, this financing method can also be used to finance the acquisition of motorized equipment, communications equipment, computers, and other major items of equipment.

When a public sale of a lease, or COP's in a lease, is planned the principle parties include:

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

Lease agreements are for one year at a time resulting in the COP's commanding a higher interest rate. The URA would also have to comply with state public bidding for construction laws, usury and legal interest rate laws authorizing the lease and disclosure requirements.

Joint Powers Authority:

By agreement multiple public entities with common powers may form a Joint Powers Authority (J.P.A.) when it is to the advantage of those agencies to consolidate their forces to construct a public use facility or issue debt for public purposes that when done separately would be less advantageous. A joint exercise of power agreement must be approved by the participating entities in order to utilize a J.P.A. The security of any issue of a J.P.A. will depend upon the existing or projected cash flows, reserves, and other capital resources of the participating agencies and the approved obligations of each agency. In some cases it may be advantageous for the URA to form a J.P.A. before debt obligations are approved by the individual agencies.

63-20 Debt:

States and political subdivisions are authorized, under federal tax law, to issue obligations, the interest on which is exempt from federal income taxation ("Tax-exempt bond"). Each state has statutes and administrative rules that outline the terms under which tax-exempt bonds may be issued. There are circumstances, however, when a political subdivision would prefer not to issue bonds for a project. These reasons may be legal, practical or political. A facility may qualify for tax-exempt financing, because of its use by a governmental entity; nevertheless, the governmental entity elects not to finance the project with its own tax-exempt bonds. An alternative method of obtaining tax-exempt financing is

available under the Internal Revenue Code. This method of financing is commonly referred to as "63-20" financing. The term "63-20" comes from the Department of Treasury Revenue Ruling which first described and authorized this type of tax-exempt financing (in 1963).

In a 63-20 financing, a nonprofit corporation may issue tax-exempt debt for the purpose of financing facilities as long as certain requirements are met. The most well known requirement is that title to the facilities must be transferred to a governmental entity when the debt is retired. Interest on 63-20 debt is exempt from federal income taxation. Therefore, the cost of capital is, lower than it would be in the conventional capital markets.

Historically, 63-20 debt was primarily used for nonprofit corporations, qualified under Section 501(c)(3) of the Internal Revenue Code, to access the tax-exempt bond market. 63-20 debt is sold as tax-exempt bonds generally in the same financial markets as governmental tax exempt bonds. The interest rates may be comparable, depending upon the credit strength of the collateral security.

If the financed facility is leased to an entity other than the nonprofit issuer of the debt, the tenant is required to be either a governmental entity or a charitable organization. An underwriter may underwrite long term (20 years or more) bonds issued by the nonprofit corporation. The credit support of the bonds may derive from the lease of the facility to the governmental agency. The bonds may be issued on a non-recourse basis to the nonprofit corporation, i.e., the bonds would be secured solely by lease revenues. In a non-recourse financing, the owners of the bonds would have no recourse against any other assets of the corporation.

CHAPTER 5: **TAX ALLOCATION AREA**

TAX ALLOCATION AREA DESCRIPTION

The “tax allocation area” or “revenue allocation area” for the northern urban renewal project area is defined by the following described boundary. Please see in *Appendix E* a map of the legal description.

First the urban renewal area is defined and then the Revenue Allocation Area boundary is defined by exemption.

A Tract of land lying in a portion of Sections 3, 9, 10, 15 and 16, all in Township 57 North, Range 2 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Commencing at the Southeast Corner of said Section 15; Thence, **South 89°54'00” West, 1840.71 feet**, along the South line of said Section 15, to a point of Intersection with the existing West Right of Way Line of the Spokane International Railroad, said point of Intersection being the **TRUE POINT OF BEGINNING**;

Thence, continuing **South 89°54'00” West, 829.87 feet**, along said South Section Line, to a point of Intersection with the existing West Right of Way Line of North Boyer Avenue;

Thence, leaving said South Section Line, **North 00°00'35” East, 680.91 feet**, along the existing West Right of Way Line of said North Boyer Avenue, to a point of Intersection with the existing South Right of Way Line of Spruce Street;

Thence, **North 90°00'00” West (WEST), 370.35 feet**, along the existing South Right of Way Line of said Spruce Street, to a point of Intersection with the existing West Right of Way Line of Forest Avenue.

Thence, **North 00°44'27” West, 420.04 feet**, along the existing West Right of Way Line of said Forest Avenue, to a point of Intersection with the existing North Right of Way Line of Chestnut Street;

Thence, **North 90°00'00” East (EAST), 375.85 feet**, along the existing North Right of Way Line of said Chestnut Street, to a point on the existing West Right of Way Line of said North Boyer Avenue;

Thence, **North 00°00'35” East, 210.00 feet**, along the existing West Right of Way Line of said North Boyer Avenue, to the Northeast Corner of Block 2 of *GRAHAM'S ADDITION*, as shown on the Plat thereof, recorded in Book 1 of Plats, at Page 78, records of Bonner County, Idaho;

Thence, **North 90°00'00” West (WEST), 1098.60 feet**, along the North Boundary Line of said *GRAHAM'S ADDITION*, to a point on the existing West Right of Way Line of Ruth Avenue;

Thence, **North 00°44'27” West, 90.00 feet**, along the existing West Right of Way Line of said Ruth Avenue, to a point on the existing South Right of Way Line of Walnut Street;

Thence, **North 90°00'00” West (WEST), 1544.00 feet**, along the existing South Right of Way Line of said Walnut Street and the South Right of Way Line extended West, of said Walnut Street, to a point on the existing West Right of Way Line of Division Street;

Thence, **South 00°00'45” East, 655.52 feet**, along the existing West Right of Way Line of said Division Street, to a point of Intersection with the existing North Right of Way Line of Spruce Street;

Thence, **North 90°00'00" West (WEST), 2078.13 feet**, along the existing North Right of Way Line of said Spruce Street, to a point on the existing Easterly Right of Way Line of the Great Northern Railroad Main Track;

Thence, **North 18°16'46" East, 348.97 feet**, along said Railroad Right of Way Line, to the Northwest Corner of a certain Parcel of land designated by the Bonner County Tax Assessor's records as T10, Bonner County School District Property;

Thence, **North 90°00'00" East (EAST), 1968.60 feet**, along the North boundary of said Parcel, to a point on the existing West Right of Way Line of said Division Street;

Thence, **North 00°00'45" West, 1226.09 feet**, along the existing West Right of Way Line of said Division Street, to a point of Intersection with the Northerly Right of Way Line of the Great Northern Railroad Spur Line;

Thence, Northwestery along said Northerly Right of Way Line the following two (2) described courses:

1. **North 79°10'03" West, 859.13 feet**,
2. Northwestery, along a 595.00 foot Radius Curve Right (the Chord of which bears **North 53°04'55" West, 523.28 feet**) through a Central Angle of 52°10'26", an arc distance of 541.81 feet, to a point on the existing Easterly Right of Way Line of the Great Northern Railroad Main Track;

Thence, leaving said Northerly Right of Way Line of the Great Northern Railroad Spur Line, Northerly, along the existing Easterly Right of Way Line of said Great Northern Railroad Main Track, the following three (3) described courses:

1. **North 15°16'20" East, 3956.25 feet**, to an angle point,
2. **South 89°56'00" West, 156.01 feet**, to an angle point,
3. **North 15°53'04" East, 1330.08 feet**, to a point of Intersection with the existing South Right of Way Line of Mountain View Loop Road;

Thence, leaving said Railroad Right of Way Line, **South 89°27'51" West, 621.20 feet**, along the existing South Right of Way Line of said Mountain View Loop Road, to a point of Intersection with the West Line extended South of the East Half of the Southeast Quarter of the Northeast Quarter (E½SE¼NE¼) of the above-mentioned Section 9;

Thence, leaving said existing South Road Right of Way Line, **North 00°03'00" West, 1366.22 feet**, along said West Line extended and West Line of said E½SE¼NE¼, to the Northwest Corner thereof;

Thence, **North 89°56'00" East, 660.00 feet**, along the North Line of said E½SE¼NE¼, to the Northeast Corner thereof;

Thence, **North 00°03'00" West, 50.80 feet**, along the East Line of said Section 9, to a point of Intersection with the existing Southerly Right of Way Line of Woodland Drive;

Thence, crossing over Woodland Drive, **North 60°01'25" East, 50.00 feet**, to a point on the existing Northerly Right of Way Line of said Woodland Drive;

Thence, **Easterly**, along the existing Northerly Right of Way Line of said Woodland Drive, the following two (2) described courses:

1. **Southeasterly**, along a 100.00 foot Radius Curve Left (the Chord of which bears **South 60°09'18" East, 100.54 feet**) through a Central Angle of 60°21'25", an Arc distance of 105.34 feet, to a point,

2. **North 89°40'00" East, 215.62 feet**, to a point of Intersection with the existing Easterly Right of Way Line of the above-mentioned Great Northern Railroad;

Thence, leaving said existing Northerly Road Right of Way Line, Northerly, along said existing Easterly Railroad Right of Way Line, the following five (5) described courses:

1. **North 12°43'42" East, 1326.91 feet**, to an angle point,
2. **South 89°40'00" West, 51.71 feet**, to an angle point,
3. **North 10°00'00" East, 544.30 feet**, to an angle point,
4. **South 81°47'51" East, 100.05 feet**, to an angle point,
5. **North 10°00'00" East, 815.02 feet**, to a point of Intersection with the North line of the South Half of the Southwest Quarter (S½SW¼) of the above-mentioned Section 3;

Thence, **North 89°40'00" East, 1700.34 feet**, along the North line of said S½SW¼, to a point of Intersection with the existing West Right of Way Line of said North Boyer Avenue;

Thence, **South 00°01'11" East, 1292.44 feet**, along the existing West Right of Way Line of said North Boyer Avenue, to a point on the existing North Right of Way line of Schweitzer Cutoff Road, extended West;

Thence, leaving said existing West Right of Way Line of North Boyer Avenue, **North 89°40'00" East, 1350.12 feet**, along the extended North Right of Way Line and the existing North Right of Way Line of said Schweitzer Cutoff Road, to a point of Intersection with the East Line of the Southwest Quarter of the Southeast Quarter (SW¼SE¼) of said Section 3;

Thence, leaving said existing North Right of Way Line of Schweitzer Cutoff Road, **South 00°02'57" East, 687.59 feet**, along the East Line of the SW¼SE¼ of said Section 3 and the East Line of the North Half of the Northwest Quarter of the Northeast Quarter (N½NW¼NE¼) of the above-mentioned Section 10, to the Southeast Corner of said N½NW¼NE¼;

Thence, **South 89°40'00" West, 614.21 feet**, along the South line of said N½NW¼NE¼, to a point of Intersection with the Northwesterly Property Line of the Sandpoint, Bonner County Airport Property;

Thence, **South 31°37'38" West, 1366.97 feet**, along the Northwesterly Property Line of said Sandpoint Airport, to a point of Intersection with the East Right of Way Line of the vacated portion of the above-mentioned North Boyer Avenue;

Thence, **South 00°27'00" East, 3435.19 feet**, along the East line of that vacated portion and the existing East Right of Way Line of said North Boyer Avenue, to a point on the existing North Right of Way Line of Mountain View Drive;

Thence, leaving said existing East Right of Way Line of North Boyer Avenue, **North 89°40'00" East, 966.88 feet**, along the existing North Right of Way Line of said Mountain View Drive, to the Southwest Corner of Lot 1 of *PIETSCH SUBDIVISION*, as shown on the Plat thereof, recorded in Book 6 of Plats, at Page 93, records of Bonner County, Idaho;

Thence, leaving said existing North road Right of Way Line, **South 00°20'00" East, 25.00 feet**, to a point on the South Line of the above-mentioned Section 10;

Thence, **North 89°40'00" East, 781.90 feet**, along said South Section Line, to a point of Intersection with the centerline of Sand Creek;

Thence, leaving said South Section Line, Southerly, along the centerline of said Sand Creek, the following nine (9) described courses:

1. **South 09°21'56" West, 97.30 feet,**
2. **South 41°22'28" West, 57.51 feet,**
3. **South 51°22'24" West, 146.18 feet,**
4. **South 54°12'11" West, 246.49 feet,**
5. **South 47°13'49" West, 310.97 feet,**
6. **South 39°12'48" West, 105.17 feet,**
7. **South 14°40'20" West, 74.14 feet,**
8. **South 07°51'14" East, 72.27 feet,**
9. **South 41°16'20" East, 294.80 feet,** to a point of Intersection with the existing Westerly Right of Way Line of the above-mentioned Spokane International Railroad;

Thence, leaving the centerline of said Sand Creek, Southerly, along said existing Westerly Railroad Right of Way Line, the following five (5) described courses:

1. **South 40°48'04" West, 424.07 feet,**
2. Southwesterly, along a 950.00 foot Radius Curve Left (the Chord of which bears **South 20°22'24" West, 663.16 feet**) through a Central Angle of 40°51'21", an Arc distance of 677.42 feet,
3. **South 00°03'17" East, 1682.07 feet,** to an angle point,
4. **South 79°13'42" East, 25.43 feet,** to an angle point,
5. **South 00°24'03" West, 1638.09 feet,** to the **TRUE POINT OF BEGINNING.**

EXEMPTING THEREFROM THE NORTHERN REVENUE ALLOCATION AREA:

The Northern Revenue Allocation Area is hereby described as follows:

A Tract of land lying in a portion of Sections 10 & 15, all in Township 57 North, Range 2 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Commencing at the Southeast Corner of the above-mentioned Section 10, Township 57 North, Range 2 West, Boise Meridian, Bonner County, Idaho; Thence, **South 89°40'00" West, 2681.00 feet,** along the South Line of said Section 10, to a point of Intersection with the existing West Right of Way Line of North Boyer Avenue, said point of Intersection being the **TRUE POINT OF BEGINNING;**

Thence, leaving said South Section Line, **North 00°27'00" West, 3497.46 feet,** along the existing West Right of Way Line of said North Boyer Avenue, to a point on the Northerly Boundary Line of *PHASE II of OMNI PARK*, as shown on the Plat thereof, recorded in Book 6 of Plats, at Page 200, records of Bonner County, Idaho;

Thence, Westerly and Southerly, along the exterior Boundary of said Plat, the following four (4) described courses:

1. **North 68°25'53" West, 361.04 feet,**

2. Southwesterly, along an 80-foot Radius Curve Left (the Chord of which bears **South 71°58'14" West, 101.98 feet**) through a Central Angle of 79°11'47", an Arc distance of 110.58 feet,
3. **South 32°22'20" West, 1143.69 feet**, to a point on the East-West Centerline of said Section 10,
4. **North 89°40'00" East, 307.68 feet**, along said East-West Section Centerline, to a point on the Northwesterly Line of Lot 1A of the *REPLAT of LOT 1 of OMNI PARK*, as shown on the Replat thereof, recorded in Book 5 of Plats, at page 170, records of Boner County, Idaho;

Thence, **South 32°22'20" West, 105.50 feet**, along the Northwesterly Line of said Lot 1A, to the Southwesterly Corner thereof;

Thence, **South 57°14'58" East, 228.39 feet**, along the Southwesterly Line of said Lot 1A, to the Southeasterly Corner thereof, said Corner also being on the existing Northwesterly Property Line of the Sandpoint, Bonner County Airport Property;

Thence, **South 31°37'38" West, 3787.12 feet**, along the Northwesterly Line of said Airport Property, to a point on the West Line of the above-mentioned Section 15;

Thence, **South 00°03'00" East, 1827.25 feet**, along the West Line of said Section 15, to a point of Intersection with the existing North Right of Way Line of Baldy Mountain Road;

Thence, **North 89°36'50" East, 2634.20 feet**, along the existing North Right of Way Line of said Baldy Mountain Road, to a point on the existing West Right of Way Line of the above-mentioned North Boyer Avenue;

Thence, **North 00°27'00" West, 2612.53 feet**, along the existing West Right of Way Line of said North Boyer Avenue, to the **TRUE POINT OF BEGINNING**.

The Acreage for the Northern Urban Renewal Area (excluding the Northern Revenue Allocation Area) is approximately 620 Acres.

The Acreage for the Northern Revenue Allocation Area is approximately 250 Acres.

AFFECTED AGENCIES

The following is a list of agencies that are affected by the “Northern Revenue Allocation Area Plan”.

1. Lake Pend Oreille School District #84
2. Bonner County
3. Bonner County Road and Bridge
4. Independent Highway District
5. City of Sandpoint
6. East Bonner Library
7. Pend Oreille Hospital
8. Bonner County Ambulance

Recent changes in Idaho tax law have (excepting urban renewal agencies and school districts) neutralized the benefits and drawbacks to the creation of Tax Allocation Districts and Urban Renewal Districts.

Currently, public agencies budgets are restricted to 3% annual growth from property taxes. At the end of a project’s life, the tax increment generated was divided among the above-mentioned agencies in accordance to their respective agency’s property tax levy rates. With the current laws in effect, the tax increment is now used to lower property tax rates resulting in benefiting the property tax payers with no provision for assisting the impacted agencies. Public agency budgets may be benefited by property taxes generated from new development via the formation of a Tax Allocation District for an Urban Renewal Agency.

CHAPTER 6: **ACTIONS BY THE CITY COUNCIL**

The City shall aid and cooperate with the URA in carrying out this plan and shall take all actions necessary to ensure the continued fulfillment of the purposes and objectives of this plan. The City shall assist and support the URA in preventing and eliminating the spread and/or recurrence of conditions causing blight in the plan area. Actions by the City shall include, but are not limited to, the following:

1. Institution and completion of proceedings necessary for changes and improvements in private and publicly owned utilities within or affecting the project area.
2. Consideration of requests for re-zoning or other standards (if necessary) within the project area to permit the development authorized by this plan.
3. Consideration of appropriate site controls within the limits of this plan through the use of special use permits or site plan review to ensure proper development and use.
4. Where possible, preservation of historical sites, and wetlands, shall have a high priority in achieving development objectives.
5. Performance of the above actions and all other functions and services relating to public health, safety, and physical development normally rendered in accordance with the schedule which will permit the redevelopment of the project area to be commenced and carried to completion without unnecessary delays.
6. If necessary, institution and completion of proceedings for the establishment of a Local Improvement District, or districts under Chapter 17, Title 50, Idaho Code.
7. Administration of Community Development Block Grants and/or other state/federal funds that may be available and are used for the purposes of this plan.
8. The undertaking and completion of any other proceedings necessary to carry out the plan.
9. Appropriate agreements with the URA for administration, supporting services, funding sources, and other similar needs.
10. The actions listed above which are to be taken by the City do not constitute any commitment of financial outlay by the City.

CHAPTER 7: **ENFORCEMENT**

The URA and/or the City of Sandpoint shall perform the enforcement and administration of this plan, including the preparation and execution of all the documents used for the implementation of the Sandpoint Plan. The provisions of the Sandpoint Plan and other documents used pursuant to this plan may also be enforced by court litigation instituted by either the City or the URA. Remedies include, but are not limited to the following:

1. Specific performance
2. Damages
3. Injunctions
4. Other appropriate remedies

CHAPTER 8: **DURATION OF THE PLAN/ DISPOSITION OF ASSETS**

The duration of the various segments that make up this urban renewal plan for the Northern Revenue Allocation Area are as follows:

- A. The non-discrimination and non-segregation provisions of this plan shall be effective in perpetuity.
- B. Other provisions of this plan shall be effective for ten (10) years from the date of adoption of this plan by the Urban Renewal Agency.
- C. The Tax Allocation Area and its respective revenue allocation financing, under consideration by the City Council in 2005, shall be in effect for a period not to exceed ten (10) years, which period shall expire on December 31, 2015, except for any revenue allocation proceeds received in calendar year 2016.

The Sandpoint Urban Renewal Agency [SURA] may determine an earlier terminate date:

When the Revenue Allocation Area plan budget estimates that all financial obligations have been provided for, the principal and interest on such moneys, indebtedness, and bonds have been paid in full and the SURA has determined no additional project costs need be funded through revenue allocation financing, the allocation of revenues under Section 50-2908, Idaho Code, 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 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 grant to the urban renewal agency under Section 50-2909, Idaho Code, shall thereupon terminate.

In determining the termination date, the Plan shall recognize that the Sandpoint Urban Renewal 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.

For the fiscal year that immediately predates the termination date, the SURA 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 Section 50-2909(4), Idaho Code. In the event the SURA determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future

years, by September 1, the SURA 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 Section 50-2909, Idaho Code, should a surplus be determined to exist. The SURA shall cause the ordinance to be filed with the office of the county recorder and Idaho State Tax Commission as provided in Section 63-215, Idaho Code.

Upon termination of the revenue allocation authority of the urban renewal plan, to the extent the SURA owns or possesses any assets, the SURA shall dispose of any remaining assets by granting or conveying such assets to the City of Sandpoint.

CHAPTER 9: **PLAN AMENDMENT PROCEDURES**

The Northern Revenue Allocation Area may be further modified at any time by the URA, provided that the modification, if made after disposition of real property by the URA in the plan area, must be consented to by the developer(s) or successor(s) of interest of such real property if their interest is substantially affected by the proposed modification.

Where the proposed modification substantially alters the adopted plan, the modifications must be approved by the Urban Renewal Agency Board, the City Planning and Zoning Commission and the City Council in the same manner as the original plan. Substantial changes for Council purposes shall include revisions to the following:

1. Project area boundaries
2. Permitted land uses
3. Land Acquisition
4. Changes to plan objectives

CHAPTER 10:
TAX FEASIBILITY STUDY

[See separate document]

Appendix A

Project Costs: Great Northern Road/ Woodland Drive &
Detailed Project Description

OPINION OF PROBABLE CONSTRUCTION COST			PRELIM. CONCEPT ESTIMATE		
PROJECT: GREAT NORTHERN/WOODLAND CONCEPT ESTIMATE		DATE: 7/3/2005		ESTIMATOR: R.J.L.	
CLIENT: CITY OF SANDPOINT PUBLIC WORKS DEPARTMENT		PROJECT NO. 5002			
ITEM NO.	ITEM	SCHEDULE OF VALUES			
		QUANTITY	UNIT	UNIT PRICE	TOTAL COST
1	MOBILIZATION	1	LS	\$15,000.00	\$15,000.00
2	TRAFFIC CONTROL	1	LS	\$20,000.00	\$20,000.00
3	PROJECT SIGN	1	EA	\$1,000.00	\$1,000.00
4	GRINDING EXISTING SURFACE	16,375	SY	\$1.25	\$20,468.75
5	TRENCH EXCAVATION & BACKFILL 0'-6"	10,400	LF	\$12.00	\$124,800.00
6	TRENCH EXCAVATION & BACKFILL 6'-12"	10,400	LF	\$18.00	\$187,200.00
7	UNSUITABLE EXCAVATION	6,926	CY	\$12.00	\$83,116.80
8	IMPORT BACKFILL MATERIAL	6,926	CY	\$20.00	\$138,528.00
9	PIPE BEDDING MATERIAL	20,800	LF	\$7.00	\$145,600.00
10	24" PVC SEWER	9,200	LF	\$20.00	\$184,000.00
11	8" PVC SEWER	300.00	LF	\$18.00	\$5,400.00
12	6" FORCE MAIN	600.00	LF	\$14.00	\$8,400.00
13	24" PVC STORM	9,200	LF	\$23.00	\$211,600.00
14	8" PVC STORM	1,500	LF	\$16.00	\$24,000.00
15	SEWER MANHOLE	23	EA	\$2,200.00	\$50,600.00
16	STORM MANHOLE	30	EA	\$2,000.00	\$60,000.00
17	CATCH BASINS	60	EA	\$900.00	\$54,000.00
18	4" UNDERDRAIN PIPE	16,400	LF	\$6.00	\$98,400.00
19	NONWOVEN GEOTEXTILE FABRIC	41,000	SY	\$1.25	\$51,250.00
20	IMPORT BROW & BALLAST	32,250	CY	\$23.00	\$741,750.00
21	3/4" MINUS CRUSHED BASE	9,700	CY	\$35.00	\$339,500.00
22	CURE AND CUTTER W/ CURB CUTS	18,400	LF	\$12.00	\$220,800.00
23	CONCRETE SIDEWALK	9,720	SY	\$26.00	\$252,720.00
24	CONCRETE DRIVE APPROACH	500.00	SY	\$40.00	\$20,000.00
25	1 1/2" CLASS III PAVEMENT	9,000	TON	\$50.00	\$450,000.00
26	HYDROSEEDING	10,800.0	SY	\$2.25	\$24,175.00
27	R/R UTILITY CROSSING	2	EA	\$15,000.00	\$30,000.00
28	ELECTRICAL LIGHTING	60	EA	\$3,000.00	\$180,000.00
29	SEWER LIFT STATION	1.0	EA	\$105,000.00	\$105,000.00
30	R/R CROSSING UPGRADES	1.0	LS	\$100,000.00	\$100,000.00
31	STRIPING (CENTERLINE AND FOG LINE)	9,200.0	LF	\$4.00	\$36,800.00
32	TREES AND ROOT BARRIERS	120.0	EA	\$300.00	\$36,000.00
OPINION OF PROBABLE CONSTRUCTION COST					\$4,012,008.55
Contingency (10%)					\$401,200.86
Engineering Design (15%)					\$601,801.28
Construction Engineering Services (10%)					\$401,200.86
Right of Way Purchase		9.40	ACRES	\$261,360.00	\$2,456,781.30
OPINION OF PROBABLE PROJECT COST					\$7,872,995.54
This is a preliminary estimate. The quantities are approximate and subject to change.					

**CITY OF SANDPOINT
GREAT NORTHERN ROAD/ WOODLAND DRIVE
FUNDING ANALYSIS AND REPORT**

FOR



July 28, 2005

Prepared by

**Ryan J. Luttmann, P.E.
P.O. Box 1513
Sandpoint, ID 83864**

I. Introduction

A. Purpose

The purpose of this report and study is to assist the City of Sandpoint in the pursuit of funding for proposed improvements of Great Northern Road and Woodland Drive in Sandpoint, Idaho. The report summarizes the concept elements required for road construction, utilities, pedestrian facilities, right-of-way purchase, and property ownership.

B. Project Limits

The project limits are shown on the following aerial photograph. As depicted in the photo, the project begins at the intersection of Great Northern Road and Baldy Mountain Road in Township 57N Range 2W Section 16, continues in a northeast direction through sections 16 and 19 to the intersection of Great Northern Road and Woodland Drive in Section 10 and then continues east in Section 10 to the intersection of Woodland Drive and North Boyer Avenue. The total length of the road improvements is approximately 1.75 miles.

C. Report Limitations

Although this study has been prepared to assist with the pursuit of funding, it includes some design concepts and assumptions that will require additional research, surveying and planning as the project is funded. The information contained in this report has been gathered from field investigations, City and County records and meetings with City Staff. In addition, information was obtained from consultants working on the City's Sewer Master plan, the Bonner County Airport's Stormwater Master Plan and conversations with the Idaho Department of Transportation.

II. Cost Estimate and Funding Options

A. Cost Estimate

Regional construction project costs were used as the estimating basis for the attached Opinion of Probable Construction Cost. The total cost is based on quantities generated from the typical section, field investigations of the area and the project design considerations described in this report.

A 10% contingency item has been included for rising costs of construction in the area due to increases in materials, labor and gas prices. The City will also need to hire an Engineering firm to perform detailed mapping of the area, preliminary concepts, final design, bidding documents and construction engineering services. Engineering has been estimated at 15% of the construction cost and Construction Engineering services has been estimated at 10% of the construction cost.

Right-of-way purchase is a variable that has significant impacts to the project and should be studied in greater detail. A professional that has experience with this field should be brought in to review and assist with the land acquisition process.

Opinion of Probable Cost Summary:

Item	Cost	Cost per Mile
Construction	\$4,012,000	\$2,292,571
Contingency	\$401,200	\$229,257
Engineering	\$1,003,000	\$573,143
Right-of-Way Purchase	\$2,456,784	\$1,403,876
Total	\$7,872,984	\$4,498,847

B. Funding Options

Funding for this project will most likely require funds from more than one outside source. Potential options for funding include:

1. Urban Renewal District
2. Economic Development Administration - Public Works Program
3. Local Improvement District
4. The Department of Housing and Urban Development
5. USDA Rural Development Program - Community Facility Grants
6. Gem Community Implementation Grants

III. Project Design Considerations

The Great Northern Road/Woodland Drive connector is currently a two-lane road providing an alternate North-South route around the west side of the Bonner County Airport. The location of the roads provide great potential for economic and industrial growth for Sandpoint, provide an alternate access route to Schweitzer Mountain Resort and will serve to connect Sandpoint's pedestrian facilities toward the recently established Mickinnick Trailhead.

The attached typical section was prepared and reviewed by City Staff. As a result, the proposed improvements include the following design considerations:

8. Roadway Width - 40 ft wide (curb to curb)
9. Road Section - designed for truck traffic
10. Pedestrian Facility - 10 ft wide and separated
11. Stormwater Collection Facility
12. Sewer Collection Facility
13. Lighting and Landscape Improvements
14. Right-of-Way Purchase

Each of the design considerations were researched and assumptions were made for the purpose of the funding cost estimates.

A. Roadway Width

The selection of a roadway width is a key element in planning for the upgrades for this connector. If too narrow a width is selected, it could limit the type of use along the corridor as turning movements and site accessibility are parts of land development. If too wide a width is selected, it can result in inflated construction costs and increased right-of-way needs - a rising cost in North Idaho.

A 40 ft curb to curb width has been recommended for this project as it provides flexibility for development along the corridor and matches the future needs for the area. A 40 ft wide road in Sandpoint can be used in the following three options:

4. Provide two 12 ft travel lanes with 8 ft parking on both sides
5. Provide two 14 ft travel lanes with 6 ft striped bicycle lanes on both sides
6. Provide two 14 ft shared vehicle/bicycle lanes with a 12 ft center turn lane

For this estimate it is assumed that the future use of the road will utilize option 3 listed above.

B. Road Section

Soils within the project area are Odenson Silt Loam and Mission Silt Loam. These soils are typically poorly draining soils formed in silty glacial lake laid sediment derived from mixed sources and have a mantle of volcanic ash and loess. The soils do not have a high R-value and require a soils investigation and detailed design analysis to determine the appropriate pavement section.

Currently, a portion of Great Northern Road has a paved surface and the remainder has been covered with asphalt grindings from previous City projects that were imported to the site, graded and compacted on the surface. Woodland Drive is a gravel road.

For the purpose of this estimate, it is assumed that the asphalt areas will be ground in place and used with the subgrade material. The R-value method was reviewed as well as other pavement sections in the area that have been used over similar soils planned for truck traffic. The resulting pavement section was used for the estimate:

4" of Hot Mix Asphalt
6" of $\frac{3}{4}$ " minus Crushed Aggregate
24" of Rock Cap
Non-Woven Geotextile Fabric

C. Pedestrian Facility

The Sandpoint Pedestrian Advisory Committee has identified this corridor as a walk to school route and the addition of new subdivisions in progress/planning near the project has increased the needs for pedestrian facilities along the proposed route. In addition, the Mickinnick Trail has recently opened and this corridor will link the trailhead to other pedestrian trails existing and those planned for construction in the greater Sandpoint area.

A total width of 10 ft for a pedestrian facility for the entire length has been estimated for this project. This can be accomplished with one separated facility along the corridor or two 5 ft sidewalks on each side, as illustrated in the typical section. Both scenarios should include separation from the roadway.

D. Storm Water Collection System

Permeability of the silt loam soil is slow and water is standing in the ditch line and portions of the surrounding property in early winter and spring. Two main drainage areas exist for the project area:

3. Chuck Slough - Drainage crosses the railroad tracks near the southern end of the project. This area ponds water for part of the year.
4. Sand Creek - The Woodland Drive area is graded to flow towards the northern portion of the airport, which drains across Boyer toward Sand Creek.

A limited survey with a level and rod was included in this study and used to determine the difference in elevation from the Great Northern Road/Mountain View Road area and the drainage area that connects to the Chuck Slough. In addition this information was reviewed with the topographic site survey that was performed by Glahe & Associates in 2004 for the Independent Highway District (#654212 recorded in Bonner County) and the survey information collected by James A. Sewell & Associates in conjunction with the Bonner County Airport Stormwater Master Plan. Additional survey information will be gathered by J-U-B ENGINEERS, Inc. as part of the City's Sewer Master Plan.

A stormwater collection system will provide the best option for drainage of the proposed improvements. The existing overland flow conveyance system results in perched water and the grades are less than the desired 0.5% slope. The construction of a 24" collection line with stormwater manholes, catch basins and 8" laterals were incorporated with the cost estimate. The majority of Great Northern Road will need to be designed to flow to the Chuck Slough outlet with one railroad crossing. The remainder of the corridor will continue to flow toward the northern portion of the airport.

According to the Public Works Director, City crews plan to perform a video inspection of an existing storm water drainage pipe near the Chuck Slough outlet. It is assumed that the stormwater in that area outlets to the Chuck slough but the size of pipe and location was not discovered in the field investigation.

E. Sewer Collection System

J-U-B ENGINEERS, Inc. is currently working with the City of Sandpoint to perform a Sewer Master Plan. The initial review of the area needs indicates that a sewer lift station is most likely needed in the area of Great Northern Road and Mountain View Road with approximately 600 ft of force main to be directed toward the north or south end of this project. In addition, a collection system will be required along a majority of the project length.

Currently a collection system serves the properties south of the railroad tracks between Gooby Road and Baldy Mountain Road (this system is antiquated and probably should be considered for replacement). For project estimation purposes, it assumed that a 24" collection facility and manholes would be installed for the entire length of the project with one railroad crossing budgeted. In addition, the 24" pipe (similar to the storm water pipe proposed) would be more than required to handle existing needs in the area but has been increased for this estimate as this corridor may be used to service a regional area. These figures can be revised as future planning studies are completed.

F. Lighting and Landscaping Improvements

Previous City projects have included lighting and landscaping in the scope. The increased lighting serves to provide a safer, more pedestrian-friendly environment. Other improvements include the implementation of accent pieces such as benches, trees, and landscaping which provide a warmer, more inviting feel. Some debate exists in the area with relation to maintaining a rural atmosphere and avoiding the interruption of the night sky with additional lighting. However, it was determined that costs for such improvements should be included at this stage of the estimate so that funding could be pursued if this is to be included in the future of this project.

G. Right-of-Way Purchase

The purchase of right-of-way will be one of the most expensive items related to the project. Real estate values for the Sandpoint Area have increased rapidly in the past year and continue to rise. City records indicate that over the past few years, real estate along the project corridor has ranged between \$3 and \$6 per square foot. The Idaho Department of Transportation has seen the purchase of right-of-way range between \$1 and \$10 per square foot in the area lately.

The City has also worked with a title company in the past two years to determine Road right-of-way and Railroad right-of-way along Great Northern Road. Included with this study was additional research for Woodland Drive, property ownership and surveys or plats in the area. The following exhibits (Road Right-of-Way, Railroad Right-of-Way and Property Ownership) illustrate the results of the investigations performed. In addition, last year City staff has contacted the railroad and property owners on Great Northern Road requesting a 50 ft right-of-way in the area where documentation of Road right-of-way was not discovered.

Currently, a 50 ft right-of-way has been dedicated to public for approximately 1.25 miles of Great Northern Road and Woodland Drive. The remaining 0.5 miles is maintained through a prescriptive easement. The area of land that has not been dedicated for the 0.5 miles is approximately 3 acres. Additional 30 ft of right-of-way along the entire corridor is approximately another 6.4 acres, for a total 9.4 acres.

As a result, a cost of \$6 per square foot for right-of-way purchase has been included in the estimate, which equals \$261,360 per acre and an area of 9.4 acres assumed to be purchased. Since this cost is extremely important to the project, further title search of Bonner County and Kootenai County records should be pursued.

Appendix B

Idaho Code: Section 50-2008

State Code Section 50-2008

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

(b) An urban renewal agency may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to an urban renewal agency. Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within thirty (30) days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission, or if no recommendations are received within said 30 days, then without such recommendations, the local governing body may proceed with the hearing on the proposed urban renewal project prescribed by subsection (c) hereof.

(c) The local governing body shall hold a public hearing on an urban renewal project, after public notice thereof by publication in a newspaper having a general circulation in the area of operation of the municipality. The notice shall describe the time, date, place and purpose of the hearing, shall generally identify the urban renewal area covered by the plan, and shall outline the general scope of the urban renewal project under consideration.

(d) Following such hearing, the local governing body may approve an urban renewal project and the plan therefore if it finds that (1) a feasible method exists for the location of families who will be displaced from the urban renewal area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families; (2) the urban renewal plan conforms to the general plan of the municipality as a whole; (3) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the of the urban renewal area by private enterprise: Provided, that if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency, such area shall not be so acquired unless (1) if it is to be developed for residential uses, the local governing body shall determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of shums in other areas; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality, or

(e) (2) if it is to be developed for nonresidential uses, the local governing body shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in this act, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivision, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.

(e) An urban renewal plan may be modified at any time: Provided that if modified after the lease or sale by the urban renewal agency of real property in the urban renewal project area, such modification may be conditioned upon such approval of the owner, lessee or successor in interest as the urban renewal agency may deem advisable and in any event shall be subject to such rights at law or in equity as a lessee or purchaser, or his successor or successors in interest, may be entitled to assert.

(f) Upon the approval by the local governing body of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the urban renewal agency may then cause such plan or modification to be carried out in accordance with its terms.

(g) Notwithstanding any other provisions of this act, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under Public Law 875, Eighty-first Congress, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection (d) of this section and the provisions of this section requiring a general plan for the municipality and a public hearing on the urban renewal project. [1965, ch. 246, § 8, p. 600.]

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

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

Appendix C

Notice of Public Hearings

REVENUE ALLOCATION AREA PLAN PUBLIC HEARING NOTICE

Notice is hereby given that the Sandpoint City Council will hold a public hearing on Wednesday November 16, 2005, at 5:30 p.m. in the council chambers at Sandpoint City Hall, 1123 Lake Street, Sandpoint, ID, to consider the following:

1. **Urban Renewal Plan for a Revenue Allocation Area in northern Sandpoint** - The objective of this plan is to fund public infrastructure improvements for the reconstruction of Great Northern Road/ Woodland Drive and other ancillary public improvements.
2. **Urban Renewal Plan for a Revenue Allocation Area in downtown Sandpoint** - The objective of this plan is to fund public infrastructure improvements for the reconstruction of pedestrian and vehicular facilities and other ancillary improvements in the City's downtown core.

The primary goal of both of these Plans is to encourage and sustain business development through a process known as "tax increment financing."

The Sandpoint City Council will hold a special meeting on November 30, 2005, at 5:30 p.m. in the council chambers to consider additional comments from taxing entities regarding the Urban Renewal Plans.

The public may review a copy of each of the Revenue Allocation Area Plans at the City Clerk's Office in City Hall, after October 26, 2005. Any person needing special accommodations to participate in the above noticed meetings should contact the City of Sandpoint seven days prior to the meeting at Sandpoint City Hall, 1123 Lake Street, Sandpoint, ID (263-3370).

Posted in *The Daily Bee* on October 26, 2005

Appendix D

Resolution No. 05-29: Formation of Urban Renewal Agency &
Its First Urban Renewal Area

RESOLUTION
OF THE CITY COUNCIL
CITY OF SANDPOINT

TITLE: URBAN RENEWAL AGENCY

WHEREAS: The City of Sandpoint desires to implement and empower the Urban Renewal Agency which was created by the Idaho Urban Renewal Law of 1965 (codified as Chapter 20, Title 50, Idaho Code); and,

WHEREAS: It is anticipated the Urban Renewal Agency intends to prepare an Urban Renewal Plan containing a revenue allocation financing provision, pursuant to the local Economic Development Act (codified as Chapter 29, Title 50, Idaho Code); and,

WHEREAS: The City recognizes there are certain factual prerequisites to the empowerment of the Agency and the ultimate adoption of the Urban Renewal Plan containing revenue allocation financing provisions;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF SANDPOINT AS FOLLOWS:

Section 1: That there is an area within the City of Sandpoint which is a deteriorated or deteriorating area as defined by Idaho Code Section 50-2018(h), (i) and 50-2903(b),

Section 2: That the area proposed is approximately bounded by the Burlington Northern Santa Fe Railway on the West, the Burlington Northern Santa Fe Railway, Walnut Street, and Grahams Addition on the South, Boyer Avenue and North Boyer Avenue on the East, and the Residence "A" zone on the North. This area is set forth on the attached map and incorporated herein. This area shall be known as the Sandpoint Urban Renewal Area.

Section 3: That the City Council hereby makes the following findings and declarations of necessity:

- a. The Area includes the airport for the City of Sandpoint and Bonner County and it is predominately zoned Light Industrial. This Area is a likely and probable location for future commercial and industrial expansion of Sandpoint community activity.
- b. Many streets within the area are inadequate; portions of the Area, such as Great Northern Road, consist of graveled or partially paved surfaces. Most

are without curb, gutter or adequate sidewalks. Usage on the existing streets will far exceed their current capacity if further development occurs as expected in the area.

- c. The City of Sandpoint Comprehensive Plan bike path map proposes a path on Boyer Avenue, North Boyer Avenue, and Baldy Mountain Road. Removal of blight in the Area will enhance the experience and safety of those utilizing the trail.
- d. Undeveloped weed-covered vacant lots exist throughout this Area, acting as a drain on the City's resources through a decreased tax base and reduced tax revenues; many of these lots constitute a nuisance and are a social liability.
- e. Existing City sewer and water lines are inadequate to service the anticipated further commercial and public development.
- f. There are parcels of property in the area which lack safe and adequate street improvements necessary for their full development.
- g. It is necessary for the health, safety, and welfare that streets, sidewalks, and other public improvements be constructed or re-conditioned in this Area.
- h. This Area contains less than ten percent (10%) of the total assessed value in the City.

Section 4: That unless the aforementioned conditions are improved, they will substantially impair the sound growth potential of the City of Sandpoint and will constitute an economic and social liability; further development in the Area without such improvements will endanger public, health and welfare.

Section 5: That improvement of property and City services in the Area is necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and the local community objectives.

Section 6: That based upon the Conditions described above, and pursuant to Idaho Code Sections 50-2001, et. Seq. and 50-2901, et. Seq., there is a need for the Urban Renewal Agency to function in the City.

Section 7: The Sandpoint Urban Renewal Agency is hereby created and the Mayor is authorized to appoint five (5) commissioners for said district as provided by Idaho Code Section 50-2006. The City of Sandpoint Mayor is directed to cause City staff to assist in carrying out the Agency's work.

Section 8: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

Raymond P. Miller, Mayor

ATTEST:

Helen M. Newton, City Clerk

City Council Members:

	YES	NO	ABSTAIN	ABSENT
1. Elliott	X			
2. Ogilvie	X			
3. Boge Second	X			
4. Burgstahler	X			
5. Spickelmire Motion	X			
6. Lamson		X		

Appendix E

Resolution No. 05- 58: Amended Urban Renewal Area Created

RESOLUTION
OF THE CITY COUNCIL
CITY OF SANDPOINT

TITLE: NORTHERN URBAN RENEWAL DISTRICT - AMENDED

WHEREAS: The City of Sandpoint, by Resolution No. 05-29 adopted on May 18, 2005 created the Sandpoint Urban Renewal Agency; and

WHEREAS: Resolution No. 05-29 also created an Urban Renewal District for an area within the City of Sandpoint which was a deteriorated area as defined by Idaho Code Section 50-2018 (a), (g) and 50-2903 (b) and it was called "The Sandpoint Urban Renewal Area"; and

WHEREAS: The Sandpoint Urban Renewal Agency and city staff have had the time to reconsider the boundaries and the name of the Sandpoint Urban Renewal Area; and

WHEREAS: The Sandpoint Urban Renewal Agency and city staff now recommend that boundaries of the district be enlarged to include adjoining deteriorated area; and

WHEREAS: The Sandpoint Urban Renewal Agency and city staff seek to change the name of the enlarged district.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF SANDPOINT AS FOLLOWS:

Section 1: The current District is approximately bounded by the Burlington Northern Santa Fe Railway on the West, the Union Pacific Railway, Walnut Street, and Grahams Addition on the South, Sand Creek in Section 15 and North Boyer Avenue in Section 10 on the East, and the City Limits on the North. To this area shall be added on the southeast the property commonly known as the LP/ Riley Creek property and a one block area to the west of the LP/ Riley Creek property bounded by Chestnut, Forest, Spruce and Boyer streets commonly known as Lincoln School; also to be added is the property known as Farmin-Stidwell Schools; also to be added shall be newly annexed property on the northern boundaries of the area as well as Bonner County property that contains the county jail, the sheriff's office, and the county fairgrounds. The amended boundary is set forth on the attached map and incorporated herein.

Section 2: The area set forth in the attached map is, as yet, undeveloped and deteriorated and has the potential for development and thus increased tax revenue.

Section 3: The area set forth in the attached map is subject to the same conditions described in the findings and declarations of necessity resolved in Resolution No. 05-29.

Section 4: The conditions, findings and declarations in Resolution No. 05-29 are hereby adopted and applied to the additional area identified in the attached map.

Section 5: The additional area identified in the attached map is hereby combined with the original area approved in Resolution No. 05-29 and this new enlarged area shall be known as the Northern Urban Renewal District.

Section 6: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

Raymond P. Miller, Mayor

ATTEST:

Maree Peck, City Clerk

City Council Members:

		YES	NO	ABSTAIN	ABSENT
1.	Elliott Motion	X			
2.	Ogilvie Second	X			
3.	Boge	X			
4.	Burgstahler	X			
5.	Spickelmire	X			
6.	Lamson		X		

Appendix F

Minutes of Planning Commission Review of RAA Plans

SANDPOINT PLANNING COMMISSION

MEETING

October 4, 2005 MINUTES

COMMISSION MEMBERS PRESENT: Dick Hutter, John O'Hara, Gary Maxwell, Kevin Monahan, Steve Prince and Jan Temple.

COMMISSION MEMBERS ABSENT: Rafat Saied.

STAFF MEMBERS PRESENT: Planning Director/City Attorney Will Herrington, Associate Planner Joan Bramblee, and Recording Secretary Janet Richardson. Grant Writer Stephen Drinkard was present for the latter portion of the meeting.

Chairman John O'Hara called the meeting to order at 5:30 p.m.

[Minutes have been edited.]

PUBLIC MEETING:

Review of Urban Renewal Plans

Stephen Drinkard gave a review of the urban renewal plans. The Urban Renewal Board was established in May of this year, and an initial urban renewal area was established. Last month, that area was amended by the City Council to include more area: a northern area and the downtown area. The Board and city staff are developing Revenue Allocation Area Plans and having a survey company write the legal descriptions for those areas.

This Commission must decide whether the plans for these areas fit the intent and letter of the City's Comprehensive Plan. If they do, these plans will be presented to City Council.

Commissioner Hutter inquired about assessed value percentages. Mr. Drinkard responded that property included in Urban Renewal Areas cannot total more than 10 percent of the total assessed value in the city. There is approximately \$31 million of assessed value in the combined proposed areas. The total City valuation is about \$570 million. Mr. Drinkard's hope is to be comfortably below the 10 percent cap.

Mr. Drinkard said rebuilding Great Northern and Woodland Drive has been on the drawing board for several years. It is approximately a \$7 million project, but those costs increase each year. It is likely that the City could obtain \$2.5 million in grants for the project. Landowners could finance part of it, perhaps \$200,000 through a Local Improvement District. The Urban Renewal money is the most realistic way to finance the improvement of that road. Downtown, there is a \$7 million revitalization project. There is possibility of a block grant if there is a large infusion of local funds. There is also a possibility of reversion dollars from the state. The downtown revitalization project includes redoing streetscapes and upgrading the city parking lot. General obligation bonds could finance these projects, but it would take a super majority vote and it would be a huge hit on city residents. He does not expect that residents would pass a tax bond for these projects.

Upon questioning by Commissioner Hutter, Mr. Drinkard allowed that the estimate on the Great Northern road project is a "Cadillac" version, with sidewalks on both sides. Realistically, there would only be a sidewalk on one side, or just striping for pedestrians. He expects that it would cost \$2.5 million to purchase rights-of-way. A less expensive road would be \$6 million. Discussion ensued on the width of the right-of-way along Great Northern Road. Mr. Drinkard allowed the road project may only be a \$4 million or \$5 million project.

PUBLIC COMMENT:

Molly O'Reilly, 401 S. Euclid, Sandpoint, asked what the City's Comprehensive Plan says about public process and public participation.

Mr. Herrington said state law addresses that issue, not the Comprehensive Plan.

Mrs. O'Reilly said that staff has said that if this were a bond that went before the public, it would fail. She is concerned that the public is not here and is not aware of this plan. She noted there are several weeks left to take this plan to the public and try to get public support.

Seeing no other residents wishing to speak, Chairman O'Hara closed public testimony and opened the meeting to Commission discussion. A brief discussion ensued.

Commissioner Prince moved, and Commissioner Monahan seconded, that the Sandpoint Planning Commission forward a recommendation to the City Council that the Northern Revenue Allocation Area Plan is in conformity with the general Comprehensive Plan for the development of the City of Sandpoint as a whole.

The motion carried, with Commissioner Hutter opposed.

Commissioner Temple moved and Commissioner Prince seconded that the Sandpoint Planning Commission forward a recommendation to the City Council that the Downtown Revenue Allocation Area Plan is in conformity with the general Comprehensive Plan for the development of the City of Sandpoint as a whole.

Chairman O'Hara noted this Commission's part in the process is to advise the Council whether the Urban Renewal plan meets the city's Comprehensive Plan.

The motion carried, with Commissioner Hutter dissenting.

Appendix G

Map of Both the Northern URA and the RAA

Map will be hand inserted here.

Appendix H

Ordinance No. ____: Establishment of Northern RAA Plan
