

ORDINANCE NO. 3337

BY THE COUNCIL:

BRUNING, EDINGER, GOODLANDER,
HASSELL, KENNEDY, McEVERS,

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO, APPROVING THE AMENDED AND RESTATED LAKE DISTRICT URBAN RENEWAL PROJECT, INCLUDING THE SORENSEN MAGNET SCHOOL, WINTON SCHOOL, AND WINTON PARK AREA (NOW REFERRED TO AS THE SECOND AMENDED AND RESTATED PLAN), WHICH SECOND AMENDED AND RESTATED PLAN INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING THE CITY CLERK TO TRANSMIT A COPY OF THIS ORDINANCE AND OTHER REQUIRED INFORMATION TO COUNTY AND STATE OFFICIALS; APPROVING THE SUMMARY OF THE ORDINANCE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on or about the 5th day of August, 1997, by Resolution No. 97-151 the Council and Mayor of Coeur d'Alene created an urban renewal agency, The Coeur d'Alene Urban Renewal Agency (now known as the Lake City Development Corporation ("LCDC")), authorizing it to transact business and exercise the powers granted by the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, as amended (the "Law"), and the Local Economic Development Act, the same being Idaho Code, Title 50, Chapter 29, as amended; (the "Act"), upon making the findings of necessity required for creating said Urban Renewal Agency;

WHEREAS, pursuant to Idaho Code Section 50-2008, an urban renewal project may not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or deteriorating area, or combination thereof, and designated such area as appropriate for an urban renewal project;

WHEREAS, Idaho Code Section 50-2906, also requires that in order to adopt an urban renewal plan containing a revenue allocation financing provision, the local governing body must make a finding or determination that the area included in such plan is a deteriorated area or deteriorating area;

WHEREAS, the City Council of the city of Coeur d'Alene, Idaho (the "City"), after notice duly published, conducted a public hearing on the Coeur d'Alene Urban Renewal Plan for Midtown-Northwest Boulevard, and Downtown Urban Renewal Project (the "1997 Urban Renewal Plan," and the urban renewal area referred to as the 1997 Project Area);

WHEREAS, following said public hearing, the City adopted its Ordinance No. 2842 on December 16, 1997, approving the 1997 Urban Renewal Plan (hereinafter the “Lake District Urban Renewal Plan”) and making certain findings;

WHEREAS, in 2003, LCDC Staff and consultants previously considered changes to the Lake District Urban Renewal Plan Boundaries to update the Finance Plan to add other redevelopment activities and to incorporate certain legislative changes to the Law and Act adopted since 1997;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Lake District Urban Renewal Plan (the “Lake District Amended and Restated Plan”) to redevelop a portion of the City, pursuant to the Law and the Act;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 3154 on November 18, 2003, approving the Lake District Amended and Restated Plan, and making certain findings;

WHEREAS, it has become apparent that additional property adjacent to the Lake District Amended and Restated Plan Area is deteriorating or deteriorated and should be included in the urban renewal project;

WHEREAS, LCDC, in August, 2007, requested Harlan Mann, Real Estate Consultant (“Consultant”), review an additional area adjacent to the area covered in the Lake District Amended and Restated Plan and to prepare an eligibility report to include the additional area;

WHEREAS, LCDC has obtained the Winton School, Winton Park, and Sorenson Magnet School Urban Renewal Eligibility Report (the “Sorenson School Report”), which examines an area bounded generally by Blackwell Island to the west, 11th Street to the east, Lake Coeur d’Alene to the south, and Miller Avenue to the north, for the purpose of determining whether such area is a deteriorating area and deteriorated area as defined by Idaho Code, Sections 50-2018(9) and 50-2903(8)(b);

WHEREAS, the Sorenson School Report, dated October 11, 2007, has been submitted to the LCDC;

WHEREAS, on October 17, 2007, the LCDC Board adopted Resolution No. 08-01 recommending the City Council declare the area identified in the Sorenson School Report as qualifying for urban renewal activities;

WHEREAS, pursuant to Idaho Code Section 50-2008, an urban renewal project for an urban renewal area shall not be planned until such area has been found to be deteriorated or deteriorating by the adoption of a resolution by the City Council;

WHEREAS, Idaho Code, Section 50-2906 also requires that in order to adopt an urban renewal plan containing a revenue allocation financing provision, the local governing body must

make a finding or determination that the area included in such plan is a deteriorated area or deteriorating area;

WHEREAS, the City Council, at its November 20, 2007, meeting, considered the issue of declaring the geographic area described within the Sorenson School Report as deteriorated or deteriorating and, by way of City Council Resolution No. 07-070, directed LCDC to prepare an amended urban renewal plan to include the areas referred to as the Sorenson Magnet School, Winton School, and Winton Park Area;

WHEREAS, the Legislature of the state of Idaho has enacted the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, referred to herein as the "Act," authorizing certain urban renewal agencies, including LCDC, to adopt revenue allocation financing provisions as part of their urban renewal plans;

WHEREAS, LCDC has embarked on an urban renewal project referred to as the Amended and Restated Lake District Urban Renewal Project, including the Sorenson Magnet School, Winton School, and Winton Park Area (the "Second Amended and Restated Plan") to redevelop a portion of the City of Coeur d'Alene pursuant to the Law and the Act;

WHEREAS, the Second Amended and Restated Plan proposes to add an additional urban renewal area referred to as the Sorenson Magnet School, Winton School, and Winton Park Area located in the following area: bounded generally by Blackwell Island to the west, 11th Street to the east, Lake Coeur d'Alene to the south, and Miller Avenue to the north;

WHEREAS, LCDC has prepared the proposed Second Amended and Restated Plan for the area previously designated as eligible for urban renewal planning as determined by LCDC and City Council;

WHEREAS, in order to implement the provisions of the Act and the Law, either LCDC may prepare a plan, or any person, public or private, may submit such a plan to LCDC;

WHEREAS, LCDC staff and consultants have undertaken the planning process since November 2007;

WHEREAS, LCDC has prepared the proposed Second Amended and Restated Plan for the areas designated as eligible for urban renewal planning;

WHEREAS, such proposed Second Amended and Restated Plan also contains provisions of revenue allocation financing as allowed by the Act;

WHEREAS, in order to implement the provisions of the Act and the Law, LCDC shall prepare and adopt a plan for each revenue allocation area and submit the Second Amended and Restated Plan and recommendation for approval thereof to the City Council;

WHEREAS, as required by the Act, LCDC has reviewed the information within the Second Amended and Restated Plan concerning the use of revenue allocation funds and approved such information;

WHEREAS, the Board considered all comment, testimony, and information submitted to LCDC during the June 18, 2008, meeting;

WHEREAS, on June 18, 2008, the LCDC Board passed Resolution No. 08-09 proposing the Second Amended and Restated Plan;

WHEREAS, such Second Amended and Restated Plan has been tendered to the City Planning and Zoning Commission and to the City Council of the City of Coeur d'Alene for their consideration and review as required by the Law and the Act;

WHEREAS, LCDC has, by letter of transmittal dated June 24, 2008, submitted the Second Amended and Restated Plan to the Mayor and City Council of Coeur d'Alene;

WHEREAS, the Mayor and City Clerk have taken the necessary action to process the Second Amended and Restated Plan;

WHEREAS, notice of the public hearing of the Second Amended and Restated Plan was caused to be published by the Coeur d'Alene City Clerk of Coeur d'Alene, Idaho, in the Coeur d'Alene Press on July 14, and August 4, 2008, a copy of said notice being attached hereto as Exhibit 1;

WHEREAS, as of July 8, 2008 the Second Amended and Restated Plan, a copy of which is attached hereto as Exhibit 2 and incorporated herein by reference, was submitted to the effected taxing entities, available to the public, and under consideration by the City Council;

WHEREAS, at a meeting held July 8, 2008, the city of Coeur d'Alene Planning and Zoning Commission considered the Second Amended and Restated Plan and found that the Second Amended and Restated Plan is in all respects in conformity with the Comprehensive Plan; a copy of the Planning and Zoning Commission action is attached hereto as Exhibit 3;

WHEREAS, the City Council during its regular meeting of August 19, 2008, held such public hearing;

WHEREAS, as required by Idaho Code Sections 50-2905 and 50-2906, the Second Amended and Restated Plan contains the following information which was made available to the general public and all taxing districts at least thirty (30) days prior to the August 19, 2008, regular meeting of the City Council: (1) the kind, number, and location of all proposed public works or improvements within the revenue allocation area; (2) an economic feasibility study; (3) a detailed list of estimated project costs; (4) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property in the revenue allocation area; and (5) a description of the methods

of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred;

WHEREAS, the Second Amended and Restated Plan authorizes certain projects to be financed by revenue allocation bonds and proceeds from revenue allocation;

WHEREAS, appropriate notice of the Second Amended and Restated Plan and revenue allocation provision contained therein has been given to the taxing districts and to the public as required by Idaho Code Section 50-2906;

WHEREAS, it is necessary, and in the best interests of the citizens of the city of Coeur d'Alene, Idaho, to recommend approval of the Second Amended and Restated Plan and to adopt, as part of the Second Amended and Restated Plan, revenue allocation financing provisions that will help finance urban renewal projects to be completed in accordance with the Second Amended and Restated Plan (as now or hereafter amended), in order to (1) encourage private development in the urban renewal area; (2) to prevent and arrest decay of the plan project area due to the inability of existing financing methods to provide needed public improvements; (3) to encourage taxing districts to cooperate in the allocation of future tax revenues arising in the Second Amended and Restated Project Area in order to facilitate the long-term growth of their common tax base; (4) to encourage private investment within the city of Coeur d'Alene and (5) to further the public purposes of LCDC;

WHEREAS, the overall Second Amended and Restated Plan Area Base Assessment Value, along with the original Plan area of 1997 and the River District Plan Area, cannot exceed ten percent (10%) of the Base Assessment Value of the city of Coeur d'Alene;

WHEREAS, the City Council finds that the equalized assessed valuation of the taxable property in the revenue allocation area described in Attachments 1 and 2 of the Second Amended and Restated Plan is likely to increase as a result of initiation of urban renewal projects in accordance with the Second Amended and Restated Plan;

WHEREAS, under the Law and Act any such Plan should provide for (1) a feasible method 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 should conform to the general plan of the municipality as a whole; (3) the urban renewal plan should give due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of the children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan should afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise;

WHEREAS, 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 slums 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 (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 the Law, because of defective or unusual conditions of title, diversity of ownership tax delinquency, improper subdivisions, 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;

WHEREAS, the Second Amended and Restated Plan Area does not contain any significant open land;

WHEREAS, the City at its regular meeting held on August 19, 2008, held a public hearing and did consider the Second Amended and Restated Plan as proposed, and made certain comprehensive findings.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF COEUR D'ALENE:

SECTION 1: It is hereby found and determined that:

(a) The Project Area as defined in the Amended and Restated Lake District Urban Renewal Project, including The Sorenson Magnet School Winton School, And Winton Park Area (Second Amended and Restated Plan and the project area referred to as the "Second Amended and Restated Project Area") is a deteriorated or a deteriorating area as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Law and Act.

(b) The rehabilitation, conservation, and redevelopment of the urban renewal area pursuant to the Second Amended and Restated Plan is necessary in the interests of public health, safety, and welfare of the residents of the city of Coeur d'Alene.

(c) There continues to be a need for LCDC to function in the city of Coeur d'Alene.

(d) The Second Amended and Restated Plan conforms to the Comprehensive Plan of the city of Coeur d'Alene, as evidenced by the action taken by the Planning and Zoning Commission at its July 8, 2008, meeting, a copy of which is attached hereto as Exhibit 3.

(e) The Second Amended and Restated Plan gives due consideration to the provision of adequate park and recreation areas and facilities that may be desirable for neighborhood

improvement (recognizing the primary commercial component of the Second Amended and Restated Plan, the need for overall public improvements, the proposed public open space), and shows consideration for the health, safety, and welfare of any residents or businesses in the general vicinity of the urban renewal area covered by the Second Amended and Restated Plan.

(f) The Second Amended and Restated Plan affords maximum opportunity consistent with the sound needs of the City as a whole for the rehabilitation and redevelopment of the urban renewal area by private enterprises.

(g) The Second Amended and Restated Plan provides a feasible method for relocation of any displaced families residing within the urban renewal area.

(h) The base assessment rolls of the Second Amended and Restated Project Area, including the 1997 and 2008 Project Areas along with the River District Project Area, do not exceed ten percent (10%) of the assessed value of the city of Coeur d'Alene.

SECTION 2: The City Council finds that the Second Amended and Restated Project Area and Revenue Allocation Area do not consist of predominately open land, that LCDC does not intend to acquire any open land on any widespread basis, and that the Project Area is planned to be redeveloped in a manner that will include both residential and nonresidential uses. Provided, however, the City Council finds that if portions of the Second Amended and Restated Project Area and Revenue Allocation Area are deemed "open land," the criteria set forth in the Law and Act have been met.

SECTION 3: The City Council finds that one of the Second Amended and Restated Plan objectives to increase the residential opportunity to include affordable housing does meet the sound needs of the City and will provide housing opportunity in an area that does not now contain such opportunity, and the portion of the Project Area which is identified for nonresidential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Coeur d'Alene Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns, and the need for the correlation of this area with other areas of the City.

SECTION 4: The Second Amended and Restated Plan attached hereto as Exhibit 2 and made a part hereof, is hereby approved. As directed by the City Council, the City Clerk and/or LCDC may make certain technical corrections or revisions in keeping with the information and testimony presented at the August 19, 2008, hearing and incorporate such changes or modifications, if any.

SECTION 5: No direct or collateral action challenging the Second Amended and Restated Plan shall be brought prior to the effective date of this Ordinance or after the elapse of thirty (30) days from and after the effective date of this Ordinance adopting the Second Amended and Restated Plan.

SECTION 6: Upon the effective date of this Ordinance, the City Clerk is authorized and directed to transmit to the County Auditor and Tax Assessor of Kootenai County and to the

appropriate officials of Kootenai County Board of Commissioners, School District No. 271, Kootenai County EMS, North Idaho College and the Eastside, Worley, and Post Falls Highway Districts, and the State Tax Commission a copy of this Ordinance, a copy of the legal description of the boundaries of the Revenue Allocation Area, and a map or plat indicating the boundaries of the Revenue Allocation Area.

SECTION 7: The City Council hereby finds and declares that the Revenue Allocation Area as defined in the Second Amended and Restated Plan includes that portion of the urban renewal area (defined as the Project Area in the Second Amended and Restated Plan), the equalized assessed valuation of which the Council hereby determines is in and is part of the Second Amended and Restated Plan has increased since the 1997 Plan adoption, and is likely to continue to increase as a result of the initiation and completion of urban renewal projects pursuant to the Second Amended and Restated Plan. The base assessment roll remains as established by the passage of Ordinance 2842 on December 16, 1997, and a base assessment roll for the addition of the area included by the adoption of this Ordinance.

SECTION 8: The City Council hereby approves and adopts the following statement policy relating to the appointment of City Council members as members of LCDC's Board of Commissioners: If any City Council members are appointed to the Board, they are not acting in an ex officio capacity, but, rather, as private citizens who, although they are also members of the City Council, are exercising their independent judgment as private citizens when they sit on the Board. Except for the powers to adopt and terminate Board members and to adopt the Second Amended and Restated Plan, the City Council recognizes that it has no power to control the powers or operations of LCDC.

SECTION 9: This Ordinance shall be in full force and effect immediately upon its passage, approval, and publication and shall be retroactive to January 1, 2008, to the extent permitted by the Act with the original revenue allocation area (the 1997 Project Area) maintaining its base assessment roll of January 1, 1997.

SECTION 10: The provisions of this Ordinance are severable, and if any provision of this Ordinance or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of remaining portions of this Ordinance.

SECTION 11: One-half, plus one of the City Council members finding good cause, the City Council hereby dispenses with the rule that this Ordinance be read on three different days; two readings of which shall be in full, and have hereby adopted this Ordinance, having considered it at one reading.


SECTION 12: The Summary of this Ordinance, a copy of which is attached hereto as Exhibit 4, is hereby approved.

SECTION 13: All ordinances, resolutions, orders or parts thereof in conflict herewith are hereby repealed, rescinded and annulled.

SECTION 14: SAVINGS CLAUSE: This ordinance does not affect an action or proceeding commenced or right accrued before this ordinance takes effect.

PASSED by the City Council of the City of Coeur d'Alene, Idaho, on this 19th day of August, 2008.


APPROVED by the Mayor of the City of Coeur d'Alene, Idaho, on this 19th day of August, 2008.



Mayor Sandi Bloem

ATTEST:

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Susan Weathers, City Clerk

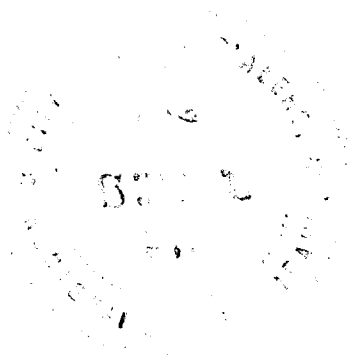


Exhibit 1

NOTICE PUBLISHED IN THE Coeur d' Alene Press
On July 14, 2008 and August 4, 2008

NOTICE OF REGULAR MEETING AND PUBLIC HEARING BY THE
CITY COUNCIL OF THE CITY OF COEUR D'ALENE
TO CONSIDER THE
SECOND AMENDED AND RESTATED
MIDTOWN-NORTHWEST BOULEVARD DOWNTOWN URBAN RENEWAL PLAN,
NOW REFERRED TO
AS THE LAKE DISTRICT URBAN RENEWAL PROJECT PLAN
OF THE URBAN RENEWAL AGENCY OF THE CITY OF COEUR D'ALENE,
ALSO KNOWN AS THE LAKE CITY DEVELOPMENT CORPORATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Coeur d'Alene will hold, during its regular meeting, a public hearing in the Library's Community Room, 702 E. Front Ave., Coeur d'Alene, Idaho, 83814 on Tuesday, August 19, 2008, at 6:00 p.m., to consider the Second Amended and Restated Midtown-Northwest Boulevard Downtown Urban Renewal Plan, now referred to as the Lake District Urban Renewal Project Plan ("Second Amended and Restated Plan"), of the Coeur d'Alene Urban Renewal Agency. The boundaries of the Second Amended and Restated Plan Area are hereinafter described. The boundaries include both urban renewal and revenue allocation areas. The Second Amended and Restated Plan proposes that the Coeur d'Alene Urban Renewal Agency (the "Agency") undertake urban renewal projects pursuant to the Idaho Urban Renewal Law of 1965 as amended. The Second Amended and Restated Plan proposes to continue activities within the urban renewal area commonly referred to as the Lake District Urban Renewal Project Area. The Second Amended and Restated Plan being considered for adoption contains a revenue allocation financing provision pursuant to the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, that will cause property taxes resulting from any increase in equalized assessed valuation in excess of the equalized assessed valuation as shown on the base assessment roll as of January 1997 for the original 1997 Project Area, and January 2008 for the additional area, to be allocated to the Agency for urban renewal purposes. The additional area proposed under the Second Amended and Restated Project Area is property commonly referred to as the Sorenson Magnet School Site, the Winton School Site, and the Winton Park Site. The boundaries of the revenue allocation area are co-terminus with the urban renewal area. The Agency has recommended approval of the Second Amended and Restated Plan. The Council will also be considering a final reading of an Ordinance to adopt the Second Amended and Restated Plan.

The general scope and objectives of the Second Amended and Restated Plan are:

1. Acquisition of certain real property (if needed) and through the measures described in Section 4;
2. Demolition or removal of certain buildings and improvements for public rights-of-way for streets, utilities, walkways, and other improvements for public facility building sites, to eliminate unhealthful, unsanitary, or unsafe conditions, improve density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of deterioration;
3. Provision for participation by property owners within the Project Area;

4. Management of any property acquired by any entity under the ownership and control of the Agency;
5. Provision for relocation assistance to displaced Project occupants, as required by law;
6. The installation, construction, or reconstruction of streets, curb and gutter, sidewalks, streetscapes, design standards, utilities, parking facilities, recreation and park amenities, art, and other public improvements including but not limited to the operation and management of such facilities and the design and engineering of such facilities in conformance with the Law, the Act, and the Second Amended and Restated Plan;
7. The disposition of property for uses in accordance with the Law, the Act, and this Second Amended and Restated Plan and commitment by those who are conveyed such property to redevelop the property in accordance with the Second Amended and Restated Plan;
8. The development and redevelopment of land by private enterprise or public agencies for uses in accordance with the Second Amended and Restated Plan;
9. The assembly of adequate sites for the development and construction of residential and commercial facilities and recreational opportunities;
10. To the extent allowed by law, the lending or investing of federal funds to facilitate redevelopment;
11. The construction of foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights and sites for buildings to be used for residential, commercial, and other uses contemplated by the Second Amended and Restated Plan and to provide utilities to the development site as authorized by Idaho Code Section 50-2007(j); and
12. Encourage/secure entertainment activities in applicable sites within the Urban Renewal Area.

Any such land uses as described in the Second Amended and Restated Plan will be in conformance with zoning for the City of Coeur d'Alene, adopted by the City Council. Land made available will be developed by private enterprises or public agencies as authorized by law. The Amended and Restated Plan identifies various public and private improvements which may be made within the Second Amended and Restated Urban Renewal Area.

The map below shows the Urban Renewal Project Area Boundary and Revenue Allocation Area Boundary, and for the purpose of the proposed boundary modification, generally described as that area from Blackwell Island to the west, 11th Street to the east, Lake Coeur d'Alene to the south, and LaCrosse Avenue to the north. The new area is shown on the map by *(whatever Renata can do on her machine that will make the added areas stand out in the newspaper)*. The Revenue Allocation Area will consist of all of the Urban Renewal Project Area. The outside boundaries of the Urban Renewal Project Area and the Revenue Allocation Area are co-terminus.

The Project Area is also depicted in the map below.

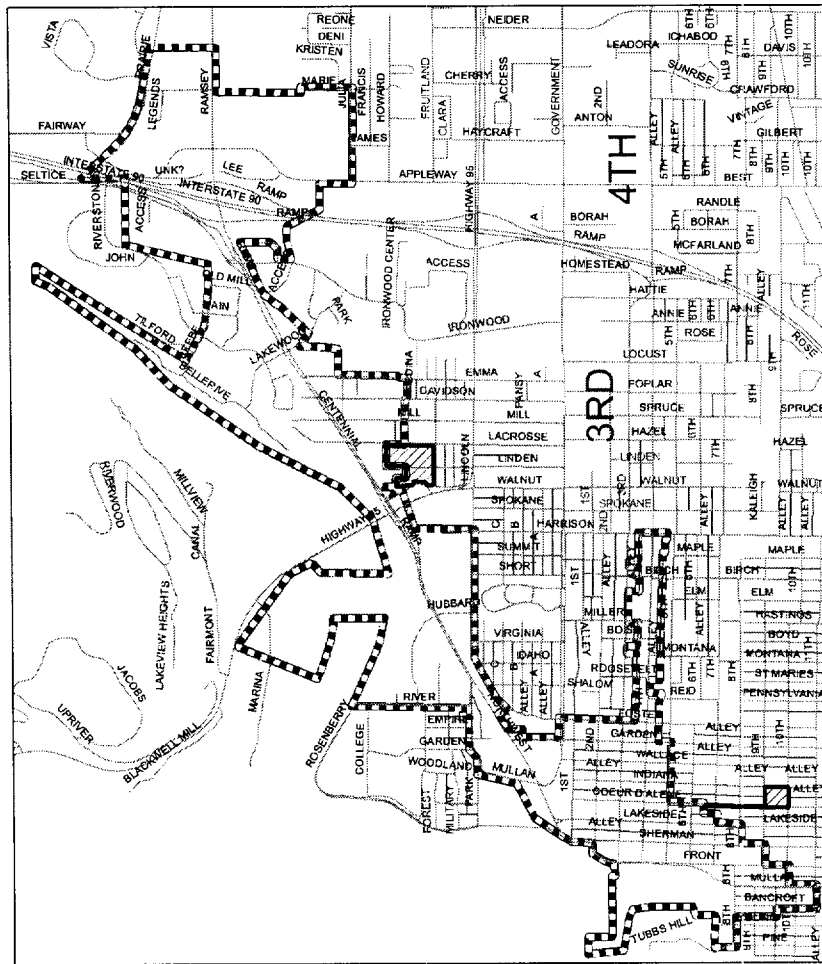
Copies of the proposed Amended and Restated Plan are on file for public inspection and copying for the cost of duplication at the office of the City Clerk, City Hall, 702 E. Mullan, Coeur d'Alene, Idaho 83814, between the hours of 8:00 o'clock a.m. and 4:00 o'clock p.m., Monday through Friday, exclusive of holidays.

The hearing will be held in a handicapped accessible facility. All information presented in the hearing shall also be available upon advance request in a form usable by persons with hearing or visual impairments, individuals with other disabilities may receive assistance by contacting the City 24 hours prior to the hearing.

At the time and place noted above, all persons interested in the above matters may appear and be heard. Written comments will also be accepted. Comments should be directed to the Coeur d'Alene City Clerk.

DATED this 2nd day of July, 2008.

Susan Weathers, CMC
City Clerk



Publication date: July 14, 2008 and August 4, 2008.

"Exhibit 1"

Exhibit 2

AMENDED AND RESTATED LAKE DISTRICT URBAN RENEWAL PROJECT,
INCLUDING THE SORENSON MAGNET SCHOOL, WINTON SCHOOL,
AND WINTON PARK AREA

(Now referred to as the Second Amended and Restated Plan)

COPY

**SECOND AMENDED AND RESTATED
MIDTOWN-NORTHWEST BOULEVARD
DOWNTOWN URBAN RENEWAL PLAN
COEUR D'ALENE URBAN RENEWAL AGENCY
(also known as the Lake City Development Corporation)
CITY OF COEUR D'ALENE, IDAHO
NOW REFERRED TO AS THE
LAKE DISTRICT
URBAN RENEWAL PROJECT PLAN**

**Ordinance No. 2842
Adopted December 16th, 1997
Effective December 24th, 1997**

**Amended and Restated Plan
Ordinance No. 3154
Adopted November 18th, 2003
Effective November 26th, 2003**

**Second Amended and Restated Plan
Ordinance No. 3337
Adopted August 19th, 2008
Effective August 27th, 2008**

**SECOND AMENDED AND RESTATED
URBAN RENEWAL PLAN FOR THE
MIDTOWN NORTHWEST BOULEVARD DOWNTOWN AREA
COEUR D'ALENE URBAN RENEWAL AGENCY**

**PART 1
INTRODUCTION**

SECTION 1 INTRODUCTION

A. Overview of This Second Amended and Restated Urban Renewal Plan

This is the 2008 update to the 2003 Amended and Restated Urban Renewal Plan to be referred to as the Lake District Urban Renewal Project Plan (the “Second Amended and Restated Plan” herein)¹ for the Midtown, Downtown, and Northwest Boulevard Urban Renewal now referred to as Lake District project (the “Second Amended and Restated Project”) in the city of Coeur d’Alene (the “City”). This Second Amended and Restated Plan consists of the text and the following attachments:

Description of the Second Amended and Restated Project Area and Revenue Allocation Area Boundaries (Attachment “1”);

Second Amended and Restated Project Area-Revenue Allocation Area Boundary Map (Attachment “2”);

Private Properties Which May Be Acquired by Lake City Development Project (Attachment “3”);

Map Depicting Expected Land Uses and Current Zoning Within Revenue Allocation Area and the Second Amended and Restated Project Area (Attachment “4”);

Economic Feasibility Study for the Lake District Urban Renewal Area (Attachment “5”).

The term “Project” is used herein to describe the overall activities defined in this Second Amended and Restated Plan. Such activities include both private and public development of

¹This 2008 update to the 2003 Amended and Restated Plan is organized in a manner which shows new text redlined and text deleted as crossed out from the 2003 Amended and Restated Plan. Many of the tables and exhibits from the original 1997 Plan or the 2003 Amended and Restated Plan are not repeated in this Second Amended and Restated Plan for ease of review and analysis. Additionally, much of the 1997 financial information and improvement list has been replaced or superseded. The original work for the 1997 Plan is available through LCDC or the City of Coeur d’Alene.

property within the Urban Renewal Area. The term "Project" refers to the specific activity or development identified in this Second Amended and Restated Plan and included in Part 5 hereof. The term "Project" is not meant to refer to a specific activity or development scheme. Reference is specifically made to Idaho Code Section 50-2018(1) for the various activities contemplated by the term "Project."

In 1997 an urban renewal plan (hereinafter the "1997 Plan") was prepared at the direction of the Coeur d'Alene Urban Renewal Agency, aka Lake City Development Corporation (the "LCDC") and utilizes information gathered over a period of months from hotel and telephone surveys, from business owners, the citizens of Kootenai County, the Lake City Coalition, from economic advisor, HyettPalma, and employee and customer focus groups. The 1997 Plan was reviewed and recommended by the LCDC, pursuant to the State of Idaho Urban Renewal Law, Chapter 20, Title 50, Idaho Code (the "Law"), the Local Economic Development Act, Chapter 29, Title 50, Idaho Code (the "Act"), the Idaho Constitution, and all applicable local laws and ordinances.

In 2003, the original 1997 Plan was amended to extend the original term of the Lake District Project from 15 to 24 years, update the financial information, and include several statutory changes since 1997.

This 2008 update to the 2003 Amended and Restated Plan provides the LCDC with powers, duties, and obligations to implement and further the program generally formulated in this Second Amended and Restated Plan for the redevelopment, rehabilitation, and revitalization of the area within the boundaries of the Second Amended and Restated Project (the "Second Amended and Restated Project Area"). This 2008 update amends the boundaries of the urban renewal project area to include an area referred to as the Sorenson Magnet School, Winton School, and Winton Park Sites (the 2007 Eligible Area) as identified in that certain urban renewal eligibility report prepared by Harlan W. Mann, consultant (the 2007 Report), accepted by the LCDC Board by adoption of LCDC Resolution No. 8-01 on October 17, 2007, and approved by the Coeur d'Alene City Council by adoption of the City Council Resolution No. 07-070 on November 20, 2007. The 2008 update again provides updated financial information and additional statutory changes. The LCDC retains all powers allowed by the Law and Act. Because of the long-term nature of this Second Amended and Restated Plan and the need to retain in the LCDC flexibility to respond to market and economic conditions, property owner and developer interests, and opportunities from time to time presented for redevelopment, this Second Amended and Restated Plan does not present a precise plan or establish specific projects for the redevelopment, rehabilitation, and revitalization of any area within the Second Amended and Restated Project Area, nor does this Second Amended and Restated Plan present specific proposals in an attempt to solve or alleviate the concerns and problems of the community relating to the Second Amended and Restated Projected Area. Instead, this Second Amended and Restated Plan presents a process and a basic framework within which specific plans will be presented, specific projects will be established, and specific solutions will be proposed, and by which tools are provided to the LCDC to fashion, develop, and proceed with such specific plans, projects, and solutions.

Implementation of this Second Amended and Restated Plan will require public co-investment to help stimulate desired private development. Typically, the public will fund enhanced public facilities like streets, sidewalks, parking facilities, parks, public buildings such as City Hall, or plazas which, in turn, create an attractive setting for adjacent private investment.

The proposed development and redevelopment of the Second Amended and Restated Project Area as described in this Second Amended and Restated Plan conforms to the Coeur d'Alene Comprehensive Plan 2008 (hereafter, the "Comprehensive Plan") adopted by the City Council on January 15, 2008, pursuant to Resolution No. 08-005 which includes and incorporates certain appendices; pursuant to Ordinance 1514 - the 1993 Bikeways Plan (for orderly development of a bikeway system within Coeur d'Alene, and pursuant to Ordinance 2242 - the Coeur d'Alene Comprehensive Transportation Plan all of which are incorporated herein by reference as if set forth fully.

The attachments generally describe the overall Amended and Restated Project. Because of the changing nature of the Second Amended and Restated Project Area, these documents, by necessity, must be dynamic and flexible. The LCDC anticipates that these documents will be modified as circumstances warrant. All modifications shall be made in accordance with Section 50-2008(c) of the Idaho Code. No modification will be deemed effective if it is in conflict with this Second Amended and Restated Plan. These documents are purposely flexible. Prior to the adoption of any proposed modification to these documents, the LCDC shall notify the City and publish a public notice of such proposed modification at least thirty (30) days prior to the consideration of such proposed modification, thus providing the City and any other interested person or entity an opportunity to comment on said proposed modification. The LCDC shall consider any such comments and determine whether to adopt the modification. The planning documents apply to redevelopment activity within the Second Amended and Restated Project Area as described herein. In the event of any conflict between this Second Amended and Restated Plan and the appended documents, the provisions of this Second Amended and Restated Plan shall control.

This Second Amended and Restated Plan provides the LCDC with powers, duties and obligations to implement and further the program generally formulated in this Second Amended and Restated Plan for the redevelopment, rehabilitation, economic enhancement, and revitalization of the Second Amended and Restated Project Area. The LCDC retains all powers allowed by law. The LCDC will encourage projects with those activities which comply with the Law and the Act and meet the overall objectives of this Second Amended and Restated Plan.

The major goals of this Second Amended and Restated Plan are:

1. The assembly of land into parcels suitable for efficient, integrated development;
2. The planning, design, and development of undeveloped areas which are stagnant or inefficiently utilized;

3. The strengthening of the economic base of the Second Amended and Restated Project Area and the community by the installation of needed site improvements to stimulate new commercial expansion, employment, and economic growth;
4. The provision of adequate land for parks and open spaces, pedestrian walkways, and parking facilities;
5. The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Amended and Restated Project;
6. The encouragement of funding of Arts programs;
7. The elimination of environmental deficiencies in the Second Amended and Restated Project Area, including, among others, obsolete and aged building types, substandard streets or rights-of-way, inadequate and deteriorated public facilities and improvements;
8. The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and the Second Amended and Restated Project Area as a whole, and benefiting the various taxing districts in which the Urban Renewal Area is located;
9. The provision and improvement of streets, rights-of-way, and other public infrastructure and public facilities including improvements to the Sorenson and Winton Schools and Winton Park in the Second Amended and Restated Project Area;
10. The enhancement and improvement of transportation for vehicles, bicycles, and pedestrians in the Area;
11. The improvement of aesthetics in the Area; and
12. The accomplishment of all other things necessary and appropriate to arrest the impairment of sound growth, decay and deterioration.

By adoption of LCDC Resolution 03-07 on April 16, 2003, LCDC formally adopted the LCDC Lake District Strategic Plan (the "Strategic Plan"), which is incorporated herein by reference and will guide the implementation of this Second Amended and Restated Plan. As a result of the conclusions set forth in the Strategic Plan, LCDC determined certain modifications to the 1997 Plan were necessary, including an extension of the term of the 1997 Plan to the 24-year term allowed by the Law and Act. Also per the Strategic Plan, LCDC determined that certain modifications to the 2003 Amended and Restated Lake District Plan were necessary,

including the modification of the Lake District Boundary to include School District 271's Sorenson and Winton elementary schools sites, and the City of Coeur d'Alene's Winton Park.

B. General Procedures of the LCDC

LCDC is a public body, corporate and politic, as defined and described under the Law and the Act. The LCDC is also governed by its bylaws authorized by the Law and adopted by LCDC. Under the Law, LCDC is governed by the Idaho open meeting law, the Public Records Act, the Ethics in Government Act, financial reporting requirements under Idaho Code Section 67-450(B), and the competitive bidding requirements under Chapter 28, Title 67, Idaho Code.

Generally, LCDC shall conduct all meetings in open session and allow meaningful public input as mandated by the issue considered or by any statutory or regulatory provision. Whenever in this Second Amended and Restated Plan it is stated that LCDC may modify, change, or adopt certain policy statements or contents of this Second Amended and Restated Plan not requiring a formal amendment to this Second Amended and Restated Plan as required by the Law or the Act, it shall be deemed to mean a consideration by the LCDC board of such policy or procedure, duly noticed upon the LCDC meeting agenda and considered by the LCDC at an open public meeting and adopted by a majority of the members present, constituting a quorum, unless any provision herein provides otherwise.

SECTION 2 CONFORMANCE WITH STATE AND LOCAL REQUIREMENTS

In 1994, the Local Economic Development Act was amended to provide a new definition of properties and projects which could be considered under the authority of the Act. The Act also relies on the Urban Renewal Law, and it is the interplay between the two that empowers cities to use revenue allocation financing as a means of making improvements. The Act brings the benefits of the Urban Renewal Law to cities that experience a disadvantage in attracting business and commerce. The new definition provides that in border communities where areas of forty (40) acres or more can be determined to be "competitively economically disadvantaged," an Urban Renewal Agency may designate the area as competitively disadvantaged and use a revenue allocation area to provide financing through the use of revenue allocation financing for public improvements which would enhance the area and thereby bring more commerce and business growth into the area and the community. The City of Coeur d'Alene determined on August 5, 1997 pursuant to Resolution 97-151 as amended by 97-162, 97-167, and 98-016, that the 1997 Project Area was a competitively economically disadvantaged area. Facts supporting this determination are set forth in a study conducted by Business Planning Consultants, Inc. (July, 1997).

In addition, pursuant to Resolution 97-151 as amended, the City Council determined pursuant to the Urban Renewal Law that one or more areas of deterioration exist as defined by Idaho Code 50-2018 (8) and (9) and 50-2903 (8). Pursuant to Resolution 97-151, the City of Coeur d'Alene, as authorized by the Law, created the LCDC .

In accordance with the Law, the 1997 Plan was forwarded by the LCDC to the Planning Commission of the City of Coeur d'Alene as required pursuant to Idaho Code 50-2008(b). After review of the 1997 Plan, the Commission filed a recommendation with the City Council stating that the 1997 Plan was in conformity with the Comprehensive Plan of the City of Coeur d'Alene. Said recommendation was made on November 12, 1997 and is incorporated herein by this reference.

Pursuant to the Idaho Urban Renewal Law of 1965, the City Council thereafter published due notice and held a public hearing on the 1997 Plan on December 16, 1997. The City Council thereafter adopted the 1997 Plan on December 24, 1997 pursuant to Ordinance No. 2842 after making the requisite findings pursuant to Idaho Code 50-2008(d) all of which incorporated herein by this reference. Pursuant to the Law, the City Council, having published due notice thereof, held a public hearing on the 2003 Amended and Restated Plan. Notice of the hearing was duly published in a newspaper having general circulation. The City Council adopted the Amended and Restated Plan on November 18th, 2003, pursuant to Ordinance No. 3154.

As referenced earlier, both the LCDC and City Council have taken the appropriate action to add the 2007 Eligible Area as part of the Second Amended and Restated Project Area.

Pursuant to the Law, the City Council, having published due notice thereof, held a public hearing on this 2008 update of the 2003 Amended and Restated Plan. Notice of the hearing was duly published in a newspaper having general circulation. The City Council adopted the 2008 update of the 2003 Amended and Restated Plan on _____, 2008, pursuant to Ordinance No. ____.

SECTION 3 **HISTORY AND CURRENT CONDITIONS OF THE AREA**

Since the adoption of the 1997 Plan, the LCDC has invested approximately \$ 13___ million in public value creation efforts (e.g. public/private partnership funding, strategic property investment, strategic planning studies). A description of the activities of LCDC is set forth in Attachment 5 to this Second Amended and Restated Plan.

Additionally, as of December 2007, the private development tax increment valuation in the Lake District totaled approximately \$268 million, which includes the initial phases of the Riverstone & Belle Rive projects and the completion of the McEuen Terrace mixed-use development. The objectives of the 1997 Plan remain to be achieved. In addition, enhanced public value creation opportunities have been identified by the 2003 Lake District Strategic Plan—a blueprint for development for the Lake District. Several of those identified opportunities are listed below:

- Viable Education facilities as a core community value creation driver
- Implementation of McEuen Field Conceptual Plan
- Downtown Parking Rationalization
- Structured Parking
- Downtown Library

- Garden Avenue Corridor Redevelopment
- Midtown Re-vitalization
- Urban Housing (including workforce housing)
- Enhanced Downtown Class A Office Space
- Human Rights Education Institute
- Performing Arts Center

More complete details of the developments and improvements are described in Attachment 5 to this Second Amended and Restated Plan. In addition, in 2007, the LCDC Board established the following long-term strategic goals for the Lake District:

- **Education:**
 - Facilitate the creation of the **Education Corridor** in partnership with the City, University of Idaho (UI), North Idaho College (NIC), Lewis and Clark State College (LCSC), Fort Ground Neighborhood, and other community stakeholders.
 - Including an LCDC partnership effort to implement the **“Four Corners”** plan (area of Government Way, NW Blvd. & Mullan).
 - Help to support the success of the downtown neighborhood-oriented **Sorenson Magnet School** by providing funding for building ADA improvements.
 - Help to support the long-term viability of **Winton Elementary School**.
- **Workforce Housing:**
 - LCDC will play a key support role in helping the city achieve its vision for workforce housing in the community.
 - **Midtown:** LCDC / Idaho Housing & Finance Association (IHFA) workforce housing project.
- **Public Space: Create New & Enhance Existing Public Space:**
 - Continued support of the Coeur d’Alene Public **Library** partnership involving a \$250,000 pledge for capital costs (coupled with an existing \$900,000 contribution for library site acquisition).
 - Partnership funding for the **Kroc Community Center**; \$500,000 pledge towards long-term public improvements.
 - Help to implement the City Council approved **McEuen Field plan**.
 - Part of the plan is to locate new public space for the relocation of the American Legion ball field.
 - Continue LCDC partnership with the North Idaho Centennial Trail Foundation on developing the **“Prairie Trail”** bike/pedestrian trail.
 - LCDC will continue efforts to secure long-term public access to the lake and river waterfronts (**e.g. Mill River (Johnson) Park**).
 - **Winton Park** – partner with City to define the park’s long-term community role.
- **Job Creation / Job Retention:**
 - Continue partnership efforts to facilitate job creation and job retention in both districts.

- **Public Parking:**
 - LCDC, in partnership with the City and the Downtown Association, will help to rationalize and plan for a downtown mixed use structured parking garage facility.
- **Midtown Redevelopment:**
 - LCDC will partner with the City, Midtown property owners, and Midtown businesses to help redevelop the Midtown core (4th street south of Harrison) via a place making initiative.

SECTION 4 PURPOSE OF ACTIVITIES

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

The activities listed in Attachment 5 are also prioritized by way of importance to the LCDC, by the amounts funded, and by year of funding, with earlier years reflecting the more important activities. As required by the Law and Act, the LCDC will adopt more specific budgets annually.

Throughout this Second Amended and Restated Plan there are references to LCDC activities, LCDC funding, and the acquisition, development, and contribution of public improvements. Such references do not necessarily constitute a full, final, and formal commitment by the LCDC but rather grant to the LCDC the discretion to participate as stated subject to achieving the objectives of this Second Amended and Restated Plan and provided such activity is deemed eligible under the Law and the Act.

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

PART 2

DESCRIPTION OF THE SECOND AMENDED AND RESTATED PROJECT AREA

The boundaries of the 2008 update to the 2003 Amended and Restated Project Area and of the Revenue Allocation Area are described in Attachment “1”, which is attached hereto and incorporated herein by reference, and are shown on the Second Amended and Restated Project

Area and Revenue Allocation Area Boundary Map attached hereto as Attachment “2” and incorporated herein by reference. Addition of two new geographic areas are proposed by this Second Amended and Restated Plan, commonly referred to as the Sorenson Magnet School Site and the Winton Park/Winton School Site.

For purposes of boundary descriptions and use of proceeds for payment of improvements, the boundary shall be deemed to extend to the outer boundary of rights-of-way.

**PART 3
PROPOSED REDEVELOPMENT ACTIONS**

SECTION 1 GENERAL

The LCDC proposes to eliminate and prevent the impairment of sound growth, decay and deterioration in the Second Amended and Restated Project Area by encouraging and/or undertaking some or all of the following actions as set forth in Part 5 hereof.

1. The acquisition of certain real property;
2. The demolition or removal of certain buildings and improvements;
3. The participation by persons or entities engaged in business or holding interests in property within the Second Amended and Restated Project Area;
4. The management of any property acquired by and under the ownership and control of the LCDC;
5. The provision for relocation assistance to displaced Amended and Restated Project occupants if required by law and/or if deemed necessary by the LCDC;
6. The installation, construction, or reconstruction of streets, curb and gutter, sidewalks, streetscapes, design standards, utilities, parking facilities, recreation and park amenities, art, and other public improvements including but not limited to the operation and management of such facilities and the design and engineering of such facilities in conformance with the Law, the Act, and this Second Amended and Restated Plan;
7. The disposition of property for uses in accordance with the Law, the Act, and this Second Amended and Restated Plan and commitment by those who are conveyed such property to redevelop the property in accordance with this Second Amended and Restated Plan;

8. The development and redevelopment of land by private enterprise or public agencies for uses in accordance with this Second Amended and Restated Plan;
9. The assembly of adequate sites for the development and construction of residential and commercial facilities and recreational opportunities;
10. To the extent allowed by law, the lending or investing of federal funds to facilitate redevelopment;
11. The construction of foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights and sites for buildings to be used for residential, commercial, and other uses contemplated by this Second Amended and Restated Plan and to provide utilities to the development site as authorized by Idaho Code Section 50-2007(j);
12. Encourage/secure entertainment activities in applicable sites within the Urban Renewal Area; and
13. All other action described in Part 1 of this Second Amended and Restated Plan.

In the accomplishment of these purposes and activities and in the implementation and furtherance of this Second Amended and Restated Plan, the LCDC is authorized to use all the powers provided in this Second Amended and Restated Plan and all the powers now or hereafter permitted by law.

SECTION 2 **URBAN RENEWAL PLAN OBJECTIVES**

Urban renewal action is necessary in the Second Amended and Restated Project Area to combat problems of deterioration and economic obsolescence as previously set forth in the 1997 Plan/2003 Plan and described in the Strategic Plan. Following the formation of the LCDC in 1997, various areas of deterioration have been remedied by LCDC joint public / private partnership action in all three areas of the Lake District: Midtown, Downtown, and Northwest Boulevard. However, numerous opportunities still exist for improving the economic viability of the Lake District.

Hence, the Urban Renewal Plan for the Second Amended and Restated Project Area is a proposal for public improvements, to provide an improved environment for new retail, residential, educational, public park and commercial developments, to eliminate unsafe conditions, to assist potential owners and developers to assemble appropriate development sites where necessary through acquisition, demolition and disposition activities, and to otherwise prevent the extension of deterioration and reverse the deteriorating action of the area.

A further objective of the Urban Renewal Plan is to provide for the acquisition and clearance of some properties for other public facilities. Off-street parking and loading facilities may be developed to serve the Second Amended and Restated Project Area. Streets or alleyways may be vacated or relocated to create build able areas for residential, retail, commercial, office, or public use. Any such vacations or relocations must be requested from the city of Coeur d'Alene or other agency having jurisdiction over the particular public right-of-way. Air rights and subterranean rights may be disposed of for any permitted use within the Second Amended and Restated Project Area boundaries as provided by law. Temporary project improvements may be provided to facilitate adequate vehicular and pedestrian circulation. Land uses in the Second Amended and Restated Project Area may be modified. Buildings currently vacant and land now devoted to scattered surface parking and other uses may be converted to residential, commercial, recreational, public and private parking, and public/semi-public uses.

Less than fee acquisition may be utilized by the LCDC when and if necessary to promote redevelopment in accordance with the objectives of this Second Amended and Restated Plan.

In coordination with the Idaho State Historical Society, consideration will be given to the preservation of structures of historic and architectural value within, or the moving of said structures outside, the Second Amended and Restated Project Area boundaries where applicable.

The provisions of this Second Amended and Restated Plan are applicable to all public and private property in the Second Amended and Restated Project Area. The provisions shall be interpreted and applied as objectives and goals, recognizing the need for flexibility in interpretation and implementation, while at the same time not in any way abdicating the rights and privileges of the property owners which are vested in the present and future zoning classifications of the properties. All development under an owner "participation agreement" shall conform to those standards specified in Part 3, Section 3 of this Second Amended and Restated Plan.

SECTION 3 **PARTICIPATION OPPORTUNITIES AND AGREEMENT**

A. Participation Agreements

The LCDC shall enter into owner participation agreements with any existing or future owners of property, in the event the property owner seeks and/or receives assistance from the LCDC in the redevelopment of the property, and the LCDC determines such participation is in the best interests of the LCDC and the public. In that event, the LCDC may allow for an existing or future owner of property to remove his property and/or structure from future LCDC acquisition subject to entering into an owner participation agreement.

Each structure and/or property in the Second Amended and Restated Project Area to be rehabilitated, constructed, or developed as a condition of the owner participation agreement between the LCDC and the owner pursuant to this Second Amended and Restated Plan will be considered to be satisfactorily rehabilitated, constructed, and developed and the LCDC will so certify, if the following standards are met:

(1) Any such property within the Second Amended and Restated Project shall be required to conform to applicable provisions, requirements, and regulations of this Second Amended and Restated Plan. The owner participation agreement may require as a condition of financial participation by the LCDC a commitment by the property owner to meet the greater objectives of the Comprehensive Plan, the Sherman Avenue Corridor Plan, the HyettPalma Plan, the Walker-Macy Plan, the LCDC Lake District Strategic Plan, applicable zoning ordinances, and subdivision ordinances. Upon completion of any improvement, each structure must be safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years.

(2) All such buildings or portions of buildings which are to remain within the Second Amended and Restated Project Area shall be rehabilitated in conformity with applicable codes and ordinances of the city of Coeur d'Alene.

(3) Any new construction shall also conform to all applicable provisions, requirements, and regulations of this Second Amended and Restated Plan and applicable codes and ordinances of the city of Coeur d'Alene.

(4) Any renovation of existing historic structures may seek appropriate waivers of the city building code.

In such participation agreements, participants who retain real property shall be required to join in the recordation of such documents as may be necessary to make the provisions of this Second Amended and Restated Plan applicable to their properties.

In the event a participant under a participation agreement fails or refuses to rehabilitate, develop, use, and maintain its property pursuant to this Second Amended and Restated Plan and participation agreement, among other means of enforcing the participation agreement, the property or any interest therein may be acquired by the LCDC and sold or leased for rehabilitation or development in accordance with this Second Amended and Restated Plan.

Any assistance provided by the LCDC to businesses and/or owners in the Business Improvement District and surrounding area may require additional terms in the form of a participation agreement to include but not be limited to the requirement that the business/owner participate in a fair share of local improvement district improvements where applicable, that common hours/days of the week with other businesses/owners be established, that public parking will be made available to customers before employees, and that a widely distributed newsletter continue regarding the Downtown Business Association activities.

B. Subdivision Deviation and Impact Fee Consideration

A developer may request a deviation from the City's subdivision requirements pursuant to Municipal Code 16.32.

For any development covered by an owner participation agreement or disposition and development agreement (as discussed in Part 3, Section 8), the LCDC shall have the authority, but not the obligation to cooperate with the developer to apply for a credit or reimbursement of any impact fee, or for any refund of said fee assessed by any other governmental entity. The LCDC shall also have the authority, but not the obligation, to consider the payment of all or part of such impact fees from revenue allocation proceeds to the extent allowed by law.

C. Cooperation With Public Bodies

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

The LCDC may impose on all public bodies [as defined by Idaho Code 50-2018(3)] as allowed by law the provisions and controls contained in this Second Amended and Restated Plan to ensure that present uses and any future development by public bodies within the Second Amended and Restated Project Area will conform to the requirements of this Second Amended and Restated Plan. The LCDC is authorized to financially (and otherwise) assist any public entity in the cost of public land, buildings, facilities, structures, or other improvements within the Second Amended and Restated Project Area to the extent that said land, buildings, facilities, structures or other improvements provide benefit to the Second Amended and Restated Project Area.

The LCDC specifically intends to cooperate to the extent allowable by law with (1) the city of Coeur d'Alene for the (a) acquisition of property, (b) the construction of public improvements and public buildings, and (c) public park improvements; and (2) with School District 271 on public/capital improvements to the Sorenson and Winton school sites and buildings. In the event the LCDC is participating in the public development by way of financial incentive or otherwise, the public body may be required to enter into a participation agreement with the LCDC and then shall be bound by this Second Amended and Restated Plan and other land use elements.

The LCDC, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The LCDC, however, will seek the cooperation of all public bodies which own or intend to acquire property in the Second Amended and Restated Project Area. Any public body which owns or leases property in the Second Amended and Restated Project Area will be afforded all the privileges of an owner participant if such public body is willing to enter into a participation agreement with the LCDC. All plans for development of property in the Second Amended and Restated Project Area by a public body shall comply with the provisions of this Second Amended and Restated Plan.

SECTION 4 **PROPERTY ACQUISITION**

A. Real Property

Only as specifically authorized herein, the LCDC may acquire, but is not required to acquire, real property located in the Second Amended and Restated Project Area where it is determined that the property is needed for construction of public improvements and as otherwise allowed by law. The acquisition shall be by any means authorized by law (including, but not limited to, the Idaho Urban Renewal Law, the Local Economic Development Act, and the Uniform Relocation Assistance and Real Property Acquisition Polices Act of 1970). The LCDC is authorized to acquire either the entire fee or any other interest in real property less than a fee, including structures and fixtures upon the real property identified in Attachment “3”

The LCDC may acquire, but is not required to acquire, by gift, devise, exchange, purchase, eminent domain, or any other lawful method that property identified in Attachment “3”. Such acquisition and subsequent disposition shall be made for development by LCDC or private developer to achieve those objectives set forth herein.

It is in the public interest, necessary to eliminate the conditions requiring redevelopment, and necessary in order to execute this Second Amended and Restated Plan to employ the power of eminent domain by the LCDC to acquire real property in the Second Amended and Restated Project Area which cannot be acquired by gift, devise, exchange, purchase, or any other lawful method.

The LCDC shall not acquire real property to be retained by an owner pursuant to a participation agreement if the owner fully performed under the agreement. The LCDC is authorized to acquire structures without acquiring the land upon which those structures are located. The LCDC is authorized to acquire either the entire fee or any other interest in real property less than a fee.

Generally, the LCDC intends to acquire any real property through voluntary or consensual gift, devise, exchange, or purchase. Such acquisition of property may be for the development of the public improvements identified in this Second Amended and Restated Plan or for the assembly of properties for the redevelopment of those properties to achieve the objectives of this Second Amended and Restated Plan. Such properties may include properties owned by private parties or public entities. This Second Amended and Restated Plan does not anticipate the LCDC’s widespread use of its resources for property acquisition, except for the construction of public improvements and any ability to engage in certain demonstration projects, such as enhancement opportunities and other major objectives outlined in this Second Amended and Restated Plan and entries to the City and in limited circumstances for assembly of properties for enhanced redevelopment.

It is in the public interest and is necessary in order to eliminate the conditions requiring redevelopment and in order to execute this Second Amended and Restated Plan for the power of eminent domain to be employed by the LCDC to acquire real property in the Second Amended

and Restated Project Area which cannot be acquired by gift, devise, exchange, purchase, or any other lawful method.

The LCDC shall not acquire real property on which an existing building is to be continued on its present site and in its present form and use without the consent of the owner unless: (a) such building requires structural alteration, improvement, modernization, or rehabilitation; (b) the site or lot on which the building is situated requires modification in size, shape, or use; or (c) it is necessary to impose upon such property any of the controls, limitations, restrictions, and requirements of this Second Amended and Restated Plan and the owner fails or refuses to execute a participation agreement in accordance with the provisions of this Second Amended and Restated Plan.

The LCDC is authorized, but not required however, to acquire public property transferred to private ownership before redevelopment of the Second Amended and Restated Project Area is completed, unless the LCDC and the private owner enter into a participation agreement and the owner completes his responsibilities under the participation agreement.

The purpose of this section is to allow the LCDC to use its eminent domain authority to acquire properties necessary for the construction of public improvements or for site assembly to aid in the redevelopment or development of the development site. The LCDC intends to only acquire those sites which are either undeveloped, underdeveloped, or properties which are deteriorated or deteriorating as defined by the Law and the Act. Such property may not be subject to acquisition if the property owner or the property owners' assign enters into an owner participation agreement with the LCDC for the redevelopment or development of the site.

Under the provisions of the Act, this Second Amended and Restated Plan "shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area" Idaho Code § 50-2018 (12). The LCDC may also acquire property for the purpose of developing public parking facilities, developing public open space, and enhancing the opportunity for other uses. At the present time, the LCDC has not specifically identified all parcels that may be necessary for acquisition for parking facilities or for site assembly for private development. The LCDC reserves the right to determine which properties, if any, should be acquired. Generally the LCDC will invoke its acquisition authority only for the elimination or mitigation of deteriorated or deteriorating buildings, structures, or properties in order to enhance the Second Amended and Restated Project Area, and assist or participate in site reclamation, remediation, or elimination of blighted or deteriorated areas. A description of the general categories of property acquisition is set forth in Attachment "3."

The LCDC's authority to invoke eminent domain to acquire real property for disposition to private parties for economic development is limited by House Bill 555 adopted by the 58th Idaho Legislature, Second Session, 2006, Session Laws Chapter 96, codified at Idaho Code Section 7-701A.

B. Personal Property

Generally, personal property shall not be acquired. However, where necessary in the execution of this Second Amended and Restated Plan and where allowed by law, the LCDC is authorized to acquire personal property in the Second Amended and Restated Project Area by any lawful means, including eminent domain. For purposes of this Second Amended and Restated Plan, acquisition of certain permanent fixtures or improvements upon real property shall be governed by this section. The LCDC retains the right to purchase those fixtures or improvements (including buildings) for the purpose of eliminating certain deteriorated or deteriorating structures to facilitate the redevelopment of the real property upon which the buildings and structures are located. Such acquisition shall be based upon fair market value of the structures and negotiation with the owner of the structures. The LCDC shall take into account, before committing to such acquisition, any environmental or other liability present or potentially present in such structures. In the event, the LCDC determines to acquire such property, it shall do so upon the successful negotiation of an owner participation agreement in compliance with the terms of Section 3A of Part 3 of this Second Amended and Restated Plan. In addition, such owner shall commit to the redevelopment of the real property and to maintain the real property in a safe and clean manner. The LCDC shall acquire such property by way of any acceptable conveyance.

SECTION 5 PROPERTY MANAGEMENT

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

SECTION 6 RELOCATION OF PERSONS (INCLUDING INDIVIDUALS AND FAMILIES), BUSINESS CONCERNS, AND OTHERS DISPLACED BY THE PROJECT

If the LCDC receives federal funds for real estate acquisition and relocation, the LCDC shall comply with 24 C.F.R. Part 42, implementing the Uniform Relocation Assistance and Real Property Acquisition Polices Act of 1970, as amended. The LCDC may also undertake relocation activities for those not entitled to benefit under federal law as the LCDC may deem appropriate for which funds are available. Persons leasing property held for redevelopment (i.e. those tenants who commence tenancy after acquisition by the LCDC) shall not be eligible for relocation benefits. In the event the LCDC activities directly result in the displacement of families within the Area, the LCDC shall relocate such displaced families into decent, safe, and sanitary dwelling accommodations without undue hardship to such families as required by law. For any other activity, the LCDC will comply with the provisions of the Law regarding relocation.

The LCDC reserves the right to extend benefits for relocation to those not otherwise entitled to relocation benefits as a matter of state law under the Act or the Law. The LCDC

may determine to use as a reference the relocation benefits and guidelines promulgated by the federal government, the state government, or local government, including the State Department of Transportation and Highway Districts. The intent of this section is to allow the LCDC sufficient flexibility to award relocation benefits on a rational basis, and/or by payment of some lump sum per case basis. The LCDC may also consider the analysis or replacement value for the compensation awarded to either owner occupants or businesses displaced by the LCDC to achieve the objectives of this Second Amended and Restated Plan. The LCDC may adopt relocation guidelines which would define the extent of relocation assistance in non-federally assisted projects and which relocation assistance to the greatest extent feasible would be uniform.

For displacement of families, the LCDC shall comply with, at a minimum, the standards set forth in the Law. LCDC shall also comply with all applicable state laws concerning relocation benefits. If such a program is considered, it shall be adopted by resolution by the LCDC Board.

SECTION 7 **DEMOLITION, CLEARANCE, AND BUILDING SITE PREPARATION**

A. Demolition and Clearance

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

B. Preparation of Building Sites

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

The LCDC is authorized (but not required) to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for residential, commercial, private, public, and other uses provided in this Second Amended and Restated Plan. To the extent allowed by the Law and Act, LCDC may assist in the preparation of building sites by way of reclamation, remediation, or elimination of blighted, or deteriorated conditions.

SECTION 8 **REAL PROPERTY DISPOSITION AND DEVELOPMENT**

A. General

For the purpose of this Second Amended and Restated Plan, the LCDC is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust,

or otherwise dispose of any interest in real property under the reuse provisions set forth in Idaho Code Section 50-2011 and as otherwise allowed by law. To the extent permitted by law, the LCDC is authorized to dispose of real property by negotiated lease, sale, or transfer without public bidding.

Real property acquired by the LCDC may be conveyed by the LCDC and, where beneficial to the Second Amended and Restated Project Area, without charge to any public body as allowed by law. All real property acquired by the LCDC in the Second Amended and Restated Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in this Second Amended and Restated Plan. All public bodies acquiring property through the LCDC shall enter into a disposition and development agreement with the LCDC.

All purchasers or lessees of property acquired from the LCDC shall be obligated to use the property according to the disposition and development agreement and for the purposes designated in this Second Amended and Restated Plan, to begin and complete development of the property within a period of time which the LCDC fixes as reasonable, and to comply with other conditions which the LCDC deems necessary to carry out the purposes of this Second Amended and Restated Plan.

B. Disposition and Development Documents

To provide adequate safeguards to ensure that the provisions of this Second Amended and Restated Plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the LCDC, as well as all property subject to participation agreements, is subject to the provisions of this Second Amended and Restated Plan. The LCDC shall reserve such powers and controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is carried out pursuant to this Second Amended and Restated Plan.

Leases, deeds, contracts, agreements, and declarations of restrictions of the LCDC may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitude, or any other provisions necessary to carry out this Second Amended and Restated Plan. Where appropriate, as determined by the LCDC, such documents, or portions thereof, shall be recorded in the office of the Recorder of Kootenai County.

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

The land and/or air rights and subterranean rights acquired by the LCDC shall be disposed of subject to an agreement between the LCDC and the Developers. The Developers (including owner/participants) will be required by the contractual agreement to observe provisions of this Second Amended and Restated Plan and to submit a redevelopment schedule satisfactory to the LCDC. Schedule revisions will be made only at the option of the LCDC.

As required by law or as determined in the LCDC discretion to be in the best interest of the LCDC and the public, the following requirements and obligations may be included in the agreement.

It may be included that the developers, their successors, and assigns agree:

1. That a plan and time schedule for the proposed development shall be submitted to the LCDC;
2. That the purchase or lease of the land and/or subterranean rights and/or air rights is for the purpose of redevelopment;
3. That the construction of the building or improvements will be commenced and completed as jointly scheduled and determined by the LCDC and the developer(s);
4. That there will be no discrimination against any person or group of persons because of age, race, handicap/disability, sex, creed, color, national origin or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises or any improvements erected or to be erected thereon, therein conveyed nor will the Developer himself or any person claiming under or through him establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, or vendees in the premises or any improvements therein conveyed. The above provision may be perpetual and will be appended to the land disposed of within the Second Amended and Restated Project Area by the LCDC;
5. That the site and construction plans will be submitted to the LCDC for review as to conformity with the provisions and purposes of this Second Amended and Restated Plan and for design review purposes if applicable;
6. That at the discretion of the LCDC, a bond or other surety will be provided acceptable to the LCDC to ensure performance;
7. That rehabilitation of any existing structure must assure that the structure is safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will

continue throughout an estimated useful life for a minimum of twenty (20) years;

8. All such buildings or portions of the buildings which are to remain within the Second Amended and Restated Project Area shall be reconstructed in conformity with all applicable federal, state, and local codes and ordinances;
9. All new construction shall have a minimum estimated life of no less than twenty (20) years; and
10. All disposition and development documents and other participation agreements shall be governed by the provisions of Section 5 of this Second Amended and Restated Agreement.

C. Development by the LCDC

To the extent now or hereafter permitted by law, the LCDC is authorized to pay for, develop, or construct any publicly owned building, facility, structure, or other improvement within the Second Amended and Restated Project Area for itself or for any public body or entity, which buildings, facilities, structures, or other improvements are or would be of benefit to the Second Amended and Restated Project Area. Specifically, the LCDC may pay for, install, or construct the buildings, facilities, structures, and other improvements identified in Attachment "5" of this Second Amended and Restated Plan and may acquire or pay for the land required therefore.

The LCDC may also prepare properties for development by renovation or other means as allowed by the Law and Act. The LCDC may also, as allowed by the Law and Act, assist in the development of private projects.

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

In addition to the public improvements authorized under Idaho Code Section 50-2007, the LCDC is authorized to install and construct, or to cause to be installed and constructed, within the Second Amended and Restated Project Area or outside the Second Amended and Restated Project Area for improvements or facilities that are needed to support new development in the Second Amended and Restated Project Area, for itself or for any public body or entity, public improvements and public facilities, including, but not limited to, the following: (1) utilities; (2) pedestrian paths; (3) traffic signals; (4) landscaped areas; (5) street improvements, including new access roads and streets; (6) sanitary sewers; (7) flood control facilities and storm drains; (8) water mains, pumps, and reservoirs; (9) parks and recreation facilities; (10) improved railroad property use; (11) civic centers, city hall, or the like; and (12) improvements to the Sorenson and Winton school sites and buildings..

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

Where appropriate, the LCDC seeks to coordinate special streets, parks, and urban open spaces within the Second Amended and Restated Project Area.

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

D. Development Plans

All development plans (whether public or private) prepared, pursuant to disposition and development or owner participation agreements, shall be submitted to the LCDC for approval. All development in the Second Amended and Restated Project Area must conform to those standards specified in Part 4 of this Second Amended and Restated Plan.

SECTION 9 PERSONAL PROPERTY DISPOSITION

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

SECTION 10 REHABILITATION AND CONSERVATION

The LCDC is authorized to rehabilitate, renovate, and conserve, or to cause to be rehabilitated, renovated, and conserved, any building or structure in the Second Amended and Restated Project Area owned by the LCDC for preparation of redevelopment and disposition. The LCDC is also authorized and directed to advise, encourage, and assist in the rehabilitation and conservation of property in the Second Amended and Restated Project Area not owned by the LCDC. The LCDC is also authorized, but not required, to acquire, restore, rehabilitate, move, and conserve buildings of historic or architectural significance.

As necessary in carrying out this Second Amended and Restated Plan, the LCDC is authorized to move, or to cause to be moved, any substandard structure or building or any structure or building which can be rehabilitated to a location within or outside the Second Amended and Restated Project Area.

SECTION 11 PARTICIPATION WITH PRIVATE OR PUBLIC DEVELOPMENT

Under the Law, the LCDC has the authority to lend or invest funds obtained from the federal government for the purposes of the Urban Renewal Law as allowed under federal laws or regulations. Under those regulations, the LCDC may participate with the private sector in the development and financing of those private projects which will attain certain federal objectives. The federal funds that may be available to the LCDC are governed by regulations promulgated by the Department of Housing and Urban Development for the Community Development Block Grant Program and other applicable federal programs.

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

As allowed by law, the LCDC may also use funds from any other sources for any purpose set forth under the Law or Act.

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

SECTION 12 CONFORMING OWNERS

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

SECTION 13 ARTS FUNDING

The LCDC encourages public art and performing arts through joint ventures with private developers and in cooperation with the City of Coeur d’Alene Public Arts Commission.

PART 4
USES PERMITTED IN THE SECOND AMENDED AND RESTATED PROJECT AREA

SECTION 1 **REDEVELOPMENT PLAN MAP AND DEVELOPMENT STRATEGY**

Attachment “1” describes the Second Amended and Restated Project Area and Revenue Allocation Area. Any proposed land uses must conform to the Comprehensive Plan. If a proposed land use is not consistent with the Comprehensive Plan, the LCDC shall assure that an application for amendment to the Comprehensive Plan and/or zoning ordinances is completed. Authority for changes to the Comprehensive Plan shall remain the responsibility of the city of Coeur d’Alene Planning Commission and the City Council.

SECTION 2 **DESIGNATED LAND USES/LAND USE CLASSIFICATIONS**

The current land use classifications for the Second Amended and Restated Project Area are as shown and depicted in Attachment “4” incorporated herein. The LCDC also recognizes those land uses permitted by special use permits, planned unit developments, and limited planned unit developments under each zoning classification, subject to the conditions imposed by the city of Coeur d’Alene pursuant to the process for each.

SECTION 3 **OTHER LAND USES**

A. Public Rights-of-Way

Additional public streets, alleys, and easements may be created in the Second Amended and Restated Project Area as needed for property development. Existing streets, alleys and easements may be abandoned, closed, expanded or modified as necessary for property development of the Second Amended and Restated Project, if approved by the City Council and Planning Commission where applicable and in accordance with any applicable policies and standards of the city of Coeur d’Alene and respective highway districts regarding changes to dedicated rights-of-way.

Any changes in the existing interior or exterior street layout shall be in accordance with the objectives of this Second Amended and Restated Plan and the design standards of the city of Coeur d’Alene and respective highway districts where applicable or Idaho Department of Transportation as may be applicable and shall be guided by the following criteria:-

- (a) a balancing of the needs of proposed and potential new developments for adequate pedestrian and vehicular access, vehicular parking, and delivery loading docks with the similar needs of any existing developments permitted to remain, such balancing taking into consideration the rights of existing owners and tenants under the rules for owner and tenant participation adopted by the LCDC for the Project and any participation agreements executed thereunder;

- (b) the requirements imposed by such factors as topography, traffic safety, and aesthetics; and
- (c) the potential need to serve not only the Second Amended and Restated Project Area and new or existing developments but also to serve areas outside the Second Amended and Restated Project Area by providing convenient and efficient vehicular access and movement.

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

B. Other Public, Semi-Public, Institutional and Nonprofit Uses

The LCDC is also authorized to permit the maintenance, establishment or enlargement of public, semi-public, institutional, or nonprofit uses. All such uses shall, to the extent possible, conform to the provisions of this Second Amended and Restated Plan applicable to the uses in the specific area involved and shall conform to the city zoning ordinances unless an amendment is requested and approved by the Planning Commission and City Council. The LCDC may impose such other reasonable requirements and restrictions as may be necessary to protect the development and use of the Second Amended and Restated Project Area.

C. Interim Uses

Pending the ultimate development of land by developers and participants, the LCDC is authorized to use or permit the use of any land in the Second Amended and Restated Project Area for interim uses that are not in conformity with the uses permitted in the Second Amended and Restated Plan. However, any interim use must comply with applicable city codes including but not limited to zoning ordinances and must have a specific expiration date.

D. Nonconforming Uses

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

The LCDC may authorize additions, alterations, repairs, or other improvements in the Second Amended and Restated Project Area for uses which do not conform to the provisions of this Second Amended and Restated Plan where such improvements are within a portion of the Second Amended and Restated Project where, in the determination of the LCDC, such

improvements would be compatible with surrounding Second Amended and Restated Project uses and development.

All nonconforming uses shall also comply with the city code.

SECTION 4 **GENERAL CONTROLS AND LIMITATIONS**

All real property in the Second Amended and Restated Project Area is subject to the controls and requirements of this Second Amended and Restated Plan. No such real property shall be developed, rehabilitated, or otherwise changed after the date of the adoption of this Second Amended and Restated Plan, except in conformance with the provisions of this Second Amended and Restated Plan.

A. Construction

All construction in the Second Amended and Restated Project Area shall comply with all applicable and local laws and codes in effect and as amended from time to time and all state laws adopted by the City. In addition to applicable codes, ordinances, or other requirements governing development in the Second Amended and Restated Project Area, additional specific performance and development standards may be adopted by the LCDC to control and direct redevelopment activities in the Second Amended and Restated Project Area.

B. Rehabilitation and Retention of Properties

Any existing structure or land within the Second Amended and Restated Project Area, subject to either a disposition and development agreement or owner participation agreement, approved by the LCDC for retention and rehabilitation, shall be repaired, altered, reconstructed, or rehabilitated in such a manner that it will be safe and sound in all physical respects and be attractive in appearance and not detrimental to the surrounding uses.

C. Limitation on Type, Size, Height of Building

Except as set forth in other sections of this Second Amended and Restated Plan, the type, size and height of buildings shall be as limited by applicable federal, state and local statutes, ordinances, and regulations.

D. Open Spaces, Landscaping, Light, Air and Privacy

The issues of open space, landscaping, light, air and privacy shall be governed by applicable local ordinances.

E. Signs

All signs shall conform to City sign ordinances as they now exist or are hereafter amended.

F. Utilities

The LCDC shall require that all utilities be placed underground whenever physically and economically feasible.

G. Subdivision of Parcels

Any parcel in the Second Amended and Restated Project Area shall be subdivided only in compliance with the City Subdivision Ordinance.

H. Incompatible Uses

No use or structure which by reason of appearance, traffic, smoke, glare, noise, odor, or similar factors which would be incompatible with the surrounding areas or structures shall be permitted in any part of the Second Amended and Restated Project Area.

I. Nondiscrimination and Nonsegregation

There shall be no discrimination or segregation based upon age, race, color, creed, religion, sex, marital status, national origin, handicap/disability, or ancestry permitted in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Second Amended and Restated Project Area.

J. Variations

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

1. the application of certain provisions of this Second Amended and Restated Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of this Second Amended and Restated Plan; and
2. there are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions, and controls; and
3. permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area; and
4. permitting a variation will not be contrary to the objectives of this Second Amended and Restated Plan or the Comprehensive Plan.

No variations shall be granted which change a basic land use or which permit other than a minor departure from the provisions of this Second Amended and Restated Plan, without amendment of this Second Amended and Restated Plan. In permitting any such variation, the LCDC shall impose such conditions as are necessary to protect the public peace, health, safety, or welfare and to assure compliance with the purposes of this Second Amended and Restated Plan. Any variation permitted by the LCDC hereunder shall not supersede any other approval required under city codes and ordinances.

K. Off-Street Loading

Any development and improvements shall provide for off-street loading as required by the city ordinances as they now exist or are hereafter amended.

L. Off-Street Parking

All new construction in the area shall provide off-street parking, or pay fees in lieu of, if applicable and as required by the city ordinances as they now exist or are hereafter amended and recognizing the economics of a shared parking arrangements.

SECTION 5 DESIGN FOR DEVELOPMENT

No new improvement shall be constructed, and no existing improvements shall be substantially modified, altered, repaired, or rehabilitated except in accordance with this Second Amended and Restated Plan. The provisions of this Second Amended and Restated Plan are applicable to all public and private property in the Second Amended and Restated Project Area recognizing the need for flexibility in interpretation and implementation of this Second Amended and Restated Plan and the ability of the LCDC to grant variations to this Second Amended and Restated Plan as allowed in subsection H above.

One of the objectives of this Second Amended and Restated Plan is to create an attractive pedestrian environment in the Second Amended and Restated Project Area. Therefore, developers shall give consideration to good design, and amenities to enhance the aesthetic quality of the Second Amended and Restated Project Area. Additional design standards or controls may be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standard and provisions of any applicable City ordinances or building codes.

Within the limits, restrictions, and controls established in this Second Amended and Restated Plan and to the extent allowed by law, the LCDC is authorized to establish heights of buildings, land coverage, setback requirements, design criteria, traffic circulation, traffic access, and other development and design controls necessary for proper development of both private and public areas within the Second Amended and Restated Project Area. Any development must also comply with the City of Coeur d'Alene Zoning Ordinance regarding heights, setbacks, and other like standards and the Strategic Plan.

In the case of property which is the subject of a disposition and development or owner participation agreement with the LCDC, no new improvement shall be constructed and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated except in accordance with this Second Amended and Restated Plan. Under those agreements the architectural, landscape, and site plans shall be submitted to the LCDC and approved in writing by the LCDC. One of the objectives of this Second Amended and Restated Plan is to create an attractive and pleasant environment in the Second Amended and Restated Project Area. Therefore, such plans shall give consideration to good design and other amenities to enhance the aesthetic quality of the Second Amended and Restated Project Area. The LCDC shall not approve any plans that do not comply with this Second Amended and Restated Plan.

In the event the LCDC adopts design standards or controls, those provisions will thereafter apply to each site or portion thereof in the Second Amended and Restated Project Area. Those controls and standards will be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standards and provisions of any applicable City building or zoning ordinances; provided, however, each and every development shall comply with all applicable City zoning and building ordinances. Absent the LCDC developing and promulgating specific design standards or controls, the LCDC shall review all projects by applying and/or deferring to the usual approval process imposed by the City.

Under an owner participation agreement or a disposition and development agreement the design guidelines and land use elements as imposed shall be achieved to the greatest extent feasible, though the LCDC retains the authority to grant minor variations under Part 4, Section 4H of this Second Amended and Restated Plan and subject to a negotiated agreement between the LCDC and the developer or property owner.

Under those agreements, the architectural, landscape, and site plans shall be submitted to the LCDC and approved in writing by the LCDC. In such agreements, the LCDC may impose additional design controls. One of the objectives of this Second Amended and Restated Plan is to create an attractive environment in the Second Amended and Restated Project Area. Therefore, such plans shall give consideration to good design and amenities to enhance the aesthetic quality of the Second Amended and Restated Project Area. These additional design standards or controls will be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standard and provision of any applicable City building or zoning ordinance; provided, however, each and every development shall comply with all applicable City zoning and building ordinances, including any adopted City design standards.

**PART 5
FINANCING PLAN**

SECTION 1 **METHODS OF FINANCING THE SECOND AMENDED AND RESTATED PROJECT**

A. General Description of the Proposed Financing Method

The LCDC is authorized to finance this Second Amended and Restated Project with financial assistance from the City, State of Idaho, federal government, interest income, LCDC bonds, donations, loans from private financial institutions, the lease or sale of LCDC-owned property, or any other available source, public or private, including assistance from any taxing district or any public entity.

The LCDC is also authorized to obtain advances, borrow funds, and create indebtedness in carrying out this Second Amended and Restated Plan. The principal and interest on such advances, funds, and indebtedness may be paid from any funds available to the LCDC. The City, as it is able, may also supply additional assistance through City loans and grants for various public facilities.

The City or any other public agency may expend money to assist the LCDC in carrying out this Second Amended and Restated Project.

B. Revenue Bond Funds

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

C. Other Loans and Grants

Any other loans, grants, guarantees, or financial assistance from the United States, the State of Idaho, or any other public or private source will be utilized if available. Neither the members of the LCDC nor any persons executing such loans or grants shall be liable on the loans or grants by reason of their issuance.

D. Revenue Allocation Financing Provisions

The LCDC hereby adopts revenue allocation financing provisions as authorized by the Act, Chapter 29, Title 50, Idaho Code, effective retroactively to January 1, 1997, for the original 1997 area, and to January 1, 2008, for the 2007 Eligible Area. These revenue allocation provisions shall apply to all taxing districts in which the Revenue Allocation Area is located and described on Attachments "1 and 2" to this Second Amended and Restated Plan. The LCDC shall take all actions necessary or convenient to implement these revenue allocation financing provisions. The LCDC specifically finds that the equalized assessed valuation of property within

the Revenue Allocation Area is likely to increase as a result of the initiation of the Urban Renewal Project.

The LCDC, acting by one or more resolutions adopted by its board of directors, is hereby authorized to apply all or any portion of the revenues allocated to the LCDC pursuant to the Act to pay such costs as are incurred or to pledge all or any portion of such revenues to the repayment of any moneys borrowed, indebtedness incurred, or bonds issued by the LCDC to finance or to refinance the Second Amended and Restated Project costs (as defined in Idaho Code Section 50-2903(14)) of one or more urban renewal projects.

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

A statement listing proposed public improvements and facilities, an economic feasibility study, estimated project costs, fiscal impact upon other taxing districts, and methods of financing project costs required by Idaho Code Section 50-2905 is included in Attachment "5" to this Second Amended and Restated Plan. This statement necessarily incorporates estimates and projections based on the LCDC's present knowledge and expectations. The LCDC is hereby authorized to modify the presently anticipated urban renewal projects and use of revenue allocation financing of the related project costs if the board of directors of the LCDC deems such modification necessary or convenient to effectuate the general objectives of this Second Amended and Restated Plan.

The LCDC has also provided for expenditure of revenue allocation proceeds on an annual basis without the issuance of bonds or other debt. The LCDC has also provided for obtaining advances or loans from the City, private entities, or other sources in order to immediately commence construction of certain of the public improvements. Revenues will continue to be allocated to the LCDC until the improvements identified in Attachment "5" are completely constructed. Attachment "5" incorporates estimates and projections based on the LCDC's present knowledge and expectations concerning the length of time to complete the improvements. The activity may take longer depending on the significance and timeliness of development. Alternatively the activity may be completed earlier if revenue allocation proceeds are greater or the LCDC obtains additional funds.

The revenue allocation proceeds are hereby irrevocably pledged for the payment of the principal and interest on the advance of monies or making of loans or the incurring of any indebtedness such as bonds, notes, and other obligations (whether funded, refunded, assumed, or otherwise) by the LCDC to finance or refinance the Second Amended and Restated Project in whole or in part, as well as payment for costs incurred for activities of the Project.

The LCDC is authorized to make such pledges as to specific advances, loans, and indebtedness as appropriate in carrying out the Second Amended and Restated Project.

Under legislation adopted in 2000 by the 55th Idaho Legislature, 2nd Regular Session, effective July 1, 2000, Session Laws, Chapter 275, Idaho Code Section 50-2904(2), revenue allocation authority is limited to twenty-four (24) years from the date the ordinance was passed by the City Council, except for those urban renewal plans which were adopted prior to 2000. 56th Idaho Legislature, 2nd Regular Session, Session Laws, Ch. 143. See Idaho Code § 50-2904(3). As authorized by the Coeur d'Alene City Council, the original 1997 urban renewal plan established its duration initially through December 31, 2012 (a period of fifteen (15) years). The 2003 amendment extended the duration for twenty-four (24) years from 1997, through 2021. The 2008 update does not extend the term of this Second Amended and Restated Plan.

The LCDC is authorized to make such pledges as to specific advances, loans, and indebtedness as appropriate in carrying out the Project.

Revenue allocation proceeds are deemed to be only a part of the proposed funding sources for the payment of public improvements and other project improvements. Additionally, project funding is proposed to be phased for the improvements, allowing various sources of funds to be accumulated for use.

House Bill 1 adopted by the 58th Idaho Legislature convening in Special Session in August 2006 repeals the operation and maintenance property tax levy imposed by school districts. House Bill 1 also repealed Idaho Code Section 50-2908(2)(a)(iii) which required certain revenue allocation funds to be disbursed to school districts. The financial analysis set forth in Attachment 5 has taken into account the provisions of House Bill 1. Idaho Code § 33-802.

E. Economic Feasibility Study

Attachment "5" consists of the Economic Feasibility Study ("Study") for the Urban Renewal Area prepared by Keyser Marston Associates, Inc. The Study constitutes the financial analysis required by the Act.

F. Assumptions and Conditions/Economic Feasibility Statement

The information contained in Attachment "5" assumes certain completed and projected actions. Under the provisions of the Act, the revenue allocation shall continue until any bond debt or other obligation is satisfied. All debt is projected to be repaid no later than the duration period of this Second Amended and Restated Plan. The total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Should all of the development take place as projected, indebtedness could be extinguished earlier, dependent upon the bond sale documents or other legal obligations. Should private development take longer to materialize, or should the private development be substantially less than projected, then the amount of revenue generated will be substantially reduced and those obligations may continue for their full term. The Study has assumed

appropriate escalation rates, along with particular projects estimated to add value to the Second Amended and Restated Project Area.

This Second Amended and Restated Plan and attachments incorporate estimates and projections based on the LCDC's present knowledge and expectations. The LCDC may modify the Second Amended and Restated Project if the Board of Commissioners deems such modifications necessary to effectuate this Second Amended and Restated Plan. This Second Amended and Restated Plan proposes certain public improvements, including utility improvements, streetscapes, street improvements, property acquisition, and relocation costs, which will facilitate development in the Revenue Allocation Area.

G. Ten Percent Limitation

Under the Act the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed valuation for the entire City. The base assessment roll, not including utilities and less any homeowner's exemption, for the River District Revenue Allocation Area as of January 1, 2003, is \$14,354,592. The total assessed value for the City of Coeur d'Alene as of January 1, 2008, less homeowner's exemptions, is \$3,362,227,449. The base assessment roll, not including utilities and less any homeowner's exemptions for the Lake District Revenue Allocation Area as of January 1, 1997, was \$164,174,173. The additional Eligible Property is owned either by School District #271 or the City of Coeur d'Alene. Thus for these purposes the assessed value is deemed zero. The combined base assessment roll for the Revenue Allocation Area does not exceed ten percent (10%) of the assessed value for the City of Coeur d'Alene.

H. Financial Limitation

The Study identifies several capital improvement projects. Use of any particular financing source for any particular purpose is not assured or identified. Use of the funding source shall be conditioned on any limiting authority. For example, the LCDC may consider participation with owners or developers for public improvements, partial contribution by the LCDC, or encouraging certain demonstration projects such as workforce housing projects. Use of revenue allocation funds for that purpose will be limited by the authority of the Act. If revenue allocation funds are unavailable, then the LCDC will need to use a different funding source for that improvement, including grant funds. The Study has examined the potential of grant funding.

The amount of funds available to the LCDC from revenue allocation financing is directly related to the assessed value of new improvements within the Revenue Allocation Area. Under the Act, the LCDC is allowed the revenue allocation generated from inflationary increases and new development value. The Study has assumed certain annual increases over the term of this Second Amended and Restated Plan based on historical analysis and other circumstances.

The Study, with the various estimates and projections, constitutes an economic feasibility study. Costs and revenues are analyzed, and the analysis shows the need for public capital funds during the Second Amended and Restated Project. Multiple financing sources including

proposed revenue allocation notes and bonds, annual revenue allocations, developer contributions, and other funds are shown. This Study identifies the kind, number, and location of all proposed public works or improvements, a detailed list of estimated project costs, a description of the methods of financing illustrating project costs, and the time when related costs or monetary obligations are to be incurred. *See Idaho Code § 50-2905.* Based on these funding sources, the conclusion is that the Second Amended and Restated Project is feasible.

The information contained in the Study assumes certain projected actions. First, the LCDC has projected several debt obligations (e.g. bond terms, note issues). Any bond term will be finally determined by the marketability of the notes. Under the provisions of the Act, the revenue allocation may continue until the end of this Second Amended and Restated Plan term. Second, the total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Should all of the development take place as projected, indebtedness will be extinguished, dependent upon debt obligation documents and legal obligations therein. Should private development take longer to materialize or should the private development be substantially less than projected, then the amount of revenue generated will be substantially reduced and debt obligations may continue for their full term.

The proposed timing for the public improvements may very well have to be modified depending upon the availability of some of the funds and the LCDC's ability to finance relevant debt obligations.

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

I. Rebate of Revenue Allocation Funds

In any year during which the LCDC receives revenue allocation proceeds, the LCDC, as allowed by law, is authorized (but not required) to return or rebate to the other taxing entities of this Second Amended and Restated Plan any revenue allocation funds not previously pledged or committed for the purposes identified in this Second Amended and Restated Plan. Under the Act, the LCDC must first apply all such revenues for the payment of the projected costs of the urban renewal project identified and repayment of principal and interest on any moneys borrowed, indebtedness incurred, or bonds issued by the LCDC and maintain any required reserve for payments of such obligation or indebtedness. Only to the extent revenues of the LCDC exceed these obligations shall the LCDC consider any rebate or return of revenue allocation funds to the other taxing entities. The LCDC shall rebate such funds in a manner that corresponds to each taxing entity's relative share of the revenue allocation proceeds or on the basis of extraordinary service requirements generated by the Second Amended and Restated Project. All other taxing entities shall first receive any such rebate before such rebate shall be disbursed to the City.

Attachment 5 describes the LCDC's financing plan for the Second Amended and Restated Project. The Second Amended and Restated Project will be financed, in part, through tax increment financing, using revenue allocation funds as allowed by the Act. The LCDC anticipates that on an annual basis, tax increment, and other funds may be sufficient to satisfy the obligations incurred by the LCDC, even though the entire amount of revenue allocation funds must be pledged for the term of any bonds or other debts incurred by the LCDC. Therefore, on an annual basis, the LCDC will consider the rebate of funds, which funds, may not be revenue allocation funds, but other funds available to the LCDC.

J. Participation with Local Improvement Districts

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

K. Issuance of Debt and Debt Limitation

Any debt incurred by the LCDC as allowed by the Law and Act shall be secured by revenues identified in the debt resolution or revenue allocation funds as allowed by the Act. All such debt shall be repaid within the duration of this Second Amended and Restated Plan.

L. Impact on Other Taxing Districts and Levy Rate

A specific delineation of tax dollars generated by revenue allocation upon each taxing district has not been prepared. The overall impact of the revenue allocation project is shown in the Study. Since the passage of House Bill 156 in 1995 (now codified in Section 63-802, Idaho Code), taxing entities are constrained in establishing levy rates by a function of the amount each budget of each taxing district can increase on an annual basis. The amounts set forth in the Study would constitute the amounts distributed to other taxing entities from the Revenue Allocation Area if there were no urban renewal project. Each individual district's share of that amount would be determined by its particular levy rate as compared to the other districts in any given year. Therefore, the impact of revenue allocation is more of a product of the imposition of Section 63-802, Idaho Code. In addition, without the revenue allocation district and its ability to pay for public improvements and public facilities, fewer substantial improvements within the Revenue Allocation Area would be expected during the term of this Second Amended and Restated Plan; hence there would be lower increases in assessed valuation to be used by the taxing entities. If the overall levy rate is less than assumed, the LCDC will receive fewer funds from revenue allocation. The assessed value for each property in a Revenue Allocation Area consists of a base value and an increment value. The base value is the assessed value as of January 1 of the year in which a Revenue Allocation Area is approved by a municipality, with periodic adjustments allowed by Idaho State Code. The increment value is the difference

between the base assessed value and current assessed value in any given year while the property is in a Revenue Allocation Area. Under Section 63-802, Idaho Code, taxing entities are constrained in establishing levy rates by the amount each budget of each taxing district can increase on an annual basis. Taxing entities submit proposed budgets to the County Board of Commissioners, which budgets are required to comply with the limitations set forth in Section 63-802, Idaho Code.

The County Board of Commissioners calculates the levy rate required to produce the proposed budget amount for each taxing entity using the assessed values which are subject to each taxing entity's levy rate. Assessed values in urban renewal districts which are subject to revenue allocation (incremental values) are not included in this calculation. The combined levy rate for the taxing entities is applied to the incremental property values in the Revenue Allocation Area to determine the amount of property tax revenue which is allocated to an urban renewal agency. The property taxes generated by the property values in the urban renewal districts that are not subject to revenue allocation and by properties outside Revenue Allocation Areas are distributed to the other taxing entities. Properties in Revenue Allocation Areas are subject to the same levy rate as they would be outside a Revenue Allocation Area. The difference is how the revenue is distributed.

Additionally, the Study has taken the existing 2007 levy rate of .008185792 and imposed the relevant Coeur d'Alene school district 271 levy rate decrease as per HB470, keeping all other tax entity levy rates constant through the 2021 sunset date of the District. One result of Section 63-802 and House Bill 79 (2007), codified as Section 63-301A, Idaho Code, is the likely reduction of the levy rate as assessed values increase for property within each taxing entity's jurisdiction. House Bill 79, became effective retroactive to January 1, 2007, upon the Governor's signature on March 21, 2007. If the overall levy rate is less than as assumed, the LCDC shall receive fewer funds from revenue allocation. Section 63-301A, Idaho Code, prohibits taxing entities from including, as part of the new construction roll, the increased value related to new construction within the revenue allocation area until the revenue allocation authority is terminated. Any new construction within the Urban Renewal District will no longer be available for inclusion by the taxing entities to increase their budgets. Therefore, less tax revenue will be available to those taxing entities. Generally, the impact on the taxing entities would be to determine LCDC's projected revenue and disburse those funds in the same ratio as the respective levy rates of each taxing district. For Tax Year 2007, those districts and rates are as follows:

North Idaho College	0.000509932
Kootenai County	0.001963862
City of Coeur d' Alene	0.003988886
School District No. 271	0.001142669
County EMS	0.000097363
Highway Districts (Eastside, Worley, Post Falls)	0.000483080
TOTAL	0.008185792

The 2008 Idaho Legislature passed and Governor Otter signed House Bill 470 as amended in the Idaho Senate, which bill became effective retroactive to January 1, 2008 (Session

Laws, Chapter 253). The bill amended Idaho Code Sections 50-2908, 63-803, and 63-811. In brief, the bill provides that an urban renewal agency shall not be entitled to revenue allocation proceeds from certain levy increases which are allowed by either specific statutory authorization or approved by an election of the qualified electors of the particular taxing district. Therefore, for any levy election held after January 1, 2008, LCDC will not receive revenue allocation funds which would have been generated by imposing that levy on the assessed valuation within the Lake District Project Area. The Study which is attached as Attachment 5 has taken this new statute into account. The levy rate for School District No. 271 shown above is the aggregate levy rate for the school district as of 2007. The Study has assumed the impact of House Bill 470 and reduced the school district levy rate accordingly.

M. Lease Revenue Bonds

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

These financing models typically are for a longer period of time than the 24-year period set forth in the Act. However, these financing models do not involve revenue allocation funds, but rather funds from the end users which provide a funding source for the LCDC to continue to own and operate the facility beyond the term of the Plan as allowed by Idaho Code Section 50-2905(7) as those resources involve funds not related to revenue allocation funds.

**PART 6
MISCELLANEOUS**

SECTION 1 A. ACTION BY THE CITY

The City will, to the extent authorized by law, assist and cooperate with the LCDC-in carrying out this Second Amended and Restated Plan and take all actions necessary to ensure the continued fulfillment of purposes of this Second Amended and Restated Plan. The Planning Commission and City Council will provide the final direction, with no guarantees attached to their final actions. Subject to the City’s usual procedures, actions by the City may include, but are not limited to, the following:

1. Institution and completion of the proceedings necessary for changes and improvements in private and publicly owned utilities within or affecting the Second Amended and Restated Project.

2. Institution and completion of the proceedings necessary for revisions of zoning or other standards (if necessary) within the Second Amended and Restated Project Area to permit the development authorized by this Second Amended and Restated Plan.
3. Institution and completion of proceedings necessary to impose through the use of special use permits or other means of appropriate controls and conditions within the limits of this Second Amended and Restated Plan upon parcels in the Second Amended and Restated Project Area.
4. Provision for administrative enforcement of this Second Amended and Restated Plan by the City after development. The City and the LCDC may develop and provide for enforcement of a program for continued maintenance by owners of all real property, both public and private, within the Second Amended and Restated Project Area throughout the duration of this Second Amended and Restated Plan.
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 Second Amended and Restated Project Area to be commenced and carried to completion without unnecessary delays.
6. Institution and completion of proceedings necessary for the establishment of a local improvement district (LID).
7. The undertaking and completing of any other proceedings necessary to carry on the project.
8. Administration of grants that may be available for this project.
9. Appropriate agreements with the LCDC for administration, supporting services, funding sources, and the like.

The forgoing actions which may be taken by the City do not constitute any commitment of financial outlay by the City. Nor do they guarantee implementation. The Planning Commission and City Council will follow the usual procedures in reviewing recommendations of the LCDC.

B. MAINTENANCE

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

SECTION 2 **ENFORCEMENT**

The administration and enforcement of this Second Amended and Restated Plan, including the preparation and execution of any documents implementing this Second Amended and Restated Plan, shall be performed by the LCDC with the assistance of the City..

SECTION 3 **DURATION OF THIS SECOND AMENDED AND RESTATED PLAN**

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Second Amended and Restated Plan shall be effective, and the provisions of other documents formulated pursuant to this Second Amended and Restated Plan shall be effective for twenty-four (24) years from the date of adoption of the original Plan by the City Council in 1997 and adoption of the 2003 Amended and Restated Plan, which period shall expire on December 31, 2021, except for any revenue allocation proceeds received in calendar year 2022.

This Second Amended and Restated Plan shall terminate no later than December 31, 2021, except for revenues which may be received in 2022. Either on January 1, 2021, or if the LCDC determines an earlier terminate date:

- (a) When the Revenue Allocation Area plan budget estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness, and bonds have been paid in full or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the LCDC funded through revenue allocation proceeds shall be satisfied and the LCDC 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 the Revenue Allocation Area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the Revenue Allocation Area; and the powers granted to the urban renewal agency under Section 50-2909, Idaho Code, shall thereupon terminate.
- (b) In determining the termination date, this Second Amended and Restated Plan shall recognize that the LCDC shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the urban renewal plan.
- (c) For the fiscal year that immediately predates the termination date, the LCDC shall adopt and publish a budget specifically for the projected revenues and expenses of this Second Amended and Restated 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 that the LCDC 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 LCDC 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 LCDC shall cause the ordinance to be filed with the office of the county recorder and the Idaho State Tax Commission as provided in Section 63-215, Idaho Code.

As allowed by Idaho Code Section 50-2905(7), the LCDC may retain assets or revenues generated from such assets as loans the LCDC shall have resources other than revenue allocation funds to operate and manage such assets. The LCDC may retain ownership of the several parking facilities which may be constructed in the Project Area, as parking revenues may be sufficient to provide the resources necessary for the LCDC to retain those assets. Similarly, facilities which provide a lease income stream to the LCDC for full retirement of the facility debt will allow the LCDC to meet debt services obligations and provide for the continued operation and management of the facility.

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

Upon termination of the revenue allocation authority of the urban renewal plan to the extent the LCDC owns or possesses any assets, the LCDC shall dispose of any remaining assets by granting or conveying or dedicating such assets to the City of Coeur d'Alene.

SECTION 4 SEVERABILITY

The provisions of this Second Amended and Restated Plan are hereby declared to be severable and if any provision of this Second Amended and Restated Plan or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration of the application shall not affect the validity of remaining portions of this Second Amended and Restated Plan.

SECTION 5 REVIEW

Under the Law, the LCDC is required to file with the City, on or before March 31 of each year, a report of the LCDC's activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such calendar year.

SECTION 6 **APPENDICES, EXHIBITS, TABLES**

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

SECTION 7 **PROCEDURE FOR AMENDMENT**

This Second Amended and Restated Plan may be further modified at any time by the LCDC, provided that, if modified after disposition of real property in the Second Amended and Restated Project Area or after execution of an owner participation agreement, the modifications must be consented to by the developer or developers or their successor or successors of such real property whose interest is substantially affected by the proposed modification. Where the proposed modification will substantially change this Second Amended and Restated Plan, the modifications must be approved by the Coeur d'Alene City Council in the same manner as this Second Amended and Restated Plan. Substantial changes for Coeur d'Alene City Council approval purposes shall be regarded as revisions in project boundaries, land uses permitted, land acquisition, and other changes which will violate the objectives of this Second Amended and Restated Plan.

Attachment 1

Description of the Second Amended and Restated Project Area and Revenue Allocation Area Boundaries

[Note: Legal description of Second Amended and Restated Project Area available from Coeur d'Alene City Clerk's office]

CITY OF COEUR d'ALENE
URBAN RENEWAL BOUNDARY
2008 MODIFICATION AT SORENSON SCHOOL

A portion of Section 13, Township 50 North, Range 4 West, Boise Meridian, Kootenai County, State of Idaho, described as follows:

Beginning at the South one quarter corner of said Section 13;

THENCE North 20° 58' 38" West, 1288.0 Feet to a point on the existing Urban Renewal Boundary being also the Northeast corner of lot 3, block 31, Corrected Plat of The Town of Coeur d'Alene on the South line of Coeur d'Alene Avenue and THE TRUE POINT OF BEGINNING,;

THENCE along said boundary North 02° 56' 54" East, 60.2 Feet to the North line of Coeur d'Alene Avenue;

THENCE leaving said existing Urban Boundary, South 87° 42'45" East, 505.8 Feet along said North line to the West line of 8th Street;

THENCE South 82° 45'25" East, 73.3 Feet Southwest corner of block 9, O'brien's 2nd Addition;

THENCE South 89° 08' 36" East, 300.0 Feet along the North line of Coeur d'Alene Avenue to the West line of 9th Street;

THENCE North 00° 53' 55" East, 298.3 Feet along said West line to the North line of Indiana Avenue;

THENCE South 89° 08' 36" East, 420.0 Feet along said North line to the East line of 10th Street;

THENCE South 00° 53' 55" West, 358.9 Feet to the South line Coeur d'Alene Avenue;

THENCE North 89° 08'36" West, 720.0 Feet along said South line to the East line of 8th Street;

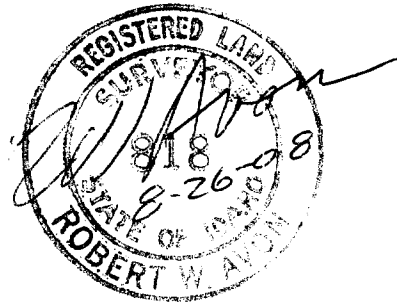
THENCE North 82° 57'51" West, 74.9 Feet along said South line to a point on the West line of 8th Street;

THENCE North 87° 39' 10" West, 506.4 Feet along the South line of Coeur d'Alene Avenue to THE TRUE POINT OF BEGINNING containing approximately 4.68 acres.

***CITY OF COEUR d'ALENE
URBAN RENEWAL BOUNDARY
2008 MODIFICATION AT SORENSON SCHOOL***

NOTES:

- 1. The Subdivision Plats herein referenced are recorded in the office of the County Recorder, Kootenai County, State of Idaho;**
- 2. The Basis of Bearings is from the State Plane Coordinate System, NAD 83, 1992 adjustment.**
- 3. This description was written using information from the office of the County Assessor's records of Kootanai County, Idaho and is solely for the purpose of modifying the existing Urban Renewal District boundary.**



CITY OF COEUR d'ALENE
URBAN RENEWAL BOUNDARY
2008 MODIFICATION AT WINTON SCHOOL

A portion of Section 11, Township 50 North, Range 4 West, Boise Meridian, Kootenai County, State of Idaho, described as follows:

Beginning at the South one quarter corner of said Section 11;

THENCE North 01° 05' 37" East, 550.1 Feet along the West line of the Southeast quarter of said Section 11 to an angle point on the existing Urban Renewal Boundary and THE TRUE POINT OF BEGINNING;

THENCE along said boundary as follows:

North 01° 05' 37" East, 114.6 Feet along said East line;

THENCE South 88° 49' 47" East, 150.1 Feet;

THENCE North 01° 02' 42" East, 132.7 Feet;

THENCE South 88° 59' 01" East, 151.7 Feet;

THENCE North 01° 09' 02" East, 177.7 Feet;

THENCE North 88° 56' 41" West, 301.9 Feet to said East line;

THENCE North 01° 05' 37" East, 329.9 Feet along said East line to the South line of Lacrosse Avenue;

THENCE South 88° 31' 41" East, 270.6 Feet along said South line;

THENCE North 00° 49' 05" East, 58.0 Feet to the Southeast corner of block 2 of College Heights Addition and the North line of Lacrosse Avenue;

THENCE leaving said existing Urban Boundary, South 88° 56' 47" East, 511.0 Feet along said North line to the East line of Melrose Street;

THENCE South 01° 20' 03" West, 665.0 Feet along said east line to the Southwest corner of lot 10, block 4, College Addition;

**CITY OF COEUR d'ALENE
URBAN RENEWAL BOUNDARY
2008 MODIFICATION AT WINTON SCHOOL**

THENCE North 88° 55' 59" West, 113.4 Feet along the south line of lot 5 and the Easterly prolongation thereof, block 3, of said College Addition to the beginning of a nontangent curve concave to the Southwest, having a radius of 150.01 feet, a central angle of 30° 26' 27" and a long chord that bears

North 44° 44' 31" West, 78.76 Feet ;

THENCE 79.7 Feet along said curve to a point on the South line of lot 4, block 3 of said College Addition;

THENCE North 88° 56' 00" West, 217.2 Feet along the south lines of said lot 4 and of lot 9 of said block 3 to a point on the south line of lot 4 block 2 of said College Addition;

THENCE South 54° 54' 27" West, 188.7 Feet to an angle point on the existing Urban Boundary;

THENCE along said boundary as follows:

South 56° 14' 59" West, 191.2

THENCE North 75° 25' 08" West, 84.6 Feet to THE TRUE POINT OF BEGINNING containing approximately 10.24 acres.

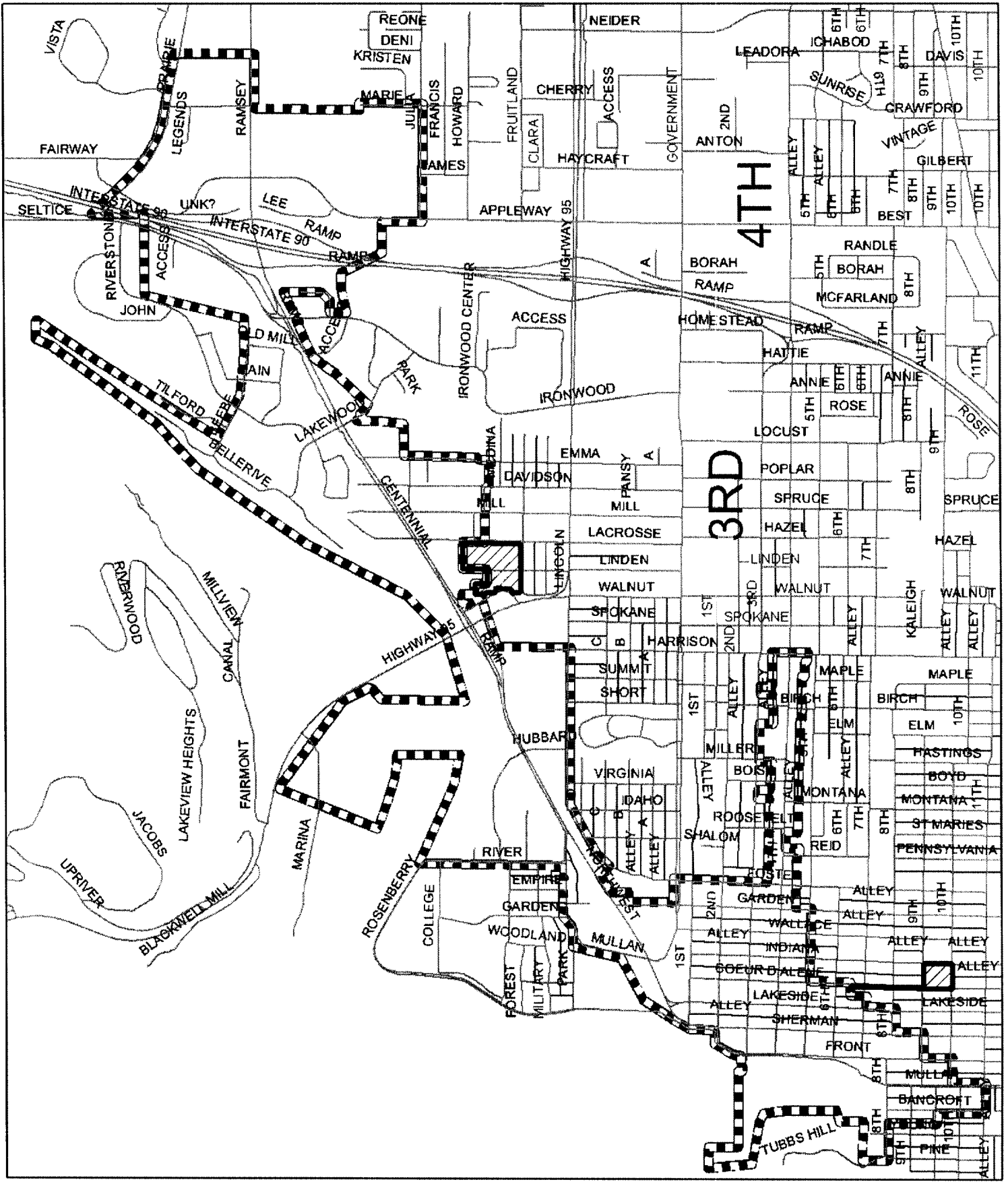
NOTES:

1. The Subdivision Plats herein referenced are recorded in the office of the County Recorder, Kootenai County, State of Idaho;
2. The Basis of Bearings is from the State Plane Coordinate System, NAD 83, 1992 adjustment.
3. This description was written using information from the office of the County Assessor's records of Kootenai County, Idaho and is solely for the purpose of modifying the existing Urban Renewal District boundary.



Attachment 2

Second Amended and Restated Project Area–Revenue Allocation Area Boundary Map
Illustrating Areas Added to the Lake District





**LCDC LAKE DISTRICT
PROPOSED BOUNDARY MODIFICATIONS**

Winton School

Winton Park

Sorenson Magnet School

1, 4S, 5

5, 10

DETERIORATING AREA CHARACTERISTICS
1 = Substantial # of deteriorating/deteriorated structures
3 = Faulty lot layout
4S = Unsafe conditions - buildings
5 = Deterioration of site and other improv. -park and school bldgs.
9F = Life/property endangering conditions - inadequate water main
10 = Any combination of such factors

* See the October 11, 2007 Eligibility Reprint text for a detailed explanation of each characteristic.

Harlen W. Mann
Community Development Consultant

**PINK LINE = EXISTING LAKE DIST. BOUNDARY
WHITE LINE = PROPOSED BOUNDARY MODIFICATION**

9F

1, 3, 4S,
5, 10

Attachment 3

Private Properties Which May Be Acquired by LCDC

1. Downtown Structured Parking Initiative: Targeted Properties
 - a. 309 Lakeside Avenue, Coeur d'Alene
 - b. 214 3rd Street, Coeur d'Alene
2. Education Corridor Initiative: Targeted Properties
 - a. DeArmond Mill Site, Northwest Boulevard, Coeur d'Alene

No other particular properties have been identified for acquisition by LCDC, except as may be required for the objectives of this Second Amended and Restated Plan.

2. The LCDC also reserves the right to acquire any additional right-of-way or access routes near or around existing or planned rights-of-way.
3. The LCDC reserves the right to acquire property needed to provide adequately sized sites for high priority projects such as public buildings, infrastructure, public parking facilities, transit and transportation facilities, etc. (the exact location, other than noted above, of which has not been determined).

Attachment 4

**Map Depicting Expected Land Uses and Current Zoning
Within Revenue Allocation Area and Second Amended and Restated Project Area**

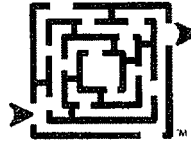
[Map Depicting Expected Land Uses – See the LCDC Lake District Strategic Plan
prepared by Zimmer Gunsul Frasca Partnership /
Leland Consulting Group April 2003]

[Current Zoning – Contact City Clerk Office]

Attachment 5

Statement of Proposed Public Improvements, Costs, Revenues,
Tax Impacts, Financing Methods, and Implementation Plan

[Refer to the 2008 Keyser-Marston Lake District Financial Feasibility Report]



KEYSER MARSTON ASSOCIATES

**ECONOMIC FEASIBILITY STUDY
LAKE DISTRICT URBAN RENEWAL AREA
PLAN AMENDMENT**

Prepared For

**THE LAKE CITY DEVELOPMENT CORPORATION
OF THE CITY OF COEUR d'ALENE**

June 12, 2008

ECONOMIC FEASIBILITY STUDY
LAKE DISTRICT URBAN RENEWAL AREA
PLAN AMENDMENT

Prepared For

THE LAKE CITY DEVELOPMENT CORPORATION
OF THE CITY OF COEUR d'ALENE
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Prepared By

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ECONOMIC FEASIBILITY STUDY OF THE LAKE DISTRICT URBAN RENEWAL AREA

June 12, 2008

Idaho State Code 50-2905 provides that the urban renewal agency of the municipality shall prepare and adopt the amendment to the plan for the revenue allocation area and submit the plan and recommendation for approval thereof to the local governing body. Among the requirements listed in State Code 50-2905, the amended plan shall include an economic feasibility study. The following represents the economic feasibility study for the amended Lake District Urban Renewal Area (the URD) proposed for the Lake City Development Corporation (LCDC).

Economic feasibility, for purposes of this analysis, will be defined as a comparative analysis of one potential scenario of anticipated costs for implementation of the amended Plan to the resulting revenues expected to be generated by the URD. Idaho State Code 50-2904 provides that the Plan, as amended, shall have duration not to exceed 24 years from the adoption date. For the URD, the termination date will therefore occur in FY 2021-22. The duration of the revenue allocation financing provision may be extended beyond this 24-year time limit in order to repay outstanding bond debt, provided such bond maturity is not greater than 30 years.

This section contains a general discussion of overriding general assumptions, the costs associated with the anticipated urban renewal program and an evaluation of the general financing methods that may be available to the LCDC. Economic feasibility is determined through a summarized feasibility cash flow analysis for the URD as summarized on Table 1.

A. GENERAL ASSUMPTIONS

1. Economic Feasibility Cash Flow

The economic feasibility cash flow has been created to identify the amount of resources available to fund the urban renewal projects, programs and activities identified by LCDC staff. A cash flow iteration was then prepared to ensure that annual expenditures did not exceed annual resources in any given future fiscal year. To determine the annual resources available, the following assumptions were incorporated in the Table1 cash flow projection:

- a. The revenue sources identified for the URD include tax increment revenue, rental income and interest earnings. No other funding sources have been identified or assumed for purposes of this feasibility study reflected herein.
- b. Projected excess revenues are carried forward into the subsequent year in order to ensure that adequate funding is available for future

expenditures. As the plan reaches its termination date, it has been assumed that the LCDC will expend all available revenues in the last four years of the projection.

- c. Owner Participation Agreement loan repayments, operational expenditures, identified LCDC obligations and capital improvement expenditures present one scenario of urban renewal implementation for the URD.

2. Tax Increment Projection

The economic feasibility study presents a long range cash flow analysis incorporating a projection of tax increment revenue for the URD. The following assumptions were incorporated in the tax increment revenue projection shown on Table 2:

- a. Future URD values projected on Table 2 are based upon current year assessed values aggregated by LCDC staff.
- b. Future property values annually increase as a result of the valuation increases generated by site-specific new developments and assumptions identified by LCDC staff. The new development value added assumptions are summarized on Table 4.
- c. Tax levies in the projection reflect anticipated adjustments pursuant to House Bill 470, which was passed by the Legislature in March 2008 (effective January 1, 2008). As a result, the computation of future tax increment revenue from the URD is exclusive of any locally approved voter levies (particularly those rates that pertain to School District 271 in Coeur d'Alene).
- d. Pursuant to Idaho State Code 2903, the base assessment roll of revenue allocation area or areas shall not exceed at any time ten percent (10%) of the current assessed valuation of all taxable property within the municipality. This is assumed to be the case for the purposes of the Table 1 projection.
- e. The LCDC sets aside 3% of annual gross tax increment revenues for the Public Art Share program.

B. ESTIMATED TOTAL PROJECT COSTS

A determination of economic feasibility requires an identification of the potential costs associated with urban renewal of the URD. Urban renewal could require significant participation from the LCDC in activities to promote and achieve the goals and objectives of the Plan and to address deteriorating conditions. The proposed activities and programs of the URD have been prepared by LCDC staff and include operational expenses and proposed capital improvement projects, programs and activities.

The economic feasibility cash flow presented on Table 1 combines the projected annual resources with the annual expenditures assumed by the LCDC. To the extent other funding resources become available in future fiscal years, funding of additional URD expenditures not currently assumed in the Table 1 cash flow will be feasible.

The urban renewal program described in this Report outlines a set of activities to be implemented by the LCDC for the purpose of facilitating private reinvestment in the URD and eliminating physical and deteriorating influences. The estimated costs of the proposed urban renewal programs over the remaining life of the Plan are as follows:

OPA Loan Repayment	\$7,336,000
Operations	18,259,000
Other Obligations	12,580,000
Capital Projects	14,931,000
Future Discretionary Funding	<u>16,479,000</u>
Totals Projected Costs	\$69,585,000

1. OPA Loan Repayment

The LCDC entered into various Owner Participation Agreements for the development of strategic or catalytic projects in the URD, including the Riverstone project and the McEuen Terrace project. Table 3 assumes that the LCDC will continue to enter into future participation agreements for the redevelopment of the URD as such participation opportunities become available in the future. The LCDC repays the developer loan from annual tax increment revenues generated from the respective parcels.

2. Operations

Operations represent the budgeted expenditures for LCDC overhead expenses including staff salaries, services and supplies, and capital outlay expenditures. An annual cost of living inflationary adjustment of 2% per year has been assumed for the operations cost detailed on Table 3.

3. Other Obligations

Other obligations of the URD that are included in the LCDC adopted budget or as anticipated by staff, are detailed on Table 3. These include various principal and interest loan repayments and other public projects of benefit to the community and URD, including allocations to the Sorenson/Winston schools, Civic Corridor City Hall campus, and Education Corridor infrastructure and mill site improvements.

4. Capital Projects

Capital project costs are summarized on Table 3 and are based upon budgeted capital expenditures provided by LCDC and adjusted in future years as necessary by KMA. Capital projects include land assembly and construction costs for a downtown parking structure and anticipated community public projects that include funding for the Midtown Placemaking and Midtown IHFA workforce housing projects, the McEuen Field Master Plan implementation, and the Four Corners Master Plan implementation.

5. Discretionary Projects

To the extent future tax increment revenues continue to be allocated to LCDC and are sufficient to fund projected OPA loan repayments, operations, other obligations and capital projects, and there remains excess available revenues, the cash flow projection assumes that the LCDC will exercise its discretion in funding other future projects, programs or activities of benefit to the URD. As the plan reaches its termination date, it has been assumed that the LCDC will expend all available revenues in the remaining years of the projection on such discretionary projects, programs or activities.

C. FINANCING METHODS AVAILABLE TO THE LCDC

The Plan, as amended, is prepared with the intent of providing the LCDC with the necessary legal authority and flexibility to implement the revitalization of the URD. The Plan authorizes the LCDC to finance the URD with financial assistance from any or all sources allowed under Idaho State law. A discussion of potential other funding sources is presented in this section.

The LCDC is granted authority to create indebtedness, issue bonds, borrow funds or obtain advances in implementing and carrying out the specific intents of an urban renewal plan. The LCDC is authorized to fund the principal and interest on the indebtedness, bond issues, borrowed funds or advances from tax increment revenue and any other funds available to the LCDC. To the extent that it is able to do so, the City may also supply additional assistance through City loans or grants for various public facilities or other project costs.

Potential revenue sources to fund project costs, as assumed in this economic feasibility cash flow, include tax increment revenues, rental income and interest earnings. The estimated resources

available to finance the anticipated urban renewal programs are summarized as follows:

Tax Increment Revenue	\$65,930,000
Other Income Sources	1,345,000
Interest Earnings	457,000
Cash Balance Available (FY 2007-08)	<u>1,853,000</u>
Total Projected Resources	\$69,585,000

1. **Tax Increment Revenues**

A summary of the projection of the incremental taxable values and resulting tax increment revenues for the URD over the remaining term of the Plan to FY 2020-21 is shown on Table 2. Tax increment revenues are based upon increases in the annual incremental assessed valuation of the URD which result from future new construction activities identified by LCDC staff. The total gross tax increment revenues for the URD projected over the remaining Plan life amounts to \$67,969,000, of which 3% would be set aside for the Public Art Share program, resulting in a net tax increment total of \$65,930,000.

2. **Rental Income**

Budgeted rental income is assumed to be available to the LCDC, as detailed on Table 3. The existing rental income is projected to increase 3% per year over the term of the projection until such time that certain sites are conveyed for future development, as assumed by LCDC staff.

3. **Interest Earnings**

The LCDC may receive interest earnings generated from funds on deposit in reserve funds, project operating funds and other special funds established for the URD. Interest earnings are based upon an assumed 3% rate and are applied to the balances available in the respective funds.

4. **Beginning Cash Balance**

The 2007-08 LCDC budget identifies a beginning cash balance totaling \$1,853,000. For purposes of this projection, the cash flow includes this cash balance amount.

D. ECONOMIC FEASIBILITY

The anticipated costs to implement a program of revitalization in the URD will require significant participation from the LCDC as it implements activities, which promote and achieve the goals and objectives of the Plan. Economic feasibility of the Plan, as amended, has been determined based upon the Table 1 cash flow analysis of the anticipated costs for implementation of the proposed urban renewal program to the resulting projected resources expected to be generated over the remaining life of the URD.

The economic feasibility summarized on Table 1 was created to represent one scenario of economic feasibility of the proposed amendment. At the discretion of the LCDC, other funding sources discussed above may present viable funding alternatives for economic feasibility of the amended Plan. Although the LCDC may consider other funding sources permitted in the Plan, not all of the funding sources may be available or be feasible for the LCDC to use in financing the anticipated costs.

E. LIMITING CONDITIONS TO PROJECTIONS AND CONCLUSIONS

Keyser Marston Associates, Inc. (KMA) has made extensive efforts to confirm the accuracy and timeliness of the information contained in this report. Such information was primarily provided by LCDC staff. Although KMA believes all information in this document is correct, it does not guarantee the accuracy of such and assumes no responsibility for inaccuracies in the information provided by staff. Further, no guarantee is made as to the possible effect on development of current or future federal, state, or local legislation including environmental or ecological matters.

1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government sources. While KMA believes that these sources are reliable, we cannot guarantee the accuracy of such data and assumes no responsibility for any inaccuracies in the information provided by third parties.
2. If an unforeseen change occurs in the local economy and real estate market, the conclusions contained herein would be altered and may no longer be valid.
3. The new development concept will not vary significantly from that identified in this analysis.
4. Any estimates of development costs, income and expense projections are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to reflect actual commitments guaranteed by LCDC for future implementation. No warranty or representation is made that any of the estimates or projections will actually materialize.

The accompanying projections and analyses are based on estimates and assumptions, which were developed using currently available economic data, project specific data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize and unanticipated events and circumstances may occur. Such changes are likely to be material to the projections and conclusions herein and, if they occur, will differ from the projections shown.

Table 1
Economic Feasibility Cash Flow
Lake District Plan Amendment
Lake City Development Corporation
of the City of Coeur d'Alene
(000's Omitted)

	Plan Year:	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Plan Termination	Memo
		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		Totals
I. Resources:																	
Beginning Balance		1,853	1,996	1,889	2,144	2,996	2,495	190	820	1,329	30	0	0	0	0		1,853
Net Tax Increment (Table 2)		2,126	2,709	3,657	4,298	5,120	5,125	5,174	5,225	5,277	5,330	5,386	5,443	5,501	5,562		65,930
Rental Income (Table 3)		182	187	193	176	181	156	160	14	15	15	16	16	17	17		1,345
Interest Earnings at 3% Ending Balance		40	60	57	64	90	75	6	25	40	1	0	0	0	0		457
Total Projected Resources		4,201	4,952	5,795	6,681	8,386	7,850	5,530	6,084	6,660	5,377	5,401	5,459	5,518	5,579		69,585
II. Expenditures:																	
OPA Loan Repayment (Table 3)		336	623	976	694	531	1,201	1,205	834	791	43	103	0	0	0		7,336
Operations (Table 3)		1,143	1,166	1,189	1,213	1,237	1,262	1,287	1,313	1,339	1,366	1,393	1,421	1,450	1,479		18,259
Other Obligations (Table 3)		594	849	811	754	3,098	1,097	1,118	508	900	1,425	1,425	0	0	0		12,580
Capital Projects (Table 3)		131	425	675	1,025	1,025	4,100	1,100	2,100	3,600	750	0	0	0	0		14,931
Available for Other Discretionary Projects		1,996	1,889	2,144	2,996	2,495	190	820	1,329	30	1,793	2,480	4,038	4,068	4,100		53,106
Discretionary Projects (100% of Available)		0	0	0	0	0	0	0	0	0	1,793	2,480	4,038	4,068	4,100		16,479
Total Projected Expenditures		2,204	3,063	3,651	3,686	5,891	7,660	4,710	4,755	6,630	5,377	5,401	5,459	5,518	5,579		69,585
III. Ending Balance		1,996	1,889	2,144	2,996	2,495	190	820	1,329	30	0	0	0	0	0		

Table 2
Tax Increment Projection
Lake District Plan Amendment
Lake City Development Corporation
of the City of Coeur d'Alene
(000's Omitted)

	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Plan Termination	Memo Total
I. Real Property	431,883	431,883	548,782	683,366	774,390	891,110	908,031	915,160	922,502	930,065	937,855	945,879	954,143	962,655		
New Development Value (Table 4)	0	116,899	134,584	91,024	116,720	16,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768		
Total Real Property	431,883	548,782	683,366	774,390	891,110	908,031	915,160	922,502	930,065	937,855	945,879	954,143	962,655	971,423		
II. Total Project Value	431,883	548,782	683,366	774,390	891,110	908,031	915,160	922,502	930,065	937,855	945,879	954,143	962,655	971,423		
Less Base Value	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)	(164,174)		
Incremental Value Over Base	267,709	384,608	519,192	610,216	726,935	743,857	750,985	758,328	765,891	773,681	781,704	789,969	798,481	807,248		
Assumed Tax Rate	0.81858%	0.72607%	0.72607%	0.72607%	0.72607%	0.71027%	0.71027%	0.71027%	0.71027%	0.71027%	0.71027%	0.71027%	0.71027%	0.71027%		
III. Gross Tax Increment Revenue	2,191	2,793	3,770	4,431	5,278	5,283	5,334	5,386	5,440	5,495	5,552	5,611	5,671	5,734		67,969
Public Art Share at -3%	(66)	(64)	(113)	(133)	(158)	(159)	(160)	(162)	(163)	(165)	(167)	(168)	(170)	(172)		(2,039)
Net Tax Increment Revenue	2,126	2,709	3,657	4,298	5,120	5,125	5,174	5,225	5,277	5,330	5,386	5,443	5,501	5,562		65,930

**Table 3
Cash Flow Detail
Lake District Plan Amendment
Lake City Development Corporation
of the City of Coeur d'Alene**

	11	12	13	14	15	16	17	18	19	20	21	22	23	Plan Termination 24	2020-21	Memo Total
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		
Operations																
1 Salaries & Benefits at 2% growth	153,453	156,522	159,653	162,846	166,102	169,425	172,813	176,269	179,795	183,391	187,058	190,800	194,616	198,508		2,451,249
2 Services & Supplies at 2% growth	729,596	744,188	759,072	774,253	789,738	805,533	821,644	838,076	854,838	871,935	889,373	907,161	925,304	943,810		11,654,521
3 Capital Outlay at 2% growth	260,000	265,200	270,504	275,914	281,432	287,061	292,802	298,658	304,631	310,724	316,939	323,277	329,743	336,338		4,153,224
Total Operations	1,143,049	1,165,910	1,189,228	1,213,013	1,237,273	1,262,018	1,287,259	1,313,004	1,339,264	1,366,049	1,393,370	1,421,238	1,449,663	1,478,656		18,258,994
Capital Projects																
1 Parking Structure - Land Assembly	0	0	0	100,000	100,000	100,000	100,000	100,000	1,000,000	0	0	0	0	0	0	1,500,000
2 Parking Structure - Building	0	0	0	0	0	0	1,000,000	2,000,000	2,600,000	0	0	0	0	0	0	5,600,000
3 Community Public Projects (1)	131,250	425,000	675,000	925,000	925,000	4,000,000	0	0	0	750,000	0	0	0	0	0	7,831,250
Total Capital Projects	131,250	425,000	675,000	1,025,000	1,025,000	4,100,000	1,100,000	2,100,000	3,600,000	750,000	0	0	0	0	0	14,931,250
OPA Loan Payments																
1 Riverstone OPA	247,949	358,586	534,218	278,273	0	0	0	0	0	0	0	0	0	0	0	1,419,026
2 McEuen Terrace OPA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 609 Lofts OPA	18,977	47,539	48,965	50,435	51,948	52,342	53,912	55,530	151,192	0	0	0	0	0	0	530,840
4 Ice Plant OPA	16,321	34,334	35,364	36,426	37,518	37,803	38,937	40,104	41,308	42,547	103,299	0	0	0	0	463,961
5 Chamber OPA	7,940	31,761	32,714	33,695	34,706	35,747	36,820	37,924	48,693	0	0	0	0	0	0	300,000
6 Northwest Place OPA	5,407	44,898	60,745	23,249	0	0	0	0	0	0	0	0	0	0	0	134,299
7 Parkside OPA	39,144	105,643	264,108	272,032	306,731	0	0	0	0	0	0	0	0	0	0	987,658
8 Old Creamery Site Project OPA	0	0	0	0	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	500,000
9 LaCrosse & NW Blvd Project OPA	0	0	0	0	0	250,000	250,000	250,000	0	0	0	0	0	0	0	750,000
10 Appleway/Ramsey (SE) Project OPA	0	0	0	0	0	100,000	100,000	100,000	200,000	0	0	0	0	0	0	500,000
11 Appleway/Ramsey (NE) Project OPA	0	0	0	0	0	250,000	250,000	250,000	250,000	0	0	0	0	0	0	1,000,000
12 Appleway/Ramsey (NW) Project OPA	0	0	0	0	0	250,000	250,000	0	0	0	0	0	0	0	0	500,000
13 Flks Building - Downtown OPA	0	0	0	0	0	125,000	125,000	0	0	0	0	0	0	0	0	250,000
Total OPA Loan Payments	335,738	622,761	976,114	694,110	530,903	1,200,892	1,204,669	833,558	791,193	42,547	103,299	0	0	0	0	7,335,784

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	11	12	13	14	15	16	17	18	19	20	21	22	23	Plan Termination 24	Memo Total
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	
Other Obligations															
1 BNSF RR Lease	12,850	12,850	0	0	0	0	0	0	0	0	0	0	0	0	25,700
2 Kroc Center	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0	0	0	0	500,000
3 Library Capital Cost Assistance	50,000	50,000	50,000	50,000	0	0	0	0	0	0	0	0	0	0	200,000
4 UP/NICTF/BLM (\$2.6M WTB Loan)	113,000	113,000	113,000	113,000	2,500,000	0	0	0	0	0	0	0	0	0	2,952,000
5 UP/NICTF/BLM (\$1.1M Debt Plan)	0	50,000	50,000	50,000	50,000	50,000	1,000,000	0	0	0	0	0	0	0	1,250,000
6 Community Public Projects (2)	0	250,000	250,000	150,000	0	0	0	0	0	1,425,000	1,425,000	0	0	0	3,500,000
7 728 Sherman Ave. (P&I)	8,819	8,819	8,819	8,819	95,033	0	0	0	0	0	0	0	0	0	130,308
8 604 Lincoln Way (P&I)	9,739	9,739	9,739	9,739	9,739	9,739	9,739	111,879	0	0	0	0	0	0	180,050
9 608 Lincoln Way (P&I)	12,622	12,622	12,622	12,622	12,622	12,622	12,622	137,470	0	0	0	0	0	0	225,827
10 612 Lincoln Way (P&I)	4,740	4,740	4,740	4,740	39,932	0	0	0	0	0	0	0	0	0	58,892
11 618 Lincoln Way (P&I)	6,207	6,207	6,207	6,207	48,715	0	0	0	0	0	0	0	0	0	73,542
12 620 Lincoln Way (P&I)	4,332	4,332	4,332	47,090	0	0	0	0	0	0	0	0	0	0	60,086
13 622 Lincoln Way (P&I)	45,945	0	0	0	0	0	0	0	0	0	0	0	0	0	45,945
14 626 Lincoln Way (P&I)	6,186	7,711	7,711	7,711	7,711	51,832	0	0	0	0	0	0	0	0	88,860
15 630 Lincoln Way (P&I)	4,162	4,162	4,162	4,162	44,850	0	0	0	0	0	0	0	0	0	61,498
16 632 Lincoln Way (P&I)	6,943	6,943	6,943	6,943	6,943	73,535	0	0	0	0	0	0	0	0	108,252
17 515 W. Garden (P&I)	19,939	19,939	19,939	19,939	19,939	214,285	0	0	0	0	0	0	0	0	313,978
18 Young Ave triplex (P&I)	14,965	14,965	0	0	0	0	0	0	0	0	0	0	0	0	29,930
19 Young lots (P&I)	10,536	10,536	0	0	0	0	0	0	0	0	0	0	0	0	21,072
20 712 Young Avenue (P&I)	23,772	23,772	23,772	23,772	23,772	23,772	23,772	23,772	261,415	0	0	0	0	0	451,591
21 815 N. 4th (P&I)	16,836	16,836	16,836	16,836	16,836	16,836	16,836	16,836	219,238	0	0	0	0	0	353,926
22 211 N. 4th (P&I)	15,878	15,878	15,878	15,878	15,878	15,878	15,878	178,909	0	0	0	0	0	0	290,058
23 311 Lakeside (P&I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 301 Lakeside (P&I)	39,326	39,326	39,326	39,326	39,326	39,326	39,326	39,326	419,003	0	0	0	0	0	733,611
25 308 CDA Ave (P&I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 Library (Jameson) (P&I =>FY03)	67,236	67,020	67,020	67,020	67,020	589,186	0	0	0	0	0	0	0	0	924,502
Total Other Obligations	594,033	849,397	811,046	753,804	3,098,316	1,097,012	1,118,174	508,192	899,656	1,425,000	1,425,000	0	0	0	12,579,628

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	11	12	13	14	15	16	17	18	19	20	21	22	23	Plan Termination 24	2020-21	Memo Total
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		
Rental Income																
1 Rent- 722 Young Ave Triplex	14,280	14,708	15,150	15,604	16,072	16,554	17,051	0	0	0	0	0	0	0	0	109,420
2 Rent- 712 Young Ave Duplex	9,639	9,928	10,226	10,533	10,849	11,174	11,509	0	0	0	0	0	0	0	0	73,858
3 Rent- 728 Sherman Ave	11,730	12,082	12,444	12,818	13,202	13,598	14,006	14,426	14,859	15,305	15,764	16,237	16,724	17,226	0	200,423
4 Rent- 308 CDA Ave	14,280	14,708	15,150	15,604	16,072	16,554	17,051	0	0	0	0	0	0	0	0	109,420
5 Rent- 211 North 4th	10,200	10,506	10,821	11,146	11,480	11,825	12,179	0	0	0	0	0	0	0	0	78,157
6 Rent- 311 Lakeside	5,100	5,253	5,411	5,573	5,740	5,912	6,090	0	0	0	0	0	0	0	0	39,079
7 Rent- 301 Lakeside	46,665	48,065	49,507	50,992	52,522	54,098	55,720	0	0	0	0	0	0	0	0	357,569
8 Rent- 632 Lincoln Way	5,610	5,778	5,952	0	0	0	0	0	0	0	0	0	0	0	0	17,340
9 Rent- 630 Lincoln Way	6,630	6,829	7,034	0	0	0	0	0	0	0	0	0	0	0	0	20,493
10 Rent- 626 Lincoln Way	8,670	8,930	9,198	0	0	0	0	0	0	0	0	0	0	0	0	26,798
11 Rent- 622 Lincoln Way	5,610	5,778	5,952	6,130	6,314	0	0	0	0	0	0	0	0	0	0	29,784
12 Rent- 620 Lincoln Way	7,140	7,354	7,575	7,802	8,036	0	0	0	0	0	0	0	0	0	0	37,907
13 Rent- 618 Lincoln Way	6,630	6,829	7,034	7,245	7,462	0	0	0	0	0	0	0	0	0	0	35,200
14 Rent- 612 Lincoln Way	7,089	7,302	7,521	7,746	7,979	0	0	0	0	0	0	0	0	0	0	37,636
15 Rent- 608 Lincoln Way	6,630	6,829	7,034	7,245	7,462	7,686	7,917	0	0	0	0	0	0	0	0	50,802
16 Rent- 604 Lincoln Way	7,089	7,302	7,521	7,746	7,979	8,218	8,465	0	0	0	0	0	0	0	0	54,319
17 Rent- 515 W Garden	8,670	8,930	9,198	9,474	9,758	10,051	10,352	0	0	0	0	0	0	0	0	66,434
Total Rental Income	181,662	187,112	192,725	175,658	180,928	155,671	160,341	14,426	14,859	15,305	15,764	16,237	16,724	17,226		1,344,639

(1) Includes allocations for the Sorenson/Winston Schools; Civic Corridor City Hall campus; and Education Corridor infrastructure and mill site improvements.

(2) Includes allocations for the Midtown Placemaking and IHFA Workforce Housing; McEuen Field Master Plan Implementation; Four Corners Master Plan Implementation.

Table 4

**New Development Value Added
Lake District Plan Amendment
Lake City Development Corporation
of the City of Coeur d'Alene
(000's Omitted)**

	Est Total Project Value	12 2008-09	13 2009-10	14 2010-11	15 2011-12	16 2012-13	17 2013-14	18 2014-15	19 2015-16	20 2016-17	21 2017-18	22 2018-19	23 2019-20	Plan Termination 24 2020-21	Total Value Added
1 Riverstone	125,636	26,250	33,250	24,500	0	0	0	0	0	0	0	0	0	0	84,000
2 Belle Rive	225,000	45,000	47,000	30,000	75,000	0	0	0	0	0	0	0	0	0	197,000
3 McEuen Terrace	12,466	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 609 Sherman Lofts	9,000	6,000	0	0	0	0	0	0	0	0	0	0	0	0	6,000
4 Ice Plant Townhomes	6,500	5,500	0	0	0	0	0	0	0	0	0	0	0	0	5,500
5 Chamber of Commerce	4,000	3,000	0	0	0	0	0	0	0	0	0	0	0	0	3,000
6 Northwest Place	11,500	8,000	3,000	0	0	0	0	0	0	0	0	0	0	0	11,000
7 Park Side Tower	50,000	17,000	30,000	0	0	0	0	0	0	0	0	0	0	0	47,000
8 Old Creamery Site Project	10,000	0	5,000	5,000	0	0	0	0	0	0	0	0	0	0	10,000
9 LaCrosse & NW Blvd Project	20,000	0	5,000	5,000	10,000	0	0	0	0	0	0	0	0	0	20,000
10 Appleway/Ramsey (SE) Project	15,000	0	5,000	5,000	5,000	0	0	0	0	0	0	0	0	0	15,000
11 Appleway/Ramsey (NW) Project	20,000	0	0	5,000	5,000	10,000	0	0	0	0	0	0	0	0	20,000
12 Elks Building - Downtown	10,000	0	0	5,000	5,000	0	0	0	0	0	0	0	0	0	10,000
13 Appleway/Ramsey (NE) Project	15,000	0	0	5,000	10,000	0	0	0	0	0	0	0	0	0	15,000
14 Misc New & Reappraisals	96,040	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768	96,040
15 Totals	630,142	116,899	134,584	91,024	116,720	16,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768	539,540

Exhibit 3

ACTION BY PLANNING AND ZONING COMMISSION



CITY OF COEUR D'ALENE

PLANNING DEPARTMENT

CITY HALL, 710 E. MULLAN
COEUR D'ALENE, IDAHO 83816-3964
208/769-2271

July 14, 2008

Lakes City Development Corporation
Tony Berns, Executive Director
105 N. 1st Street, Suite 100
Coeur d'Alene, ID 83814

RE: Review proposed Lakes Urban Renewal District boundary changes for conformity with the Comprehensive Plan

Dear Tony:

On July 8, 2008, the Planning Commission approved the above-referenced administrative item by a 5 to 0 vote citing the following Comprehensive Plan Polices:

1. **Objective 3.11, Historic Preservation: Encourage the protection of historic buildings and sites.**

Sorensen and Winton Schools have both been a part of the City for many years and should be categorized as "Historic" and continued to be preserved.

2. **Objective 3.12, Education: Support quality educational facilities throughout the City, from the pre-school through the university level.**

The Coeur d'Alene school district considered closing Sorensen School because of the cost of repairs needed for the school to remain open. This decision raised concerns with the community and generated discussions with the school board, which led to the board's decision to keep Sorensen open as a magnet school. This decision allows children not living in the area a choice, which helps to generate a population base allowing the school to remain open.


3. **Objective 3.13, Parks: Support the development, acquisition, and maintenance of property and facilities for current and future use, as described in the Parks Master Plan.**

Objective 3.14, Recreation: Encourage city-sponsored and/or private recreation facilities for citizens of all ages. This includes sports fields and facilities, hiking and biking pathways, open space, passive parks, and water access for people and boats.

Winton Park should be maintained and protected because it provides a number of activities the community has enjoyed.

If you have questions or need further information, please call me at 769-2271.

Sincerely,



JOHN J. STAMOSOS
Senior Planner

JJS

Exhibit 4

SUMMARY OF ORDINANCE NO. 3337

Exhibit 4

CITY OF COEUR D'ALENE

SUMMARY OF ORDINANCE NO. 3337

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO, APPROVING THE AMENDED AND RESTATED LAKE DISTRICT URBAN RENEWAL PROJECT, INCLUDING THE SORENSON MAGNET SCHOOL, WINTON SCHOOL, AND WINTON PARK AREA (NOW REFERRED TO AS THE SECOND AMENDED AND RESTATED PLAN), WHICH SECOND AMENDED AND RESTATED PLAN INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING THE CITY CLERK TO TRANSMIT A COPY OF THIS ORDINANCE AND OTHER REQUIRED INFORMATION TO COUNTY AND STATE OFFICIALS; APPROVING THE SUMMARY OF THE ORDINANCE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF COEUR D'ALENE:

SECTION 1: It is hereby found and determined that:

- (a) The Project Area as defined in the Amended and Restated Lake District Urban Renewal Project, including The Sorenson Magnet School Winton School, And Winton Park Area (Second Amended and Restated Plan and the project area referred to as the "Second Amended and Restated Project Area") is a deteriorated or a deteriorating area as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Law and Act.
- (b) The rehabilitation, conservation, and redevelopment of the urban renewal area pursuant to the Second Amended and Restated Plan is necessary in the interests of public health, safety, and welfare of the residents of the city of Coeur d'Alene.
- (c) There continues to be a need for LCDC to function in the city of Coeur d'Alene.
- (d) The Second Amended and Restated Plan conforms to the Comprehensive Plan of the city of Coeur d'Alene, as evidenced by the action taken by the Planning and Zoning Commission at its July 8, 2008, meeting, a copy of which is attached hereto as Exhibit 3.
- (e) The Second Amended and Restated Plan gives due consideration to the provision of adequate park and recreation areas and facilities that may be desirable for neighborhood improvement (recognizing the primary commercial component of the Second Amended and

Restated Plan, the need for overall public improvements, the proposed public open space), and shows consideration for the health, safety, and welfare of any residents or businesses in the general vicinity of the urban renewal area covered by the Second Amended and Restated Plan.

(f) The Second Amended and Restated Plan affords maximum opportunity consistent with the sound needs of the City as a whole for the rehabilitation and redevelopment of the urban renewal area by private enterprises.

(g) The Second Amended and Restated Plan provides a feasible method for relocation of any displaced families residing within the urban renewal area.

(h) The base assessment rolls of the Second Amended and Restated Project Area, including the 1997 and 2008 Project Areas along with the River District Project Area, do not exceed ten percent (10%) of the assessed value of the city of Coeur d'Alene.

SECTION 2: The City Council finds that the Second Amended and Restated Project Area and Revenue Allocation Area do not consist of predominately open land, that LCDC does not intend to acquire any open land on any widespread basis, and that the Project Area is planned to be redeveloped in a manner that will include both residential and nonresidential uses. Provided, however, the City Council finds that if portions of the Second Amended and Restated Project Area and Revenue Allocation Area are deemed "open land," the criteria set forth in the Law and Act have been met.

SECTION 3: The City Council finds that one of the Second Amended and Restated Plan objectives to increase the residential opportunity to include affordable housing does meet the sound needs of the City and will provide housing opportunity in an area that does not now contain such opportunity, and the portion of the Project Area which is identified for nonresidential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Coeur d'Alene Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns, and the need for the correlation of this area with other areas of the City.

SECTION 4: The Second Amended and Restated Plan attached hereto as Exhibit 2 and made a part hereof, is hereby approved. As directed by the City Council, the City Clerk and/or LCDC may make certain technical corrections or revisions in keeping with the information and testimony presented at the August 19, 2008, hearing and incorporate such changes or modifications, if any.

SECTION 5: No direct or collateral action challenging the Second Amended and Restated Plan shall be brought prior to the effective date of this Ordinance or after the elapse of thirty (30) days from and after the effective date of this Ordinance adopting the Second Amended and Restated Plan.

SECTION 6: Upon the effective date of this Ordinance, the City Clerk is authorized and directed to transmit to the County Auditor and Tax Assessor of Kootenai County and to the appropriate officials of Kootenai County Board of Commissioners, School District No. 271,

Kootenai County EMS, North Idaho College and the Eastside, Worley, and Post Falls Highway Districts, and the State Tax Commission a copy of this Ordinance, a copy of the legal description of the boundaries of the Revenue Allocation Area, and a map or plat indicating the boundaries of the Revenue Allocation Area.

SECTION 7: The City Council hereby finds and declares that the Revenue Allocation Area as defined in the Second Amended and Restated Plan includes that portion of the urban renewal area (defined as the Project Area in the Second Amended and Restated Plan), the equalized assessed valuation of which the Council hereby determines is in and is part of the Second Amended and Restated Plan has increased since the 1997 Plan adoption, and is likely to continue to increase as a result of the initiation and completion of urban renewal projects pursuant to the Second Amended and Restated Plan. The base assessment roll remains as established by the passage of Ordinance 2842 on December 16, 1997, and a base assessment roll for the addition of the area included by the adoption of this Ordinance.

SECTION 8: The City Council hereby approves and adopts the following statement policy relating to the appointment of City Council members as members of LCDC's Board of Commissioners: If any City Council members are appointed to the Board, they are not acting in an ex officio capacity, but, rather, as private citizens who, although they are also members of the City Council, are exercising their independent judgment as private citizens when they sit on the Board. Except for the powers to adopt and terminate Board members and to adopt the Second Amended and Restated Plan, the City Council recognizes that it has no power to control the powers or operations of LCDC.

SECTION 9: This Ordinance shall be in full force and effect immediately upon its passage, approval, and publication and shall be retroactive to January 1, 2008, to the extent permitted by the Act with the original revenue allocation area (the 1997 Project Area) maintaining its base assessment roll of January 1, 1997.

SECTION 10: The provisions of this Ordinance are severable, and if any provision of this Ordinance or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of remaining portions of this Ordinance.

SECTION 11: One-half, plus one of the City Council members finding good cause, the City Council hereby dispenses with the rule that this Ordinance be read on three different days; two readings of which shall be in full, and have hereby adopted this Ordinance, having considered it at one reading.

SECTION 12: The Summary of this Ordinance, a copy of which is attached hereto as Exhibit 4, is hereby approved.

SECTION 13: All ordinances, resolutions, orders or parts thereof in conflict herewith are hereby repealed, rescinded and annulled.

SECTION 14: SAVINGS CLAUSE: This ordinance does not affect an action or proceeding commenced or right accrued before this ordinance takes effect.

PASSED by the City Council of the city of Coeur d'Alene, Idaho, on this 19th day of August, 2008.

APPROVED by the Mayor of the city of Coeur d'Alene, Idaho, on this 19th day of August, 2008.

EXHIBITS TO THE ORDINANCE

- Exhibit 1 Notice Published in the Coeur d' Alene Press
- Exhibit 2 Second Amended and Restated Plan
- Exhibit 3 Planning and Zoning Commission Finding of Compliance
- Exhibit 3 Ordinance Summary

SUMMARY OF PLAN

The Second Amended and Restated Plan was prepared by the urban renewal agency of the City of Coeur d'Alene, aka the Lake City Development Corporation ("LCDC"), pursuant to the State of Idaho Urban Renewal Law, the Local Economic Development Act, the Idaho Constitution, and all applicable laws and ordinances and was approved by LCDC. The Second Amended and Restated Plan provides for LCDC to undertake urban renewal projects pursuant to the Idaho Urban Renewal Law of 1965 as amended. The Second Amended and Restated Plan contains a revenue allocation financing provision pursuant to the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, that will cause property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation as shown on the original base assessment roll as of January 1, 1997, and January 1, 2008, for the 2007 Eligible Area (which consists of the Sorenson Magnet School, Winton School, and Winton Park, all of which are tax exempt from ad valorem taxes and carry no base assessment value) as set forth in the Second Amended and Restated Plan, to be allocated to LCDC for the urban renewal purposes.

The general scope and objectives of the Second Amended and Restated Plan are:

1. The acquisition of certain real property;
2. The provision for participation by property owners within the Project Area;

3. The management of any property acquired by and under the ownership and control of LCDC;
4. The provision for relocation assistance to displaced Project occupants, as required by law and/or deemed necessary by LCDC;
5. The installation, construction, or reconstruction of streets, curbs, gutters, utilities, sidewalks, streetscapes, design standards, parking facilities, recreation and park amenities, art and other public improvements;
6. The disposition of property for uses in accordance with this Plan;
7. The redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;
8. The rehabilitation of structures and improvements by present owners, their successors, and LCDC;
9. The assembly of adequate sites for the development and construction of facilities for residential and commercial development and recreational opportunities;
10. To the extent allowed by law, lend or invest federal funds to facilitate redevelopment;
11. The construction of foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights, sites for buildings to be used for residential, commercial, industrial, and other uses contemplated by the Plan, and to provide utilities to the development site;
12. Encourage/secure entertainment activities in applicable sites within the project area; and
13. Coordinating with the City and School District No. 271 for certain improvements to Sorenson Magnet School, Winton School, and Winton Park.

Any such land uses as described in the Second Amended and Restated Plan will be in conformance with the Comprehensive Plan of Coeur d'Alene, Idaho. Land made available will be developed by private enterprises or public agencies as authorized by law. The Second Amended and Restated Plan identifies various public and private improvements which may be made within the Urban Renewal Area.

The Second Amended and Restated Project Area boundaries herein referred to are as follows:

[See EXHIBIT “A” attached hereto]

The Second Amended and Restated Project Area includes the addition of the 2007 Eligible Area.

Part 3, Sections 1 through 13 discuss the proposed redevelopment actions, participation opportunities and agreements, cooperation with public bodies, property acquisition standards and requirements, including personal property, relocation, demolition, and property disposition.

Part 4, Sections 1 through 4 discuss the type of land uses authorized in the Project Area and list other controls by referencing the applicable City ordinances.

Part 4, Section 5 describes design guidelines for development.

Part 5, Section 1 summarizes the Financing Plan for the Second Amended and Restated Project Area and describes the 1997 base assessment roll and 2008 base assessment roll for the 2007 Eligible Area for the Second Amended and Restated Project Area.

The Second Amended and Restated Plan also contains a major section on financing. Among other sources, the Second Amended and Restated Plan will utilize revenue allocation financing, authorized by Chapter 29, Title 50, Idaho Code. This statute was approved in 1988 by the Idaho Legislature. Part 5 and Attachment 5 discuss revenue allocation financing and show how such financing has worked and would work in the Project Area in the future if certain new private developments occur as estimated.

Increases in assessed valuation of real and personal property in the original Project Area that occurred after 1997 and 2008 for the 2007 Eligible Area (recognizing the tax exempt nature of the area) will generate revenue for LCDC to pay project costs. Project costs include street improvements, parking facilities, and other public improvement costs. The assessed valuation of real and personal property on the base assessment roll is still available for use by the other taxing districts, city of Coeur d’Alene, Kootenai County, School District No. 271, Kootenai County EMS, North Idaho College, and the Eastside, Worley, and Post Falls Highway Districts to finance their operations. The Second Amended and Restated Plan authorizes LCDC to sell revenue bonds to finance project costs and to use annual revenue allocations to pay the debt service.

The program outlined in the Second Amended and Restated Plan emphasizes the installation of needed public improvements, street improvements, utility work, and other costs to encourage private development.

Attachment 5 describes in detail the cost and financing methods for complete repayment of the debt incurred used to finance the Project and to also fund the additional described activities.

No change in the land use designation or the potential uses in the area have been proposed. The Second Amended and Restated Plan follows the underlying zoning classifications

of the city of Coeur d'Alene. Proposals for certain zone changes are made in the Second Amended and Restated Plan.

Part 6 describes cooperative activities by LCDC with the City.

The duration of the Second Amended and Restated Plan is for twenty-four (24) years, which expires in 2021. A termination process is described in Part 6, Section 3 of the Plan. LCDC is required to prepare an annual report each year describing its activities during the previous year.

Section 7 describes the procedure for amendment to the Second Amended and Restated Plan.

ATTACHMENTS TO THE SECOND AMENDED AND RESTATED PLAN

- Attachment 1 Description of Second Amended and Restated Project Area and Revenue Allocation Area Boundaries
- Attachment 2 Map of Second Amended and Restated Project Area and Revenue Allocation Area Boundaries
- Attachment 3 Private Properties Which May be Acquired by LCDC
- Attachment 4 Map Depicting Expected Land Uses and Current Zoning within Second Amended and Restated Revenue Allocation Area and Project Area
- Attachment 5 Statement of Proposed Public Improvements, Costs, Revenues, Tax Impacts, Financing Methods and Implementation Plan (the 2008 Economic Feasibility Study prepared by Keyser-Marston Associates)

The full text of Ordinance _____ is available at the offices of the City Clerk located at the Coeur d'Alene City Hall, 710 East Mullan Avenue, Coeur d'Alene, Idaho 83814.

THIS SUMMARY APPROVED by the Mayor and City Council this 19th day of August, 2008.

Sandi Bloem, Mayor

ATTEST:

Susan Weathers, City Clerk

I, Michael C. Gridley, City Attorney for the City of Coeur d'Alene, Idaho, declare that in my capacity as City Attorney of the City of Coeur d'Alene, pursuant to Idaho Code Section 50-901A(3) of the Idaho Code as amended, and I hereby certify that I have reviewed a copy of the above Summary of Ordinance, have found the same to be true and complete, and provide adequate notice to the public of the contents, including the exhibits, of Ordinance No. 3337.

DATED this 19th day of August, 2008.

City Attorney, City of Coeur d'Alene, Idaho