



**A CONTINUED MEETING OF  
THE CITY COUNCIL  
July 13, 2016, 8:00 A.M.  
OLD COUNCIL CHAMBER IN CITY HALL**

**AGENDA**

**A. CALL TO ORDER**

1. PUBLIC HEARING: **Council Bill No. 16-1014** - Approval of the first amendment to 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, doing business as Ignite CDA

2. PUBLIC HEARING: **Council Bill No. 16-1015** - Approval of the first amendment to the River District Redevelopment Plan of the Coeur d'Alene Urban Renewal Agency, doing business as Ignite CDA

3. Workshop regarding the 2016-2017 Fiscal Year Budget –

**Presented by Troy Tymesen, Finance Director and  
Vonnice Jensen, Deputy Finance Director**

4. Workshop regarding the Updated Impact Fee Development Plan –

**Presented by Troy Tymesen, Finance Director and  
Hilary Anderson, Community Planning Director**

**B. ADJOURNMENT**

*NOTE: The City will make reasonable accommodations for anyone attending this meeting who require special assistance for hearing, physical or other impairments. Please contact the City Clerk at (208) 769-2231 at least 24 hours in advance of the meeting date and time.*

## **CITY COUNCIL STAFF REPORT**

**DATE:** July 13, 2016

**FROM:** Jim Hammond

**SUBJECT:** De-Annexation of Certain Properties within the City's Urban Renewal Districts

\*\*\*\*\*

### **DECISION POINT:**

Should the council adopt ordinances providing for the de-annexation of certain properties in both the Lake and River Urban Renewal Districts?

### **HISTORY:**

Under the direction of Mayor Widmyer and with council approval, staff has been working with ignite cda to remove properties within both of the city's URDs in order to direct some of the tax revenue generated within the two districts to the affected taxing districts. This will enable the use by the City of some of the enhanced revenue prior to closure of the districts. Staff has worked with ignite cda, the County Assessor and the State Tax Commission to ensure that all necessary tasks have been completed in order to proceed with the de-annexation.

### **FINANCIAL ANALYSIS:**

The attached spreadsheet titled "Diverted to Taxing Districts" illustrates the tax revenue that will be diverted from ignite cda to the taxing districts. The city of Coeur d Alene can expect to receive additional revenue of \$500,000.

### **PERFORMANCE ANALYSIS:**

A financial analysis has been completed that assures sufficient cash flow from both districts to ignite cda to meet their current and future planned obligations through the life of the districts.

### **DECISION POINT/RECOMMENDATION:**

Staff recommends adoption of both ordinances, thus completing the last step necessary to de-annex the proposed properties.

Ignite cda  
DIVERTED TO TAXING DISTRICTS  
FROM 2016 DE-ANNEXATION

| DISTRICT                      | 2015<br>Levy Rates | From<br>Assessor 5/31 | To District       | From<br>Assessor 6/7 | To District       | W/Oper. Props<br>TOTAL (1) |
|-------------------------------|--------------------|-----------------------|-------------------|----------------------|-------------------|----------------------------|
| Kootenai County               | 0.003178062        | \$ 76,828,006         | \$ 244,164        | \$ 85,076,502        | \$ 270,378        | \$ 271,248.88              |
| City of Coeur d'Alene- bond   | 0.000044342        | 76,828,291            | 3,407             | 85,076,502           | 3,772             | 3,784.61                   |
| City of Coeur d'Alene         | 0.005857486        | 76,828,006            | 450,019           | 85,076,502           | 498,334           | 499,938.80                 |
| Poat Falls Highway District   | 0.000647527        | 58,146,303            | 37,651            | 64,389,073           | 41,694            | 41,871.02                  |
| Lakes Highway District        | 0.000758112        | 18,681,701            | 14,163            | 20,687,427           | 15,683            | 15,683.39                  |
| Coeur d'Alene School District | 0.000009062        | 76,829,620            | 696               | 85,076,502           | 771               | 773.44                     |
| NIC                           | 0.001098933        | 76,827,998            | 84,429            | 85,076,502           | 93,493            | 93,794.38                  |
| Kootenai County Ambulance     | 0.000171693        | 76,828,120            | 13,191            | 85,076,502           | 14,607            | 14,654.07                  |
|                               |                    |                       | <u>\$ 847,720</u> | Net: To Districts    | <u>\$ 938,734</u> | <u>\$ 941,748.59</u>       |
|                               |                    |                       |                   | Net: To Taxpayers    |                   | \$ 398,681.41              |
|                               |                    |                       |                   | From ignite cda      |                   | <u>\$ 1,340,430.00</u>     |

# FINANCIAL ANALYSIS

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# FINANCIAL ANALYSIS

## INTRODUCTION

The Panhandle Area Council is pleased to assist the City of Coeur d'Alene and its Urban Renewal Agency, ignite cda, on a financial analysis of the impact of the City's proposal to de-annex parcels from both its Lake and River Districts. The City proposes to take this action in order to receive a portion of the tax increment that has been diverted to the Agency since 1997 in the Lake District and 2003 in the River District. The City has recognized the need for extra tax revenue for staffing its fourth fire station, scheduled to open in 2016, and the opportunity to reduce property taxes in the county.

## IMPACT ON LOCAL GOVERNMENTS

The action would also potentially impact the budgets of other local governments, including North Idaho College and Kootenai County. Local governments would be allowed to add the amounts shown to their budgets for FY 2016-17, or use the new revenues to lower taxes for their constituents.

A breakdown of the funds to be received, defined as New Construction by the Idaho State Tax Commission:

**TABLE 1**  
**NEW CONSTRUCTION – BY AGENCY – FY 2016-2017**

| Tax Authority                 | Levy Rate   | Tax Change    |
|-------------------------------|-------------|---------------|
| Coeur d'Alene Bond            | 0.000044342 | \$ 3,784.61   |
| City of Coeur d'Alene         | 0.005857486 | 499,938.80    |
| TOTAL – City of Coeur d'Alene |             | 503,723.41    |
| Kootenai County               | 0.003178062 | 271,248.88    |
| North Idaho College           | 0.001098933 | 93,794.38     |
| Post Falls Highway District   | 0.000647527 | 41,871.02     |
| Lakes Highway District        | 0.000758112 | 15,683.39     |
| Kootenai County EMS           | 0.000171693 | 14,654.07     |
| School District 271           | 0.000009062 | 773.44        |
| Total                         |             | \$ 941,748.59 |

Source: Kootenai County Assessor

## BASIS OF THE ANALYSIS

The following assumptions have been used to determine the impact on the Agency:

1. The City Council will approve an ordinance no later than July 25, 2016 to de-annex the parcels Identified via the Kootenai County Assessor.
2. The State Tax Commission has determined that properties de-annexed prior to that date are to be included in the New Construction Rolls of each affected agency, and therefore eligible for inclusion in their budgets for FY 2016-17. The discussion of the timing of the receipt of the taxes to local governments from Alan Dornfest of the State Tax Commission can be found in Exhibit A.
3. The Assessed Value of the Net Tax Increment of each District of the Agency, as of January 1, 2016 is as follows:
  - **Lake District:** Value of the increment above the base value on January 1, 1997 is \$373,126,242.
  - **River District:** Value of the increment above the base value on January 1, 2003 is \$194,264,624.
4. The 2015 net increment values may change based on the subsequent tax rolls calculated by the County Assessor. And, although they are certain to change in future years, the analysis assumes the increment values will remain fixed for the life of the Districts, at their current 2015 values.
5. Although they too are certain to change, the Tax Levy Rates as of December 31, 2015 are fixed for the life of the Districts, as stated in Table 1 on Page 1.
6. Although not needed to mitigate the financial impact on the Lake District, some buildings and sites may be declared as surplus and sold, based on their non-depreciated value as of September 30, 2015.
7. The final installment of the Revenue Allocation Bond with Washington Trust Bank, in the amount of \$1,039,260, will be paid from restricted funds in the Debt Reserve Fund established and maintained by the Agency. The balance remaining, estimated at \$310,740, will become unrestricted cash at that time.
8. The Agency will work with Washington Trust Bank to provide further security for the Revenue Allocation Bonds, if required by their covenants, including increasing the Debt Service Reserve or using existing assets as collateral.
9. Operating expenses remain fixed for the life of the Districts, with the exception of salaries and overhead, which increase by 3% annually. The salaries and overhead expenses are split equally between the Districts through 2021, at which time the Lake District closes, and the salaries and benefits are halved.
10. Future projects of the Agency have been included, based on the Agency's projections, and in the timeline set forth by them.
11. Special Project Reserves in the amount of \$3 million in the Lake District and \$5 million in the River District are included. These are funds for grants for public projects not yet requested by local governments or identified by the Agency. The city may also partner with the Agency to fund other requested grant projects, if necessary.

## SUMMARY

Exhibit B details the impact on the Districts, as follows:

1. **Lake District:** With the loss of the current value of the increment since 1997 on the de-annexed parcels, **\$24,077,194**, the Agency will see **\$337,093** less in incremental taxes per year, beginning in 2017. The total over the five remaining years of the District is **\$1,685,465**. Please see Chart 1, Exhibit C.

However, this is partially offset by the new construction in the District, **\$64,863**, and the use of the Debt Service Reserve, **\$1,305,337**, to retire the final installment on the Washington Trust Bank Revenue Allocation Bonds.

Based on the analysis, there will be no impact on the Lake District for current projects or those currently proposed by the Agency.

However, the Agency may be restricted on the amount they can provide for public infrastructure via grants to local governments. As noted, the Agency has set aside \$3 million in the Special Projects Reserve, in addition to \$3.6 million for the Four Corners Project, \$2.5 million for an Education Facility, \$1.85 million for a Parking Structure and \$500,000 for Midtown initiatives.

2. **River District:** With the loss of the current value of the increment since 2003 on the de-annexed parcels, **\$86,688,437**, the Agency will see **\$1,003,337** less in incremental taxes, beginning in 2017. The total over the eleven remaining years of the District is **\$11,036,707**. Please see Chart 2, Exhibit C.

Based on the analysis, there is no financial impact on the River District for currently anticipated projects, despite the fact the de-annexation removes 44% of its increment. However, future grants to local governments, slated at \$12.2 million, would be reduced to \$5 million over 12 years. This is in addition to \$3.5 million for improvements to Seltice Way, \$500,000 for the transit center and \$100,000 for the BNSF property. Another impact is that by reducing the acreage of the District, the ability to amend its boundary to include the Atlas property would be reduced, since it is restricted to being 10% of the size of the District.

## FINAL NOTE:

Coeur d'Alene's urban renewal agency, ignite cda, has in PAC's view done a remarkable job since its inception in 1997. Local critics, including some elected officials, believe its creation has increased taxes because of those being diverted to the Agency. This is simply not the case, as current law does not allow it. We believe de-annexing parcels before the close of a District is an extremely effective way to utilize this valuable tool, and we commend the parties for working together to do so.

**EXHIBIT A**  
**TIMING OF THE RECEIPT OF TAX DOLLARS FROM DE-ANNEXATION**

**From:** Alan Dornfest, Idaho State Tax Commission  
**To:** Mayor Steve Widmyer, City Administrator Jim Hammond  
**Subject:** De-annexation of URD properties

It really depends on when the agency no longer expects to receive money for increment value within the portion of the RAA (Revenue Allocation Area) being de-annexed. Assume, for example that the URA does not need any more money from these properties and expects nothing from 2016 property taxes (ie: the ones paid in December 2016). If the de-annexation ordinance is effective before July 25, the increment value (or at least the growth in this value since 2006) can be counted as new construction for taxing district budgeting purposes for their FY 2017 budgets – fulfilled with 2016 property taxes. That's the best scenario – try to meet the July deadline. There is no way to extend it. If you are not planning to de-annex for this tax cycle, then just move these dates ahead a year. In that case, the cleanest scenario would be to de-annex as of the end of this calendar year.

**Alan S. Dornfest • Property Tax Policy Supervisor**  
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ORDINANCE NO. \_\_\_\_\_  
COUNCIL BILL NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO, APPROVING THE FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED MIDTOWN-NORTHWEST BOULEVARD DOWNTOWN URBAN RENEWAL PLAN (NOW REFERRED TO AS THE LAKE DISTRICT URBAN RENEWAL PROJECT PLAN), WHICH FIRST AMENDMENT SEEKS TO DEANNEX CERTAIN PARCELS FROM THE EXISTING LAKE DISTRICT PROJECT AREA; WHICH FIRST AMENDMENT AMENDS A PLAN THAT 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 August 5, 1997, by Resolution No. 97-151 the City Council ("City Council") and Mayor of the City of Coeur d'Alene, Idaho (the "City") created an urban renewal agency, The Coeur d'Alene Urban Renewal Agency (formerly d/b/a Lake City Development Corporation and now d/b/a ignite cda, the "Agency"), authorizing it to transact business and exercise the powers granted by the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the "Law"), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"), upon making the findings of necessity required for creating said Agency;

WHEREAS, the City Council 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 "Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2842 on December 16, 1997, approving the Plan and making certain findings;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the proposed amendment and restatement to the Plan (the "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 Amended and Restated Plan, and making certain findings;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on a proposed amendment and restatement to the Amended and Restated Plan, the Second Amended and Restated Midtown-Northwest Boulevard Downtown Urban Renewal Plan, now referred to as the Lake District Urban Renewal Project Plan (the "Second 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. 3337 on August 19, 2008, approving the Second Amended and Restated Plan, and making certain findings;

WHEREAS, the City seeks to amend the Second Amended and Restated Plan to deannex certain parcels from the existing Lake District Project Area, as described in the First Amendment defined below;

WHEREAS, pursuant to Idaho Code § 50-2008(b) “any person or agency, public or private, may submit [an] urban renewal plan to an urban renewal agency;”

WHEREAS, the City has prepared a proposed First Amendment to the Second Amended and Restated Plan (the “First Amendment”), as set forth in Exhibit 1 attached hereto, identifying the parcels to be deannexed from the Lake District Project Area;

WHEREAS, the First Amendment amends the Second Amended and Restated Plan, which contains provisions of revenue allocation financing as allowed by the Act;

WHEREAS, the City Council, on June 7, 2016, approved formal submission of the First Amendment to the Agency;

WHEREAS, on June 8, 2016, the Agency Board passed Resolution No. 2016 - 05 acknowledging receipt of and accepting the First Amendment;

WHEREAS, the Mayor and City Clerk have taken the necessary action to process the First Amendment;

WHEREAS, as of June 10, 2016, the First Amendment was submitted to the affected taxing entities, available to the public, and under consideration by the City Council;

WHEREAS, notice of the public hearing of the First Amendment was caused to be published by the Coeur d’Alene City Clerk in the *Coeur d’Alene Press* on June 11, 2016, a copy of said notice being attached hereto as Exhibit 2;

WHEREAS, as required by Idaho Code Section 50-2906, the First Amendment was made available to the general public and all taxing districts at least thirty (30) days prior to the July 13, 2016, special meeting of the City Council;

WHEREAS, appropriate notice of the First Amendment and the impact on the revenue allocation provision contained therein has been given to the taxing districts and to the public as required by Idaho Code Sections 50-2008 and 50-2906;

WHEREAS, at a meeting held June 14, 2016, the Coeur d’Alene Planning and Zoning Commission considered the First Amendment and found that the First Amendment is in all respects in conformity with the Comprehensive Plan; a copy of the Planning and Zoning Commission minutes, June 14, 2016 are attached hereto as Exhibit 3;

WHEREAS, the revenue allocation proceeds from the deannexed parcels secure repayment of that certain Revenue Allocation Note, Series 2011 in the principal amount of up to \$16,700,000 (the “Note”) held by Washington Trust Bank. The deannexation of certain parcels within the boundaries of the existing Lake District Project Area by adoption of the First Amendment results in a reduction in the revenue allocation proceeds received by the Agency and pledged to Washington Trust Bank in that certain Note Purchase and Security Agreement, dated August 25, 2011, as amended (the “Note Purchase Agreement”). The Note Purchase Agreement must be amended to reduce the pledge of revenue allocation proceeds pursuant to a Second Amendment to the Note Purchase and Security Agreement (the “Second Amendment”);

WHEREAS, Washington Trust Bank and the Agency have approved and executed the Second Amendment;

WHEREAS, the City Council during its special meeting on July 13, 2016, held the public hearing;

WHEREAS, it is necessary, and in the best interests of the citizens of the City to adopt the First Amendment;

WHEREAS, the City at its special meeting held on July 13, 2016, held a public hearing and considered the First Amendment as proposed, and made certain comprehensive findings; and

WHEREAS, the First Amendment amends a pre-July 1, 2016, plan containing a revenue allocation financing provision, and therefore, pursuant to Idaho Code Section 50-2903(4), there is no reset of the base assessment roll to the current values for the remaining Lake District Project Area.

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

SECTION 1: The First Amendment attached hereto as Exhibit 1 and made a part hereof, is hereby approved. The City Clerk may make certain technical corrections or revisions in keeping with the information and testimony presented at the July 13, 2016, hearing.

SECTION 2: No direct or collateral action challenging the First Amendment 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 First Amendment.

SECTION 3: Upon the effective date of this Ordinance, the City Clerk is authorized and directed to transmit to the Kootenai County Auditor, Kootenai County Tax Assessor and Kootenai County Board of Commissioners and to the appropriate officials of the Coeur d’Alene School District No. 271, Kootenai County EMS, North Idaho College, Eastside Highway District, Lakeside Highway District, Worley Highway District, Post Falls Highway District and the Idaho State Tax Commission a copy of this Ordinance, a copy of the legal description and a map indicating the parcels to be deannexed from the existing Lake District Project Area.

SECTION 4: This Ordinance shall be in full force and effect immediately upon its passage, approval, and publication.

SECTION 5: 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 6: At least 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 7: The Summary of this Ordinance, a copy of which is attached hereto as Exhibit 4, is hereby approved.

SECTION 8: All ordinances, resolutions, orders or parts thereof in conflict herewith are hereby repealed, rescinded and annulled.

SECTION 9: SAVINGS CLAUSE: This Ordinance does not affect an action or proceeding commenced or right accrued before this Ordinance takes effect.

*Passed under suspension of rules upon which a roll call vote was duly taken and duly enacted by an Ordinance of the City of Coeur d'Alene at a special call session of the City Council on July 13, 2016.*

APPROVED, ADOPTED and SIGNED this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Mayor Steve Widmyer

ATTEST:

\_\_\_\_\_  
Renata McLeod, City Clerk

Exhibit 1

FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED PLAN

Exhibit 2

NOTICE PUBLISHED IN THE *Coeur d'Alene Press*, June 11, 2016

Exhibit 3

PLANNING & ZONING COMMISSION MINUTES JUNE 14, 2016

Exhibit 4

SUMMARY OF ORDINANCE NO. \_\_\_\_\_



**EXHIBIT 1**

**FIRST AMENDMENT TO THE  
SECOND AMENDED AND RESTATED**

**MIDTOWN–NORTHWEST BOULEVARD  
DOWNTOWN URBAN RENEWAL PLAN**

**COEUR D’ALENE URBAN RENEWAL AGENCY**  
(formerly d/b/a the Lake City Development Corporation and now d/b/a ignite cda)

**CITY OF COEUR D’ALENE, IDAHO**

**NOW REFERRED TO AS THE  
LAKE DISTRICT  
URBAN RENEWAL PROJECT PLAN**

**Ordinance No. 2842  
Adopted December 16<sup>th</sup>, 1997  
Effective December 24<sup>th</sup>, 1997**

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

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

**First Amendment to the  
Second Amended and Restated Plan  
Ordinance No. \_\_\_\_\_  
Adopted July 13, 2016  
Effective July \_\_, 2016**

## **EXHIBIT 1**

### **BACKGROUND**

This First Amendment (“First Amendment”) to the Second Amended and Restated Midtown-Northwest Boulevard Downtown Urban Renewal Plan (the “Plan”) deannexes certain parcels from the plan area/revenue allocation area created by the Plan, commonly referred to as the “Lake District Project Area.” The urban renewal plan for the Lake District Project Area has undergone several substantial amendments since the original project area was approved by the Coeur d’Alene City Council in 1997, including in 2003 (the “Amended and Restated Plan”) and in 2008 (the “Second Amended and Restated Plan”). The scope of this First Amendment is limited to addressing the deannexation of certain parcels from the Lake District Project Area. It is important to note the deannexation of parcels from the Lake District Project Area does not change the termination date.

As a result of the deannexation, in 2016 through the remaining years of the Plan, the Coeur d’Alene Urban Renewal Agency formerly d/b/a Lake City Development Corporation and now d/b/a ignite cda (the “Agency”) will cease receiving an allocation of revenues from the deannexed parcels. The increment value of the parcels deannexed from the Lake District Project Area shall be included in the net taxable value of the taxing district when calculating the subsequent property tax levies pursuant to section 63-803, Idaho Code. The increment value shall also be included in subsequent notification of taxable value for each taxing district pursuant to section 63-1312, Idaho Code, and subsequent certification of actual and adjusted market values for each school district pursuant to section 63-315, Idaho Code. The Kootenai County Assessor’s Office maintains the value information, including the increment value, if any, included on the new construction roll for new construction associated with the deannexed parcels. The amount added to the new construction roll will equal the amount by which the December 31, 2015, increment value exceeds the incremental value as of December 31, 2006.

Currently, the revenue allocation proceeds from the deannexed parcels secure repayment of that certain Revenue Allocation Note, Series 2011 in the principal amount of up to \$16,700,000 (the “Note”) held by Washington Trust Bank. The deannexation of certain parcels within the boundaries of the Lake District Project Area by adoption of the First Amendment results in a reduction in the revenue allocation proceeds received by the Agency and pledged to Washington Trust Bank in that certain Note Purchase and Security Agreement, dated August 25, 2011, as amended (the “Note Purchase Agreement”). Pursuant to the terms of the Note Purchase Agreement, Washington Trust Bank must consent to a reduction in its security, and such consent must be obtained on or before the City Council approves and adopts the First Amendment, on July 13, 2016.

House Bill 606, effective July 1, 2016, amended the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the “Law”) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”) confirming that a plan amendment to the Second Amended and Restated Plan does not result in a reset of the base assessment roll values: “[f]or plans adopted or modified prior to July 1, 2016, and for subsequent modifications of those urban renewal plans, the value of the base assessment roll of

## EXHIBIT 1

property within the revenue allocation area shall be determined as if the modification had not occurred.” Idaho Code § 50-2903(4). Further a plan amendment to accommodate a de-annexation in the revenue allocation boundary is also an identified exception to the base reset requirement. Idaho Code § 50-2903A(1)(a)(iii).

### AMENDMENTS TO THE PLAN

1. Definitions. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan.

2. The following defined terms are amended throughout the Plan as follows:

(a) Delete “LCDC” and replace with “Agency.”

(b) Delete “Second Amended and Restated Project Area” and replace with “Amended Lake District Project Area” except as otherwise indicated in this First Amendment.

3. Amendment to Section 2 of the Plan.

(a) Section 2 entitled “CONFORMANCE WITH STATE AND LOCAL REQUIREMENTS” is amended by adding a new paragraph to the end of the existing language as follows:

This First Amendment to the Second Amended and Restated Midtown-Northwest Boulevard Downtown Urban Renewal Plan (the “First Amendment”) deannexes certain parcels from the Amended Lake District Project Area, as further described in Attachments 1 and 2. Pursuant to the Law, the City Council, having published due notice thereof, held a public hearing on the First Amendment. Notice of the hearing was duly published in a newspaper having general circulation. The City Council adopted the First Amendment on July 13, 2016, pursuant to Ordinance No.

\_\_\_\_\_.

4. Amendment to Part 2 of the Plan.

(a) Part 2 entitled “DESCRIPTION OF THE SECOND AMENDED AND RESTATED PROJECT AREA” is deleted and replaced as follows:

#### **DESCRIPTION OF THE AMENDED LAKE DISTRICT PROJECT AREA**

## EXHIBIT 1

The boundaries of the Amended Lake District Project Area and of the Amended Revenue Allocation Area pursuant to the First Amendment are described in Attachment “1”, which is attached hereto and incorporated herein by reference, and are shown on the Amended Lake District Project Area and Amended Revenue Allocation Area Boundary Map, attached hereto as Attachment “2” and incorporated herein by reference. The Second Amended and Restated Plan added two new geographic areas commonly referred to as the Sorenson Magnet School Site and the Winton Park/Winton School Site. The First Amendment deannexes certain parcels from the Amended Lake District Project Area.

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.

5. Amendment to Part 5, Section 1, D of the Plan.

(a) Part 5, Section 1, D is amended by adding a new sentence immediately following the end of the first sentence of the first paragraph as follows: Revenue allocation financing authority for the deannexed parcels pursuant to the First Amendment will be terminated effective January 1, 2016.

(b) Part 5, Section 1, D is amended by adding a new sentence following the first sentence of the fourth paragraph as follows: The estimated financial impact to the Agency as a result of the deannexation of certain parcels from the Amended Lake District Project Area pursuant to the First Amendment is set forth in the Supplement to the Economic Feasibility Study, in Attachment 5A.

6. Amendment to Part 5, Section 1, E of the Plan.

(a) Part 5, Section 1, E is amended by adding a new sentence immediately following the end of the second sentence as follows: No modifications to the Study have been made as a result of the First Amendment; however, the estimated financial impact to the Agency as a result of the deannexation of certain parcels from the Amended Lake District Project Area pursuant to the First Amendment is set forth in the Supplement to the Economic Feasibility Study in Attachment 5A.

7. Amendment to Part 5, Section 1, G of the Plan.

(a) Part 5, Section 1, G is amended by adding a new sentence at the end of the paragraph as follows: The deannexation of parcels from the Amended Lake District Project Area pursuant to the First Amendment will not change this analysis.

8. Amendment to Part 5, Section 1, H of the Plan.

## EXHIBIT 1

(a) Part 5, Section 1, H is amended by adding a new sentence at the end of the second paragraph as follows: The deannexation of parcels from the Amended Lake District Project Area pursuant to the First Amendment will impact the amount of revenue generated by revenue allocation as set forth in Attachment “5A.”

(b) Part 5, Section 1, H is amended by adding a new sentence at the end of the third paragraph as follows: Based on the findings set forth in Attachment “5A” pursuant to the First Amendment the conclusion is the deannexation of certain parcels from the Amended Lake District Project Area does not change the analysis and the Project continues to be feasible.

9. Amendment to Attachment 1 of the Plan.

Attachment 1 entitled “Description of the Second Amended and Restated Project Area and Revenue Allocation Area Boundaries” is deleted and replaced with Attachment 1 entitled “Description of the Amended Lake District Project Area and Amended Revenue Allocation Area Boundaries,” attached hereto.

10. Amendment to Attachment 2 of the Plan.

(a) Attachment 2 entitled “Second Amended and Restated Project Area – Revenue Allocation Area Boundary Map” is deleted and replaced with Attachment 2 entitled “Amended Lake District Project Area-Amended Revenue Allocation Area Boundary Map,” attached hereto.

11. Amendment to Plan to add new Attachment 5A.

(a) The Plan is amended to add new Attachment 5A entitled “Supplement to the Economic Feasibility Study,” attached hereto.

12. Second Amended and Restated Urban Renewal Plan Remains in Effect. Except as expressly modified in this First Amendment, the Plan and the Attachments thereto remain in full force and effect.

**ATTACHMENT 1**  
**Description of the Amended Lake District Project Area and**  
**Amended Revenue Allocation Area Boundaries**  
**Lake District URD**

**De-annexation Legal Description**

Those portions of the southwest quarter of Section 2 and the southeast quarter of Section 3 of Township 50 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, described as follows:

Lots 1, 2, 3 and 4, Block 2, Moen Subdivision as recorded in Book I of Plats, Pages 340 and 340A, records of Kootenai County, Idaho;

Lots 1 and 4, Block 1, Zanetti Subdivision as recorded in Book K of Plats, Pages 242 and 242A, records of Kootenai County, Idaho;

Lots A, B, C, D, E, F and G, Block 1, The Crossroads Subdivision as recorded in Book K of Plats, Pages 405, 405A and 405B, records of Kootenai County, Idaho;

Lots A and B, Showboat Addition as recorded in Book F of Plats, Page 238 and 238A, records of Kootenai County, Idaho; Said Lot B is also identified as Lot B on the Trails End Condominiums as recorded in Book K of Plats, Pages 210 and 210A through 210G, records of Kootenai County, Idaho;

**TOGETHER WITH AND INCLUDING**

That portion of the southwest quarter of Section 2, Township 50 North, Range 4 West, Boise Meridian, Kootenai County, Idaho described as follows: BEGINNING at the southeast corner of Lot 1, Block 2, Moen Subdivision as recorded in Book I of Plats, Pages 340 and 340A, records of Kootenai County, Idaho, said point also being on the West line of Lot 2, Block 2 of said Moen Subdivision; thence along said West line South 00°06'59" West, 210.05 feet; thence South 00°06'56" West, 14.39 feet to the northerly right of way of Lee Court as shown on said Moen Subdivision; thence along said northerly right of way North 69°44'55" West, 252.80 feet; thence along said northerly right of way North 79°25'37" West, 103.39 feet to the easterly right of way of Ramsey Road right of way as shown on said Moen Subdivision; thence along said easterly right of way along a 2882.03 foot radius non-tangent curve to the right with a chord bearing of North 02°16'19" West and chord distance of 26.13 feet, said curve having a delta of 00°31'10", an arc length of 26.13 feet; thence along said easterly right of way North 00°06'54" East, 92.90 feet to the southwest corner of said Lot 1; thence along the south line of said Lot 1 South 89°49'24" East, 340.11 feet to the POINT OF BEGINNING; This information was compiled based on information shown on said Moen Subdivision. No field surveys were performed.

**TOGETHER WITH AND INCLUDING**

That portion of the southwest quarter of Section 2, Township 50 North, Range 4 West, Boise Meridian, Kootenai County, Idaho described as follows: Commencing at the Northeast corner of Lot 4, Block 1, Zanetti Subdivision as recorded in Book K of Plats, Pages 242 and 242A, records of Kootenai County, Idaho; Thence along the easterly line of said Lot 4, South 00°01'09" East 51.40 feet to an angle point in said Lot 4, said point being the TRUE POINT OF BEGINNING; thence South 00°01'09" East, 300.00 feet to the northerly right of way of Appleway Avenue as shown on said Zanetti Subdivision; thence along said northerly right of way, North 88°54'22" West, 75.62 feet to angle point in said Lot 4; thence along the easterly line of said Lot 4 the following 4 courses: 1) North 00°01'09" West, 100.00 feet; 2) North 88°54'22" West, 25.00 feet; 3) North 00°01'09" West, 200.00 feet; 4) South 88°54'22" East, 100.62 feet

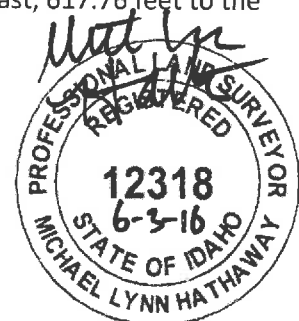
to the TRUE POINT OF BEGINNING: This information was compiled based on information shown on said Zanetti Subdivision. No field surveys were performed.

#### TOGETHER WITH AND INCLUDING

Those portions of Lots 5, 6 and 7, Block 1 of Lee Ranch Commercial Park, as recorded in Book G of Plats, Pages 220 and 220A, records of Kootenai County, Idaho and those portions of Lots C and D of the Showboat Addition as recorded in Book F of Plats, Page 238 and 238A, records of Kootenai County, Idaho, and those portions of the southeast quarter of Section 3, Township 50 North, Range 4 West, Boise Meridian, Kootenai County Idaho described as follows: BEGINNING at the northeast corner of Lot 1, Block 1, Amended Lee Ranch Commercial Park as recorded in Book I of Plats, Pages 10 and 10A; thence along the North line of said Amended Lee Ranch Commercial Park the following 5 courses: 1) North 89°10'24" West, 246.23 feet; 2) South 00°25'46" West, 65.00 feet; 3) North 89°10'24" West, 460.33 feet; 4) South 05°17'12" West, 89.42 feet to the beginning of a 124.00 foot radius curve to the right; 5) along said curve having a chord bearing of South 52°01'57" West, a chord distance of 180.62 feet, a delta of 93°29'31", through an arc length of 202.34 feet to a point on the West line of said Lot D, said point being the beginning of a 1680.00 foot non-tangent curve to the left, thence along the West line of said Lot D along said non-tangent curve with a chord bearing of North 14°06'28" East, a chord distance of 466.59 feet, a delta of 15°57'52", through an arc length of 468.10 feet to the northwest corner of said Lot D; thence along the North line of said Lots C and D and the easterly extension thereof, North 89°52'47" East, 348.58 feet; thence North 00°12' 02" East, 27.43 feet to the North line of the southeast quarter of the southeast quarter of said Section 3; thence along said North line, South 89°10'24" East, 377.95 feet to the westerly right of way of Ramsey road; thence along said westerly right of way the following 3 courses: 1) South 00°06'00" West, 9.53 feet; 2) South 45°08'04" East, 24.97 feet; 3) South 00°06'56" West, 193.11 feet to the POINT OF BEGINNING. This information was compiled based on record information including but not limited to the plat information referenced herein along with existing information contained in the Kootenai County Assessor GIS database. No field surveys were performed.

#### TOGETHER WITH AND INCLUDING

That portion of the south half of the northeast quarter of the southeast quarter of Section 3, Township 50 North, Range 4 West, Boise Meridian, Kootenai County, Idaho,, described as follows: Commencing at the south sixteenth corner of said section 3, said point being the centerline intersection of Ramsey road and Golf Course road; thence North 35°53'19" West 74.85 feet to the right of way intersection of said roads, said point being the TRUE POINT OF BEGINNING; thence along the northerly right of way of said Golf Course road, North 89°10'33" West, 920.26 feet to the easterly right of way of the abandoned Union Pacific Railroad; thence along said easterly right of way, North 10°54'34" East, 617.76 feet to the north line of said south half; thence along said north line, South 89°09'47" East, 804.58 feet to the westerly right of way of said Ramsey Road; thence along said westerly right of way, South 00°07'03" West, 608.09 feet to the TRUE POINT OF BEGINNING. This description is based solely on the information of record as shown on a Record of Survey recorded in Book 24 of Survey, Page 153, records of Kootenai County, Idaho. No field surveys were performed.



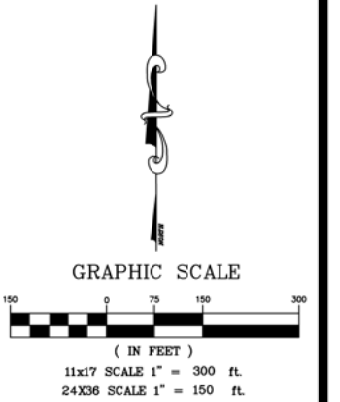
**Kootenai County AIN ID Numbers  
Properties to be deannexed**

100218, 103402, 106641, 110775, 117230, 141956, 145804,  
172386, 175229, 175231, 175232, 206279, 236302, 236303,  
236304, 236305, 319309, 319650, 319653, 327769, 327770,  
327771, 327772, 327773, 327774, 327775



# LAKE DISTRICT URD DE-ANNEXATION MAP

NOTE: PLAT INFORMATION WAS TAKEN DIRECTLY FROM THE KOOTENAI COUNTY ASSESSOR DATABASE AND WAS NOT RE-DRAFTED AS PART OF THIS PROJECT. THIS IS NOT A LAND SURVEY. NO FIELD WORK WAS PERFORMED.



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LAKE DISTRICT URD  
DE-ANNEXATION MAP

|              |               |
|--------------|---------------|
| PROJECT NO.: | 41196         |
| DESIGNED BY: | M.L.H.        |
| DRAWN BY:    | J.A.L.        |
| CHECKED BY:  |               |
| DWG NAME:    | 41196DS01.DWG |
| DATE:        | 06-03-16      |
| SHEET NO:    |               |

## FINANCIAL ANALYSIS

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| Final Note.....                  | 3 |

#### **Exhibits:**

Exhibit A – State Tax Commission Analysis

Exhibit B – Projection by District

Exhibit C – Charts Showing Impact of De-Annexed Parcels

Exhibit D – Parcels to Be De-Annexed

# FINANCIAL ANALYSIS

## INTRODUCTION

The Panhandle Area Council is pleased to assist the City of Coeur d'Alene and its Urban Renewal Agency, ignite cda, on a financial analysis of the impact of the City's proposal to de-annex parcels from both its Lake and River Districts. The City proposes to take this action in order to receive a portion of the tax increment that has been diverted to the Agency since 1997 in the Lake District and 2003 in the River District. The City has recognized the need for extra tax revenue for staffing its fourth fire station, scheduled to open in 2016, and the opportunity to reduce property taxes in the county.

## IMPACT ON LOCAL GOVERNMENTS

The action would also potentially impact the budgets of other local governments, including North Idaho College and Kootenai County. Local governments would be allowed to add the amounts shown to their budgets for FY 2016-17, or use the new revenues to lower taxes for their constituents.

A breakdown of the funds to be received, defined as New Construction by the Idaho State Tax Commission:

**TABLE 1**  
**NEW CONSTRUCTION – BY AGENCY – FY 2016-2017**

| Tax Authority                 | Levy Rate   | Tax Change    |
|-------------------------------|-------------|---------------|
| Coeur d'Alene Bond            | 0.000044342 | \$ 3,418.87   |
| City of Coeur d'Alene         | 0.005857486 | 451,623.35    |
| TOTAL – City of Coeur d'Alene |             | 455,042.22    |
| Kootenai County               | 0.003178062 | 245,034.64    |
| North Idaho College           | 0.001098933 | 84,729.82     |
| Post Falls Highway District   | 0.000647527 | 37,828.66     |
| Lakes Highway District        | 0.000758112 | 14,162.82     |
| Kootenai County EMS           | 0.000171693 | 13,237.88     |
| School District 271           | 0.000009062 | 698.71        |
| Total                         |             | \$ 850,734.75 |

Source: Kootenai County Assessor

## BASIS OF THE ANALYSIS

The following assumptions have been used to determine the impact on the Agency:

1. The City Council will approve an ordinance no later than July 25, 2016 to de-annex the parcels Identified via the Kootenai County Assessor.
2. The State Tax Commission has determined that properties de-annexed prior to that date are to be included in the New Construction Rolls of each affected agency, and therefore eligible for inclusion in their budgets for FY 2016-17. The discussion of the timing of the receipt of the taxes to local governments from Alan Dornfest of the State Tax Commission can be found in Exhibit A.
3. The Assessed Value of the Net Tax Increment of each District of the Agency, as of January 1, 2016 is as follows:
  - **Lake District:** Value of the increment above the base value on January 1, 1997 is \$373,126,242.
  - **River District:** Value of the increment above the base value on January 1, 2003 is \$194,264,624.
4. The 2015 net increment values may change based on the subsequent tax rolls calculated by the County Assessor. And, although they are certain to change in future years, the analysis assumes the increment values will remain fixed for the life of the Districts, at their current 2015 values.
5. Although they too are certain to change, the Tax Levy Rates as of December 31, 2015 are fixed for the life of the Districts, as stated in Table 1 on Page 1.
6. Although not needed to mitigate the financial impact on the Lake District, some buildings and sites may be declared as surplus and sold, based on their non-depreciated value as of September 30, 2015.
7. The final installment of the Revenue Allocation Bond with Washington Trust Bank, in the amount of \$1,039,260, will be paid from restricted funds in the Debt Reserve Fund established and maintained by the Agency. The balance remaining, estimated at \$310,740, will become unrestricted cash at that time.
8. The Agency will work with Washington Trust Bank to provide further security for the Revenue Allocation Bonds, if required by their covenants, including increasing the Debt Service Reserve or using existing assets as collateral.
9. Operating expenses remain fixed for the life of the Districts, with the exception of salaries and overhead, which increase by 3% annually. The salaries and overhead expenses are split equally between the Districts through 2021, at which time the Lake District closes, and the salaries and benefits are halved.
10. Future projects of the Agency have been included, based on the Agency's projections, and in the timeline set forth by them.
11. Special Project Reserves in the amount of \$3 million in the Lake District and \$5 million in the River District are included. These are funds for grants for public projects not yet requested by local governments or identified by the Agency. The city may also partner with the Agency to fund other requested grant projects, if necessary.

## SUMMARY

Exhibit B details the impact on the Districts, as follows:

1. **Lake District:** With the loss of the current value of the increment since 1997 on the de-annexed parcels, **\$24,077,194**, the Agency will see **\$337,093** less in incremental taxes per year, beginning in 2017. The total over the five remaining years of the District is **\$1,685,465**. Please see Chart 1, Exhibit C.

However, this is partially offset by the new construction in the District, **\$64,863**, and the use of the Debt Service Reserve, **\$1,305,337**, to retire the final installment on the Washington Trust Bank Revenue Allocation Bonds.

Based on the analysis, there will be no impact on the Lake District for current projects or those currently proposed by the Agency.

However, the Agency may be restricted on the amount they can provide for public infrastructure via grants to local governments. As noted, the Agency has set aside \$3 million in the Special Projects Reserve, in addition to \$3.6 million for the Four Corners Project, \$2.5 million for an Education Facility, \$1.85 million for a Parking Structure and \$500,000 for Midtown initiatives.

2. **River District:** With the loss of the current value of the increment since 2003 on the de-annexed parcels, **\$86,688,437**, the Agency will see **\$1,003,337** less in incremental taxes, beginning in 2017. The total over the eleven remaining years of the District is **\$11,036,707**. Please see Chart 2, Exhibit C.

Based on the analysis, there is no financial impact on the River District for currently anticipated projects, despite the fact the de-annexation removes 44% of its increment. However, future grants to local governments, slated at \$12.2 million, would be reduced to \$5 million over 12 years. This is in addition to \$3.5 million for improvements to Seltice Way, \$500,000 for the transit center and \$100,000 for the BNSF property. Another impact is that by reducing the acreage of the District, the ability to amend its boundary to include the Atlas property would be reduced, since it is restricted to being 10% of the size of the District.

## FINAL NOTE:

Coeur d'Alene's urban renewal agency, ignite cda, has in PAC's view done a remarkable job since its inception in 1997. Local critics, including some elected officials, believe its creation has increased taxes because of those being diverted to the Agency. This is simply not the case, as current law does not allow it. We believe de-annexing parcels before the close of a District is an extremely effective way to utilize this valuable tool, and we commend the parties for working together to do so.

**EXHIBIT A**  
**TIMING OF THE RECEIPT OF TAX DOLLARS FROM DE-ANNEXATION**

**From:** Alan Dornfest, Idaho State Tax Commission  
**To:** Mayor Steve Widmyer, City Administrator Jim Hammond  
**Subject:** De-annexation of URD properties

It really depends on when the agency no longer expects to receive money for increment value within the portion of the RAA (Revenue Allocation Area) being de-annexed. Assume, for example that the URA does not need any more money from these properties and expects nothing from 2016 property taxes (ie: the ones paid in December 2016). If the de-annexation ordinance is effective before July 25, the increment value (or at least the growth in this value since 2006) can be counted as new construction for taxing district budgeting purposes for their FY 2017 budgets – fulfilled with 2016 property taxes. That's the best scenario – try to meet the July deadline. There is no way to extend it. If you are not planning to de-annex for this tax cycle, then just move these dates ahead a year. In that case, the cleanest scenario would be to de-annex as of the end of this calendar year.

**Alan S. Dornfest • Property Tax Policy Supervisor**  
Idaho State Tax Commission • Property Tax Division  
Phone: (208) 334-7742 • fax: (208) 334-7844  
E-mail: [alan.dornfest@tax.idaho.gov](mailto:alan.dornfest@tax.idaho.gov) • website: [tax.idaho.gov](http://tax.idaho.gov)

| EXHIBIT B   |                       |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--|------------|-----------|----------------|------------|---------------|------------|------------------------------------|---------------|-------------|------------|--------------|-----------|---------------|-------------------------------------|------------|-------------|-----------|-----------|--------|------------|--------------|-----------------------|--|---------------------|---------------------|------------------|-----------------------|
| ignite cda - LAKE DISTRICT  |                       |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| SCHEDULE OF SOURCES AND USES OF FUNDS   |                       |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| SOURCES OF FUNDS  | 2016                  | 2017                | 2018                | 2019                | 2020                | 2021                  |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>TAX INCREMENT FINANCING REVENUES</b>   |                       |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Assessed Values Above 1997 Base Value (1)   | \$ 373,126,242        | \$ 349,049,048      | \$ 349,049,048      | \$ 349,049,048      | \$ 349,049,048      | \$ 349,049,048        |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>Levy Rates (From Kootenai County Assessor):</b>  |                       |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Kootenai County   | 0.003178062           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| City of Coeur d'Alene- bond   | 0.000044342           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| City of Coeur d'Alene- bond   | 0.000188847           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| City of Coeur d'Alene   | 0.005857486           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Lakes Highway District  | 0.000758112           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Coeur d'Alene School District   | 0.000009062           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| NIC   | 0.001098933           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Kootenai County Ambulance   | 0.000171693           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Total Levy Rate   | 0.011306537           |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Net Incremental Tax Revenue   | \$ 4,218,766          | \$ 3,946,536        | \$ 3,946,536        | \$ 3,946,536        | \$ 3,946,536        | \$ 3,946,536          |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Less: Art Fund at 2%  | 84,375                | 78,931              | 78,931              | 78,931              | 78,931              | 78,931                |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>TOTAL REVENUES - TAX INCREMENT</b>   | <b>\$ 4,134,391</b>   | <b>\$ 3,867,605</b> | <b>\$ 3,867,605</b> | <b>\$ 3,867,605</b> | <b>\$ 3,867,605</b> | <b>\$ 3,867,605</b>   |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>BEGINNING CASH - 9/30/2015 AUDIT</b>   | <b>\$ 4,240,545</b>   | <b>\$ 3,632,757</b> | <b>\$ 2,591,266</b> | <b>\$ 1,024,533</b> | <b>\$ 1,058,474</b> | <b>\$ 1,085,972</b>   |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>OTHER REVENUES (Including Rentals)</b>   | 129,000               | 114,600             | 114,600             | 114,600             | 114,600             | 114,600               |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>SALE OF BUILDINGS AND SITES (2)</b>  |                       |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>REFUND WATRUST DEBT RESERVE (3)</b>  |                       |                     |                     |                     |                     | 310,740               |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>TOTAL SOURCES OF FUNDS</b>   | <b>\$ 8,503,936</b>   | <b>\$ 7,614,962</b> | <b>\$ 6,573,471</b> | <b>\$ 5,006,738</b> | <b>\$ 5,040,679</b> | <b>\$ 5,378,917</b>   |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| USES OF FUNDS   | 2016                  | 2017                | 2018                | 2019                | 2020                | 2021                  |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>OPERATING COSTS (Agency 2016 Budget):</b>  |                       |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Salaries/Benefits (50-50 with River URD, 3%)  | \$ 89,106             | \$ 91,779           | \$ 94,532           | \$ 97,368           | \$ 100,289          | \$ 103,298            |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Office, Travel and Utilities  | 25,370                | 25,370              | 25,370              | 25,370              | 25,370              | 25,370                |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Professional Services   | 65,880                | 65,880              | 65,880              | 65,880              | 65,880              | 65,880                |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Communications (4)  | 20,000                | 5,000               | 5,000               | 5,000               | 5,000               | 5,000                 |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Insurance   | 2,699                 | 2,699               | 2,699               | 2,699               | 2,699               | 2,699                 |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Property Management   | 80,922                | 80,922              | 80,922              | 80,922              | 80,922              | 80,922                |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Organizational Dues   | 4,855                 | 4,855               | 4,855               | 4,855               | 4,855               | 4,855                 |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Parking Initiatives (4)   | 25,000                | -                   | -                   | -                   | -                   | -                     |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Planning (4)  | 75,000                | 25,000              | 25,000              | 25,000              | 25,000              | 25,000                |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Special Reserve (5)   |                       | 350,000             | 350,000             | 350,000             | 350,000             | 1,600,000             |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>TOTAL OPERATING COSTS</b>  | <b>\$ 388,832</b>     | <b>\$ 651,505</b>   | <b>\$ 654,258</b>   | <b>\$ 657,094</b>   | <b>\$ 660,015</b>   | <b>\$ 1,913,024</b>   |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>CAPITAL COSTS (9/30/2015 Audit, Unless Noted):</b>   |                       |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Washington Trust Bank (3)   | \$ 2,080,000          | \$ 2,080,000        | \$ 2,080,000        | \$ 2,080,000        | \$ 2,080,000        | \$ -                  |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Parking Structure (4)   |                       | 370,635             | 370,635             | 370,635             | 370,635             | 370,635               |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Education Facility (6)  |                       | 1,250,000           | 1,250,000           |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Midtown (4)   |                       | 250,000             | 250,000             |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Four Corners (4)  | 1,600,000             | 250,000             | 250,000             | 750,000             | 750,000             |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| 609 Lofts IRA   | 29,988                | 32,631              | 33,937              | 35,294              | 36,706              | 38,174                |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Ice Plant IRA   | 44,812                | 48,762              | 50,713              | 52,741              | 54,851              |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Chamber DDA   | 2,500                 | 2,500               | 2,500               | 2,500               | 2,500               | 2,500                 |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| 809 Third Property Debt   | 24,540                | 24,540              | 279,472             |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| 301 Lakeside Debt   | 418,028               |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| Coeur d'Alene Public Library Debt   | 63,123                | 63,123              | 327,423             |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| 712 Young Avenue Debt   | 219,356               |                     |                     |                     |                     |                       |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>TOTAL CAPITAL COSTS</b>  | <b>\$ 4,482,347</b>   | <b>\$ 4,372,191</b> | <b>\$ 4,894,680</b> | <b>\$ 3,291,170</b> | <b>\$ 3,294,692</b> | <b>\$ 411,309</b>     |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>TOTAL USES OF FUNDS</b>  | <b>\$ 4,871,179</b>   | <b>\$ 5,023,696</b> | <b>\$ 5,548,938</b> | <b>\$ 3,948,264</b> | <b>\$ 3,954,707</b> | <b>\$ 2,324,333</b>   |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>ENDING FUND BALANCE</b>  | <b>\$ 3,632,757</b>   | <b>\$ 2,591,266</b> | <b>\$ 1,024,533</b> | <b>\$ 1,058,474</b> | <b>\$ 1,085,972</b> | <b>\$ 3,054,584</b>   |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <div> <div>Note (1): 2017 Values, from Assessor:</div> <table> <tr> <th></th><th>2015 Value</th><th>Levy Rate</th><th>Less Increment</th><th>New Const.</th><th>New Increment</th><th>Net Change</th></tr> <tr> <td>De-annexed Parcels - Lake District</td><td>\$ 29,813,992</td><td>0.011306537</td><td>\$ 337,093</td><td>\$ 5,736,798</td><td>\$ 64,863</td><td>\$ 24,077,194</td></tr> <tr> <td>De-annexed Parcels - River District</td><td>89,616,051</td><td>0.011195952</td><td>1,003,337</td><td>2,927,614</td><td>32,777</td><td>86,688,437</td></tr> <tr> <td><b>TOTAL</b></td><td><b>\$ 119,430,043</b></td><td></td><td><b>\$ 1,340,430</b></td><td><b>\$ 8,664,412</b></td><td><b>\$ 97,640</b></td><td><b>\$ 110,765,631</b></td></tr> </table> </div> <div>Note (2): The sale of buildngs and sites acquired by tax increment in the Lake District, on the books for \$2,679,953, are NOT included.</div> <div>Note (3): Assumes the final bond payment to Washington Trust Bank will be from the Bond Reserve Account, currently \$1,305,337, leaving a net balalnce of \$310,740.</div> <div>Note (4): From ignite cda projections.</div> <div>Note (5): Allows funding for local government projects that yet may come before the Agency (\$3 million.)</div> <div>Note (6): Funding over 2 years for the Education Facility, as endorsed by NIC.</div> |                       |                     |                     |                     |                     |                       |  | 2015 Value | Levy Rate | Less Increment | New Const. | New Increment | Net Change | De-annexed Parcels - Lake District | \$ 29,813,992 | 0.011306537 | \$ 337,093 | \$ 5,736,798 | \$ 64,863 | \$ 24,077,194 | De-annexed Parcels - River District | 89,616,051 | 0.011195952 | 1,003,337 | 2,927,614 | 32,777 | 86,688,437 | <b>TOTAL</b> | <b>\$ 119,430,043</b> |  | <b>\$ 1,340,430</b> | <b>\$ 8,664,412</b> | <b>\$ 97,640</b> | <b>\$ 110,765,631</b> |
|   | 2015 Value            | Levy Rate           | Less Increment      | New Const.          | New Increment       | Net Change            |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| De-annexed Parcels - Lake District  | \$ 29,813,992         | 0.011306537         | \$ 337,093          | \$ 5,736,798        | \$ 64,863           | \$ 24,077,194         |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| De-annexed Parcels - River District   | 89,616,051            | 0.011195952         | 1,003,337           | 2,927,614           | 32,777              | 86,688,437            |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |
| <b>TOTAL</b>  | <b>\$ 119,430,043</b> |                     | <b>\$ 1,340,430</b> | <b>\$ 8,664,412</b> | <b>\$ 97,640</b>    | <b>\$ 110,765,631</b> |  |            |           |                |            |               |            |                                    |               |             |            |              |           |               |                                     |            |             |           |           |        |            |              |                       |  |                     |                     |                  |                       |

ignite cda - RIVER DISTRICT

SCHEDULE OF SOURCES AND USES OF FUNDS

FY 2016 - 2021

| SOURCES OF FUNDS                            | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| TAX INCREMENT FINANCING REVENUES            |                |                |                |                |                |                |
| Assessed Values Above 1997 Base Value (1)   | \$ 194,264,624 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 |
| Levy Rates (From Kootenai County Assessor): |                |                |                |                |                |                |
| Kootenai County                             | 0.003178062    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000044342    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000188847    |                |                |                |                |                |
| City of Coeur d'Alene                       | 0.005857486    |                |                |                |                |                |
| Post Falls Highway District                 | 0.000647527    |                |                |                |                |                |
| Coeur d'Alene School District               | 0.000009062    |                |                |                |                |                |
| NIC   | 0.001098933    |                |                |                |                |                |
| Kootenai County Ambulance                   | 0.000171693    |                |                |                |                |                |
| Total Levy Rate                             | 0.011195952    |                |                |                |                |                |
| Net Incremental Tax Revenue                 | 2,174,977      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      |
| Less: Art Fund at 2%                        | 43,500         | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         |
| TOTAL REVENUES - TAX INCREMENT              | \$ 2,131,477   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   |
|   |                |                |                |                |                |                |
| BEGINNING CASH - 9/30/2015 AUDIT            | \$ 4,845,159   | \$ 6,074,933   | \$ 3,064,113   | \$ 2,550,170   | \$ 2,526,199   | \$ 2,491,972   |
| OTHER REVENUES (Including Interest)         | 4,980          | 5,080          | 5,181          | 5,285          | 5,391          | 5,498          |
| TOTAL SOURCES OF FUNDS                      | \$ 6,981,616   | \$ 7,260,343   | \$ 4,249,624   | \$ 3,735,785   | \$ 3,711,920   | \$ 3,677,800   |

| USES OF FUNDS                                  | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| OPERATING COSTS (Agency 2016 Budget):          |              |              |              |              |              |              |
| Salaries/Benefits (50-50 until 2021, at 3%)    | \$ 89,106    | \$ 91,779    | \$ 94,532    | \$ 97,368    | \$ 100,289   | \$ 103,298   |
| Office, Travel and Utilities                   | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       |
| Professional Services                          | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       |
| Communications                                 | 20,000       | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        |
| Insurance                                      | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        |
| Organizational Dues                            | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        |
| Planning                                       | 278,000      | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       |
| Special Project Reserve (2)                    |              |              |              |              |              |              |
| TOTAL OPERATING COSTS                          | \$ 451,410   | \$ 186,083   | \$ 188,836   | \$ 191,672   | \$ 194,593   | \$ 197,602   |
|  |              |              |              |              |              |              |
| CAPITAL COSTS (9/30/2015 Audit, unless noted): |              |              |              |              |              |              |
| River West - Phase 1                           | \$ 282,349   | \$ 287,996   | \$ 293,756   | \$ 299,631   | \$ 305,624   | \$ 311,736   |
| River West - Phase 2                           | 44,166       | 45,049       | 45,950       | 46,869       | 47,806       | 48,763       |
| MR Seniors                                     | 12,250       | 12,495       | 12,745       | 13,000       | 13,260       | 13,525       |
| River West Apartments                          | 11,849       | 12,086       | 12,328       | 12,575       | 12,826       | 13,083       |
| River West III Apartments                      | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        |
| Circuit at Seltice (3)                         |              | 47,862       | 47,862       | 47,862       | 47,862       | 47,862       |
| BNSF (3)                                       | 100,000      | 100,000      |              |              |              |              |
| Seltice Way Project (3)                        |              | 3,500,000    |              |              |              |              |
| KMPO/Tribe Transit Center (3)                  |              |              | 500,000      |              |              |              |
| Bond - \$5 million,10 years, 3.5% (4)          |              |              | 593,318      | 593,318      | 593,318      | 593,318      |
| TOTAL CAPITAL COSTS                            | \$ 455,273   | \$ 4,010,147 | \$ 1,510,618 | \$ 1,017,914 | \$ 1,025,355 | \$ 1,032,946 |
|  |              |              |              |              |              |              |
| TOTAL USES OF FUNDS                            | \$ 906,683   | \$ 4,196,230 | \$ 1,699,454 | \$ 1,209,586 | \$ 1,219,948 | \$ 1,230,548 |
|  |              |              |              |              |              |              |
| ENDING FUND BALANCE                            | \$ 6,074,933 | \$ 3,064,113 | \$ 2,550,170 | \$ 2,526,199 | \$ 2,491,972 | \$ 2,447,252 |

|                                       |                |             |                |              |               |                |
|---------------------------------------|----------------|-------------|----------------|--------------|---------------|----------------|
| Note (1): 2017 Values, from Assessor: | 2015 Value     | Levy Rate   | Less Increment | New Const.   | New Increment | Net Change     |
| De-annexed Parcels - Lake District    | \$ 29,813,992  | 0.011306537 | \$ 337,093     | \$ 5,736,798 | \$ 64,863     | \$ 24,077,194  |
| De-annexed Parcels - River District   | 89,616,051     | 0.011195952 | 1,003,337      | 2,927,614    | 32,777        | 86,688,437     |
| TOTAL                                 | \$ 119,430,043 |             | \$ 1,340,430   | \$ 8,664,412 | \$ 97,640     | \$ 110,765,631 |

Note (2): From ignite cda, which assumed funding for projects that yet may come before the Agency, moved to pay debt service (see note 4.)

Note (3): Projections from ignite cda.

Note (4): Allows \$5 million in bonds in 2018 for projects that yet may come before the Agency.



SCHEDULE OF SOURCES AND USES OF FUNDS

FY 2022 - 2027

| SOURCES OF FUNDS                            | 2022           | 2023           | 2024           | 2025           | 2026           | 2027           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| TAX INCREMENT FINANCING REVENUES            |                |                |                |                |                |                |
| Assessed Values Above 1997 Base Value (1)   | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 |
| Levy Rates (From Kootenai County Assessor): |                |                |                |                |                |                |
| Kootenai County                             | 0.003178062    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000044342    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000188847    |                |                |                |                |                |
| City of Coeur d'Alene                       | 0.005857486    |                |                |                |                |                |
| Post Falls Highway District                 | 0.000647527    |                |                |                |                |                |
| Coeur d'Alene School District               | 0.000009062    |                |                |                |                |                |
| NIC   | 0.001098933    |                |                |                |                |                |
| Kootenai County Ambulance                   | 0.000171693    |                |                |                |                |                |
| Total Levy Rate                             | 0.011195952    |                |                |                |                |                |
| Net Incremental Tax Revenue                 | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      |
| Less: Art Fund at 2%                        | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         |
| TOTAL REVENUES - TAX INCREMENT              | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   |
|   |                |                |                |                |                |                |
| BEGINNING CASH - 9/30/2015 AUDIT            | \$ 2,447,252   | \$ 2,391,801   | \$ 2,325,373   | \$ 2,247,718   | \$ 2,206,440   | \$ 2,153,413   |
| OTHER REVENUES (Including Interest)         | 5,608          | 5,720          | 5,835          | 5,952          | 6,071          | 6,192          |
| TOTAL SOURCES OF FUNDS                      | \$ 3,633,189   | \$ 3,577,851   | \$ 3,511,538   | \$ 3,434,000   | \$ 3,392,841   | \$ 3,339,934   |

| USES OF FUNDS                                  | 2022         | 2023         | 2024         | 2025         | 2026         | 2027         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| OPERATING COSTS (Agency 2016 Budget):          |              |              |              |              |              |              |
| Salaries/Benefits (3% Annual Increase)         | \$ 106,397   | \$ 109,589   | \$ 112,877   | \$ 116,263   | \$ 119,751   | \$ 123,344   |
| Office, Travel and Utilities                   | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       |
| Professional Services                          | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       |
| Communications                                 | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        |
| Insurance                                      | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        |
| Organizational Dues                            | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        |
| Planning                                       | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       |
| Special Project Reserve (2)                    |              |              |              |              |              |              |
| TOTAL OPERATING COSTS                          | \$ 200,701   | \$ 203,893   | \$ 207,181   | \$ 210,567   | \$ 214,055   | \$ 217,648   |
|  |              |              |              |              |              |              |
| CAPITAL COSTS (9/30/2015 Audit, unless noted): |              |              |              |              |              |              |
| River West - Phase 1                           | \$ 317,971   | \$ 324,331   | \$ 330,817   | \$ 337,433   | \$ 344,182   | \$ 351,066   |
| River West - Phase 2                           | 49,738       | 50,733       | 51,747       | 52,782       | 53,838       | 54,915       |
| MR Seniors                                     | 13,795       | 14,071       | 14,353       | 14,640       | 14,932       | 15,231       |
| River West Apartments                          | 13,344       | 13,611       | 13,883       | 14,161       | 14,444       | 14,733       |
| River West III Apartments                      | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        |
| Circuit at Seltice (3)                         | 47,862       | 47,862       | 47,862       |              |              |              |
| Bond - \$5 million,10 years, 3.5% (4)          | 593,318      | 593,318      | 593,318      | 593,318      | 593,318      | 662,672      |
| TOTAL CAPITAL COSTS                            | \$ 1,040,687 | \$ 1,048,585 | \$ 1,056,639 | \$ 1,016,993 | \$ 1,025,373 | \$ 1,103,276 |
|  |              |              |              |              |              |              |
| TOTAL USES OF FUNDS                            | \$ 1,241,388 | \$ 1,252,478 | \$ 1,263,820 | \$ 1,227,560 | \$ 1,239,428 | \$ 1,320,924 |
|  |              |              |              |              |              |              |
| ENDING FUND BALANCE                            | \$ 2,391,801 | \$ 2,325,373 | \$ 2,247,718 | \$ 2,206,440 | \$ 2,153,413 | \$ 2,019,010 |

|                                       |                |             |                |              |               |                |
|---------------------------------------|----------------|-------------|----------------|--------------|---------------|----------------|
| Note (1): 2017 Values, from Assessor: | 2015 Value     | Levy Rate   | Less Increment | New Const.   | New Increment | Net Change     |
| De-annexed Parcels - Lake District    | \$ 29,813,992  | 0.011306537 | \$ 337,093     | \$ 5,736,798 | \$ 64,863     | \$ 24,077,194  |
| De-annexed Parcels - River District   | 89,616,051     | 0.011195952 | 1,003,337      | 2,927,614    | 32,777        | 86,688,437     |
| TOTAL                                 | \$ 119,430,043 |             | \$ 1,340,430   | \$ 8,664,412 | \$ 97,640     | \$ 110,765,631 |

Note (2): From ignite cda, which assumed funding for projects that yet may come before the Agency, moved to pay debt service (see note 4.)

Note (3): Projections from ignite cda.

Note (4): From ignite cda, allows \$5 million in bonds in 2018 for projects that yet may come before the Agency.

Chart 1: De-Annexed Parcels and Remaining - Lake District

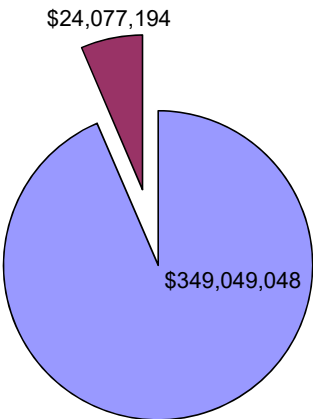


Chart 2: De-Annexed Parcels and Remaining - River District

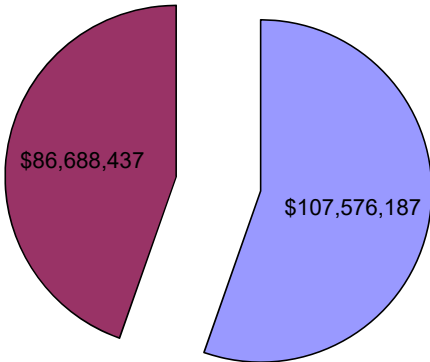


Exhibit 2  
Notice of Public Hearing

**AFFIDAVIT OF PUBLICATION**

STATE OF IDAHO, }  
County of Kootenai, } ss.

Holly Fredenicks being first duly sworn  
upon oath deposes and says:

1. I am now and at all times hereinafter mentioned was a citizen of the United States, resident of the State of Idaho, over the age of twenty-one years and not a party of the above entitled action.

2. I am now and at all times hereinafter mentioned was the printer (principal clerk) of the "Coeur d'Alene Press," a newspaper printed and published daily except Sunday in Coeur d'Alene, Kootenai County, Idaho, and having a general circulation in said county.

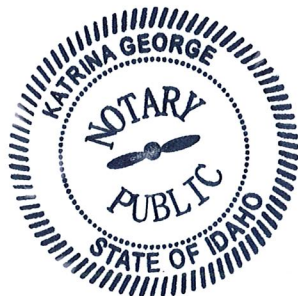
3. The legal notice

of which the annexed is a printed copy, was published in the regular Sat  
issue of said newspaper for one consecutive week  
commencing on the 11 day of June, 2016, and  
ending on the 11 day of June, 2016, and such  
publication was made as often during said period as said daily  
newspaper was regularly issued.

4. That said newspaper has been continuously and uninterruptedly published in said Kootenai County, during a period of more than seventy-eight consecutive weeks immediately prior to the first publication of said notice Holly Fredenicks  
On this 11 day of June in the year of 2016, before me,  
a Notary Public, personally appeared Holly Fredenicks,  
known or identified to me to be the person whose name subscribed to the within instrument, and  
being by me first duly sworn, declared that the statements therein are true, and acknowledged  
to me that he executed the same.

Katrina George

Notary Public for the State of Idaho,  
residing at Coeur d'Alene, Idaho.



MY COMMISSION EXPIRES 8/29/17

NOTICE IS HEREBY GIVEN that the City Council of the City of Coeur d'Alene will hold, during its special meeting, a public hearing in Old City Council Chambers, 710 E. Mullan Avenue, Coeur d'Alene, Idaho, 83814 on Wednesday, July 13, 2016, at 8:00 o'clock a.m., to consider for adoption the First Amendment (the "First Amendment") to the Second Amended and Restated Midtown-Northwest Boulevard Downtown Urban Renewal Plan (the "Plan"), concerning the existing Lake District Project Area of the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda ("Agency"). The general scope and objective of the First Amendment is the deannexation of certain parcels from the boundaries of the existing Lake District Project Area. The proposed reduction in the boundary of the existing Lake District Project Area is hereinafter described. The boundary includes both urban renewal and revenue allocation areas. The First Amendment being considered for adoption contains a previously adopted revenue allocation financing provision pursuant to the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, that will continue to 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 Agency has specifically acknowledged receipt of, reviewed and took the necessary action on the First Amendment. The City Council will also be considering the first through third readings of an Ordinance to adopt the First Amendment. The three readings of the Ordinance to adopt the First Amendment are scheduled for July 13, 2016, at 8:00 o'clock a.m.

100218, 103402, 106641, 110775, 117230, 141956, 145804,  
172386, 175229, 175231, 175232, 206279, 236302, 236303,  
236304, 236305, 319309, 319650, 319653, 327769, 327770,  
327771, 327772, 327773, 327774, 327775

Copies of the proposed First Amendment are on file for public inspection and copying at the office of the City Clerk, City Hall, 710 E. Mullan Avenue, Coeur d'Alene, Idaho 83814, between the hours of 8:00 o'clock a.m. and 5:00 o'clock p.m., Monday through Friday, exclusive of holidays.

At the hearing date, 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. Written comments should be submitted prior to the hearing date.

[illegible]

# EXHIBIT 3

## **PLANNING COMMISSION MINUTES JUNE 14, 2016 LOWER LEVEL – COMMUNITY ROOM 702 E. FRONT AVENUE**

### **COMMISSIONERS PRESENT:**

Brad Jordan, Chairman  
Lynn Fleming  
Michael Ward  
Peter Luttrupp  
Tom Messina, Vice Chair  
Lewis Rumpler  
Jon Ingalls

### **STAFF MEMBERS PRESENT:**

Hilary Anderson, Community Planning Director  
Sean Holm, Planner  
Mike Behary, Planner  
Shana Stuhlmiller, Public Hearing Assistant  
Randy Adams, Deputy City Attorney  
Jim Hammond, City Administrator  
Sam Taylor, Deputy City Administrator

### **COMMISSIONERS ABSENT:**

### **CALL TO ORDER:**

The meeting was called to order by Chairman Jordan at 5:30 p.m.

### **ADMINISTRATIVE:**

1. Applicant: City of Coeur d'Alene, Jim Hammond  
Request: De-annexation of parcels from URA River and Lake Districts.  
ADMINISTRATIVE (I-5-16)

Jim Hammond, City Administrator, presented the staff report and answered questions from the Commission. He explained that the reason for the De-Annexation is the city needs money to hire 10 to 12 additional police officers. He commented that the city is in need of extra patrol officers for areas in the city that need additional coverage. He stated realistically the city needs 20 officers.

Commissioner Ingalls questioned if there is new legislation passed that is allowing for partial closure for these districts.

Mr. Hammond explained that the Attorney General's office stated that any change or modification to the Urban Renewal District resulting in a reset of the base and now with the new legislation the tax base would not be reset which will allow the funding to go for the hire of the new police officers.

Commissioner Rumpler inquired how much revenue the city will get back from this de-annexation.

Mr. Hammond stated that he would estimate \$1.4 million with \$800,000 from that million will go back to the tax payers as a refund.

**Motion by Ingalls, seconded by Fleming that the plan amendments are in conformity with the Comprehensive Plan and recommend approval of the proposed amendments by the city. Motion approved.**

## Exhibit 4

### SUMMARY OF COEUR D'ALENE ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO, APPROVING THE FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED MIDTOWN-NORTHWEST BOULEVARD DOWNTOWN URBAN RENEWAL PLAN (NOW REFERRED TO AS THE LAKE DISTRICT URBAN RENEWAL PROJECT PLAN), WHICH FIRST AMENDMENT SEEKS TO DEANNEX CERTAIN PARCELS FROM THE EXISTING LAKE DISTRICT PROJECT AREA; WHICH FIRST AMENDMENT AMENDS A PLAN THAT 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: The First Amendment (the "First Amendment") to the Second Amended and Restated Midtown-Northwest Boulevard Downtown Urban Renewal Plan (the "Second Amended and Restated Plan") is attached to Ordinance No. \_\_\_\_\_ as Exhibit 1 and is made a part of the Ordinance and is approved. The City Clerk may make certain technical corrections or revisions in keeping with the information and testimony presented at the July 13, 2016, hearing. A Summary of the First Amendment is set forth below. The full text of the Ordinance, the First Amendment and the Second Amended and Restated Plan 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.

SECTION 2: No direct or collateral action attacking the First Amendment 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 First Amendment.

SECTION 3: Upon the effective date of this Ordinance, the City Clerk is authorized and directed to transmit to the the Kootenai County Auditor, Kootenai County Tax Assessor and Kootenai County Board of Commissioners, and to the appropriate officials of the Coeur d'Alene School District No. 271, Kootenai County EMS, North Idaho College, Eastside Highway District, Lakeside Highway District, Worley Highway District, Post Falls Highway District and the Idaho State Tax Commission a copy of this Ordinance, a copy of the legal description and a map indicating the parcels to be deannexed from the existing Lake District Project Area.

SECTION 4: This Ordinance shall be in full force and effect immediately upon its passage, approval, and publication.

**SECTION 5:** 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 6:** At least 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 7:** The Summary of this Ordinance, a copy of which is attached as Exhibit 4 to the Ordinance, is hereby approved.

**SECTION 8:** All ordinances, resolutions, orders or parts thereof in conflict herewith are hereby repealed, rescinded and annulled.

**SECTION 9: SAVINGS CLAUSE:** This Ordinance does not affect an action or proceeding commenced or right accrued before this Ordinance takes effect.

#### **EXHIBITS TO THE ORDINANCE**

|           |  |
|-----------|--|
| Exhibit 1 | First Amendment to the Second Amended and Restated Plan            |
| Exhibit 2 | Notice Published in the <i>Coeur d'Alene Press</i> , June 11, 2016 |
| Exhibit 3 | Planning & Zoning Commission Minutes, June 14, 2016                |
| Exhibit 4 | Ordinance Summary  |

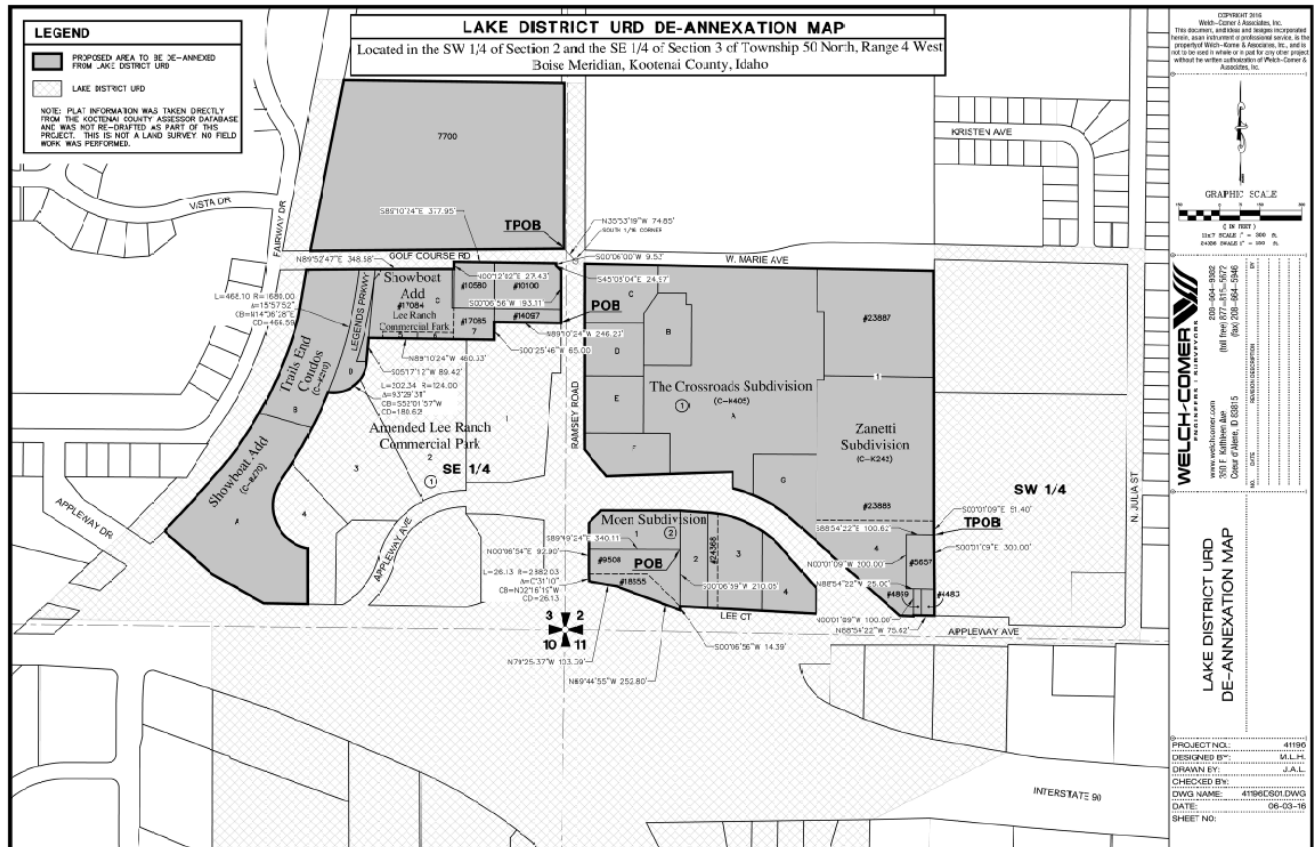
#### **SUMMARY OF FIRST AMENDMENT**

The First Amendment to the Second Amended and Restated Plan was prepared by the City, pursuant to the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended, the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended, and all applicable laws and ordinances and was accepted by the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda. The First Amendment seeks to deannex certain parcels from the existing Lake District Project Area. The First Amendment being considered for adoption contains a previously adopted revenue allocation financing provision pursuant to Act that will continue to cause property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation on the parcels remaining in the Lake District Project Area as shown on the original base assessment roll as of January 1, 1997, for the original 1997 Project Area, and January 2008 for the additional area, that will continue to be allocated to the Agency for urban renewal purposes.

The general scope and objective of the First Amendment is the deannexation of certain parcels from the boundaries of the existing Lake District Project Area.

The First Amendment shall deannex the following parcels from the existing Lake District Project Area as shaded in dark gray on the map and as identified by their Kootenai County AIN ID numbers as follows:

100218, 103402, 106641, 110775, 117230, 141956, 145804,  
172386, 175229, 175231, 175232, 206279, 236302, 236303,  
236304, 236305, 319309, 319650, 319653, 327769, 327770,  
327771, 327772, 327773, 327774, 327775



## ATTACHMENTS TO THE FIRST AMENDMENT, AS AMENDED

- |               |  |
|---------------|--|
| Attachment 1  | Description of the Amended Lake District Project Area and Amended Revenue Allocation Area Boundaries |
| Attachment 2  | Amended Lake District Project Area –Amended Revenue Allocation Area Boundary Map                     |
| Attachment 5A | Supplement to the Economic Feasibility Study   |



The full text of Ordinance \_\_\_\_\_, the First Amendment and the Second Amended and Restated Plan 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 is approved by the Coeur d'Alene City Council at its meeting of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Renata McLeod, City Clerk

### **STATEMENT OF LEGAL ADVISOR**

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. \_\_\_\_\_.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Michael C. Gridley, City Attorney

ORDINANCE NO. \_\_\_\_\_  
COUNCIL BILL NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO, APPROVING THE FIRST AMENDMENT TO THE RIVER DISTRICT REDEVELOPMENT PLAN WHICH FIRST AMENDMENT SEEKS TO DEANNEX CERTAIN PARCELS FROM THE EXISTING RIVER DISTRICT PROJECT AREA; WHICH FIRST AMENDMENT AMENDS A PLAN THAT 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 August 5, 1997, by Resolution No. 97-151 the City Council ("City Council") and Mayor of the City of Coeur d'Alene, Idaho (the "City") created an urban renewal agency, The Coeur d'Alene Urban Renewal Agency (formerly d/b/a Lake City Development Corporation and now d/b/a ignite cda, the "Agency"), authorizing it to transact business and exercise the powers granted by the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the "Law"), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"), upon making the findings of necessity required for creating said Agency;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the River District Redevelopment Plan (the "River District 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. 3155 on November 18, 2003, approving the River District Plan, and making certain findings;

WHEREAS, pursuant to Idaho Code § 50-2008(b), "any person or agency, public or private, may submit [an] urban renewal plan to an urban renewal agency;"

WHEREAS, the City seeks to amend the River District Plan to deannex certain parcels from the existing River District Project Area as described in the First Amendment defined below;

WHEREAS, the City has prepared the First Amendment to the River District Plan (the "First Amendment"), as set forth in Exhibit 1 attached hereto, identifying the parcels to be deannexed from the River District Project Area;

WHEREAS, the First Amendment amends the River District Plan, which contains provisions of revenue allocation financing as allowed by the Act;

WHEREAS, the City Council, on June 7, 2016, approved formal submission of the First Amendment to the Agency;

WHEREAS, on June 8, 2016, the Agency Board passed Resolution No. 2016-06 acknowledging receipt of and accepting the First Amendment;

WHEREAS, the Mayor and City Clerk have taken the necessary action to process the First Amendment;

WHEREAS, as of June 10, 2016, the First Amendment was submitted to the affected taxing entities, available to the public, and under consideration by the City Council;

WHEREAS, notice of the public hearing of the First Amendment was caused to be published by the Coeur d'Alene City Clerk in the *Coeur d'Alene Press* on June 11, 2016, a copy of said notice being attached hereto as Exhibit 2;

WHEREAS, as required by Idaho Code Section 50-2906, the First Amendment was made available to the general public and all taxing districts at least thirty (30) days prior to the July 13, 2016, special meeting of the City Council;

WHEREAS, appropriate notice of the First Amendment and the impact on the revenue allocation provision contained therein has been given to the taxing districts and to the public as required by Idaho Code Sections 50-2008 and 50-2906;

WHEREAS, at a meeting held June 14, 2016, the Coeur d'Alene Planning and Zoning Commission considered the First Amendment and found that the First Amendment is in all respects in conformity with the Comprehensive Plan; a copy of the Planning and Zoning Commission minutes, June 14, 2016 is attached hereto as Exhibit 3;

WHEREAS, the City Council during its special meeting on July 13, 2016, held the public hearing;

WHEREAS, it is necessary, and in the best interests of the citizens of the City to adopt the First Amendment;

WHEREAS, the City at its special meeting held on July 13, 2016, held a public hearing and considered the First Amendment as proposed, and made certain comprehensive findings; and

WHEREAS, the First Amendment amends a pre-July 1, 2016, plan containing a revenue allocation financing provision, and therefore, pursuant to Idaho Code Section 50-2903(4), there is no reset of the base assessment roll to the current values for the remaining Lake District Project Area.

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

SECTION 1: The First Amendment attached hereto as Exhibit 1 and made a part hereof, is hereby approved. The City Clerk may make certain technical corrections or revisions in keeping with the information and testimony presented at the July 13, 2016, hearing.

SECTION 2: No direct or collateral action challenging the First Amendment 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 First Amendment.

SECTION 3: Upon the effective date of this Ordinance, the City Clerk is authorized and directed to transmit to the Kootenai County Auditor, Kootenai County Tax Assessor and Kootenai County Board of Commissioners, and to the appropriate officials of the Coeur d'Alene School District No. 271, Kootenai County EMS, North Idaho College, Eastside Highway District, Lakeside Highway District, Worley Highway District, Post Falls Highway District and the Idaho State Tax Commission a copy of this Ordinance, a copy of the legal description and a map indicating the parcels to be deannexed from the existing River District Project Area.

SECTION 4: This Ordinance shall be in full force and effect immediately upon its passage, approval, and publication.

SECTION 5: 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 6: At least 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 7: The Summary of this Ordinance, a copy of which is attached hereto as Exhibit 4, is hereby approved.

SECTION 8: All ordinances, resolutions, orders or parts thereof in conflict herewith are hereby repealed, rescinded and annulled.

SECTION 9: SAVINGS CLAUSE: This Ordinance does not affect an action or proceeding commenced or right accrued before this Ordinance takes effect.

*Passed under suspension of rules upon which a roll call vote was duly taken and duly enacted by an Ordinance of the City of Coeur d'Alene at a special call session of the City Council on July 13, 2016.*

APPROVED, ADOPTED and SIGNED this \_\_\_\_ day of \_\_\_\_\_, 2016.

---

Mayor Steve Widmyer

ATTEST:

---

Renata McLeod, City Clerk

Exhibit 1

FIRST AMENDMENT TO THE RIVER DISTRICT REDEVELOPMENT PLAN

Exhibit 2

NOTICE PUBLISHED IN THE *Coeur d'Alene Press*, June 11, 2016

Exhibit 3

PLANNING & ZONING COMMISSION MINUTES JUNE 14, 2016



Exhibit 4

SUMMARY OF ORDINANCE NO. \_\_\_\_\_

# **EXHIBIT 1**

## **FIRST AMENDMENT TO THE RIVER DISTRICT REDEVELOPMENT PLAN**

### **URBAN RENEWAL PROJECT**

**COEUR D'ALENE URBAN RENEWAL AGENCY**  
**(formerly d/b/a the Lake City Development Corporation and now d/b/a ignite cda)**

**CITY OF COEUR D'ALENE, IDAHO**

**Ordinance No. 3155**  
**Adopted November 18, 2003**  
**Effective November 26, 2003**

**First Amendment to the  
River District Redevelopment Plan**  
**Ordinance No. \_\_\_\_\_**  
**Adopted July 13, 2016**  
**Effective July \_\_, 2016**

# EXHIBIT 1

## BACKGROUND

This First Amendment (“First Amendment”) to the River District Redevelopment Plan (the “Plan”) deannexes certain parcels from the plan area/revenue allocation area created by the Plan commonly referred to as the “River District Project Area.” The scope of this First Amendment is limited to addressing the deannexation of certain parcels from the River District Project Area. It is important to note the deannexation of parcels from the River District Project Area does not change the termination date.

As a result of the deannexation, in 2016 through the remaining years of the Plan, the Coeur d’Alene Urban Renewal Agency formerly d/b/a Lake City Development Corporation and now d/b/a ignite cda (the “Agency”) will cease receiving an allocation of revenues from the deannexed parcels. The increment value of the parcels deannexed from the River District Project Area shall be included in the net taxable value of the taxing district when calculating the subsequent property tax levies pursuant to section 63-803, Idaho Code. The increment value shall also be included in subsequent notification of taxable value for each taxing district pursuant to section 63-1312, Idaho Code, and subsequent certification of actual and adjusted market values for each school district pursuant to section 63-315, Idaho Code. The Kootenai County Assessor’s Office maintains the value information, including the increment value, if any, included on the new construction roll for new construction associated with the deannexed parcels. The amount added to the new construction roll will equal the amount by which the December 31, 2015, increment value exceeds the incremental value as of December 31, 2006.

House Bill 606, effective July 1, 2016, amended the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the “Law”) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”) confirming that a plan amendment to the Plan does not result in a reset of the base assessment roll values: “[f]or plans adopted or modified prior to July 1, 2016, and for subsequent modifications of those urban renewal plans, the value of the base assessment roll of property within the revenue allocation area shall be determined as if the modification had not occurred.” Idaho Code § 50-2903(4). Further a plan amendment to accommodate a de-annexation in the revenue allocation boundary is also an identified exception to the base reset requirement. Idaho Code § 50-2903A(1)(a)(iii).

## AMENDMENTS TO THE PLAN

1. Definitions. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan.

2. The following defined terms are amended throughout the Plan as follows:

(a) Delete “LCDC” and replace with “Agency.”

(b) Delete “Project Area” and replace with “Amended Project Area” except where specifically referenced in this First Amendment.

## EXHIBIT 1

3. Amendment to Section 102.1 of the Plan.

(a) Section 102.1 entitled “CONFORMANCE WITH STATE OF IDAHO URBAN RENEWAL LAW OF 1965, AS AMENDED” is amended by adding a new paragraph to the end of the existing language as follows:

This First Amendment to the River District Redevelopment Plan (the “First Amendment”) deannexes certain parcels from the existing Project Area, resulting in an “Amended Project Area” as further described in Attachments 1 and 2. Pursuant to the Law, the City Council, having published due notice thereof, held a public hearing on the First Amendment. Notice of the hearing was duly published in a newspaper having general circulation. The City Council adopted the First Amendment on July 13, 2016, pursuant to Ordinance No. \_\_\_\_\_.

4. Amendment to Section 200 of the Plan.

(a) Section 200 entitled “DESCRIPTION OF PROJECT AREA” is deleted and replaced as follows:

**DESCRIPTION OF THE AMENDED PROJECT AREA**

The boundaries of the Amended Project Area and of the Amended Revenue Allocation Area pursuant to the First Amendment are described in Attachment 1, which is attached hereto and incorporated herein by reference, and are shown on the Amended Project Area and Amended Revenue Allocation Area Boundary Map, attached hereto as Attachment 2 and incorporated herein by reference.

5. Amendment to Section 302 of the Plan.

(a) Section 302 is amended by deleting the first sentence of the second paragraph and replacing it as follows:

The Amended Project Area consists of approximately 56.50 acres, with boundaries along the I-90 freeway on the north, Huetter Road on the west, Spokane River on the south, and Beebe Boulevard on the east, less the parcels deannexed pursuant to the First Amendment as shown on Attachments 1 and 2.

6. Amendment to Section 504 of the Plan.

## EXHIBIT 1

(a) Section 504 is amended by adding a new sentence immediately following the end of the first sentence of the first paragraph as follows: Revenue allocation financing authority for the deannexed parcels pursuant to the First Amendment will be terminated effective January 1, 2016.

(b) Section 504 is amended by adding a new sentence following the first sentence of the fourth paragraph as follows: The estimated financial impact to the Agency as a result of the deannexation of certain parcels from the existing Project Area pursuant to the First Amendment is set forth in the Supplement to the Economic Feasibility Study for the River District Urban Renewal Area in Attachment 5A.

7. Amendment to Section 504.1 of the Plan.

(a) Section 504.1 is amended by adding a new sentence immediately following the end of the second sentence as follows: No modifications to the Study have been made as a result of this First Amendment; however, the estimated financial impact to the Agency as a result of the deannexation of certain parcels from the existing Project Area pursuant to the First Amendment is set forth in the Supplement to the Economic Feasibility Study for the River District Urban Renewal Area in Attachment 5A.

8. Amendment to Section 504.3 of the Plan.

(a) Section 504.3 is amended by adding a new sentence at the end of the paragraph as follows: The deannexation of parcels from the existing Project Area pursuant to the First Amendment will not change this analysis.

9. Amendment to Section 504.4 of the Plan.

(a) Section 504.4 is amended by adding a new sentence at the end of the second paragraph as follows: The deannexation of parcels from the existing Project Area pursuant to the First Amendment will impact the amount of revenue generated by revenue allocation as set forth in Attachment 5A.

(b) Section 504.4 is amended by adding a new sentence at the end of the third paragraph as follows: Based on the findings set forth in Attachment 5A pursuant to the First Amendment the conclusion is the deannexation of certain parcels from the existing Project Area pursuant to the First Amendment does not change the analysis and the Project continues to be feasible.

## EXHIBIT 1

10. Amendment to Attachment 1 of the Plan.

(a) Attachment 1 entitled “Description of the Project Area and Revenue Allocation Area Boundaries” is deleted and replaced with Attachment 1 entitled “Description of the Amended Project Area and Amended Revenue Allocation Area Boundaries,” attached hereto.

11. Amendment to Attachment 2 of the Plan.

(a) Attachment 2 entitled “Project Area – Revenue Allocation Area Boundary Map” is deleted and replaced with Attachment 2 entitled “Amended Project Area-Amended Revenue Allocation Area Boundary Map,” attached hereto.

12. Amendment to Plan to add new Attachment 5A.

(a) The Plan is amended to add new Attachment 5A entitled “Supplement to the Economic Feasibility Study for the River District Urban Renewal Area,” attached hereto.

13. River District Redevelopment Plan Remains in Effect. Except as expressly modified in this First Amendment, the Plan and the Attachments thereto remain in full force and effect.

## ATTACHMENT 1

### Description of the Amended Project Area and Amended Revenue Allocation Area Boundaries

#### River URD

#### De-annexation Legal Description

Those portions of the southwest quarter and the southeast quarter of Section 4, Government Lot 4 of Section 8 and Government Lots 1, 2 and 3 of Section 9, all within Township 50 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, described as follows:

Lots 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 29, 30, 31, 32, 33, and 34, Block 1 of Edgewater at Mill River as recorded in Book J of Plats, Pages 60, 60A and 60B, records of Kootenai County, Idaho;

Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, Block 6 and Lot 1, Block 7 of Mill River First Addition as recorded in Book J of Plats, Pages 202, 202A, 202B, 202C and 202D, records of Kootenai County, Idaho;

Lots 1 and 2, Block 1 of Seltice Medical as recorded in Book K of Plats, Pages 90 and 90A, records of Kootenai County, Idaho;

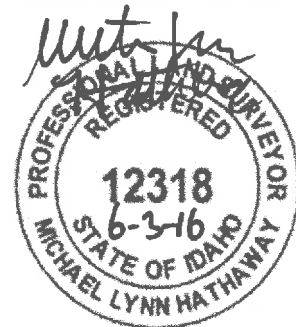
Lots 2, 3, 4, 5 and 6, Block 1 of Twenty-Six as recorded in Book K of Plats, Pages 298, 298B and 298C, records of Kootenai County, Idaho;

Lots 1 and 2, Block 1 of Mill River Fourth Addition as recorded in Book K of Plats, Pages 409 and 409A, records of Kootenai County, Idaho;

#### TOGETHER WITH AND INCLUDING

The West 350 feet of Kootenai County Tax Number 11968, identified as being recorded in a Warranty Deed Book 307, Page 334 on 7/23/80, more particularly described as follows:

That portion of the abandoned 100 feet wide railroad right of way described on Page 175, Book 286, Records Office, Kootenai County, Idaho, more particularly described as follows: BEGINNING at the southwest corner of Section 4, Township 50 North, Range 4 West, Boise Meridian; thence North  $53^{\circ}20'09''$  East, 1622.52 feet to the TRUE POINT OF BEGINNING, said point being also the intersection of the South line said abandoned railroad right of way and the West line of the SE 1/4, of the SW 1/4, of said Section 4; thence North  $01^{\circ}28'47''$  West, along said West line, 104.56 feet to point lying on the North line of said abandoned railroad right of way line; thence South  $74^{\circ}29'54''$  East, along said North line 365.96 feet to a point on the East line of said West 350 feet; thence along said East line South  $01^{\circ}28'47''$  East 104.56 feet to a point lying on the South line of said abandoned right of way; thence along said South line North  $74^{\circ}29'54''$  West, 365.96 feet to the TRUE POINT OF BEGINNING. This Tax Number description was compiled from existing records and does not constitute a surveyed description of the actual parcel. This description was created from said Warranty Deed and calculations were performed to determine the geometry to mathematically define the West 350 feet. No field surveys were performed.



**Kootenai County AIN ID Numbers  
Properties to be deannexed**

192550, 250503, 250504, 250505, 250506, 250507, 250508,  
250509, 250510, 250511, 250512, 250513, 250514, 250515,  
250516, 250517, 250518, 250519, 250520, 250521, 250522,  
250523, 250524, 250525, 250528, 250529, 250530, 250531,  
250532, 250533, 256754, 256755, 256756, 256757, 256758,  
256759, 256760, 256761, 256762, 256763, 256764, 256765,  
256766, 256767, 256768, 256769, 256770, 256771, 256772,  
256773, 256774, 256775, 256776, 256777, 312021, 312022,  
322312, 322314, 322315, 322316, 329167, 329168



## RIVER URD DE-ANNEXATION MAP

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Associates, Inc.

NOTE: PLAT INFORMATION WAS TAKEN DIRECTLY FROM THE KOOTENAI COUNTY ASSESSOR DATABASE AND WAS NOT RE-DRAFTED AS PART OF THIS PROJECT. THIS IS NOT A LAND SURVEY. NO FIELD WORK WAS PERFORMED.

24X36 SCALE 1" = 160 ft.

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www.

RIVER URD  
DE-ANNEXATION MAP

|              |               |
|--------------|---------------|
| PROJECT NO.: | 41196         |
| DESIGNED BY: | M.L.H.        |
| DRAWN BY:    | J.A.L.        |
| CHECKED BY:  |               |
| DWG NAME:    | 41196DS02.DWG |
| DATE:        | 06-03-16      |
| SHEET NO:    |               |



# FINANCIAL ANALYSIS

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### **Narrative:**

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| Impact on Local Governments..... | 1 |
| Basis of the Analysis.....       | 2 |
| Summary.....                     | 3 |
| Final Note.....                  | 3 |

### **Exhibits:**

- Exhibit A – State Tax Commission Analysis
- Exhibit B – Projection by District
- Exhibit C – Charts Showing Impact of De-Annexed Parcels
- Exhibit D – Parcels to Be De-Annexed

# FINANCIAL ANALYSIS

## INTRODUCTION

The Panhandle Area Council is pleased to assist the City of Coeur d'Alene and its Urban Renewal Agency, ignite cda, on a financial analysis of the impact of the City's proposal to de-annex parcels from both its Lake and River Districts. The City proposes to take this action in order to receive a portion of the tax increment that has been diverted to the Agency since 1997 in the Lake District and 2003 in the River District. The City has recognized the need for extra tax revenue for staffing its fourth fire station, scheduled to open in 2016, and the opportunity to reduce property taxes in the county.

## IMPACT ON LOCAL GOVERNMENTS

The action would also potentially impact the budgets of other local governments, including North Idaho College and Kootenai County. Local governments would be allowed to add the amounts shown to their budgets for FY 2016-17, or use the new revenues to lower taxes for their constituents.

A breakdown of the funds to be received, defined as New Construction by the Idaho State Tax Commission:

**TABLE 1**  
**NEW CONSTRUCTION – BY AGENCY – FY 2016-2017**

| Tax Authority                 | Levy Rate   | Tax Change    |
|-------------------------------|-------------|---------------|
| Coeur d'Alene Bond            | 0.000044342 | \$ 3,418.87   |
| City of Coeur d'Alene         | 0.005857486 | 451,623.35    |
| TOTAL – City of Coeur d'Alene |             | 455,042.22    |
| Kootenai County               | 0.003178062 | 245,034.64    |
| North Idaho College           | 0.001098933 | 84,729.82     |
| Post Falls Highway District   | 0.000647527 | 37,828.66     |
| Lakes Highway District        | 0.000758112 | 14,162.82     |
| Kootenai County EMS           | 0.000171693 | 13,237.88     |
| School District 271           | 0.000009062 | 698.71        |
| Total                         |             | \$ 850,734.75 |

Source: Kootenai County Assessor

## BASIS OF THE ANALYSIS

The following assumptions have been used to determine the impact on the Agency:

1. The City Council will approve an ordinance no later than July 25, 2016 to de-annex the parcels Identified via the Kootenai County Assessor.
2. The State Tax Commission has determined that properties de-annexed prior to that date are to be included in the New Construction Rolls of each affected agency, and therefore eligible for inclusion in their budgets for FY 2016-17. The discussion of the timing of the receipt of the taxes to local governments from Alan Dornfest of the State Tax Commission can be found in Exhibit A.
3. The Assessed Value of the Net Tax Increment of each District of the Agency, as of January 1, 2016 is as follows:
  - **Lake District:** Value of the increment above the base value on January 1, 1997 is \$373,126,242.
  - **River District:** Value of the increment above the base value on January 1, 2003 is \$194,264,624.
4. The 2015 net increment values may change based on the subsequent tax rolls calculated by the County Assessor. And, although they are certain to change in future years, the analysis assumes the increment values will remain fixed for the life of the Districts, at their current 2015 values.
5. Although they too are certain to change, the Tax Levy Rates as of December 31, 2015 are fixed for the life of the Districts, as stated in Table 1 on Page 1.
6. Although not needed to mitigate the financial impact on the Lake District, some buildings and sites may be declared as surplus and sold, based on their non-depreciated value as of September 30, 2015.
7. The final installment of the Revenue Allocation Bond with Washington Trust Bank, in the amount of \$1,039,260, will be paid from restricted funds in the Debt Reserve Fund established and maintained by the Agency. The balance remaining, estimated at \$310,740, will become unrestricted cash at that time.
8. The Agency will work with Washington Trust Bank to provide further security for the Revenue Allocation Bonds, if required by their covenants, including increasing the Debt Service Reserve or using existing assets as collateral.
9. Operating expenses remain fixed for the life of the Districts, with the exception of salaries and overhead, which increase by 3% annually. The salaries and overhead expenses are split equally between the Districts through 2021, at which time the Lake District closes, and the salaries and benefits are halved.
10. Future projects of the Agency have been included, based on the Agency's projections, and in the timeline set forth by them.
11. Special Project Reserves in the amount of \$3 million in the Lake District and \$5 million in the River District are included. These are funds for grants for public projects not yet requested by local governments or identified by the Agency. The city may also partner with the Agency to fund other requested grant projects, if necessary.

## SUMMARY

Exhibit B details the impact on the Districts, as follows:

1. **Lake District:** With the loss of the current value of the increment since 1997 on the de-annexed parcels, **\$24,077,194**, the Agency will see **\$337,093** less in incremental taxes per year, beginning in 2017. The total over the five remaining years of the District is **\$1,685,465**. Please see Chart 1, Exhibit C.

However, this is partially offset by the new construction in the District, **\$64,863**, and the use of the Debt Service Reserve, **\$1,305,337**, to retire the final installment on the Washington Trust Bank Revenue Allocation Bonds.

Based on the analysis, there will be no impact on the Lake District for current projects or those currently proposed by the Agency.

However, the Agency may be restricted on the amount they can provide for public infrastructure via grants to local governments. As noted, the Agency has set aside \$3 million in the Special Projects Reserve, in addition to \$3.6 million for the Four Corners Project, \$2.5 million for an Education Facility, \$1.85 million for a Parking Structure and \$500,000 for Midtown initiatives.

2. **River District:** With the loss of the current value of the increment since 2003 on the de-annexed parcels, **\$86,688,437**, the Agency will see **\$1,003,337** less in incremental taxes, beginning in 2017. The total over the eleven remaining years of the District is **\$11,036,707**. Please see Chart 2, Exhibit C.

Based on the analysis, there is no financial impact on the River District for currently anticipated projects, despite the fact the de-annexation removes 44% of its increment. However, future grants to local governments, slated at \$12.2 million, would be reduced to \$5 million over 12 years. This is in addition to \$3.5 million for improvements to Seltice Way, \$500,000 for the transit center and \$100,000 for the BNSF property. Another impact is that by reducing the acreage of the District, the ability to amend its boundary to include the Atlas property would be reduced, since it is restricted to being 10% of the size of the District.

## FINAL NOTE:

Coeur d'Alene's urban renewal agency, ignite cda, has in PAC's view done a remarkable job since its inception in 1997. Local critics, including some elected officials, believe its creation has increased taxes because of those being diverted to the Agency. This is simply not the case, as current law does not allow it. We believe de-annexing parcels before the close of a District is an extremely effective way to utilize this valuable tool, and we commend the parties for working together to do so.

**EXHIBIT A**  
**TIMING OF THE RECEIPT OF TAX DOLLARS FROM DE-ANNEXATION**

**From:** Alan Dornfest, Idaho State Tax Commission  
**To:** Mayor Steve Widmyer, City Administrator Jim Hammond  
**Subject:** De-annexation of URD properties

It really depends on when the agency no longer expects to receive money for increment value within the portion of the RAA (Revenue Allocation Area) being de-annexed. Assume, for example that the URA does not need any more money from these properties and expects nothing from 2016 property taxes (ie: the ones paid in December 2016). If the de-annexation ordinance is effective before July 25, the increment value (or at least the growth in this value since 2006) can be counted as new construction for taxing district budgeting purposes for their FY 2017 budgets – fulfilled with 2016 property taxes. That's the best scenario – try to meet the July deadline. There is no way to extend it. If you are not planning to de-annex for this tax cycle, then just move these dates ahead a year. In that case, the cleanest scenario would be to de-annex as of the end of this calendar year.

**Alan S. Dornfest • Property Tax Policy Supervisor**  
Idaho State Tax Commission • Property Tax Division  
Phone: (208) 334-7742 • fax: (208) 334-7844  
E-mail: [alan.dornfest@tax.idaho.gov](mailto:alan.dornfest@tax.idaho.gov) • website: [tax.idaho.gov](http://tax.idaho.gov)

| EXHIBIT B  |                       |                     |                       |                     |                      |                       |
|--|-----------------------|---------------------|-----------------------|---------------------|----------------------|-----------------------|
| ignite cda - LAKE DISTRICT   |                       |                     |                       |                     |                      |                       |
| SCHEDULE OF SOURCES AND USES OF FUNDS  |                       |                     |                       |                     |                      |                       |
| SOURCES OF FUNDS   | 2016                  | 2017                | 2018                  | 2019                | 2020                 | 2021                  |
| <b>TAX INCREMENT FINANCING REVENUES</b>  |                       |                     |                       |                     |                      |                       |
| Assessed Values Above 1997 Base Value (1)  | \$ 373,126,242        | \$ 349,049,048      | \$ 349,049,048        | \$ 349,049,048      | \$ 349,049,048       | \$ 349,049,048        |
| <i>Levy Rates (From Kootenai County Assessor):</i>   |                       |                     |                       |                     |                      |                       |
| <i>Kootenai County</i>   | <i>0.003178062</i>    |                     |                       |                     |                      |                       |
| <i>City of Coeur d'Alene- bond</i>   | <i>0.000044342</i>    |                     |                       |                     |                      |                       |
| <i>City of Coeur d'Alene- bond</i>   | <i>0.000188847</i>    |                     |                       |                     |                      |                       |
| <i>City of Coeur d'Alene</i>   | <i>0.005857486</i>    |                     |                       |                     |                      |                       |
| <i>Lakes Highway District</i>  | <i>0.000758112</i>    |                     |                       |                     |                      |                       |
| <i>Coeur d'Alene School District</i>   | <i>0.000009062</i>    |                     |                       |                     |                      |                       |
| <i>NIC</i>   | <i>0.001098933</i>    |                     |                       |                     |                      |                       |
| <i>Kootenai County Ambulance</i>   | <i>0.000171693</i>    |                     |                       |                     |                      |                       |
| <i>Total Levy Rate</i>   | <i>0.011306537</i>    |                     |                       |                     |                      |                       |
| <b>Net Incremental Tax Revenue</b>   | <b>\$ 4,218,766</b>   | <b>\$ 3,946,536</b> | <b>\$ 3,946,536</b>   | <b>\$ 3,946,536</b> | <b>\$ 3,946,536</b>  | <b>\$ 3,946,536</b>   |
| <i>Less: Art Fund at 2%</i>  | 84,375                | 78,931              | 78,931                | 78,931              | 78,931               | 78,931                |
| <b>TOTAL REVENUES - TAX INCREMENT</b>  | <b>\$ 4,134,391</b>   | <b>\$ 3,867,605</b> | <b>\$ 3,867,605</b>   | <b>\$ 3,867,605</b> | <b>\$ 3,867,605</b>  | <b>\$ 3,867,605</b>   |
| <b>BEGINNING CASH - 9/30/2015 AUDIT</b>  | <b>\$ 4,240,545</b>   | <b>\$ 3,632,757</b> | <b>\$ 2,591,266</b>   | <b>\$ 1,024,533</b> | <b>\$ 1,058,474</b>  | <b>\$ 1,085,972</b>   |
| <b>OTHER REVENUES (Including Rentals)</b>  | 129,000               | 114,600             | 114,600               | 114,600             | 114,600              | 114,600               |
| <b>SALE OF BUILDINGS AND SITES (2)</b>   |                       |                     |                       |                     |                      |                       |
| <b>REFUND WATRUST DEBT RESERVE (3)</b>   |                       |                     |                       |                     |                      | 310,740               |
| <b>TOTAL SOURCES OF FUNDS</b>  | <b>\$ 8,503,936</b>   | <b>\$ 7,614,962</b> | <b>\$ 6,573,471</b>   | <b>\$ 5,006,738</b> | <b>\$ 5,040,679</b>  | <b>\$ 5,378,917</b>   |
| USES OF FUNDS  | 2016                  | 2017                | 2018                  | 2019                | 2020                 | 2021                  |
| <b>OPERATING COSTS (Agency 2016 Budget):</b>   |                       |                     |                       |                     |                      |                       |
| Salaries/Benefits (50-50 with River URD, 3%)   | \$ 89,106             | \$ 91,779           | \$ 94,532             | \$ 97,368           | \$ 100,289           | \$ 103,298            |
| Office, Travel and Utilities   | 25,370                | 25,370              | 25,370                | 25,370              | 25,370               | 25,370                |
| Professional Services  | 65,880                | 65,880              | 65,880                | 65,880              | 65,880               | 65,880                |
| Communications (4)   | 20,000                | 5,000               | 5,000                 | 5,000               | 5,000                | 5,000                 |
| Insurance  | 2,699                 | 2,699               | 2,699                 | 2,699               | 2,699                | 2,699                 |
| Property Management  | 80,922                | 80,922              | 80,922                | 80,922              | 80,922               | 80,922                |
| Organizational Dues  | 4,855                 | 4,855               | 4,855                 | 4,855               | 4,855                | 4,855                 |
| Parking Initiatives (4)  | 25,000                | -                   | -                     | -                   | -                    | -                     |
| Planning (4)   | 75,000                | 25,000              | 25,000                | 25,000              | 25,000               | 25,000                |
| Special Reserve (5)  |                       | 350,000             | 350,000               | 350,000             | 350,000              | 1,600,000             |
| <b>TOTAL OPERATING COSTS</b>   | <b>\$ 388,832</b>     | <b>\$ 651,505</b>   | <b>\$ 654,258</b>     | <b>\$ 657,094</b>   | <b>\$ 660,015</b>    | <b>\$ 1,913,024</b>   |
| <b>CAPITAL COSTS (9/30/2015 Audit, Unless Noted):</b>  |                       |                     |                       |                     |                      |                       |
| Washington Trust Bank (3)  | \$ 2,080,000          | \$ 2,080,000        | \$ 2,080,000          | \$ 2,080,000        | \$ 2,080,000         | \$ -                  |
| Parking Structure (4)  |                       | 370,635             | 370,635               | 370,635             | 370,635              | 370,635               |
| Education Facility (6)   |                       | 1,250,000           | 1,250,000             |                     |                      |                       |
| Midtown (4)  |                       | 250,000             | 250,000               |                     |                      |                       |
| Four Corners (4)   | 1,600,000             | 250,000             | 250,000               | 750,000             | 750,000              |                       |
| 609 Lofts IRA  | 29,988                | 32,631              | 33,937                | 35,294              | 36,706               | 38,174                |
| Ice Plant IRA  | 44,812                | 48,762              | 50,713                | 52,741              | 54,851               |                       |
| Chamber DDA  | 2,500                 | 2,500               | 2,500                 | 2,500               | 2,500                | 2,500                 |
| 809 Third Property Debt  | 24,540                | 24,540              | 279,472               |                     |                      |                       |
| 301 Lakeside Debt  | 418,028               |                     |                       |                     |                      |                       |
| Coeur d'Alene Public Library Debt  | 63,123                | 63,123              | 327,423               |                     |                      |                       |
| 712 Young Avenue Debt  | 219,356               |                     |                       |                     |                      |                       |
| <b>TOTAL CAPITAL COSTS</b>   | <b>\$ 4,482,347</b>   | <b>\$ 4,372,191</b> | <b>\$ 4,894,680</b>   | <b>\$ 3,291,170</b> | <b>\$ 3,294,692</b>  | <b>\$ 411,309</b>     |
| <b>TOTAL USES OF FUNDS</b>   | <b>\$ 4,871,179</b>   | <b>\$ 5,023,696</b> | <b>\$ 5,548,938</b>   | <b>\$ 3,948,264</b> | <b>\$ 3,954,707</b>  | <b>\$ 2,324,333</b>   |
| <b>ENDING FUND BALANCE</b>   | <b>\$ 3,632,757</b>   | <b>\$ 2,591,266</b> | <b>\$ 1,024,533</b>   | <b>\$ 1,058,474</b> | <b>\$ 1,085,972</b>  | <b>\$ 3,054,584</b>   |
| Note (1): 2017 Values, from Assessor:  |                       |                     |                       |                     |                      |                       |
|  | <u>2015 Value</u>     | <u>Levy Rate</u>    | <u>Less Increment</u> | <u>New Const.</u>   | <u>New Increment</u> | <u>Net Change</u>     |
| De-annexed Parcels - Lake District   | \$ 29,813,992         | 0.011306537         | \$ 337,093            | \$ 5,736,798        | \$ 64,863            | \$ 24,077,194         |
| De-annexed Parcels - River District  | 89,616,051            | 0.011195952         | 1,003,337             | 2,927,614           | 32,777               | 86,688,437            |
| <b>TOTAL</b>   | <b>\$ 119,430,043</b> |                     | <b>\$ 1,340,430</b>   | <b>\$ 8,664,412</b> | <b>\$ 97,640</b>     | <b>\$ 110,765,631</b> |
| Note (2): The sale of buildngs and sites acquired by tax increment in the Lake District, on the books for \$2,679,953, are NOT included.                             |                       |                     |                       |                     |                      |                       |
| Note (3): Assumes the final bond payment to Washington Trust Bank will be from the Bond Reserve Account, currently \$1,305,337, leaving a net balalnce of \$310,740. |                       |                     |                       |                     |                      |                       |
| Note (4): From ignite cda projections.   |                       |                     |                       |                     |                      |                       |
| Note (5): Allows funding for local government projects that yet may come before the Agency (\$3 million.)  |                       |                     |                       |                     |                      |                       |
| Note (6): Funding over 2 years for the Education Facility, as endorsed by NIC.   |                       |                     |                       |                     |                      |                       |

ignite cda - RIVER DISTRICT

SCHEDULE OF SOURCES AND USES OF FUNDS

FY 2016 - 2021

| SOURCES OF FUNDS                            | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| TAX INCREMENT FINANCING REVENUES            |                |                |                |                |                |                |
| Assessed Values Above 1997 Base Value (1)   | \$ 194,264,624 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 |
| Levy Rates (From Kootenai County Assessor): |                |                |                |                |                |                |
| Kootenai County                             | 0.003178062    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000044342    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000188847    |                |                |                |                |                |
| City of Coeur d'Alene                       | 0.005857486    |                |                |                |                |                |
| Post Falls Highway District                 | 0.000647527    |                |                |                |                |                |
| Coeur d'Alene School District               | 0.000009062    |                |                |                |                |                |
| NIC   | 0.001098933    |                |                |                |                |                |
| Kootenai County Ambulance                   | 0.000171693    |                |                |                |                |                |
| Total Levy Rate                             | 0.011195952    |                |                |                |                |                |
| Net Incremental Tax Revenue                 | 2,174,977      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      |
| Less: Art Fund at 2%                        | 43,500         | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         |
| TOTAL REVENUES - TAX INCREMENT              | \$ 2,131,477   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   |
|   |                |                |                |                |                |                |
| BEGINNING CASH - 9/30/2015 AUDIT            | \$ 4,845,159   | \$ 6,074,933   | \$ 3,064,113   | \$ 2,550,170   | \$ 2,526,199   | \$ 2,491,972   |
| OTHER REVENUES (Including Interest)         | 4,980          | 5,080          | 5,181          | 5,285          | 5,391          | 5,498          |
| TOTAL SOURCES OF FUNDS                      | \$ 6,981,616   | \$ 7,260,343   | \$ 4,249,624   | \$ 3,735,785   | \$ 3,711,920   | \$ 3,677,800   |

| USES OF FUNDS                                  | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| OPERATING COSTS (Agency 2016 Budget):          |              |              |              |              |              |              |
| Salaries/Benefits (50-50 until 2021, at 3%)    | \$ 89,106    | \$ 91,779    | \$ 94,532    | \$ 97,368    | \$ 100,289   | \$ 103,298   |
| Office, Travel and Utilities                   | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       |
| Professional Services                          | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       |
| Communications                                 | 20,000       | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        |
| Insurance                                      | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        |
| Organizational Dues                            | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        |
| Planning                                       | 278,000      | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       |
| Special Project Reserve (2)                    |              |              |              |              |              |              |
| TOTAL OPERATING COSTS                          | \$ 451,410   | \$ 186,083   | \$ 188,836   | \$ 191,672   | \$ 194,593   | \$ 197,602   |
|  |              |              |              |              |              |              |
| CAPITAL COSTS (9/30/2015 Audit, unless noted): |              |              |              |              |              |              |
| River West - Phase 1                           | \$ 282,349   | \$ 287,996   | \$ 293,756   | \$ 299,631   | \$ 305,624   | \$ 311,736   |
| River West - Phase 2                           | 44,166       | 45,049       | 45,950       | 46,869       | 47,806       | 48,763       |
| MR Seniors                                     | 12,250       | 12,495       | 12,745       | 13,000       | 13,260       | 13,525       |
| River West Apartments                          | 11,849       | 12,086       | 12,328       | 12,575       | 12,826       | 13,083       |
| River West III Apartments                      | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        |
| Circuit at Seltice (3)                         |              | 47,862       | 47,862       | 47,862       | 47,862       | 47,862       |
| BNSF (3)                                       | 100,000      | 100,000      |              |              |              |              |
| Seltice Way Project (3)                        |              | 3,500,000    |              |              |              |              |
| KMPO/Tribe Transit Center (3)                  |              |              | 500,000      |              |              |              |
| Bond - \$5 million,10 years, 3.5% (4)          |              |              | 593,318      | 593,318      | 593,318      | 593,318      |
| TOTAL CAPITAL COSTS                            | \$ 455,273   | \$ 4,010,147 | \$ 1,510,618 | \$ 1,017,914 | \$ 1,025,355 | \$ 1,032,946 |
|  |              |              |              |              |              |              |
| TOTAL USES OF FUNDS                            | \$ 906,683   | \$ 4,196,230 | \$ 1,699,454 | \$ 1,209,586 | \$ 1,219,948 | \$ 1,230,548 |
|  |              |              |              |              |              |              |
| ENDING FUND BALANCE                            | \$ 6,074,933 | \$ 3,064,113 | \$ 2,550,170 | \$ 2,526,199 | \$ 2,491,972 | \$ 2,447,252 |

|                                       |                |             |                |              |               |                |
|---------------------------------------|----------------|-------------|----------------|--------------|---------------|----------------|
| Note (1): 2017 Values, from Assessor: | 2015 Value     | Levy Rate   | Less Increment | New Const.   | New Increment | Net Change     |
| De-annexed Parcels - Lake District    | \$ 29,813,992  | 0.011306537 | \$ 337,093     | \$ 5,736,798 | \$ 64,863     | \$ 24,077,194  |
| De-annexed Parcels - River District   | 89,616,051     | 0.011195952 | 1,003,337      | 2,927,614    | 32,777        | 86,688,437     |
| TOTAL                                 | \$ 119,430,043 |             | \$ 1,340,430   | \$ 8,664,412 | \$ 97,640     | \$ 110,765,631 |

Note (2): From ignite cda, which assumed funding for projects that yet may come before the Agency, moved to pay debt service (see note 4.)

Note (3): Projections from ignite cda.

Note (4): Allows \$5 million in bonds in 2018 for projects that yet may come before the Agency.



SCHEDULE OF SOURCES AND USES OF FUNDS

FY 2022 - 2027

| SOURCES OF FUNDS                            | 2022           | 2023           | 2024           | 2025           | 2026           | 2027           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| TAX INCREMENT FINANCING REVENUES            |                |                |                |                |                |                |
| Assessed Values Above 1997 Base Value (1)   | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 |
| Levy Rates (From Kootenai County Assessor): |                |                |                |                |                |                |
| Kootenai County                             | 0.003178062    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000044342    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000188847    |                |                |                |                |                |
| City of Coeur d'Alene                       | 0.005857486    |                |                |                |                |                |
| Post Falls Highway District                 | 0.000647527    |                |                |                |                |                |
| Coeur d'Alene School District               | 0.000009062    |                |                |                |                |                |
| NIC   | 0.001098933    |                |                |                |                |                |
| Kootenai County Ambulance                   | 0.000171693    |                |                |                |                |                |
| Total Levy Rate                             | 0.011195952    |                |                |                |                |                |
| Net Incremental Tax Revenue                 | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      |
| Less: Art Fund at 2%                        | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         |
| TOTAL REVENUES - TAX INCREMENT              | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   |
|   |                |                |                |                |                |                |
| BEGINNING CASH - 9/30/2015 AUDIT            | \$ 2,447,252   | \$ 2,391,801   | \$ 2,325,373   | \$ 2,247,718   | \$ 2,206,440   | \$ 2,153,413   |
| OTHER REVENUES (Including Interest)         | 5,608          | 5,720          | 5,835          | 5,952          | 6,071          | 6,192          |
| TOTAL SOURCES OF FUNDS                      | \$ 3,633,189   | \$ 3,577,851   | \$ 3,511,538   | \$ 3,434,000   | \$ 3,392,841   | \$ 3,339,934   |

| USES OF FUNDS                                  | 2022         | 2023         | 2024         | 2025         | 2026         | 2027         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| OPERATING COSTS (Agency 2016 Budget):          |              |              |              |              |              |              |
| Salaries/Benefits (3% Annual Increase)         | \$ 106,397   | \$ 109,589   | \$ 112,877   | \$ 116,263   | \$ 119,751   | \$ 123,344   |
| Office, Travel and Utilities                   | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       |
| Professional Services                          | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       |
| Communications                                 | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        |
| Insurance                                      | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        |
| Organizational Dues                            | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        |
| Planning                                       | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       |
| Special Project Reserve (2)                    |              |              |              |              |              |              |
| TOTAL OPERATING COSTS                          | \$ 200,701   | \$ 203,893   | \$ 207,181   | \$ 210,567   | \$ 214,055   | \$ 217,648   |
|  |              |              |              |              |              |              |
| CAPITAL COSTS (9/30/2015 Audit, unless noted): |              |              |              |              |              |              |
| River West - Phase 1                           | \$ 317,971   | \$ 324,331   | \$ 330,817   | \$ 337,433   | \$ 344,182   | \$ 351,066   |
| River West - Phase 2                           | 49,738       | 50,733       | 51,747       | 52,782       | 53,838       | 54,915       |
| MR Seniors                                     | 13,795       | 14,071       | 14,353       | 14,640       | 14,932       | 15,231       |
| River West Apartments                          | 13,344       | 13,611       | 13,883       | 14,161       | 14,444       | 14,733       |
| River West III Apartments                      | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        |
| Circuit at Seltice (3)                         | 47,862       | 47,862       | 47,862       |              |              |              |
| Bond - \$5 million,10 years, 3.5% (4)          | 593,318      | 593,318      | 593,318      | 593,318      | 593,318      | 662,672      |
| TOTAL CAPITAL COSTS                            | \$ 1,040,687 | \$ 1,048,585 | \$ 1,056,639 | \$ 1,016,993 | \$ 1,025,373 | \$ 1,103,276 |
|  |              |              |              |              |              |              |
| TOTAL USES OF FUNDS                            | \$ 1,241,388 | \$ 1,252,478 | \$ 1,263,820 | \$ 1,227,560 | \$ 1,239,428 | \$ 1,320,924 |
|  |              |              |              |              |              |              |
| ENDING FUND BALANCE                            | \$ 2,391,801 | \$ 2,325,373 | \$ 2,247,718 | \$ 2,206,440 | \$ 2,153,413 | \$ 2,019,010 |

|                                       |                |             |                |              |               |                |
|---------------------------------------|----------------|-------------|----------------|--------------|---------------|----------------|
| Note (1): 2017 Values, from Assessor: | 2015 Value     | Levy Rate   | Less Increment | New Const.   | New Increment | Net Change     |
| De-annexed Parcels - Lake District    | \$ 29,813,992  | 0.011306537 | \$ 337,093     | \$ 5,736,798 | \$ 64,863     | \$ 24,077,194  |
| De-annexed Parcels - River District   | 89,616,051     | 0.011195952 | 1,003,337      | 2,927,614    | 32,777        | 86,688,437     |
| TOTAL                                 | \$ 119,430,043 |             | \$ 1,340,430   | \$ 8,664,412 | \$ 97,640     | \$ 110,765,631 |

Note (2): From ignite cda, which assumed funding for projects that yet may come before the Agency, moved to pay debt service (see note 4.)

Note (3): Projections from ignite cda.

Note (4): From ignite cda, allows \$5 million in bonds in 2018 for projects that yet may come before the Agency.

Chart 1: De-Annexed Parcels and Remaining - Lake District

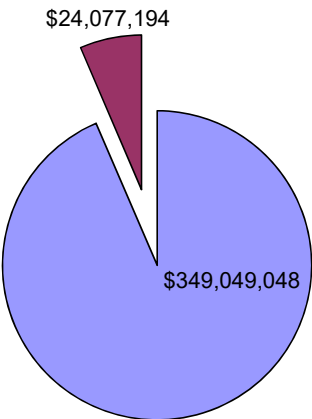
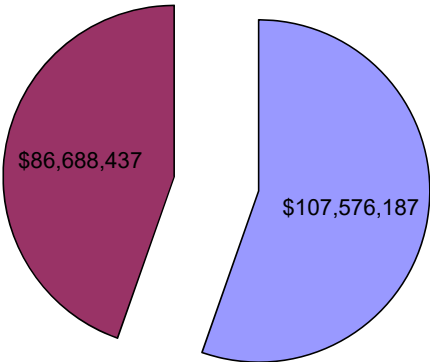


Chart 2: De-Annexed Parcels and Remaining - River District



## ATTACHMENT 1

### Description of the Amended Project Area and Amended Revenue Allocation Area Boundaries

#### River URD

#### De-annexation Legal Description

Those portions of the southwest quarter and the southeast quarter of Section 4, Government Lot 4 of Section 8 and Government Lots 1, 2 and 3 of Section 9, all within Township 50 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, described as follows:

Lots 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 29, 30, 31, 32, 33, and 34, Block 1 of Edgewater at Mill River as recorded in Book J of Plats, Pages 60, 60A and 60B, records of Kootenai County, Idaho;

Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, Block 6 and Lot 1, Block 7 of Mill River First Addition as recoded in Book J of Plats, Pages 202, 202A, 202B, 202C and 202D, records of Kootenai County, Idaho;

Lots 1 and 2, Block 1 of Seltice Medical as recorded in Book K of Plats, Pages 90 and 90A, records of Kootenai County, Idaho;

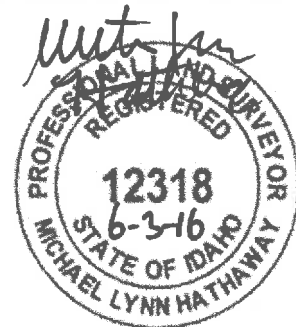
Lots 2, 3, 4, 5 and 6, Block 1 of Twenty-Six as recorded in Book K of Plats, Pages 298, 298B and 298C, records of Kootenai County, Idaho;

Lots 1 and 2, Block 1 of Mill River Fourth Addition as recorded in Book K of Plats, Pages 409 and 409A, records of Kootenai County, Idaho;

#### TOGETHER WITH AND INCLUDING

The West 350 feet of Kootenai County Tax Number 11968, identified as being recorded in a Warranty Deed Book 307, Page 334 on 7/23/80, more particularly described as follows:

That portion of the abandoned 100 feet wide railroad right of way described on Page 175, Book 286, Records Office, Kootenai County, Idaho, more particularly described as follows: BEGINNING at the southwest corner of Section 4, Township 50 North, Range 4 West, Boise Meridian; thence North  $53^{\circ}20'09''$  East, 1622.52 feet to the TRUE POINT OF BEGINNING, said point being also the intersection of the South line said abandoned railroad right of way and the West line of the SE 1/4, of the SW 1/4, of said Section 4; thence North  $01^{\circ}28'47''$  West, along said West line, 104.56 feet to point lying on the North line of said abandoned railroad right of way line; thence South  $74^{\circ}29'54''$  East, along said North line 365.96 feet to a point on the East line of said West 350 feet; thence along said East line South  $01^{\circ}28'47''$  East 104.56 feet to a point lying on the South line of said abandoned right of way; thence along said South line North  $74^{\circ}29'54''$  West, 365.96 feet to the TRUE POINT OF BEGINNING. This Tax Number description was compiled from existing records and does not constitute a surveyed description of the actual parcel. This description was created from said Warranty Deed and calculations were performed to determine the geometry to mathematically define the West 350 feet. No field surveys were performed.



**Kootenai County AIN ID Numbers  
Properties to be deannexed**

192550, 250503, 250504, 250505, 250506, 250507, 250508,  
250509, 250510, 250511, 250512, 250513, 250514, 250515,  
250516, 250517, 250518, 250519, 250520, 250521, 250522,  
250523, 250524, 250525, 250528, 250529, 250530, 250531,  
250532, 250533, 256754, 256755, 256756, 256757, 256758,  
256759, 256760, 256761, 256762, 256763, 256764, 256765,  
256766, 256767, 256768, 256769, 256770, 256771, 256772,  
256773, 256774, 256775, 256776, 256777, 312021, 312022,  
322312, 322314, 322315, 322316, 329167, 329168

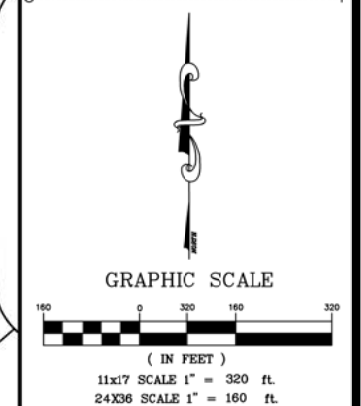


## RIVER URD DE-ANNEXATION MAP


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without the written authorization of Welch-Comer &  
Associates, Inc.

 RIVER URD AREA

NOTE: PLAT INFORMATION WAS TAKEN DIRECTLY FROM THE KOOTENAI COUNTY ASSESSOR DATABASE AND WAS NOT RE-DRAFTED AS PART OF THIS PROJECT. THIS IS NOT A LAND SURVEY. NO FIELD WORK WAS PERFORMED.



**WELCH-COMER**  
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350 E. Kathleen Ave.  
Coeur d'Alene, ID 83815

208-664-9382  
(toll free) 877-815-5672  
(fax) 208-664-5946

BY \_\_\_\_\_  
DATE \_\_\_\_\_

REVISION DESCRIPTION

NO. \_\_\_\_\_

RIVER URD  
DE-ANNEXATION MAP

|              |               |
|--------------|---------------|
| PROJECT NO.: | 41196         |
| DESIGNED BY: | M.L.H.        |
| DRAWN BY:    | J.A.L.        |
| CHECKED BY:  |               |
| DWG NAME:    | 41196DS02.DWG |
| DATE:        | 06-03-16      |
| SHEET NO:    |               |



# FINANCIAL ANALYSIS

## TABLE OF CONTENTS

### **Narrative:**

|                                  |   |
|----------------------------------|---|
| Introduction.....                | 1 |
| Impact on Local Governments..... | 1 |
| Basis of the Analysis.....       | 2 |
| Summary.....                     | 3 |
| Final Note.....                  | 3 |

### **Exhibits:**

- Exhibit A – State Tax Commission Analysis
- Exhibit B – Projection by District
- Exhibit C – Charts Showing Impact of De-Annexed Parcels
- Exhibit D – Parcels to Be De-Annexed

# FINANCIAL ANALYSIS

## INTRODUCTION

The Panhandle Area Council is pleased to assist the City of Coeur d'Alene and its Urban Renewal Agency, ignite cda, on a financial analysis of the impact of the City's proposal to de-annex parcels from both its Lake and River Districts. The City proposes to take this action in order to receive a portion of the tax increment that has been diverted to the Agency since 1997 in the Lake District and 2003 in the River District. The City has recognized the need for extra tax revenue for staffing its fourth fire station, scheduled to open in 2016, and the opportunity to reduce property taxes in the county.

## IMPACT ON LOCAL GOVERNMENTS

The action would also potentially impact the budgets of other local governments, including North Idaho College and Kootenai County. Local governments would be allowed to add the amounts shown to their budgets for FY 2016-17, or use the new revenues to lower taxes for their constituents.

A breakdown of the funds to be received, defined as New Construction by the Idaho State Tax Commission:

**TABLE 1**  
**NEW CONSTRUCTION – BY AGENCY – FY 2016-2017**

| Tax Authority                 | Levy Rate   | Tax Change    |
|-------------------------------|-------------|---------------|
| Coeur d'Alene Bond            | 0.000044342 | \$ 3,418.87   |
| City of Coeur d'Alene         | 0.005857486 | 451,623.35    |
| TOTAL – City of Coeur d'Alene |             | 455,042.22    |
| Kootenai County               | 0.003178062 | 245,034.64    |
| North Idaho College           | 0.001098933 | 84,729.82     |
| Post Falls Highway District   | 0.000647527 | 37,828.66     |
| Lakes Highway District        | 0.000758112 | 14,162.82     |
| Kootenai County EMS           | 0.000171693 | 13,237.88     |
| School District 271           | 0.000009062 | 698.71        |
| Total                         |             | \$ 850,734.75 |

Source: Kootenai County Assessor

## BASIS OF THE ANALYSIS

The following assumptions have been used to determine the impact on the Agency:

1. The City Council will approve an ordinance no later than July 25, 2016 to de-annex the parcels Identified via the Kootenai County Assessor.
2. The State Tax Commission has determined that properties de-annexed prior to that date are to be included in the New Construction Rolls of each affected agency, and therefore eligible for inclusion in their budgets for FY 2016-17. The discussion of the timing of the receipt of the taxes to local governments from Alan Dornfest of the State Tax Commission can be found in Exhibit A.
3. The Assessed Value of the Net Tax Increment of each District of the Agency, as of January 1, 2016 is as follows:
  - **Lake District:** Value of the increment above the base value on January 1, 1997 is \$373,126,242.
  - **River District:** Value of the increment above the base value on January 1, 2003 is \$194,264,624.
4. The 2015 net increment values may change based on the subsequent tax rolls calculated by the County Assessor. And, although they are certain to change in future years, the analysis assumes the increment values will remain fixed for the life of the Districts, at their current 2015 values.
5. Although they too are certain to change, the Tax Levy Rates as of December 31, 2015 are fixed for the life of the Districts, as stated in Table 1 on Page 1.
6. Although not needed to mitigate the financial impact on the Lake District, some buildings and sites may be declared as surplus and sold, based on their non-depreciated value as of September 30, 2015.
7. The final installment of the Revenue Allocation Bond with Washington Trust Bank, in the amount of \$1,039,260, will be paid from restricted funds in the Debt Reserve Fund established and maintained by the Agency. The balance remaining, estimated at \$310,740, will become unrestricted cash at that time.
8. The Agency will work with Washington Trust Bank to provide further security for the Revenue Allocation Bonds, if required by their covenants, including increasing the Debt Service Reserve or using existing assets as collateral.
9. Operating expenses remain fixed for the life of the Districts, with the exception of salaries and overhead, which increase by 3% annually. The salaries and overhead expenses are split equally between the Districts through 2021, at which time the Lake District closes, and the salaries and benefits are halved.
10. Future projects of the Agency have been included, based on the Agency's projections, and in the timeline set forth by them.
11. Special Project Reserves in the amount of \$3 million in the Lake District and \$5 million in the River District are included. These are funds for grants for public projects not yet requested by local governments or identified by the Agency. The city may also partner with the Agency to fund other requested grant projects, if necessary.



## SUMMARY

Exhibit B details the impact on the Districts, as follows:

1. **Lake District:** With the loss of the current value of the increment since 1997 on the de-annexed parcels, **\$24,077,194**, the Agency will see **\$337,093** less in incremental taxes per year, beginning in 2017. The total over the five remaining years of the District is **\$1,685,465**. Please see Chart 1, Exhibit C.

However, this is partially offset by the new construction in the District, **\$64,863**, and the use of the Debt Service Reserve, **\$1,305,337**, to retire the final installment on the Washington Trust Bank Revenue Allocation Bonds.

Based on the analysis, there will be no impact on the Lake District for current projects or those currently proposed by the Agency.

However, the Agency may be restricted on the amount they can provide for public infrastructure via grants to local governments. As noted, the Agency has set aside \$3 million in the Special Projects Reserve, in addition to \$3.6 million for the Four Corners Project, \$2.5 million for an Education Facility, \$1.85 million for a Parking Structure and \$500,000 for Midtown initiatives.

2. **River District:** With the loss of the current value of the increment since 2003 on the de-annexed parcels, **\$86,688,437**, the Agency will see **\$1,003,337** less in incremental taxes, beginning in 2017. The total over the eleven remaining years of the District is **\$11,036,707**. Please see Chart 2, Exhibit C.

Based on the analysis, there is no financial impact on the River District for currently anticipated projects, despite the fact the de-annexation removes 44% of its increment. However, future grants to local governments, slated at \$12.2 million, would be reduced to \$5 million over 12 years. This is in addition to \$3.5 million for improvements to Seltice Way, \$500,000 for the transit center and \$100,000 for the BNSF property. Another impact is that by reducing the acreage of the District, the ability to amend its boundary to include the Atlas property would be reduced, since it is restricted to being 10% of the size of the District.

## FINAL NOTE:

Coeur d'Alene's urban renewal agency, ignite cda, has in PAC's view done a remarkable job since its inception in 1997. Local critics, including some elected officials, believe its creation has increased taxes because of those being diverted to the Agency. This is simply not the case, as current law does not allow it. We believe de-annexing parcels before the close of a District is an extremely effective way to utilize this valuable tool, and we commend the parties for working together to do so.

**EXHIBIT A**  
**TIMING OF THE RECEIPT OF TAX DOLLARS FROM DE-ANNEXATION**

**From:** Alan Dornfest, Idaho State Tax Commission  
**To:** Mayor Steve Widmyer, City Administrator Jim Hammond  
**Subject:** De-annexation of URD properties

It really depends on when the agency no longer expects to receive money for increment value within the portion of the RAA (Revenue Allocation Area) being de-annexed. Assume, for example that the URA does not need any more money from these properties and expects nothing from 2016 property taxes (ie: the ones paid in December 2016). If the de-annexation ordinance is effective before July 25, the increment value (or at least the growth in this value since 2006) can be counted as new construction for taxing district budgeting purposes for their FY 2017 budgets – fulfilled with 2016 property taxes. That's the best scenario – try to meet the July deadline. There is no way to extend it. If you are not planning to de-annex for this tax cycle, then just move these dates ahead a year. In that case, the cleanest scenario would be to de-annex as of the end of this calendar year.

**Alan S. Dornfest • Property Tax Policy Supervisor**  
Idaho State Tax Commission • Property Tax Division  
Phone: (208) 334-7742 • fax: (208) 334-7844  
E-mail: [alan.dornfest@tax.idaho.gov](mailto:alan.dornfest@tax.idaho.gov) • website: [tax.idaho.gov](http://tax.idaho.gov)

| EXHIBIT B  |                       |                     |                       |                     |                      |                       |
|--|-----------------------|---------------------|-----------------------|---------------------|----------------------|-----------------------|
| ignite cda - LAKE DISTRICT   |                       |                     |                       |                     |                      |                       |
| SCHEDULE OF SOURCES AND USES OF FUNDS  |                       |                     |                       |                     |                      |                       |
| SOURCES OF FUNDS   | 2016                  | 2017                | 2018                  | 2019                | 2020                 | 2021                  |
| <b>TAX INCREMENT FINANCING REVENUES</b>  |                       |                     |                       |                     |                      |                       |
| Assessed Values Above 1997 Base Value (1)  | \$ 373,126,242        | \$ 349,049,048      | \$ 349,049,048        | \$ 349,049,048      | \$ 349,049,048       | \$ 349,049,048        |
| <i>Levy Rates (From Kootenai County Assessor):</i>   |                       |                     |                       |                     |                      |                       |
| <i>Kootenai County</i>   | <i>0.003178062</i>    |                     |                       |                     |                      |                       |
| <i>City of Coeur d'Alene- bond</i>   | <i>0.000044342</i>    |                     |                       |                     |                      |                       |
| <i>City of Coeur d'Alene- bond</i>   | <i>0.000188847</i>    |                     |                       |                     |                      |                       |
| <i>City of Coeur d'Alene</i>   | <i>0.005857486</i>    |                     |                       |                     |                      |                       |
| <i>Lakes Highway District</i>  | <i>0.000758112</i>    |                     |                       |                     |                      |                       |
| <i>Coeur d'Alene School District</i>   | <i>0.000009062</i>    |                     |                       |                     |                      |                       |
| <i>NIC</i>   | <i>0.001098933</i>    |                     |                       |                     |                      |                       |
| <i>Kootenai County Ambulance</i>   | <i>0.000171693</i>    |                     |                       |                     |                      |                       |
| <i>Total Levy Rate</i>   | <i>0.011306537</i>    |                     |                       |                     |                      |                       |
| <b>Net Incremental Tax Revenue</b>   | <b>\$ 4,218,766</b>   | <b>\$ 3,946,536</b> | <b>\$ 3,946,536</b>   | <b>\$ 3,946,536</b> | <b>\$ 3,946,536</b>  | <b>\$ 3,946,536</b>   |
| <i>Less: Art Fund at 2%</i>  | <i>84,375</i>         | <i>78,931</i>       | <i>78,931</i>         | <i>78,931</i>       | <i>78,931</i>        | <i>78,931</i>         |
| <b>TOTAL REVENUES - TAX INCREMENT</b>  | <b>\$ 4,134,391</b>   | <b>\$ 3,867,605</b> | <b>\$ 3,867,605</b>   | <b>\$ 3,867,605</b> | <b>\$ 3,867,605</b>  | <b>\$ 3,867,605</b>   |
| <b>BEGINNING CASH - 9/30/2015 AUDIT</b>  | <b>\$ 4,240,545</b>   | <b>\$ 3,632,757</b> | <b>\$ 2,591,266</b>   | <b>\$ 1,024,533</b> | <b>\$ 1,058,474</b>  | <b>\$ 1,085,972</b>   |
| <b>OTHER REVENUES (Including Rentals)</b>  | <b>129,000</b>        | <b>114,600</b>      | <b>114,600</b>        | <b>114,600</b>      | <b>114,600</b>       | <b>114,600</b>        |
| <b>SALE OF BUILDINGS AND SITES (2)</b>   |                       |                     |                       |                     |                      |                       |
| <b>REFUND WATRUST DEBT RESERVE (3)</b>   |                       |                     |                       |                     |                      | 310,740               |
| <b>TOTAL SOURCES OF FUNDS</b>  | <b>\$ 8,503,936</b>   | <b>\$ 7,614,962</b> | <b>\$ 6,573,471</b>   | <b>\$ 5,006,738</b> | <b>\$ 5,040,679</b>  | <b>\$ 5,378,917</b>   |
| USES OF FUNDS  | 2016                  | 2017                | 2018                  | 2019                | 2020                 | 2021                  |
| <b>OPERATING COSTS (Agency 2016 Budget):</b>   |                       |                     |                       |                     |                      |                       |
| Salaries/Benefits (50-50 with River URD, 3%)   | \$ 89,106             | \$ 91,779           | \$ 94,532             | \$ 97,368           | \$ 100,289           | \$ 103,298            |
| Office, Travel and Utilities   | 25,370                | 25,370              | 25,370                | 25,370              | 25,370               | 25,370                |
| Professional Services  | 65,880                | 65,880              | 65,880                | 65,880              | 65,880               | 65,880                |
| Communications (4)   | 20,000                | 5,000               | 5,000                 | 5,000               | 5,000                | 5,000                 |
| Insurance  | 2,699                 | 2,699               | 2,699                 | 2,699               | 2,699                | 2,699                 |
| Property Management  | 80,922                | 80,922              | 80,922                | 80,922              | 80,922               | 80,922                |
| Organizational Dues  | 4,855                 | 4,855               | 4,855                 | 4,855               | 4,855                | 4,855                 |
| Parking Initiatives (4)  | 25,000                | -                   | -                     | -                   | -                    | -                     |
| Planning (4)   | 75,000                | 25,000              | 25,000                | 25,000              | 25,000               | 25,000                |
| Special Reserve (5)  |                       | 350,000             | 350,000               | 350,000             | 350,000              | 1,600,000             |
| <b>TOTAL OPERATING COSTS</b>   | <b>\$ 388,832</b>     | <b>\$ 651,505</b>   | <b>\$ 654,258</b>     | <b>\$ 657,094</b>   | <b>\$ 660,015</b>    | <b>\$ 1,913,024</b>   |
| <b>CAPITAL COSTS (9/30/2015 Audit, Unless Noted):</b>  |                       |                     |                       |                     |                      |                       |
| Washington Trust Bank (3)  | \$ 2,080,000          | \$ 2,080,000        | \$ 2,080,000          | \$ 2,080,000        | \$ 2,080,000         | \$ -                  |
| Parking Structure (4)  |                       | 370,635             | 370,635               | 370,635             | 370,635              | 370,635               |
| Education Facility (6)   |                       | 1,250,000           | 1,250,000             |                     |                      |                       |
| Midtown (4)  |                       | 250,000             | 250,000               |                     |                      |                       |
| Four Corners (4)   | 1,600,000             | 250,000             | 250,000               | 750,000             | 750,000              |                       |
| 609 Lofts IRA  | 29,988                | 32,631              | 33,937                | 35,294              | 36,706               | 38,174                |
| Ice Plant IRA  | 44,812                | 48,762              | 50,713                | 52,741              | 54,851               |                       |
| Chamber DDA  | 2,500                 | 2,500               | 2,500                 | 2,500               | 2,500                | 2,500                 |
| 809 Third Property Debt  | 24,540                | 24,540              | 279,472               |                     |                      |                       |
| 301 Lakeside Debt  | 418,028               |                     |                       |                     |                      |                       |
| Coeur d'Alene Public Library Debt  | 63,123                | 63,123              | 327,423               |                     |                      |                       |
| 712 Young Avenue Debt  | 219,356               |                     |                       |                     |                      |                       |
| <b>TOTAL CAPITAL COSTS</b>   | <b>\$ 4,482,347</b>   | <b>\$ 4,372,191</b> | <b>\$ 4,894,680</b>   | <b>\$ 3,291,170</b> | <b>\$ 3,294,692</b>  | <b>\$ 411,309</b>     |
| <b>TOTAL USES OF FUNDS</b>   | <b>\$ 4,871,179</b>   | <b>\$ 5,023,696</b> | <b>\$ 5,548,938</b>   | <b>\$ 3,948,264</b> | <b>\$ 3,954,707</b>  | <b>\$ 2,324,333</b>   |
| <b>ENDING FUND BALANCE</b>   | <b>\$ 3,632,757</b>   | <b>\$ 2,591,266</b> | <b>\$ 1,024,533</b>   | <b>\$ 1,058,474</b> | <b>\$ 1,085,972</b>  | <b>\$ 3,054,584</b>   |
| Note (1): 2017 Values, from Assessor:  |                       |                     |                       |                     |                      |                       |
|  | <u>2015 Value</u>     | <u>Levy Rate</u>    | <u>Less Increment</u> | <u>New Const.</u>   | <u>New Increment</u> | <u>Net Change</u>     |
| De-annexed Parcels - Lake District   | \$ 29,813,992         | 0.011306537         | \$ 337,093            | \$ 5,736,798        | \$ 64,863            | \$ 24,077,194         |
| De-annexed Parcels - River District  | 89,616,051            | 0.011195952         | 1,003,337             | 2,927,614           | 32,777               | 86,688,437            |
| <b>TOTAL</b>   | <b>\$ 119,430,043</b> |                     | <b>\$ 1,340,430</b>   | <b>\$ 8,664,412</b> | <b>\$ 97,640</b>     | <b>\$ 110,765,631</b> |
| Note (2): The sale of buildngs and sites acquired by tax increment in the Lake District, on the books for \$2,679,953, are NOT included.                             |                       |                     |                       |                     |                      |                       |
| Note (3): Assumes the final bond payment to Washington Trust Bank will be from the Bond Reserve Account, currently \$1,305,337, leaving a net balalnce of \$310,740. |                       |                     |                       |                     |                      |                       |
| Note (4): From ignite cda projections.   |                       |                     |                       |                     |                      |                       |
| Note (5): Allows funding for local government projects that yet may come before the Agency (\$3 million.)  |                       |                     |                       |                     |                      |                       |
| Note (6): Funding over 2 years for the Education Facility, as endorsed by NIC.   |                       |                     |                       |                     |                      |                       |

ignite cda - RIVER DISTRICT

SCHEDULE OF SOURCES AND USES OF FUNDS

FY 2016 - 2021

| SOURCES OF FUNDS                            | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| TAX INCREMENT FINANCING REVENUES            |                |                |                |                |                |                |
| Assessed Values Above 1997 Base Value (1)   | \$ 194,264,624 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 |
| Levy Rates (From Kootenai County Assessor): |                |                |                |                |                |                |
| Kootenai County                             | 0.003178062    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000044342    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000188847    |                |                |                |                |                |
| City of Coeur d'Alene                       | 0.005857486    |                |                |                |                |                |
| Post Falls Highway District                 | 0.000647527    |                |                |                |                |                |
| Coeur d'Alene School District               | 0.000009062    |                |                |                |                |                |
| NIC   | 0.001098933    |                |                |                |                |                |
| Kootenai County Ambulance                   | 0.000171693    |                |                |                |                |                |
| Total Levy Rate                             | 0.011195952    |                |                |                |                |                |
| Net Incremental Tax Revenue                 | 2,174,977      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      |
| Less: Art Fund at 2%                        | 43,500         | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         |
| TOTAL REVENUES - TAX INCREMENT              | \$ 2,131,477   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   |
|   |                |                |                |                |                |                |
| BEGINNING CASH - 9/30/2015 AUDIT            | \$ 4,845,159   | \$ 6,074,933   | \$ 3,064,113   | \$ 2,550,170   | \$ 2,526,199   | \$ 2,491,972   |
| OTHER REVENUES (Including Interest)         | 4,980          | 5,080          | 5,181          | 5,285          | 5,391          | 5,498          |
| TOTAL SOURCES OF FUNDS                      | \$ 6,981,616   | \$ 7,260,343   | \$ 4,249,624   | \$ 3,735,785   | \$ 3,711,920   | \$ 3,677,800   |

| USES OF FUNDS                                  | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| OPERATING COSTS (Agency 2016 Budget):          |              |              |              |              |              |              |
| Salaries/Benefits (50-50 until 2021, at 3%)    | \$ 89,106    | \$ 91,779    | \$ 94,532    | \$ 97,368    | \$ 100,289   | \$ 103,298   |
| Office, Travel and Utilities                   | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       |
| Professional Services                          | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       |
| Communications                                 | 20,000       | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        |
| Insurance                                      | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        |
| Organizational Dues                            | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        |
| Planning                                       | 278,000      | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       |
| Special Project Reserve (2)                    |              |              |              |              |              |              |
| TOTAL OPERATING COSTS                          | \$ 451,410   | \$ 186,083   | \$ 188,836   | \$ 191,672   | \$ 194,593   | \$ 197,602   |
|  |              |              |              |              |              |              |
| CAPITAL COSTS (9/30/2015 Audit, unless noted): |              |              |              |              |              |              |
| River West - Phase 1                           | \$ 282,349   | \$ 287,996   | \$ 293,756   | \$ 299,631   | \$ 305,624   | \$ 311,736   |
| River West - Phase 2                           | 44,166       | 45,049       | 45,950       | 46,869       | 47,806       | 48,763       |
| MR Seniors                                     | 12,250       | 12,495       | 12,745       | 13,000       | 13,260       | 13,525       |
| River West Apartments                          | 11,849       | 12,086       | 12,328       | 12,575       | 12,826       | 13,083       |
| River West III Apartments                      | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        |
| Circuit at Seltice (3)                         |              | 47,862       | 47,862       | 47,862       | 47,862       | 47,862       |
| BNSF (3)                                       | 100,000      | 100,000      |              |              |              |              |
| Seltice Way Project (3)                        |              | 3,500,000    |              |              |              |              |
| KMPO/Tribe Transit Center (3)                  |              |              | 500,000      |              |              |              |
| Bond - \$5 million,10 years, 3.5% (4)          |              |              | 593,318      | 593,318      | 593,318      | 593,318      |
| TOTAL CAPITAL COSTS                            | \$ 455,273   | \$ 4,010,147 | \$ 1,510,618 | \$ 1,017,914 | \$ 1,025,355 | \$ 1,032,946 |
|  |              |              |              |              |              |              |
| TOTAL USES OF FUNDS                            | \$ 906,683   | \$ 4,196,230 | \$ 1,699,454 | \$ 1,209,586 | \$ 1,219,948 | \$ 1,230,548 |
|  |              |              |              |              |              |              |
| ENDING FUND BALANCE                            | \$ 6,074,933 | \$ 3,064,113 | \$ 2,550,170 | \$ 2,526,199 | \$ 2,491,972 | \$ 2,447,252 |

|                                       |                |             |                |              |               |                |
|---------------------------------------|----------------|-------------|----------------|--------------|---------------|----------------|
| Note (1): 2017 Values, from Assessor: | 2015 Value     | Levy Rate   | Less Increment | New Const.   | New Increment | Net Change     |
| De-annexed Parcels - Lake District    | \$ 29,813,992  | 0.011306537 | \$ 337,093     | \$ 5,736,798 | \$ 64,863     | \$ 24,077,194  |
| De-annexed Parcels - River District   | 89,616,051     | 0.011195952 | 1,003,337      | 2,927,614    | 32,777        | 86,688,437     |
| TOTAL                                 | \$ 119,430,043 |             | \$ 1,340,430   | \$ 8,664,412 | \$ 97,640     | \$ 110,765,631 |

Note (2): From ignite cda, which assumed funding for projects that yet may come before the Agency, moved to pay debt service (see note 4.)

Note (3): Projections from ignite cda.

Note (4): Allows \$5 million in bonds in 2018 for projects that yet may come before the Agency.

SCHEDULE OF SOURCES AND USES OF FUNDS

FY 2022 - 2027

| SOURCES OF FUNDS                            | 2022           | 2023           | 2024           | 2025           | 2026           | 2027           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| TAX INCREMENT FINANCING REVENUES            |                |                |                |                |                |                |
| Assessed Values Above 1997 Base Value (1)   | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 | \$ 107,576,187 |
| Levy Rates (From Kootenai County Assessor): |                |                |                |                |                |                |
| Kootenai County                             | 0.003178062    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000044342    |                |                |                |                |                |
| City of Coeur d'Alene- bond                 | 0.000188847    |                |                |                |                |                |
| City of Coeur d'Alene                       | 0.005857486    |                |                |                |                |                |
| Post Falls Highway District                 | 0.000647527    |                |                |                |                |                |
| Coeur d'Alene School District               | 0.000009062    |                |                |                |                |                |
| NIC   | 0.001098933    |                |                |                |                |                |
| Kootenai County Ambulance                   | 0.000171693    |                |                |                |                |                |
| Total Levy Rate                             | 0.011195952    |                |                |                |                |                |
| Net Incremental Tax Revenue                 | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      | 1,204,418      |
| Less: Art Fund at 2%                        | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         | 24,088         |
| TOTAL REVENUES - TAX INCREMENT              | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   | \$ 1,180,330   |
|   |                |                |                |                |                |                |
| BEGINNING CASH - 9/30/2015 AUDIT            | \$ 2,447,252   | \$ 2,391,801   | \$ 2,325,373   | \$ 2,247,718   | \$ 2,206,440   | \$ 2,153,413   |
| OTHER REVENUES (Including Interest)         | 5,608          | 5,720          | 5,835          | 5,952          | 6,071          | 6,192          |
| TOTAL SOURCES OF FUNDS                      | \$ 3,633,189   | \$ 3,577,851   | \$ 3,511,538   | \$ 3,434,000   | \$ 3,392,841   | \$ 3,339,934   |

| USES OF FUNDS                                  | 2022         | 2023         | 2024         | 2025         | 2026         | 2027         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| OPERATING COSTS (Agency 2016 Budget):          |              |              |              |              |              |              |
| Salaries/Benefits (3% Annual Increase)         | \$ 106,397   | \$ 109,589   | \$ 112,877   | \$ 116,263   | \$ 119,751   | \$ 123,344   |
| Office, Travel and Utilities                   | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       | 12,070       |
| Professional Services                          | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       | 44,680       |
| Communications                                 | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        |
| Insurance                                      | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        | 2,699        |
| Organizational Dues                            | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        | 4,855        |
| Planning                                       | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       | 25,000       |
| Special Project Reserve (2)                    |              |              |              |              |              |              |
| TOTAL OPERATING COSTS                          | \$ 200,701   | \$ 203,893   | \$ 207,181   | \$ 210,567   | \$ 214,055   | \$ 217,648   |
|  |              |              |              |              |              |              |
| CAPITAL COSTS (9/30/2015 Audit, unless noted): |              |              |              |              |              |              |
| River West - Phase 1                           | \$ 317,971   | \$ 324,331   | \$ 330,817   | \$ 337,433   | \$ 344,182   | \$ 351,066   |
| River West - Phase 2                           | 49,738       | 50,733       | 51,747       | 52,782       | 53,838       | 54,915       |
| MR Seniors                                     | 13,795       | 14,071       | 14,353       | 14,640       | 14,932       | 15,231       |
| River West Apartments                          | 13,344       | 13,611       | 13,883       | 14,161       | 14,444       | 14,733       |
| River West III Apartments                      | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        | 4,659        |
| Circuit at Seltice (3)                         | 47,862       | 47,862       | 47,862       |              |              |              |
| Bond - \$5 million,10 years, 3.5% (4)          | 593,318      | 593,318      | 593,318      | 593,318      | 593,318      | 662,672      |
| TOTAL CAPITAL COSTS                            | \$ 1,040,687 | \$ 1,048,585 | \$ 1,056,639 | \$ 1,016,993 | \$ 1,025,373 | \$ 1,103,276 |
|  |              |              |              |              |              |              |
| TOTAL USES OF FUNDS                            | \$ 1,241,388 | \$ 1,252,478 | \$ 1,263,820 | \$ 1,227,560 | \$ 1,239,428 | \$ 1,320,924 |
|  |              |              |              |              |              |              |
| ENDING FUND BALANCE                            | \$ 2,391,801 | \$ 2,325,373 | \$ 2,247,718 | \$ 2,206,440 | \$ 2,153,413 | \$ 2,019,010 |

|                                       |                |             |                |              |               |                |
|---------------------------------------|----------------|-------------|----------------|--------------|---------------|----------------|
| Note (1): 2017 Values, from Assessor: | 2015 Value     | Levy Rate   | Less Increment | New Const.   | New Increment | Net Change     |
| De-annexed Parcels - Lake District    | \$ 29,813,992  | 0.011306537 | \$ 337,093     | \$ 5,736,798 | \$ 64,863     | \$ 24,077,194  |
| De-annexed Parcels - River District   | 89,616,051     | 0.011195952 | 1,003,337      | 2,927,614    | 32,777        | 86,688,437     |
| TOTAL                                 | \$ 119,430,043 |             | \$ 1,340,430   | \$ 8,664,412 | \$ 97,640     | \$ 110,765,631 |

Note (2): From ignite cda, which assumed funding for projects that yet may come before the Agency, moved to pay debt service (see note 4.)

Note (3): Projections from ignite cda.

Note (4): From ignite cda, allows \$5 million in bonds in 2018 for projects that yet may come before the Agency.

Chart 1: De-Annexed Parcels and Remaining - Lake District

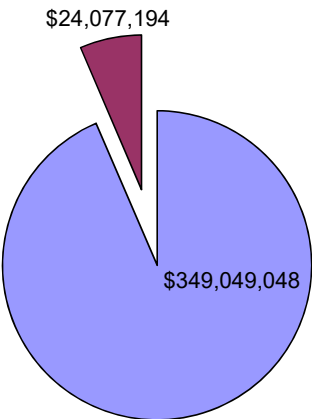
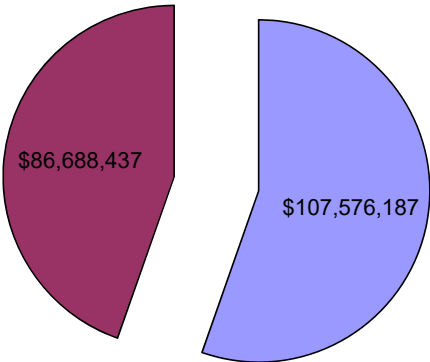


Chart 2: De-Annexed Parcels and Remaining - River District



## AFFIDAVIT OF PUBLICATION

STATE OF IDAHO, }  
 County of Kootenai, } ss.

Holly Fredericks being first duly sworn  
 upon oath deposes and says:

1. I am now and at all times hereinafter mentioned was a citizen of the United States, resident of the State of Idaho, over the age of twenty-one years and not a party of the above entitled action.

2. I am now and at all times hereinafter mentioned was the printer (principal clerk) of the "Coeur d'Alene Press," a newspaper printed and published daily except Sunday in Coeur d'Alene, Kootenai County, Idaho, and having a general circulation in said county.

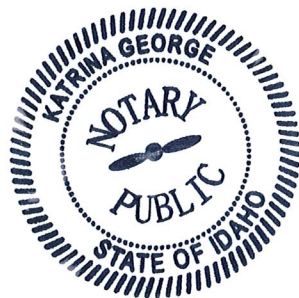
3. The legal notice

of which the annexed is a printed copy, was published in the regular Sat  
 issue of said newspaper for one consecutive week  
 commencing on the 11 day of June, 20 16, and  
 ending on the 11 day of June, 20 16, and such  
 publication was made as often during said period as said daily  
 newspaper was regularly issued.

4. That said newspaper has been continuously and uninterruptedly published in said Kootenai County, during a period of more than seventy-eight consecutive weeks immediately prior to the first publication of said notice. Holly Fredericks  
 On this 11 day of June in the year of 2016, before me,  
 a Notary Public, personally appeared Holly Fredericks,  
 known or identified to me to be the person whose name subscribed to the within instrument, and  
 being by me first duly sworn, declared that the statements therein are true, and acknowledged  
 to me that he executed the same.

Katrina George

Notary Public for the State of Idaho,  
 residing at Coeur d'Alene, Idaho.



MY COMMISSION EXPIRES 8/29/17



**EXHIBIT C-2**

**NOTICE OF SPECIAL MEETING AND PUBLIC HEARING BY  
THE CITY COUNCIL OF COEUR D'ALENE,  
IDAHO TO CONSIDER THE FIRST AMENDMENT TO THE  
RIVER DISTRICT REDEVELOPMENT PLAN  
OF THE COEUR D'ALENE URBAN RENEWAL AGENCY,  
DOING BUSINESS AS IGNITE CDA**

NOTICE IS HEREBY GIVEN that the City Council of the City of Coeur d'Alene will hold, during its special meeting, a public hearing in Old City Council Chambers, 710 E. Mullan Avenue, Coeur d'Alene, Idaho, 83814 on Wednesday, July 13, 2016, at 8:00 o'clock a.m., to consider for adoption the First Amendment ("First Amendment") to the River District Redevelopment Plan (the "Plan"), concerning the existing River District Project Area of the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda ("Agency"). The general scope and objective of the First Amendment is the deannexation of certain parcels from the boundaries of the existing River District Project Area. The proposed reduction in the boundary of the existing River District Project Area is hereinafter described. The boundary includes both urban renewal and revenue allocation areas. The First Amendment being considered for adoption contains a previously adopted revenue allocation financing provision pursuant to the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, that will continue to 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 2003, to be allocated to the Agency for urban renewal purposes. The Agency has specifically acknowledged receipt of, reviewed and took the necessary action on the First Amendment. The City Council will also be considering the first through third readings of an Ordinance to adopt the First Amendment. The three readings of the Ordinance to adopt the First Amendment are scheduled for July 13, 2016, at 8:00 o'clock a.m.

The First Amendment to the Plan shall deannex the following parcels, identified by their Kootenai County AIN ID numbers, from the existing River District Project Area:

192550, 250503, 250504, 250505, 250506, 250507, 250508, 250509, 250510, 250511, 250512, 250513, 250514, 250515, 250516, 250517, 250518, 250519, 250520, 250521, 250522, 250523, 250524, 250525, 250528, 250529, 250530, 250531, 250532, 250533, 256754, 256755, 256756, 256757, 256758, 256759, 256760, 256761, 256762, 256763, 256764, 256765, 256766, 256767, 256768, 256769, 256770, 256771, 256772, 256773, 256774, 256775, 256776, 256777, 312021, 312022, 322312, 322314, 322315, 322316, 329167, 329168

The deannexation of these certain parcels from the existing River District Project Area is also depicted in the map attached in the dark shaded areas, and available for review on the City of Coeur d'Alene web page, [www.cdaid.org](http://www.cdaid.org) by clicking on the "Public Hearing" link under the "Government" tab, or at City Hall by contacting Renata McLeod, City Clerk at (208)769-2231.

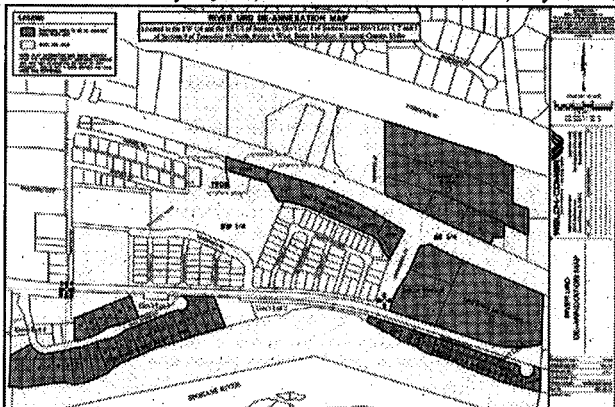
Copies of the proposed First Amendment are on file for public inspection and copying at the office of the City Clerk, City Hall, 710 E. Mullan Avenue, Coeur d'Alene, Idaho 83814, between the hours of 8:00 o'clock a.m. and 5:00 o'clock p.m., Monday through Friday, exclusive of holidays.

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 hearing date, 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. Written comments should be submitted prior to the hearing date.

DATED this 8th day of June, 2016.

Renata McLeod, City Clerk





# EXHIBIT 3

## PLANNING COMMISSION MINUTES JUNE 14, 2016 LOWER LEVEL – COMMUNITY ROOM 702 E. FRONT AVENUE

### **COMMISSIONERS PRESENT:**

Brad Jordan, Chairman  
Lynn Fleming  
Michael Ward  
Peter Luttrupp  
Tom Messina, Vice Chair  
Lewis Rumpler  
Jon Ingalls

### **STAFF MEMBERS PRESENT:**

Hilary Anderson, Community Planning Director  
Sean Holm, Planner  
Mike Behary, Planner  
Shana Stuhlmiller, Public Hearing Assistant  
Randy Adams, Deputy City Attorney  
Jim Hammond, City Administrator  
Sam Taylor, Deputy City Administrator

### **COMMISSIONERS ABSENT:**

### **CALL TO ORDER:**

The meeting was called to order by Chairman Jordan at 5:30 p.m.

### **ADMINISTRATIVE:**

1. Applicant: City of Coeur d'Alene, Jim Hammond  
Request: De-annexation of parcels from URA River and Lake Districts.  
ADMINISTRATIVE (I-5-16)

Jim Hammond, City Administrator, presented the staff report and answered questions from the Commission. He explained that the reason for the De-Annexation is the city needs money to hire 10 to 12 additional police officers. He commented that the city is in need of extra patrol officers for areas in the city that need additional coverage. He stated realistically the city needs 20 officers.

Commissioner Ingalls questioned if there is new legislation passed that is allowing for partial closure for these districts.

Mr. Hammond explained that the Attorney General's office stated that any change or modification to the Urban Renewal District resulting in a reset of the base and now with the new legislation the tax base would not be reset which will allow the funding to go for the hire of the new police officers.

Commissioner Rumpler inquired how much revenue the city will get back from this de-annexation.

Mr. Hammond stated that he would estimate \$1.4 million with \$800,000 from that million will go back to the tax payers as a refund.

**Motion by Ingalls, seconded by Fleming that the plan amendments are in conformity with the Comprehensive Plan and recommend approval of the proposed amendments by the city. Motion approved.**

## Exhibit 4

### SUMMARY OF COEUR D'ALENE ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO, APPROVING THE FIRST AMENDMENT TO THE RIVER DISTRICT REDEVELOPMENT PLAN WHICH FIRST AMENDMENT SEEKS TO DEANNEX CERTAIN PARCELS FROM THE EXISTING RIVER DISTRICT PROJECT AREA; WHICH FIRST AMENDMENT AMENDS A PLAN THAT 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: The First Amendment (the "First Amendment") to the River District Redevelopment Plan (the "River District Plan") is attached to Ordinance No. \_\_\_\_\_ as Exhibit 1 and is made a part of the Ordinance and is approved. The City Clerk may make certain technical corrections or revisions in keeping with the information and testimony presented at the July 13, 2016, hearing. A Summary of the First Amendment is set forth below. The full text of the Ordinance and the First Amendment 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.

SECTION 2: No direct or collateral action attacking the First Amendment 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 First Amendment.

SECTION 3: Upon the effective date of this Ordinance, the City Clerk is authorized and directed to transmit to the Kootenai County Auditor, Kootenai County Tax Assessor and Kootenai County Board of Commissioners, and to the appropriate officials of the Coeur d'Alene School District No. 271, Kootenai County EMS, North Idaho College, Eastside Highway District, Lakeside Highway District, Worley Highway District, Post Falls Highway District and the Idaho State Tax Commission a copy of this Ordinance, a copy of the legal description and a map indicating the parcels to be deannexed from the existing River District Project Area.

SECTION 4: This Ordinance shall be in full force and effect immediately upon its passage, approval, and publication.

SECTION 5: 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 6:** At least 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 7:** The Summary of this Ordinance, a copy of which is attached as Exhibit 4 to the Ordinance, is hereby approved.

**SECTION 8:** All ordinances, resolutions, orders or parts thereof in conflict herewith are hereby repealed, rescinded and annulled.

**SECTION 9: SAVINGS CLAUSE:** This Ordinance does not affect an action or proceeding commenced or right accrued before this Ordinance takes effect.

### **EXHIBITS TO THE ORDINANCE**

|           |  |
|-----------|--|
| Exhibit 1 | First Amendment to the River District Redevelopment Plan           |
| Exhibit 2 | Notice Published in the <i>Coeur d'Alene Press</i> , June 11, 2016 |
| Exhibit 3 | Planning & Zoning Commission Minutes, June 14, 2016                |
| Exhibit 4 | Ordinance Summary  |

### **SUMMARY OF FIRST AMENDMENT**

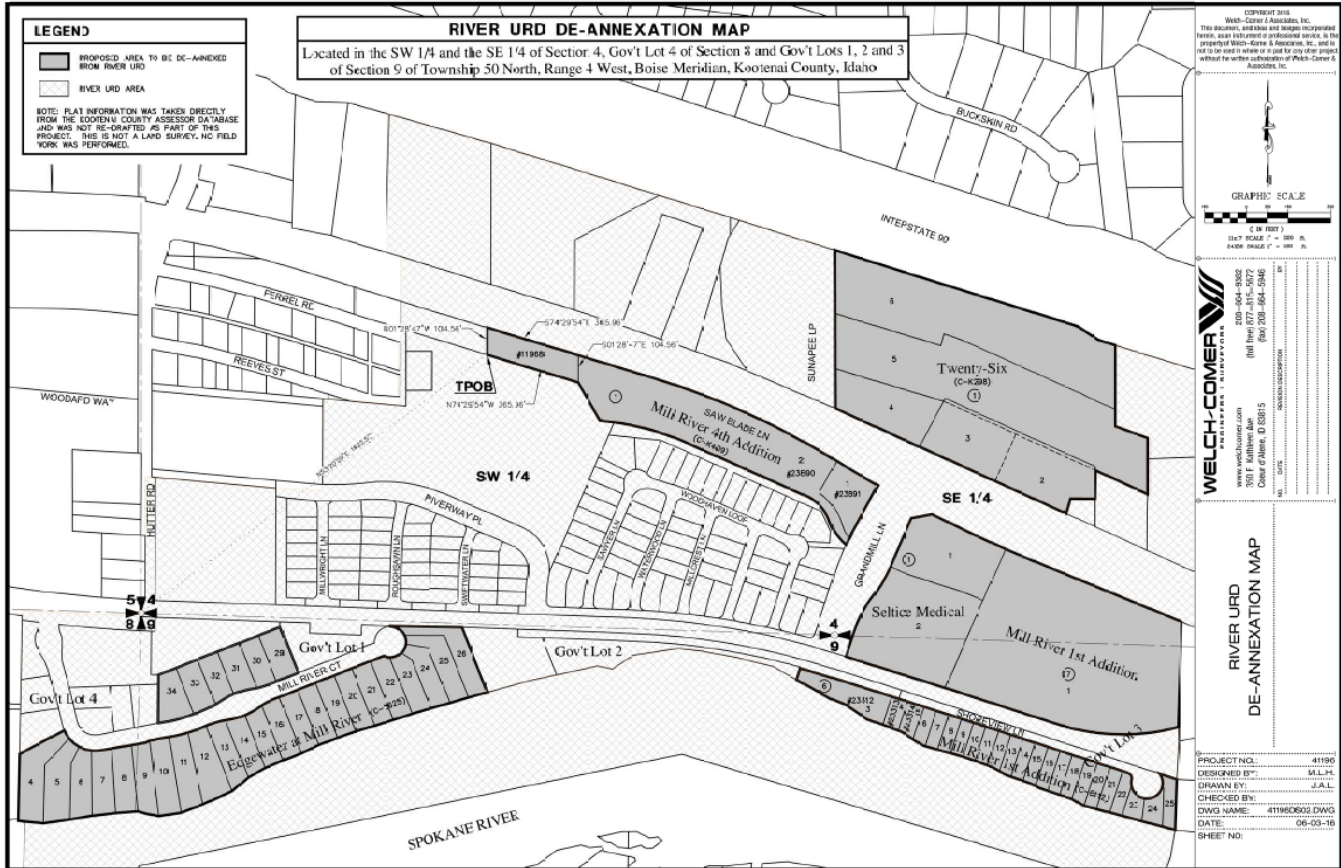
The First Amendment to the River District Redevelopment Plan was prepared by the City, pursuant to the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended, the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended, and all applicable laws and ordinances and was accepted by the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda. The First Amendment seeks to deannex certain parcels from the existing River District Project Area. The First Amendment being considered for adoption contains a previously adopted revenue allocation financing provision pursuant to the Act that will continue to cause property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation on the parcels remaining in the River District Project Area as shown on the original base assessment roll as of January 1, 2003, that will continue to be allocated to the Agency for urban renewal purposes.

The general scope and objective of the First Amendment is the deannexation of certain parcels from the boundaries of the existing River District Project Area.

The First Amendment shall deannex the following parcels from the existing Lake District Project Area as shaded in dark gray on the map and as identified by their Kootenai County AIN ID numbers as follows:

192550, 250503, 250504, 250505, 250506, 250507, 250508,

250509, 250510, 250511, 250512, 250513, 250514, 250515,  
 250516, 250517, 250518, 250519, 250520, 250521, 250522,  
 250523, 250524, 250525, 250528, 250529, 250530, 250531,  
 250532, 250533, 256754, 256755, 256756, 256757, 256758,  
 256759, 256760, 256761, 256762, 256763, 256764, 256765,  
 256766, 256767, 256768, 256769, 256770, 256771, 256772,  
 256773, 256774, 256775, 256776, 256777, 312021, 312022,  
 322312, 322314, 322315, 322316, 329167, 329168



## ATTACHMENTS TO THE FIRST AMENDMENT

- |               |   |
|---------------|---|
| Attachment 1  | Description of the Amended River District Project Area and Amended Revenue Allocation Area Boundaries |
| Attachment 2  | Amended River District Project Area –Amended Revenue Allocation Area Boundary Map                     |
| Attachment 5A | Supplement to the Economic Feasibility Study  |

The full text of Ordinance \_\_\_\_\_, the First Amendment to the River District Redevelopment Plan 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 is approved by the Coeur d'Alene City Council at its meeting of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Renata McLeod, City Clerk

### **STATEMENT OF LEGAL ADVISOR**

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. \_\_\_\_\_.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Michael C. Gridley, City Attorney

Coeur d'Alene City Council  
Staff Report

Date: July 13, 2016  
From: Hilary Anderson, Community Planning Director  
Troy Tymesen, Finance Director  
Subject: Discussion regarding City Impact fee update

---

Decision Point: To gain input on the updated Impact fee report so that any modifications can be made prior to the final draft.

History: In 1993 the City authorized an impact fee report. In 1996 the City approved the implementation of impact fees, as specific legislation was approved. These fees are assessed to insure that growth pays for itself. There are four public facilities covered in the legislation: parks, police, fire and circulation. The last update was completed in 2004 by Hofman Planning and Engineering. The Planning Commission acts as the Development Impact Fee Advisory Committee. A public hearing will be necessary to approve any changes.

Financial Analysis: Updates to the study are done to accurately account for the demographic and development projections.

Performance Analysis: The significant changes in this report as compared to the current impact fees include the level of service for parks moving from 4 acres of park land to 6 acres per 1,000 population and a new category called waterfront properties.

Decision Point: To gain input on the updated Impact fee report so that any modifications can be made prior to the final draft.



# DEVELOPMENT IMPACT FEE PROGRAM

## 2016 REVIEW/UPDATE



**Hofman**  
Planning & Engineering



---

*Hofman Planning & Engineering*

*City of Coeur d'Alene Development Impact Fee UPDATE*

# UPDATE TO THE DEVELOPMENT IMPACT FEE PROGRAM

## CITY OF COEUR D'ALENE

Approved by:

Planning and Zoning Commission

Month Day, 20XX

Approved by:

City Council

Month Day, 20XX





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## **I. Introduction and Purpose**

The essence of any Development Impact Fee (DIF) study or update is the accurate accounting of demographic and development projections. The starting point of a DIF update is to determine what has happened in the way of development and population growth since the last update in 2004. In the case of residential growth, the amount of new dwelling units and the resulting population growth are the two significant factors. For non-residential growth, the increased amount of square footage is the primary component. Changes to the Comprehensive Plan and Zoning Map that have occurred since the last update must also be considered to determine if future residential densities and future non-residential development has the potential to increase or decrease from the projections of the last update. These types of changes can affect the ultimate impact fees that will be assessed.



## II. Impact Fee Summary

Table 1 is a summary of all development impact fees generated by this report and a comparison of the change in fees since the last update in 2004. The fees were revised to reflect the development that has occurred since 2003 as well as a re-analysis of future needs.

| <b>Table 1 – Impact Fee Summary</b> |                      |                    |   |
|-------------------------------------|----------------------|--------------------|---|
|                                     | <b>Single Family</b> | <b>Multifamily</b> | <b>Commercial/Industrial<br/>(per 1,000 sf)</b> |
| <b>PARKS</b>                        |                      |                    |   |
| 2004                                | \$ 755.97            | \$ 755.97          | --  |
| 2016                                | \$ 1326.42           | \$ 1326.42         | --  |
| <b>PARKS-<br/>WATERFRONT</b>        |                      |                    |   |
| 2004                                | NA                   | NA                 |   |
| 2016                                | 906.45               | 906.45             |   |
| <b>POLICE</b>                       |                      |                    |   |
| 2004                                | \$ 70.31             | \$ 70.31           | \$ 24.21  |
| 2016                                | \$ 68.88             | \$ 68.88           | \$ 24.00  |
| <b>FIRE</b>                         |                      |                    |   |
| 2004                                | \$ 138.00            | \$ 138.00          | \$ 47.52  |
| 2016                                | \$ 154.23            | \$ 154.23          | \$ 53.10  |
|                                     | <b>Single Family</b> | <b>Multifamily</b> | <b>Commercial/Industrial<br/>(per ADT)</b>      |
| <b>CIRCULATION</b>                  |                      |                    |   |
| <i>Quadrant 1</i>                   |                      |                    |   |
| 2004                                | \$ 581.11            | \$ 464.88          | \$ 19.75  |
| 2016                                | \$ 431.80            | \$ 345.44          | \$ 14.68  |
| <i>Quadrant 2</i>                   |                      |                    |   |
| 2004                                | \$ 345.21            | \$ 276.17          | \$ 6.77   |
| 2016                                | \$ 432.33            | \$ 345.87          | \$ 8.48   |
| <i>Quadrant 3 &amp; 4</i>           |                      |                    |   |
| 2004                                | \$ 521.20            | \$ 416.96          | \$ 7.88   |
| 2016                                | \$ 254.25            | \$ 203.40          | \$ 3.84   |
| <i>Citywide</i>                     |                      |                    |   |
| 2004                                | \$ 294.43            | \$ 235.54          | \$ 7.24   |
| 2016                                | \$ 781.00            | \$ 624.80          | \$ 19.20  |



### III. Study Area

The study area is defined as the “Area of Impact”, identified in the Coeur d’Alene Comprehensive Plan. This area is shown on Exhibit 1. For purposes of the circulation facilities analysis, the study area is partitioned into four quadrants. These quadrants are numbered clockwise beginning from the northwest section of the city. The study areas and quadrants are illustrated on Exhibit 2.

Quadrant 1 is composed of the land north of Interstate 90 and west of US 95 stretching to the northwestern boundary of the Area of Impact. Quadrant 2 is bordered on the west by US 95, and on the north and east by the boundaries of the Area of Impact. The southern border is defined as Interstate 90 east of its intersection with US 95 to the intersection of 15<sup>th</sup> Street, and north of 15<sup>th</sup> Street to a prominent ridgeline that runs in a southeast to northwest direction to the eastern boundary of the Area of Impact. Quadrant 3 is composed of the land south of this ridgeline, east of Interstate 90 and south along to the eastern boundary of the Coeur d’Alene Resort Golf Course to Coeur d’Alene Lake, just south of and adjacent to Interstate 90. The remainder of Quadrant 3 consists of the area to the southern and eastern boundaries of the Area of Impact. Quadrant 4 is the remaining area south and west of Interstate 90 to the western boundary of the Area of Impact.

Included in the study area is land located outside the existing city limit, but with the city’s Area of Impact. These areas will eventually be annexed into the city limits and for ease of reference will be referred to as the “annexation area”. The annexation area is included in the DIF because these areas will depend on future city services and they should pay their fair share when those services are provided to them.

### IV. Residential Build Out Projections

#### A. Existing Residential Development Inventory and Population

The existing residential unit count for the current year was calculated by adding the total amount of residential development that has occurred since the last DIF update in 2004 and the residential unit count that has occurred since 2012. The current information was provided by the City of Coeur d’Alene staff. This data was divided into the four quadrants of the city described earlier. These counts include both the city limits of Coeur d’Alene and the annexation areas. The existing population for each quadrant was calculated by multiplying a population generation rate of 2.27 persons per household which is based on the 2012 census for the city of Coeur d’Alene. The calculated population was cross-checked with the existing population provided by the 2012 census and was found to be well within tolerable limits.



## Exhibit 1

### Study Area



## Exhibit 2

### Quadrant Map



A summary of the existing residential units and population by quadrant is contained in the following table:

| <b>Table 2 - Current Dwelling Units and Population by Quadrant</b> |                            |                                       |                            |                        |
|--|----------------------------|---------------------------------------|----------------------------|------------------------|
| <b>Quadrant</b>  | <b>2004 Dwelling Units</b> | <b>2004-2015 Dwelling Units Added</b> | <b>2015 Dwelling Units</b> | <b>2015 Population</b> |
| 1  | 4,467                      | 2,864                                 | 7,331                      | 16,641                 |
| 2  | 4,026                      | 421                                   | 4,447                      | 10,095                 |
| 3 & 4  | 7,999                      | 626                                   | 8,625                      | 19,579                 |
| <b>Total</b>   | <b>16,492</b>              | <b>3,911</b>                          | <b>20,403</b>              | <b>46,315</b>          |

## **B. Future Residential Projections**

In the 2004 update, future residential unit and population projections were based on the application of specific density factors. The density factors varied based on zoning designations and topographical constraints. A discussion of the methodology is explained in detail in the original report and is not included here; however, the density factors used to determine future dwelling units were based on the measurement of actual densities of several residential projects built in various comprehensive plan land use categories. Also, consideration was given to topography and other geographical constraints such as steep hillsides and flood plains.

The density factors used within the city limits are as follows:

| <b>Land Use Designation</b> | <b>Density Factor</b> |
|-----------------------------|-----------------------|
| R1, R3, R5, R8, R12         | 3.0 du/ac             |
| R17                         | 13.0 du/ac            |

The density factors used in the annexation areas are as follows:

| <b>Land Use Designation</b> | <b>Density Factor</b> |
|-----------------------------|-----------------------|
| RR                          | 0.15 du/ac            |
| LR <sup>2</sup>             | 0.5 du/ac – 3.0 du/ac |
| MR                          | 3.0 du/ac             |
| MHR                         | 13.0 du/ac            |

<sup>2</sup> The actual density factor used within this range was determined on a case-by case basis for each property based on topographical constraints.

For the purposes of this update, the density factors were reviewed for applicability in 2015. The two important considerations in determining if these factors are still relevant are; 1) have significant changes in the Comprehensive Plan or Zoning Map taken place that would cause an increase or decrease in density, and 2) have different product types been built or are they expected to be built in the future that would result in an increase or decrease of the average density within a specific area?





Since the last DIF update, the city amended the Comprehensive Plan in 2007. The Comprehensive Plan Amendment resulted in a new vision statement and projected land uses that are expected to occur through the year 2027. This amendment also looked at potential densities in specific neighborhoods by suggesting maximum densities that could be achieved. As a result, this report reviewed any changes to the specific residential neighborhoods that could potentially increase the densities that were assumed in the 2004 update. The neighborhoods that are likely to increase in density over the assumptions made in 2003 are:

1. Appleway – North 4<sup>th</sup> Street: up to 8 du's per acre
2. Fruitland: up to 8 du's per acre
3. Atlas – Prairie: up to 5 du's per acre
4. Spokane River: up to 16 du's per acre

Based on these specific neighborhood potential density changes, the amount of future residential units anticipated to be built in each neighborhood has been adjusted.

Although the total number of units projected for the build out of Coeur d'Alene will increase from the projections made in 2004, this increase will not significantly alter the built out population of the city. The reason for this is that the 2012 census has a reduced number of people per household average than what was assumed in 2003. The average number of persons per household has been reduced as follows:

2000 Census = 2.39 persons per household

2012 Census = 2.27 persons per household

This reduction can be attributed to a variety of factors of which the most significant is the lower number of children living in the household as the average age per household increases. Many children living in the household in 2003 have since moved to their own households.

The combination of increased density potential in some neighborhoods described above and the reduced population per household essentially is awash for the build out population projections. The future projected residential units and population are as follows:

| <b>Table 3 - Future Projected Residential Units and Population</b> |                              |                          |
|--|------------------------------|--------------------------|
| <b>Quadrant</b>  | <b>Future Dwelling Units</b> | <b>Future Population</b> |
| 1  | 7,966                        | 18,083                   |
| 2  | 2,396                        | 5,439                    |
| 3 & 4  | 3,598                        | 8,167                    |
| <b>Total</b>   | <b>13,960</b>                | <b>31,689</b>            |



### C. Population Growth

The Comprehensive Plan provides an Appendix called “Population and Demographics”. Table 4 of this Appendix estimates future population growth from now until 2027 and projects population growth rates of 2, 3, 4, and 5 percent per year. At five percent, the population projected in 2027 is 108,387. This is significantly higher than the population projections contained in this report. What the Comprehensive Plan does not account for, however, are the physical limits to growth since there is not an unlimited supply of land and land will not be available for continued growth when build out occurs.

This DIF update projects a lower build out population number based on the actual physical land constraints and zoning limitations of the city. If the city would like to achieve a higher population at build out, then significant land use changes to allow for higher density product type must first be implemented. If that should occur, the DIF will need to be amended.

### D. Build Out Residential Projections

Build out residential dwelling units and population were determined by taking the existing dwelling units and population counts and adding the projected future dwelling units and population projections<sup>1</sup>. The results are as follows:

| <b>Table 4 – Build Out Dwelling Units and Population by Quadrant</b> |                                |                              |                                 |                             |
|--|--------------------------------|------------------------------|---------------------------------|-----------------------------|
| <b>Quadrant</b>  | <b>Existing Dwelling Units</b> | <b>Future Dwelling Units</b> | <b>Build Out Dwelling Units</b> | <b>Build Out Population</b> |
| 1  | 7,331                          | 7,966                        | 15,297                          | 34,724                      |
| 2  | 4,447                          | 2,396                        | 6,843                           | 15,534                      |
| 3 & 4  | 8,625                          | 3,598                        | 12,223                          | 27,746                      |
| <b>Total</b>   | <b>20,403</b>                  | <b>13,960</b>                | <b>34,363</b>                   | <b>78,004</b>               |

The demographic changes between the 2000 census and 2012 census and the potential density changes predicted by the 2007 Comprehensive Plan has resulted in an increase of the projected build out population of 77,085 in 2004, to 78,004 in this update. This growth projection is close to the KMPO projection conducted in March 2012<sup>1</sup>.

<sup>1</sup> Kootenai Metropolitan Planning Organization (KMPO) created a projection of future growth for the county and cities within Kootenai County that was approved in March 2012. A table showing those projections is included in the appendix. Per this report, the projected population for Coeur d’Alene in 2035 is 81,808. This is very close to the build out population project of 78,004 used in this report and can be considered corroborating data. It was decided, however, to use the build out numbers as described in this report instead of the KMPO report for several reasons. First, the KMPO report was based on 2010 Census data. In this report, the 2012 US Census data was used so the numbers are two years more up to date. Second, the KMPO report did not consider build out constraints of available land and zoning designations for future development. The KMPO analysis simply applied a growth rate factor and projected out to the year 2035. Third, the persons per household (PPH) factor of 2.41 used by the KMPO report were based on a county-wide urban average. The PPH used in this report is specific to the City of Coeur d’Alene as provided by the 2012 Census. Finally, the slightly lower population number used in this report is more conservative, ensuring that the city will collect the adequate funds to pay for the targeted public facilities.

## V. Non-Residential Build Out Projections

Calculating the non-residential build out projections relies heavily on the original land use survey conducted by this Consultant for the original DIF Report in 1993 and subsequent updated calculations in 1996, 2000, and 2004. In all cases, updated square footage numbers for non-residential development were provided by the city. The city has since change its data system and was not able to provide the amount of non-residential square footage that has developed since 2004; therefore, growth estimates are used for this update. These will be sufficient for this update because the overall amount of land set aside for non-residential development in the city has not changed significantly since the 2004 update.

### A. Existing Non-Residential Inventory

As was the case in 2004, it is assumed that all non-residential development outside of the downtown core area will have a coverage factor of 25 percent on undeveloped vacant land where street dedication of frontage property has already taken place and 20 percent coverage for vacant land that has not dedicated its public street frontage. For the downtown core area, the expected building coverage for a parcel of vacant land is assumed to be 65 percent. These coverage factors are based on actual measurement of several non-residential centers throughout the city and downtown using aerial photography and assessor maps. These coverage factors are very similar to other cities throughout the region.

Since actual square footage numbers of non-residential development since 2004 could not be provided by the city, it will be assumed that the non-residential annual growth rate is the same as the residential annual growth rate since 2004. This growth rate is 1.564% per year between 2004 and 2015. This assumption is logical since non-residential typically “follows” residential growth markets to provide the services required by the new development. Although there is typically some delay in non-residential development as it waits for the market to expand, it should not significantly impact the projection analysis.

Applying the growth rate of 1.564% to non-residential development, the amount of growth of non-residential square footage is as follows:

| <b>Table 5 - Existing Non-Residential Development</b> |                              |                                   |                                       |
|---|------------------------------|-----------------------------------|---------------------------------------|
| <b>Quadrant</b>                                       | <b>2004 Development (SF)</b> | <b>2004-2015 Development (SF)</b> | <b>2015 Existing Development (SF)</b> |
| 1   | 3,855,423                    | 723,588                           | 4,579,011                             |
| 2   | 4,191,806                    | 786,718                           | 4,978,524                             |
| 3   | 38,989                       | 7,317                             | 46,306                                |
| 4   | 9,095,639                    | 1,707,070                         | 10,802,709                            |
| <b>Total</b>  | <b>17,181,857</b>            | <b>3,224,693</b>                  | <b>20,406,550</b>                     |



## B. Future Non-Residential Projection

Similar to future residential projections, a coverage factor of 20% was used to determine future non-residential square footage on vacant, unimproved property and 25% on improved properties. The 5% difference accounts for the reduction of buildable land area for street dedications and other utility or land dedications. A key factor in these calculations is that the amount of designated non-residential land in both the city limits and the area of impact limits have not significantly changed in either the Comprehensive Plan or Zoning Map. For this reason, the build out development numbers for non-residential square footage used in the 2004 update are still valid and are incorporated into this update.

The future and build out non-residential development projects are as follows:

| Table 6 - Future and Build Out Non-Residential Development |                      |                    |                       |
|--|----------------------|--------------------|-----------------------|
| Quadrant   | Existing Development | Future Development | Build Out Development |
| 1  | 4,579,011            | 3,457,650          | 8,036,661             |
| 2  | 4,978,524            | 561,220            | 5,539,744             |
| 3  | 46,306               | 154,070            | 200,376               |
| 4  | 10,802,709           | 639,943            | 11,442,652            |
| <b>Total</b>   | <b>20,406,550</b>    | <b>4,812,883</b>   | <b>25,219,433</b>     |

## C. Non-Residential Equivalency Factors

To determine an equitable impact fee for both residential and non-residential uses, a methodology was developed that fairly apportions the fee for both land use types. This equivalency factor is used in determining both the police and fire facility fees. The equivalency was created between a residential dwelling unit and the square footage of non-residential uses. Based on the build out projections discussed earlier in this report, an average of three dwelling units per acre is assumed to be the average density for the remaining vacant residential land in the study area. Also, the non-residential build-out projections assume a 20 percent building coverage factor over vacant non-residential land. Based on these two factors, an equivalent dwelling unit (EDU) can be determined for non-residential uses.

Based on a 20 percent building coverage factor, one acre of vacant non-residential land can be expected to develop 8,712 square feet of floor area. Equating the residential density average of three dwelling units per acre to non-residential square footage, a non-residential equivalent dwelling unit is 2,904 square feet as follows:

$$\frac{8,712 \text{ sq ft}}{3 \text{ units/acre}} = 2,904 \text{ sq ft/EDU}$$

A non-residential equivalent dwelling unit of 2,904 square feet is used in the police and fire facility calculations that follow.



#### D. Future Non-Residential EDU's

Based on a future projection of 4,812,883 non-residential square footage to be built between 2015 and build out, the future non-residential EDU's can be calculated as follows:

$$4,812,883 \text{ sq ft} \times \frac{1 \text{ EDU}}{2904 \text{ sq ft}} = 1,657.33 \text{ Non-residential EDUs}$$



## VI. Parks

Park facilities has undergone the most changes of all the facilities since 2004. Based on city staff input, the city would like to increase the level of service standard from the originally adopted 4 acres of park land per 1,000 population to 6 acres of park land per 1,000 population. Exhibit 3 shows existing park locations. The following analysis is based primarily on staff input and the 2007 Coeur d'Alene Parks and Recreation Master Plan.

### Facility Analysis

#### A. Inventory of Existing Facilities

The following table shows the parks that are existing at the time of this update:

| <b>Table 7 - Inventory of Existing Facilities</b>           |                               |
|---|-------------------------------|
| <b>Community Parks</b>                                      | <b>Developed Park Acreage</b> |
| Bluegrass Park  | 11.0                          |
| Cherry Hill Community Park                                  | 30.0                          |
| City Park and Fort Sherman Playground<br>- Water Front Park | 14.8                          |
| East Tubbs Hill Park  | 2.0                           |
| Independence Point  | 2.6                           |
| Landings Park   | 11.0                          |
| Riverstone Park   | 5.0                           |
| Veterans Memorial Park                                      | 0.75                          |
| <b>Subtotal</b>   | <b>77.15 Acres</b>            |
| <b>Neighborhood Parks</b>                                   | <b>Developed Park Acreage</b> |
| Hubbard Street  | 0.4                           |
| Johnson Mill River Park                                     | 1.7                           |
| Legacy Place Park   | 1.0                           |
| North Pines Park  | 3.5                           |
| Northshire Park   | 3.5                           |
| Phippeny Park   | 2.7                           |
| Shaddock Lane Park  | 6.0                           |
| Sunshine Meadows Park                                       | 3.0                           |
| Winton Park   | 6.55                          |
| <b>Subtotal</b>   | <b>28.35</b>                  |
| <b>Special Use Areas</b>                                    | <b>Developed Park Acreage</b> |
| Bryan Field   | 2.12                          |
| Canfield Sports Complex                                     | 16.0                          |
| Central Bark Dog Park                                       | 1.8                           |
| Cherry Hill Dog Park  | 0.7                           |
| Coeur d'Alene Soccer Complex                                | 9.5                           |
| Jewett House  | 2.1                           |
| McEuen Field  | 14.8                          |
| Memorial Field  | 6.0                           |



|                     |               |
|---------------------|---------------|
| Person Field        | 7.5           |
| Ramsey Park         | 29.0          |
| Skateboard Park     | 1.0           |
| Stokes Field        | 3.7           |
| Sunset Rotary Field | 5.2           |
| <b>Subtotal</b>     | <b>99.42</b>  |
| <b>TOTAL PARKS</b>  | <b>204.92</b> |

## B. Level of Service Standard

As mentioned, the city is desirous of raising the parks Level of Service (LOS) standard from four acres per 1,000 population to five acres per 1,000 population. Five acres per 1,000 population is closer to the average amount of parks in most cities in the region and is a good goal for a city to aspire to. This update will now evaluate the existing level of service adequacy using this new LOS standard.

## C. Existing Level of Adequacy

The city currently has 204.92 acres of developed park land and the current population is 46,315. At a LOS of five acres per 1,000 population, the existing park demand is 231.58 acres as follows:

$$46,315 \times \frac{5}{1,000} = 231.58$$

This leaves a current deficiency of 26.66 acres as follows:

$$231.58 - 204.92 = 26.66$$

Collected development impact fees can be used to make up a portion of these deficiencies; however, the remaining amount must be funded by other sources. Please refer to the discussion below regarding alternative funding sources now in place by the city. Other sources that can be utilized by the city include:

- Donations
- Developer Exactions
- Parks Capital Improvement Fund
- User Fees



#### D. Build Out Analysis

Based on a LOS standard of five acres per 1,000 population and a build out population of 78,004 people, a total of 390.02 acres of parks will be required at build out as follows:

$$78,004 \times \frac{5}{1,000} = 390.02 \text{ acres}$$

#### E. Future Development Park Demand

The future demand for park facilities is based solely on future development demand and not on the existing 26.66 acre deficiency created by the adjusted level of service standard. Legally, future new development is only responsible for paying its fair share for new parks. The existing deficiency of parks must be paid for by other funding sources.

The future park demand for parks is based on an expected future population of 31,689 people is calculated as follows:

$$31,689 \times \frac{5}{1,000} = 158.45 \text{ acres}$$

This is the amount of parks that can be paid for by impact fees.

#### F. Costs

There is a separate cost for park acquisition and for park improvements.

##### 1. Park Land Acquisition

To determine the cost of acquiring new park land, several real estate agencies located in Coeur d'Alene were interviewed and asked about the land values and how they have changed since 2004. During this period, prices of land have both peaked and dipped. Currently, the average price of land is essentially the same as it was in 2004 due to the cyclic characteristic of land prices over the last ten years. It is hard to predict future land prices, so the cost to acquire land used in this analysis will be based on current market value which is the same as in 2004. This cost is \$29,862 per acre.

##### 2. Park Improvements

The cost of improving raw park land was provided by the City's Parks Department based on





actual improvement costs of other parks in the city. The average cost of improving park land in Coeur d'Alene is \$87,000 per acre. This average considers the cost of both active and passive park facilities.



### 3. Cost for Existing Deficiencies

As mentioned, raising the LOS standard from four acres per 1,000 population to five acres per 1,000 population leaves an existing deficiency of 26.66 acres of parks. By applying the cost for both acquisition and improvements, the amount of money required to correct this deficiency can be calculated. Credits can be used to decrease the calculated cost in two ways. First, there are seven acres of unimproved park land owned by the city which will be the future Hawks Nest Park. The cost for acquisition of this land can be deducted from the deficiency. Second, the city has collected \$86,387.01 in park fees that have not been spent (see Appendix X). This money can be used as a credit to the existing park deficiency because, had this money been spent, it would have decreased the existing deficiency.

Given the existing deficiency and these two credits, the cost to the city to make up the existing deficiency is calculated as follows:

#### i. Land Acquisition:

$$26.66 \text{ acres} - 7.0 \text{ acres} = 19.66 \text{ acres}$$

$$19.66 \text{ acres} \times \frac{\$29,862}{1 \text{ acre}} = \$587,086.92$$

#### ii. Improvements:

$$26.66 \text{ acres} \times \frac{\$87,000}{1 \text{ acre}} = \$2,319,420$$

### 4. Total Cost of all Park Deficiencies:

$$\text{Parks} = \$587,086.92 + \$2,319,420 = \$2,906,506.92$$

Idaho State Law requires that any existing facility deficiencies identified in a Development Impact Fee study must be addressed by the city. Specifically, the law requires that cities identify the potential funding sources that can be used to finance these deficient facilities. Impact Fees collected from new development cannot be used to fund existing deficient public facilities.

### 5. Alternative Funding Sources for Park Deficiencies

The city has a Parks Capital Improvements Fund that currently collects approximately \$95,000 per year for park construction. This revenue is generated from city-owned dock leases, city parking fees and profit from city-run park department programs. Over a 25-year projected build out scenario, the city will have collected \$2,375,000. This amount can be



used to credit the existing deficiency of \$2,906,506.92. This leaves a deficiency of \$531,506.92.

The city's other potential funding sources for park acquisition and improvement are:

- Donations
- Developer Exactions
- Parks Capital Improvement Fund
- User Fees

## G. Fee Calculation

### a. Land Acquisition

The cost to acquire 158.45 acres for future parks is calculated as follows:

$$158.45 \text{ } \text{ } \text{ } \text{ } \text{ } \times \frac{\$29,862}{1 \text{ } \text{ } \text{ } \text{ } \text{ } } = \$4,731,633.90$$

### b. Improvements

The cost to improve 158.45 acres of future parks is as follows:

$$158.45 \text{ } \text{ } \text{ } \text{ } \text{ } \times \frac{\$87,000}{1 \text{ } \text{ } \text{ } \text{ } \text{ } } = \$13,785,150$$

### c. Total Cost for Future Park Development

$$\$4,731,633.90 + \$13,785,150 = \$18,516,783.90$$



| <b>Table 8 - Parks Facility Fee Calculations</b> |                     |
|--|---------------------|
| Future Facility Costs =                          | \$ 18,516,783.90    |
| Total Future Dwelling Units =                    | 13,960              |
| Future Facility Costs / Total Future DU's =      | \$1,326.42 (per DU) |

#### H. Fee Comparison

|                               | <b>2004</b> | <b>2015</b> | <b>Increase in Fee Amount</b> |
|-------------------------------|-------------|-------------|-------------------------------|
| <b>Cost per Dwelling Unit</b> | \$ 755.97   | \$ 1,326.42 | \$ 570.45                     |



### **Exhibit 3**

### **Park Locations**



## Vla. Parks Addendum – Waterfront Properties

An option for consideration by the City Council is the acquisition and improvement of beach front properties for park purposes. This would allow the city to provide more public recreation opportunities and enhanced access to major water bodies. This requires the adoption of a new Level of Service (LOS) standard for water front park land.

### Facility Analysis

#### A. Inventory of Existing Facilities

The following table shows the water front parks that are existing at the time of this update:

| Table 7a - Inventory of Existing Facilities |                        |
|---|------------------------|
| Community Waterfront Parks                  | Developed Park Acreage |
| City Park and Fort Sherman Playground       | 14.8                   |
| <b>Total Waterfront Parks</b>               | <b>14.8</b>            |

#### B. Level of Service Standard

A new Level of Service Standard is needed for the acquisition of water front lands for recreational uses. This is not a common LOS standard and is determined by the amount of acreage of water front property the city wishes to obtain. For purposes of this study, the city would like to ultimately have 28 acres of water front property for recreational purposes. The LOS standard to achieve this amount of water front property is .359 acres of waterfront parks per 1000 population.

#### C. Existing Level of Adequacy

The city currently has one water front park, City Park and Fort Sherman Playground, consisting of 14.8 acres. At a LOS of .359 acres per 1000 population, the existing demand for water front parks is 16.63 acres as follows:

$$46,315 \times \frac{.359}{1000} = 16.63$$

This leaves a current deficiency of 1.83 acres as follows:

$$16.63 - 14.80 = 1.83$$

Collected development impact fees can be used to make up a portion of these deficiencies; however, the remaining amount must be funded by other sources. Other sources that can be utilized by the city include:



- Donations
- Developer Exactions
- Parks Capital Improvement Fund
- User Fees

### D. Build Out Analysis

Based on a LOS standard of .359 acres of waterfront parks per 1,000 population and a build out population of 78,004 people, a total of acres of parks will be required at build out as follows:

$$78,004 \times .359 = 28 \text{ } \boxed{\phantom{0000}} \text{ } \boxed{\phantom{0000}} \text{ } \boxed{\phantom{0000}} \text{ } \boxed{\phantom{0000}}$$

### E. Future Development Park Demand

The future demand for park facilities is based solely on future development demand and not on the existing 1.83 acre deficiency. Legally, future new development is only responsible for paying its fair share for new parks. The existing deficiency of parks must be paid for by other funding sources.

The future park demand for water front parks is calculated as follows:

$$31,689 \times \begin{array}{r} .359 \\ \hline 1,000 \end{array} = 11.38$$

This is the amount of water front parks that can be paid for by impact fees.

## F. Costs

There is a separate cost for park acquisition and for park improvements.

## 1. Park Land Acquisition

Similar to non-water front parks acquisition, the sales prices of water front properties on Lake Coeur d'Alene, the Coeur d'Alene River and the Spokane River were researched on the internet to determine average cost per acre and per lineal frontage. It was determined that the average lineal frontage price had the least variation. Based on the comparable prices,

an average cost of \$4000 per lineal foot of water frontage will be used for acquisition costs. Also, based on the comparable lots for sale, an average lot depth was determined to be 170 feet. This is necessary to calculate total acreage of acquisition. One acre of water front





property will have an average lineal frontage of 256.24 feet and an average depth of 170 feet. This is calculated as follows:

$$\frac{43,560 \text{ sq ft}}{170' \text{ depth}} = 256.24 \text{ Lf}$$

Based on an average cost of \$4000 per lineal foot of water frontage, the cost per acre of acquiring water front property is \$1,024,941.18 as follows:

$$256.24' \times \$4000 \text{ Lf} = \$1,024,960 \text{ per acre}$$

## 2. Park Improvements

The cost of improving raw park land was provided by the City's Parks Department based on actual improvement costs of other parks in the city. The average cost of improving park land in Coeur d'Alene is \$87,000 per acre. This average considers the cost of both active and passive park facilities.

## 3. Cost for Existing Deficiencies

Given the existing deficiency of 1.83 acres, the cost to the city to make up the existing deficiency of water front parks is calculated as follows:

### i. Land Acquisition:

$$1.83 \text{ acres} \times \frac{\$1,024,960}{1 \text{ acre}} = \$1,875,676.80$$

### ii. Improvements:

$$1.83 \text{ acres} \times \frac{\$87,000}{1 \text{ acre}} = \$159,210$$

### iii. Total Cost of Waterfront Park Deficiencies:

$$\text{Water Front Parks} = \$1,875,676.80 + \$159,210 = \$2,034,886.80$$

Idaho State Law requires that any existing facility deficiencies identified in a Development Impact Fee study must be addressed by the city. Specifically, the law requires that cities identify the potential funding sources that can be used to finance these deficient facilities.



Impact Fees collected from new development cannot be used to fund existing deficient public facilities.

a. Alternative Funding Sources for Park Deficiencies

As stated in the non-water front parks section of this report, the city has a Parks Capital Improvements Fund that currently collects approximately \$95,000 per year for park construction. This revenue is generated from city-owned dock leases, city parking fees and profit from city-run park department programs. Over a 25-year projected build out scenario, the city will have collected \$2,375,000. This amount is not enough to cover the entire deficiency for non-waterfront park land. Therefore, there would be no available credits that could be applied to water front parks. The city will have to develop alternative funding sources to make up for the waterfront park land deficiency. The city's other potential funding sources for water front park acquisition and improvement are:

- Donations
- Developer Exactions
- Parks Capital Improvement Fund
- User Fees

## G. Fee Calculation

### 1. Land Acquisition

The cost to acquire 11.38 acres for future parks is calculated as follows:

$$11.38 \text{ acres} \times \frac{\$1,024,960}{1 \text{ ac}} = \$11,664,044.8$$

### 2. Improvements

The cost to improve 11.38 acres of future parks is as follows:

$$11.38 \text{ acres} \times \frac{\$87,000}{1 \text{ ac}} = \$990,060$$

### 3. Total Cost for Future Water Front Park Development



$$\$11,664,044.80 + \$990,060 = \$12,654,104.80$$



| <b>Table 8 - Parks Facility Fee Calculations</b> |                   |
|--|-------------------|
| Future Facility Costs =                          | \$ 12,654,104.80  |
| Total Future Dwelling Units =                    | 13,960            |
| Future Facility Costs / Total Future DU's =      | \$906.45 (per DU) |

### 1. Fee Comparison

|                               | <b>2004</b> | <b>2015</b> | <b>Increase in Fee Amount</b> |
|-------------------------------|-------------|-------------|-------------------------------|
| <b>Cost per Dwelling Unit</b> | NA          | \$ 906.45   | \$ 906.45                     |



## VII. Police Facilities

The update to Police Facilities was based on input received from City staff. Since the 2004 DIF update, the build out demand for police facilities has remained the same. The Police Department is comfortable with the capital facilities identified in the 2004 DIF update. Exhibit 4 shows existing police facility locations.

### Facility Analysis

#### A. Inventory of Existing Facilities

As of this date, the existing Police Facilities in place are:

| Table 9 – Existing Police Facilities |                            |                |
|--------------------------------------|----------------------------|----------------|
| Facility                             | Location                   | Size (sq. ft.) |
| Police Department                    | 3818 Schreiber Way         | 22,400         |
|                                      |                            |                |
| Office at Fire Station #3            | 15 <sup>th</sup> and Hazel | 100            |
| <b>Total Square Feet</b>             |                            | <b>22,500</b>  |

#### B. Level of Service Standard

No change to the level of service standard is proposed in this update. A Level of Service of 2.86 staff members per 1,000 population and 134.0 square feet of facility space per personnel will be used. Based on this LOS, the amount of facilities per 1,000 population can be calculated as follows:

$$2.86 \times 134.0 = 383.24 \text{ (per 1,000)}$$

#### C. 2015 Level of Adequacy

Given the current population of 48,717 people, meeting the level of service standard of 383.24 square feet per 1,000 population would require 18,670 square feet of police facilities as follows:

$$\frac{48,717 \times 383.24}{1,000} = 18,670$$

Based on the existing police facilities, there are more than sufficient facilities to serve the current population:

$$22,500 - 18,670 = 3,830$$



#### D. Build Out Requirements

Based on the projected build out population of 78,004 people and the level of service standard of 383.24 square feet per 1,000 population, the demand created by future development is 29,894.25 square feet of police facilities as follows:

$$\frac{78,004 \times 383.24}{1,000} = 29,894.25 \text{ sf}$$

Since there are currently 22,500 square feet of police facilities, 7,394.25 additional square feet will be needed to meet the build out demand.

As noted previously, the City has available land space to accommodate the future demand so no additional land acquisition will be required.

#### E. Facility Costs

The cost for police facilities for new development is based on a cost of \$200 per square foot. This cost is representative of the local building valuation for public buildings and is consistent with the cost of construction of other police facilities. This is an increase in construction costs from 2004. This increase can be attributed to increased costs in both materials and labor since 2004, but also to more stringent building code requirements that have been adopted since 2004. Based on this construction cost, the cost for future developments fair share of police facilities is \$1,450,050 as shown below:

$$29,894.25 - 22,500 = 7,394.25$$

$$7,394.25 \times \$200 = \$1,478,850$$

Since the inception of the DIF, the City has collected \$655,711 in police impact fees. Of this amount \$281,411 has been spent leaving \$374,300 remaining. Fees that will be collected from future development plus the \$374,300 already collected, will be sufficient to pay for build out facility needs. Fortunately, the City owns sufficient land where existing police facilities are located to accommodate future expansion of those facilities. Therefore, no additional land acquisition is necessary and impact fees will only be needed for expansion of the existing structures.



## F. Fee Calculation

Based on the costs described above and the existing facilities available, the calculation of fees is as follows:

| <b>Table 10 - Police Facility Fee Calculations</b> |  |
|--|--|
| Future Facility Costs =                            | \$ 1,478,850                             |
| Funds Collected =                                  | (\$ 374,300)                             |
| Remaining Future Facility Costs =                  | \$ 1,104,550                             |
| Total Future DU's and EDU's =                      | 15,617                                   |
| Future Facility Costs / Total Future EDU's =       | \$70.73 (per EDU)                        |
| Cost per EDU / Non-Residential Equivalency Factor  | Cost for Non-Residential per Square Foot |
| \$ 70.73 / 2,904 =                                 | \$ 0.02436                               |
| <b>TOTAL FEE</b>                                   |  |
| Cost per Dwelling Unit                             | \$ 70.73                                 |
| Cost per 1,000 Square Feet Non-Residential         | \$ 24.36                                 |

## G. Fee Comparison

Due to the police facility fees that have already been collected, the increase in build out population, and surplus of existing police facility square footage, there has been a minor decrease in fee amount to be collected as shown below:

|  | <b>2004</b> | <b>2015</b> | <b>Increase in Fee Amount</b> |
|--|-------------|-------------|-------------------------------|
| <b>Cost per EDU</b>                      | \$ 70.31    | \$ 70.73    | \$ .42                        |
| <b>Cost per 1,000 sf Non-Residential</b> | \$ 24.21    | \$ 24.36    | \$ .15                        |



## **Exhibit 4**

### **Police Facilities**





## VIII. Fire Facilities

Several significant changes have occurred since 2004 that need to be addressed in this update. In 2004, it was determined that four (4) fire stations would be adequate to meet the build out needs of the city. Based on population growth patterns, it has now been determined that five (5) fire stations are necessary to adequately service the City of Coeur d'Alene from now until build out. The location of the fire stations are shown on Exhibit 5.

### Facility Analysis

The analysis of the fire facilities is based on interviews with the Coeur d'Alene Fire Chief and responses to the DIF update questionnaire complete by the Fire Department. This document is included as **Appendix XXX**.

#### A. Level of Service

The level of service (LOS) standard for fire facilities has not changed from the original LOS standard that was used in 2004. This standard is based on the Idaho Survey and Rating Bureau standard of a 3 minute, 12 second response time for engines and a 4 minute, 54 second response time for aerals.

#### B. Inventory of Existing Facilities

The city currently has three (3) fire stations in addition to an administrative facility, training facility, and storage building as listed below:

| Table 11 – Existing Fire Facilities |                              |                |
|-------------------------------------|------------------------------|----------------|
| Station                             | Location                     | Size (sq. ft.) |
| Station No. 1                       | 320 Foster Avenue            | 9,960          |
| Station No. 2                       | 3850 Ramsey Street           | 5,727          |
| - Storage Facility                  |                              | 4,800          |
| - Exercise Facility                 |                              | 2,400          |
| Station No. 3                       | 1500 15 <sup>th</sup> Street | 7,909          |
| Administration                      | 300 Foster Avenue            | 7,116          |
| Department Training Facility        |                              | 6,845          |

Two changes have occurred since the 2004 DIF update: 1) Station No. 2 was expanded from 3,000 square feet to 5,727 square feet to accommodate a new training facility. This expansion was paid for from other city funds. No development impact fees were used for this expansion; and 2) land has been dedicated to the city that can be used for Station No. 4. This reduces the need for land acquisition for Station No. 4.



### C. Future Facilities

As mentioned, the city will need to construct two new fire stations between now and build out. Station No. 4 is already planned to be located in the northwest quadrant of the city as shown on Exhibit 5.

Land acquisition for Station No. 5 will possibly be funded through an annexation agreement. This agreement would have the land owners in this region pay \$300,000 for annexation in lieu of other fees. This could be used to buy one (1) acre of land which is what would be needed for the future fire station. For purposes of this update, it is assumed that this money will be available to purchase land for Station No. 5, therefore, no impact fees will need to be collected for land acquisition.

### D. Facility Costs

Since the inception of the DIF, the City has collected \$ 819,998 in fire impact fees. Of this amount \$ 65,000 has been spent leaving \$ 754,998 remaining. Fees that will be collected from future development plus the \$754,998 already collected, will be sufficient to pay for build out facility needs.

The projected cost for construction of Stations 4 and 5 is \$200 per square foot. Using Fire Station No. 3 as a template, the new stations are estimated to be 7,909 square feet in size, so the total cost of construction will be \$3,163,600

### E. Fee Calculation

Based on the costs described above and the requirement for two additional fire stations, the calculation of fees is as follows:

| <b>Table 12 – Fire Facility Fee Calculations</b>  |  |
|---|--|
| Future Facility Costs =                           | \$ 3,163,600                             |
| Funds Collected =                                 | (\$ 754,998)                             |
| Remaining Future Facility Costs =                 | \$ 2,408,602                             |
| Total Future EDU's =                              | 15,617                                   |
| Future Facility Costs / Total Future EDU's =      | \$ 154.23 (per EDU)                      |
| Cost per EDU / Non-Residential Equivalency Factor | Cost for Non-Residential per Square Foot |
| \$ 154.23 / 2,904 =                               | \$ 0.0531                                |
| <b>TOTAL FEE</b>                                  |  |
| Cost per Dwelling Unit                            | \$ 154.23                                |
| Cost per 1,000 Square Feet Non-Residential        | \$ 53.10                                 |



#### F. Fee Comparison

The fee for fire facilities has increased due to the need for two new fire facilities compared to the previous need in 2004 for one fire facility as shown below:

|                                       | 2004      | 2015      | Increased Fee Amount |
|---------------------------------------|-----------|-----------|----------------------|
| <b>Cost per EDU</b>                   | \$ 138.00 | \$ 154.23 | \$ 16.23             |
| <b>Cost per 1,000 sq.ft. Non-Res.</b> | \$ 47.52  | \$ 53.10  | \$ 5.58              |



**Exhibit 5****Fire Facilities**

## IX. Circulation

Since the 2004 DIF update, many of the future circulation facilities have now been completed, others which were deemed no longer needed have dropped from the list and new improvements have been added. This is typical of most communities. As population grows, the population patterns will vary and the circulation needs will change over time. One purpose of a DIF update is to account for these changes and to make necessary adjustments to the impact fee.

The basic methodology of the original DIF report remains the same. Circulation is still based on local facilities located within each of the quadrants and citywide facilities considered to serve the city as a whole.

### Facility Analysis

The facility analysis is based on the updated information since 2004 provided by the City Engineer. This information is shown in Tables 12 through 15 of this report. A detailed description of the methodology used in the analysis of circulation facilities is contained in the 2004 DIF report update. Since the 2015 report updates, but does not replace the original report, this methodology will not be repeated here.

#### A. Existing Facilities Analysis

The City Engineer has determined those roadways and intersections within each quadrant which are in need of improvement as development continues to occur. These road segments and intersections are shown on **Table XX**. For each facility the limits of improvement, the current condition, the Comprehensive Plan designation, the recommended designation, and the cost for construction are included. This breakdown is the basis for the revised development impact fee that is generated by this report.

#### B. Future and Build Out Facilities Analysis

The major circulation facilities that are considered in this report are based on the city's existing Comprehensive Plan. Some changes to the street classifications are being recommended by the City Engineer as follows:

| Recommended Street Classification Changes                             |                |                    |
|---|----------------|--------------------|
| Street Name   | From:          | To:                |
| Kathleen Avenue<br>(Atlas to Ramsey Road)                             | Minor Arterial | Collector          |
| <b>Quadrant 2</b>   |                |                    |
| Kathleen Avenue<br>(4 <sup>th</sup> Street to 5 <sup>th</sup> Street) | Minor Arterial | Collector          |
| <b>Quadrant 3</b>   |                |                    |
| Ironwood Drive<br>(NW Blvd to US 95)                                  | Collector      | Minor Arterial     |
| <b>Citywide</b>   |                |                    |
| Government Way<br>(Dalton Ave to Prairie Ave)                         | Minor Arterial | Principal Arterial |

#### C. Costs for Facilities



Revised average unit cost estimates are shown on Tables 14 through 17 of this report. Each fee per quadrant will share a Citywide Facilities fee. The fees shown in Table 11 are the Quadrant Fee plus the Citywide Fee.

## D. Fee Calculations

### 1. Impact of Development

Since the costs for circulation facilities are known, the first step in calculating the fee is to identify the impacts of future development. These impacts are calculated for citywide facilities and each of the four quadrants.

The fee calculation applies to both residential and non-residential development. Trips are used to identify the impacts of development on roadways. Provided below are the trips for non-residential and residential development used in this circulation analysis:

| Traffic Generation Rates |                       |
|--------------------------|-----------------------|
| Land Use                 | Trip Generation Rates |
| Single Family (SFD)      | 10 trips / du         |
| Multi-Family (MFD)       | 8 trips / du          |
| Commercial               | 120 trips / 1,000 sf  |
| Industrial               | 12 trips / 1,000 sf   |

These trips are representative averages used nationally to estimate the impact of development on roadways. Specifically, the commercial standard is based on the trips for a Neighborhood Shopping Center. The trips for industrial land uses used an average of industrial/commercial mix and industrial only.

To calculate the total trips for future development, future residential dwelling units were separated into a total of single-family units and multi-family units for each quadrant.

Non-residential development was separated into two general categories: commercial and industrial acreage. These acreages were converted to square footage by assuming a coverage factor of 20% per acre as previously defined in the Build Out Projections section of this report.

The total impact of future development on roadways is calculated by multiplying the trips for each land use category by residential dwelling units and non-residential square footage in each quadrant.

### 2. Credit for Non-Residential Development

An adjustment in the impact fee must be made to account for the double counting of commercial and residential trips. For example, round trips from a dwelling unit may include a trip to a commercial destination within the City. This same trip, however, is included in the trips for the commercial land use. To adjust for double counting of trips, this analysis assigns



a 40% discount to non-residential development. This is a discount factor recommended by the traffic consultant, which provides a more accurate trip generation measurement.

The adjustment requires calculation of the percent of traffic impact for single family, multi-family, commercial and industrial land uses. This percentage is multiplied by the total cost for facilities in the quadrant to identify the proportional cost for impact of development. The fee credit, however, reduces this cost to non-residential development by 40% and transfers the cost proportionally to residential development. If the cost was reduced by 40% and not transferred to residential development, the fee would be insufficient and there would be a shortage of funds collected by the City for future improvements.

The transfer of the 40% credit is reapportioned to residential development based on the percentage of single family and multi-family units of residential development within the quadrant. The percentage of single family to multi-family development will be different for each quadrant of the City as well as for the citywide analysis.

The result of the transfer of credit for non-residential development to residential development is a cost assigned to the four land use categories: SFD, MFD, commercial and industrial land use in each quadrant. The last step in the fee calculation is to divide the cost per land use by the future trips projected for the four land uses. Due to the credit transfer, the result is a difference in cost per trip between residential and non-residential land uses.

The number of trips assumed for each land use to determine the fee multiplies these costs per trip. There will be a different fee for MFD, SFD, commercial and industrial land uses for each quadrant based on the improvements required for each quadrant.

A summary of the fee calculations is contained in Table 13, Fee Comparison. A detailed breakdown of circulation impact fee calculations is shown on Tables 14 through 17.

## E. Fee Comparison

| Table 13 – Circulation Fee Comparison |        |          |               |
|---------------------------------------|--------|----------|---------------|
|                                       | 2004   | 2016     | Change in Fee |
| <b>Quadrant 1</b>                     |        |          |               |
| <i>Single Family</i>                  | 875.54 | 1,212.80 | 337.26        |
| <i>Multi Family</i>                   | 700.43 | 970.24   | 269.81        |
| <i>Commercial/Industrial</i>          | 26.99  | 33.88    | 6.89          |
| <b>Quadrant 2</b>                     |        |          |               |
| <i>Single Family</i>                  | 639.64 | 1,213.33 | 573.69        |
| <i>Multi Family</i>                   | 511.71 | 970.67   | 458.96        |
| <i>Commercial/Industrial</i>          | 14.01  | 27.68    | 13.67         |
| <b>Quadrant 3 &amp; 4</b>             |        |          |               |
| <i>Single Family</i>                  | 815.63 | 1,035.25 | 219.62        |
| <i>Multi Family</i>                   | 852.50 | 828.20   | (24.30)       |
| <i>Commercial/Industrial</i>          | 15.12  | 23.04    | 7.92          |

\*The Citywide Facilities Fee has been included in each calculation of the fees shown above.





**Table 14 – Quadrant 1 Circulation Fee Calculation**

|                          |   |                    |
|--------------------------|---|--------------------|
| Total Cost               |   | \$6,988,400        |
| Funds from other sources | - | \$0                |
|                          |   | <u>\$6,988,400</u> |

**Proportional Share of Future Traffic Generation**

|                              |           |         |   |     |               |                |              |
|------------------------------|-----------|---------|---|-----|---------------|----------------|--------------|
| Single Family Detached (SFD) | 6,791     | DUs     | X | 10  | Trips         | 67,990         | Trips        |
| Multifamily (MF)             | 3,761     | DUs     | X | 8   | Trips         | 30,088         | Trips        |
| Commercial                   | 1,239,438 | Sq. Ft. | X | 120 | Trips/1000 sf | 148,733        | Trips        |
| Industrial                   | 3,236,699 | Sq. Ft. | X | 12  | Trips/1000 sf | 38,840         | Trips        |
|                              |           |         |   |     | <b>TOTAL</b>  | <b>285,651</b> | <b>Trips</b> |

| Percent of Total Trips |         |       |         | Proportional Cost |   | Comm. / Ind. Credit |   | Proportional Cost Minus Credit |
|------------------------|---------|-------|---------|-------------------|---|---------------------|---|--------------------------------|
| SFD                    | 67,990  | Trips | 23.80%  | \$1,663,363       |   |                     |   | \$1,663,363                    |
| MF                     | 30,088  | Trips | 10.53%  | \$736,098         |   |                     |   | \$736,098                      |
| COMMERCIAL             | 148,733 | Trips | 52.07%  | \$3,638,716       | x | 40.00%              | = | \$1,455,486                    |
| INDUSTRIAL             | 38,840  | Trips | 13.60%  | \$950,223         | x | 40.00%              | = | \$380,089                      |
|                        |         |       | 100.00% | \$6,988,400       |   |                     |   | \$1,835,576                    |
|                        |         |       |         |                   |   |                     |   | \$5,152,824                    |

**Commercial / Industrial Credit Reapportionment**

|           |        |       |   |                |   |                    |
|-----------|--------|-------|---|----------------|---|--------------------|
| SFD Trips | 67,990 | Trips | = | 69.32%         | = | \$1,272,465        |
| MF Trips  | 30,088 | Trips | = | 30.68%         | = | \$563,111          |
|           | 98,078 | Trips |   | <b>100.00%</b> |   | <b>\$1,835,576</b> |

**Revised Costs including Commercial / Industrial Discount Reapportionment**

|            |             |   |             |   |                    |
|------------|-------------|---|-------------|---|--------------------|
| SFD        | \$1,663,363 | + | \$1,272,465 | = | \$2,935,828        |
| MF         | \$736,098   | + | \$563,111   | = | \$1,299,209        |
| COMMERCIAL | \$3,638,716 | - | \$1,455,486 | = | \$2,183,229        |
| INDUSTRIAL | \$950,223   | - | \$380,089   | = | \$570,134          |
|            |             |   |             |   | <b>\$6,988,400</b> |

**Cost per Trip**

|            |                |   |         |   |                |
|------------|----------------|---|---------|---|----------------|
| SFD        | \$2,935,827.98 | / | 67,990  | = | \$43.18 / Trip |
| MF         | \$1,299,208.59 | / | 30,088  | = | \$43.18 / Trip |
| COMMERCIAL | \$2,183,229.49 | / | 148,733 | = | \$14.68 / Trip |
| INDUSTRIAL | \$570,133.94   | / | 38,840  | = | \$14.68 / Trip |

**Cost per Residential Dwelling Unit & Commercial / Industrial Trips**

|            |         |   |    |            |   |                |
|------------|---------|---|----|------------|---|----------------|
| SFD        | \$43.18 | X | 10 | Trips / DU | = | \$431.80 / DU  |
| MF         | \$43.18 | X | 8  | Trips / DU | = | \$345.44 / DU  |
| COMMERCIAL |         |   |    |            | = | \$14.68 / Trip |
| INDUSTRIAL |         |   |    |            | = | \$14.68 / Trip |



**Table 15 – Quadrant 2 Circulation Fee Calculation**

|                          |   |                    |
|--------------------------|---|--------------------|
| Total Cost               |   | \$2,211,219        |
| Funds from other sources | - | \$0                |
|                          |   | <u>\$2,211,219</u> |

**Proportional Share of Future Traffic Generation**

|                              |           |         |   |     |               |         |       |
|------------------------------|-----------|---------|---|-----|---------------|---------|-------|
| Single Family Detached (SFD) | 1,346     | DUs     | X | 10  | Trips         | 13,460  | Trips |
| Multifamily (MF)             | 1,499     | DUs     | X | 8   | Trips         | 11,992  | Trips |
| COMMERCIAL                   | 1,060,742 | Sq. Ft. | X | 120 | Trips/1000 sf | 127,289 | Trips |
| INDUSTRIAL                   | 306,038   | Sq. Ft. | X | 12  | Trips/1000 sf | 3,672   | Trips |
|                              |           |         |   |     | TOTAL         | 156,413 | Trips |

| Percent of Total Trips |         |       |         | Proportional |            | Comm./Ind. |  | Proportional      |
|------------------------|---------|-------|---------|--------------|------------|------------|--|-------------------|
|                        |         |       |         | Cost         |            | Credit     |  | Cost Minus Credit |
| SFD                    | 13,460  | Trips | 8.61%   | \$190,284    |            |            |  | \$190,284         |
| MF                     | 11,992  | Trips | 7.67%   | \$169,531    |            |            |  | \$169,531         |
| COMMERCIAL             | 127,289 | Trips | 81.38%  | \$1,799,486  | x 40.00% = | \$719,794  |  | \$1,079,692       |
| INDUSTRIAL             | 3,672   | Trips | 2.35%   | \$51,918     | x 40.00% = | \$20,767   |  | \$31,151          |
|                        |         |       | 100.00% | \$2,211,219  |            | \$740,561  |  | \$1,470,657       |

**Commercial / Industrial Credit Reapportionment**

|           |        |       |   |        |   |           |
|-----------|--------|-------|---|--------|---|-----------|
| SFD Trips | 13,460 | Trips | = | 52.88% | = | \$391,637 |
| MF Trips  | 11,992 | Trips | = | 47.12% | = | \$348,924 |
|           | 25,452 | Trips |   |        |   | \$740,561 |

**Revised Costs including Commercial / Industrial Discount Reapportionment**

|            |             |   |           |   |             |
|------------|-------------|---|-----------|---|-------------|
| SFD        | \$190,284   | + | \$391,637 | = | \$581,922   |
| MF         | \$169,531   | + | \$348,924 | = | \$518,455   |
| COMMERCIAL | \$1,799,486 | - | \$719,794 | = | \$1,079,692 |
| INDUSTRIAL | \$51,918    | - | \$20,767  | = | \$31,151    |
|            |             |   |           |   | \$2,211,219 |

**Cost per Trip**

|            |                |   |         |   |                |
|------------|----------------|---|---------|---|----------------|
| SFD        | \$581,921.60   | / | 13,460  | = | \$43.23 / Trip |
| MF         | \$518,454.97   | / | 11,992  | = | \$43.23 / Trip |
| COMMERCIAL | \$1,079,691.66 | / | 127,289 | = | \$8.48 / Trip  |
| INDUSTRIAL | \$31,150.52    | / | 3,672   | = | \$8.48 / Trip  |

**Cost per Residential Dwelling Unit & Commercial / Industrial Trips**

|            |             |   |    |            |   |               |
|------------|-------------|---|----|------------|---|---------------|
| SFD        | 43.23340277 | X | 10 | Trips / DU | = | \$432.33 / DU |
| MF         | 43.23340277 | X | 8  | Trips / DU | = | \$345.87 / DU |
| COMMERCIAL |             |   |    |            | = | \$8.48 / Trip |
| INDUSTRIAL |             |   |    |            | = | \$8.48 / Trip |



**Table 16 – Quadrants 3 and 4 Circulation Fee Calculation**

|                          |   |                    |
|--------------------------|---|--------------------|
| Total Cost               |   | \$1,782,500        |
| Funds from other sources | - | \$0                |
|                          |   | <u>\$1,782,500</u> |

**Proportional Share of Future Traffic Generation**

|                              |           |         |   |     |               |                |              |
|------------------------------|-----------|---------|---|-----|---------------|----------------|--------------|
| Single Family Detached (SFD) | 3,327     | DUs     | X | 10  | Trips         | 33,270         | Trips        |
| Multifamily (MF)             | -29       | DUs     | X | 8   | Trips         | -232           | Trips        |
| COMMERCIAL                   | 1,969,919 | Sq. Ft. | X | 120 | Trips/1000 sf | 236,390        | Trips        |
| INDUSTRIAL                   | 733,616   | Sq. Ft. | X | 12  | Trips/1000 sf | 8,803          | Trips        |
|                              |           |         |   |     | <b>TOTAL</b>  | <b>278,232</b> | <b>Trips</b> |

| Percent of Total Trips |            |       |         | Proportional |   |        |   | Comm./Ind. | Proportional      |
|------------------------|------------|-------|---------|--------------|---|--------|---|------------|-------------------|
|                        |            |       |         | Cost         |   |        |   | Credit     | Cost Minus Credit |
| SFD                    | 33,270.00  | Trips | 11.96%  | \$213,145    |   |        |   |            | \$213,145         |
| MF                     | -232.00    | Trips | -0.08%  | (\$1,486)    |   |        |   |            | (\$1,486)         |
| COMMERCIAL             | 236,390.28 | Trips | 84.96%  | \$1,514,442  | x | 40.00% | = | \$605,777  | \$908,665         |
| INDUSTRIAL             | 8,803.39   | Trips | 3.16%   | \$56,399     | x | 40.00% | = | \$22,560   | \$33,840          |
|                        |            |       | 100.00% | \$1,782,500  |   |        |   | \$628,336  | \$1,154,164       |

**Commercial / Industrial Credit Reapportionment**

|           |        |       |   |         |   |           |  |
|-----------|--------|-------|---|---------|---|-----------|--|
| SFD Trips | 33,270 | Trips | = | 100.70% | = | \$632,749 |  |
| MF Trips  | -232   | Trips | = | -0.70%  | = | (\$4,412) |  |
|           | 33,038 | Trips |   |         |   | \$628,336 |  |

**Revised Costs including Commercial / Industrial Discount Reapportionment**

|            |             |   |           |   |             |  |
|------------|-------------|---|-----------|---|-------------|--|
| SFD        | \$213,145   | + | \$632,749 | = | \$845,894   |  |
| MF         | (\$1,486)   | + | (\$4,412) | = | (\$5,899)   |  |
| COMMERCIAL | \$1,514,442 | - | \$605,777 | = | \$908,665   |  |
| INDUSTRIAL | \$56,399    | - | \$22,560  | = | \$33,840    |  |
|            |             |   |           |   | \$1,782,500 |  |

**Cost per Trip**

|            |              |   |         |   |         |        |
|------------|--------------|---|---------|---|---------|--------|
| SFD        | \$845,894.02 | / | 33,270  | = | \$25.43 | / Trip |
| MF         | (\$5,898.63) | / | -232    | = | \$25.43 | / Trip |
| COMMERCIAL | \$908,665.08 | / | 236,390 | = | \$3.84  | / Trip |
| INDUSTRIAL | \$33,839.53  | / | 8,803   | = | \$3.84  | / Trip |

**Cost per Residential Dwelling Unit & Commercial / Industrial Trips**

|            |             |   |    |            |   |          |        |
|------------|-------------|---|----|------------|---|----------|--------|
| SFD        | 25.42512848 | X | 10 | Trips / DU | = | \$254.25 | / DU   |
| MF         | 25.42512848 | X | 8  | Trips / DU | = | \$203.40 | / DU   |
| COMMERCIAL |             |   |    |            | = | \$3.84   | / Trip |
| INDUSTRIAL |             |   |    |            | = | \$3.84   | / Trip |



**Table 17 – Citywide Circulation Fee Calculation**

|                          |              |
|--------------------------|--------------|
| Total Cost               | \$23,053,400 |
| Funds from other sources | - \$0        |
|                          | \$23,053,400 |

**Proportional Share of Future Traffic Generation**

|                              |           |          |   |     |               |         |       |
|------------------------------|-----------|----------|---|-----|---------------|---------|-------|
| Single Family Detached (SFD) | 11,472    | DUs      | X | 10  | Trips         | 114,720 | Trips |
| Multifamily (MF)             | 5,231     | DUs      | X | 8   | Trips         | 41,848  | Trips |
| COMMERCIAL                   | 4,270,099 | Sq. Ft.. | X | 120 | Trips/1000 sf | 512,412 | Trips |
| INDUSTRIAL                   | 4,276,353 | Sq. Ft.. | X | 12  | Trips/1000 sf | 51,316  | Trips |
|                              |           |          |   |     | TOTAL         | 720,296 | Trips |

| Percent of Total Trips |         |       |         | Proportional Cost |   | Comm. / Ind. Credit |   | Proportional Cost Minus Credit |
|------------------------|---------|-------|---------|-------------------|---|---------------------|---|--------------------------------|
| SFD                    | 114,720 | Trips | 15.93%  | \$3,671,665       |   |                     |   | \$3,671,665                    |
| MF                     | 41,848  | Trips | 5.81%   | \$1,339,364       |   |                     |   | \$1,339,364                    |
| COMMERCIAL             | 512,412 | Trips | 71.14%  | \$16,399,972      | x | 40.00%              | = | \$6,559,989                    |
| INDUSTRIAL             | 51,316  | Trips | 7.12%   | \$1,642,399       | x | 40.00%              | = | \$656,960                      |
|                        |         |       | 100.00% | \$23,053,400      |   |                     |   | \$7,216,948                    |
|                        |         |       |         |                   |   |                     |   | \$15,836,452                   |

**Commercial / Industrial Credit Reapportionment**

|           |         |       |   |        |   |             |
|-----------|---------|-------|---|--------|---|-------------|
| SFD Trips | 114,720 | Trips | = | 73.27% | = | \$5,287,979 |
| MF Trips  | 41,848  | Trips | = | 26.73% | = | \$1,928,969 |
|           | 156,568 | Trips |   |        |   | \$7,216,948 |

**Revised Costs including Commercial / Industrial Discount Reapportionment**

|            |              |   |             |   |              |
|------------|--------------|---|-------------|---|--------------|
| SFD        | \$3,671,665  | + | \$5,287,979 | = | \$8,959,644  |
| MF         | \$1,339,364  | + | \$1,928,969 | = | \$3,268,333  |
| COMMERCIAL | \$16,399,972 | - | \$6,559,989 | = | \$9,839,983  |
| INDUSTRIAL | \$1,642,399  | - | \$656,960   | = | \$985,439    |
|            |              |   |             |   | \$23,053,400 |

**Cost per Trip**

|            |                |   |         |   |         |        |
|------------|----------------|---|---------|---|---------|--------|
| SFD        | \$8,959,644.17 | / | 114,720 | = | \$78.10 | / Trip |
| MF         | \$3,268,333.24 | / | 41,848  | = | \$78.10 | / Trip |
| COMMERCIAL | \$9,839,983.12 | / | 512,412 | = | \$19.20 | / Trip |
| INDUSTRIAL | \$985,439.48   | / | 51,316  | = | \$19.20 | / Trip |

**Cost per Residential Dwelling Unit & Commercial / Industrial Trips**

|            |             |   |    |            |   |          |        |
|------------|-------------|---|----|------------|---|----------|--------|
| SFD        | 78.10010605 | X | 10 | Trips / DU | = | \$781.00 | / DU   |
| MF         | 78.10010605 | X | 8  | Trips / DU | = | \$624.80 | / DU   |
| COMMERCIAL |             |   |    |            | = | \$19.20  | / Trip |
| INDUSTRIAL |             |   |    |            | = | \$19.20  | / Trip |

