

SECOND AMENDED AND RESTATED URBAN RENEWAL PLAN

**NORTH HIGHWAY URBAN RENEWAL PROJECT,
INCLUDING SOUTH ADDITION**

**REXBURG URBAN RENEWAL AGENCY
(also known as the REXBURG REDEVELOPMENT AGENCY)**

CITY OF REXBURG, IDAHO

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[§ 100] INTRODUCTION

This is the Second Amended and Restated urban Renewal Plan (the “Plan”)¹ for the North Highway Project Area, South Addition (the “Project”) in the City of Rexburg (the “City”), County of Madison, State of Idaho, and consists of the text contained herein and:

the Project Area-Revenue Allocation Area Boundary Map (Attachment 1);

the Description of the Project Area and Revenue Allocation Area (Attachment 2);

the Private Properties Which May be Acquired by Agency (Attachment 3);

the Map Depicting Expected Land Uses and Current Zoning Within Revenue Allocation Area and Project Area (Attachment 4);

the Introduction to Attachment 5, the Statement of Proposed Public Improvements, Costs, Revenues, Tax Impacts and Financing Methods, and Implementation Plan (Attachment 5);

the Net Value of Private Development in Revenue Allocation Area (Attachment 5A);

the Estimated Annual Tax Revenue Allocations (Attachment 5B);

¹ This Second Amended and Restated Urban Renewal Plan is organized in a manner which, instead of showing new text redlined and text deleted as crossed out, simply restates in total the text of this Plan. Many of the tables and exhibits from the 1998 Plan are not repeated in this Second Amended and Restated Plan for ease of review and analysis. Additionally, much of the financial information and improvement list has been replaced or superseded. The original work for the 1998 Plan and the prior 1991 Plan are available through the Agency or the City of Rexburg.

the Estimated Annual Revenues and Costs (Attachment 5C);

the Financial History North Highway Project Area 1993-2005
(Attachment 5C-1); and

the Bond Amortization Schedule (Attachment 5C-2).

The term “Project” is used herein to describe the overall activities defined in this Plan and conforms with the statutory definition of urban renewal project. Reference is specifically made to Idaho Code Section 50-2018(j) for the various activities contemplated by the term “Project.” Such activities include both private and public development of property within the Urban Renewal Area. The term “Project” is not meant to refer to a specific activity or development scheme.

This Plan was prepared for the Rexburg Urban Renewal Agency (also known as the Redevelopment Agency) (the “Agency”), Board of Commissioners, by its consultants, and staff of the Agency, pursuant to the State of Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code) (the “Law”), the Local Economic Development Act (Chapter 29, Title 50, Idaho Code) (the “Act”), the Idaho Constitution, and all applicable local laws and ordinances.

The proposed redevelopment of the Project Area as described in this Plan conforms to the Comprehensive Plan of Rexburg, as adopted by the City Council on September 2, 1998, by way of Ordinance No. 80.

The particular projects or redevelopment projects by private entities described herein are not intended to be an exclusive or exhaustive list of potential redevelopment activity. Allowed projects are those activities which comply with the Law and the Act and meet the overall objectives of this Plan.

The purposes of the Law which will be attained through and the major goals of this Plan are:

the elimination of environmental deficiencies in the Project Area, including, among others, obsolete and aged building types and inadequate public improvements and facilities;

the assembly of land into parcels suitable for modern, integrated development with improved setback, parking, pedestrian, and vehicular circulation in the Project Area;

the replanning, redesign, and development of undeveloped and underdeveloped areas which are stagnant or improperly utilized;

the strengthening of the economic base of the Project Area and the community by the installation of needed public improvements and facilities to stimulate new commercial expansion, employment, and economic growth;

the establishment and implementation of performance criteria to assure high site design standards, environmental quality, and other design elements which provide unity and integrity to the entire Project;

the strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and the Project Area as a whole and benefiting the various taxing districts in which the Project Area is located;

the creating of public spaces, gateway entries, and the like;

the provision of civic buildings or community facilities owned or occupied by the Agency or other public entities including the City;

the provision of adequate land for open space and street rights-of-way; and

the construction and improvement of major street corridors to allow traffic flows to move through the development along with the accompanying utility connections through the Project Area.

In 1991 and 1998 an urban renewal plan and an amended and restated urban renewal plan (hereinafter collectively the “1998 Plan”) were prepared at the direction of the Agency and utilizes information gathered over a period of months from business owners, property owners, and the citizens of Rexburg and Madison County. The 1998

Plan was reviewed and recommended by the Agency, pursuant to the Law, the Act, the Idaho Constitution, and all applicable local laws and ordinances.

This Second Amended and Restated Plan provides the Agency with powers, duties, and obligations to implement and further the program generally formulated in this Second Amended and Restated Plan for the redevelopment, rehabilitation, and revitalization of the area within the boundaries of the Amended and Restated Project Area, which area includes the South Addition (the “Amended and Restated Project Area”). The Agency retains all powers allowed by the Law and the Act. Because of the long-term nature of this Second Amended and Restated Plan and the need to retain in the Agency flexibility to respond to market and economic conditions, property owner and developer interests, and opportunities from time to time presented for redevelopment, this Second Amended and Restated Plan does not present a precise plan or establish specific projects for the redevelopment, rehabilitation, and revitalization of any area within the Second Amended and Restated Project Area, nor does this Second Amended and Restated Plan present specific proposals in an attempt to solve or alleviate the concerns and problems of the community relating to the Second Amended and Restated Project Area. Instead, this Second Amended and Restated Plan presents a process and a basic framework within which specific plans will be presented, specific projects will be established, and specific solutions will be proposed and by which tools are provided to the Agency to fashion, develop, and proceed with such specific plans, projects, and solutions. In particular this Second Amended and Restated Plan attempts to respond to the challenges created by the development and enhancement of Brigham Young University-Idaho campus located in Rexburg, Idaho.

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

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

[§ 100.1] General Procedures of the Agency

Under the Law, the Agency is governed by the Idaho open meeting law, the Public Records Act, the Ethics in Government Act, financial reporting requirements under Idaho Code Section 67-450B, and the competitive bidding requirements under Chapter 28, Title 67, Idaho Code.

Generally, the Agency shall conduct all meetings in open session and allow meaningful public input as mandated by the issue considered or by any statutory or regulatory provision. Whenever in this Plan it is stated that the Agency may modify, change, or adopt certain policy statements or contents of this Plan not requiring a formal amendment to the Plan as required by the Law or the Act, it shall be deemed to mean a consideration by the Board of such policy or procedure, duly noticed upon the Agency

meeting agenda, considered by the Agency at an open public meeting, and adopted by a majority of the members present, constituting a quorum, unless any provision herein provides otherwise.

[§ 101] Provisions Necessary to Meet State and Local Requirements

[§ 101.1] Conformance With State of Idaho Urban Renewal Law of 1965, as Amended

The laws of the State of Idaho allow for an Urban Renewal Plan to be submitted by any interested person or entity in an area certified as an Urban Renewal Area by the Rexburg City Council. The original North Highway area was certified by the Council by resolution on November 6, 1991, the initial expansion area was certified by the Council by resolution on November 28, 1998, and the second expansion area was certified by the Council on November 9, 2005.

In accordance with the Law, this Plan was submitted to the Planning and Zoning Commission of the City of Rexburg. After consideration of the Plan, the Commission filed its recommendation with the City Council stating that this Plan is in conformity with the Comprehensive Plan, City of Rexburg.

[§ 101.2] History and Current Conditions

Since the adoption of the first plan in 1991 and the Amended and Restated Plan in 1998, the Agency has embarked on several activities to improve the North Highway Project Area. Those activities have included improvements to North Highway; an initial phase of a jogging path; open space, water, sewer, and drainage improvements; sidewalks; improvements to the North Highway Bridge; intersection improvements; utility line extensions; and landscaping. In 1992 the Agency issued its Series 1992 Bonds in the aggregate principal amount of \$1,250,000, which provided funding for some of

those improvements. The Agency's annual debt service since 1992 has ranged from \$126,000 to \$154,000 with a total of approximately \$1,700,000, and the Agency expects to retire those bonds in 2008. The Agency has previously borrowed certain funds from the City in an approximate amount of \$35,000. Those advances were repaid by the Agency in 2000.

In total, the Agency has received revenue allocation funds in the approximate amount of \$1.7 million and paid for public improvements in the approximate amount of \$1.3 million. Additionally, the Agency has advance funded planning and administrative costs for the downtown area in Rexburg with those project areas committed to reimburse the North Highway Project Area no later than September 30, 2008.

Assessed values of the North Highway Project Area have increased from the base assessment roll of \$3.8 million (combined 1991 and 1998 bases) to an assessed value in 2005 of approximately \$30 million.

During 2005, the Agency and other interested parties began to examine the need for an expansion of the Project Area to include what has not been referred to as the South Addition. This new project area responds to certain deteriorating conditions, development opportunity, and the need for public services and improvements.

[§ 102] Purpose of Activities

The description of activities, public improvements, and the estimated costs of those items are intended to create an outside limit of the Agency's activity. The Agency reserves the right to change amounts from one category to another as long as the overall total amount estimated is not substantially exceeded. The items and amounts are not intended to relate to any one particular development, developer, or owner. Rather, the

Agency intends to discuss and negotiate with any owner or developer who seeks Agency assistance. During such negotiation, the Agency will determine, on an individual basis, the eligibility of the activities sought for Agency funding and the amount the Agency may fund by way of percentage or other criteria. The Agency will also take into account the amount of revenue allocation proceeds estimated to be generated from the developer's activities. The Agency also reserves the right to establish, by way of policy, its funding percentage or participation, which would apply to all developers and owners.

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

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

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

[§ 103] Open Land Criteria

Such open land areas may be acquired by the Agency and developed for nonresidential uses if such acquisition is needed to solve various problems associated with the land or the public infrastructure that have retarded its development. These problems include defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout, all of which are included in one form or another in the Section 50-2903(8)(b) definition of *deteriorated area*. The problems that are listed only in Section 50-2008(d)(4)(2) (the open land section) include economic disuse, unsuitable topography, and “the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.”

Such areas qualify if any of the standard 50-2018(i) and 59-2903(8)(b) characteristics apply. But such areas also qualify if any of the problems listed only in Section 50-2008(d)(4)(2) apply. Clearly, lack of water and sewer facilities, a nonexistent street system, and lack of fire protection facilities are all conditions which retard development of the area.

[§ 200] DESCRIPTION OF PROJECT AREA

The boundaries of the Second Amended and Restated Project Area and of the Amended and Restated Revenue Allocation Area are depicted in Attachment 1, the boundary map, which is attached hereto and incorporated herein by reference, and are more particularly described on the Project Area and Revenue Allocation Area Boundary Map, attached hereto as Attachment 2 and incorporated herein by reference.

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.

[§ 300] PROPOSED REDEVELOPMENT ACTIONS

[§ 301] General

The Agency proposes to eliminate and prevent the spread of deterioration and deterioration in the Project Area by:

1. Acquisition of certain real property (if needed) and through the voluntary measures described in Section 305;
2. Demolition or removal of certain buildings and improvements for public rights-of-way for streets, utilities, walkways, and other improvements for public facility building sites, to eliminate unhealthful, unsanitary, or unsafe conditions, improve density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of deterioration;
3. Provision for participation by property owners within the Project Area;
4. Management of any property acquired by any entity under the ownership and control of the Agency;
5. Provision for relocation assistance to displaced Project occupants, as required by law;
6. Installation, construction, or reconstruction of streets and utilities including development of water and sewer systems, electrical distribution and transmission lines in underground configuration if needed to encourage new developments, fiber optic systems, parking facilities, and other public improvements including civic buildings or community facilities owned or occupied by the Agency or other public agencies, including the City of Rexburg and Madison School District No. 321, storm drain systems, walkways, public open spaces, and visitors or information centers as may be deemed appropriate by the Urban Renewal Agency Board;
7. Disposition of property for uses in accordance with this Plan;

8. The redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;
9. Rehabilitation of structures and improvements by present owners, their successors, and the Agency;
10. Preparation and assembly of adequate sites for the development and construction of facilities for commercial, mixed-use development, office, appropriate retail, and other ancillary uses;
11. As allowed by law, lend or invest federal funds to facilitate urban renewal redevelopment; and
12. Construction of foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights, sites for buildings to be used for residential, commercial, and other uses contemplated by the Plan, and to provide utilities to the development site.

In the accomplishment of these purposes and activities and in the implementation and the furtherance of this Plan, the Agency is authorized to use all the powers provided in this Plan and all the powers now or hereafter permitted by law. The Agency intends to encourage development of a mixed-use project consisting of governmental residential, office, and supporting commercial and retail. For purposes of this Plan, the reference to “Mixed-Use Development” shall mean this objective.

[§ 302] Urban Renewal Plan Objectives

Urban renewal action is necessary in the Project Area to combat problems of physical deterioration and economic underdevelopment.

The Project Area consists of an area along North Highway generally from West 2nd North on the south; North 2nd West on the west, then along the railroad right-of-way to East 7th on the north, and on the east adjacent to the City park and school district property to Barney Dairy Road. The area has a history of a slow-growing tax base primarily attributed to inadequate public improvements and facilities, poorly maintained

properties, undeveloped and underdeveloped properties, inconsistent and diverse property ownership, and other deteriorating factors.

Hence, the Urban Renewal Plan for the Project Area is a proposal for public improvements and facilities: to provide an improved environment for new commercial and light manufacturing developments; to eliminate insanitary and unsafe conditions; to assist potential owner participation and other developers to assemble appropriate development sites where necessary through acquisition, demolition, and disposition activities; and to otherwise prevent the extension of deterioration and reverse the deteriorating action of the area.

Any streets or other rights-of-way to be vacated or relocated will create additional building area for Mixed-Use Development or public use. Vacations or relocations must be requested from the City of Rexburg or any agency having jurisdiction over the particular public right-of-way.

Air rights and subterranean rights may be disposed of for any permitted use within the Project Area boundaries.

Less than fee acquisition of any interest in real property may be utilized by the Agency when and if necessary to promote urban renewal in accordance with the objectives of the Plan.

The Agency may act to improve transportation opportunities throughout the Project Area.

The Agency may participate in the cost of removal of extraordinary site conditions. A further objective of the Plan is to provide for the acquisition and clearance of property to be used for other public facilities. Off-street parking facilities may be

developed to serve new commercial uses within the Project Area. Over the life of the Plan, land use in the Project Area will be modified to the extent that buildings currently vacant and land underdeveloped may be converted to Mixed-Use Development, public and private parking, and public/semi-public uses.

The provisions of this Plan are applicable to all public and private property in the Project Area. The provisions of the Plan shall recognize the need for flexibility in interpretation and implementation. All development under an owner participation agreement shall conform to those standards specified in Section 303.1 of this Plan.

The Agency will play a key role in creating the necessary momentum. The following list represents the key elements of the plan:

1. Initiate simultaneous projects designed to revitalize the Project Area.
2. Secure certain public open space in critical areas (e.g., parks, plazas, and pathways); this public open space will greatly increase property values adjacent to it and greatly contribute simultaneously to a new sense of place.
3. Develop new Mixed-Use Development projects.
4. Pursue development across all land-use sectors.
5. Develop parking facilities.

Without Agency intervention, much of the Project Area could conceivably remain unchanged for the next several years. Success will come through numerous public-private partnerships. The Plan creates the necessary flexible framework for the Project Area to capture a share of Rexburg's growing population and economy.

[§ 303] Participation Opportunities and Agreement

[§ 303.1] Participation Agreements

The Agency shall enter into an owner participation agreement with any existing or future owner of property in the event the property owner seeks and/or receives assistance from the Agency in the redevelopment of the property. In that event, the Agency may allow for an existing or future owner of property to remove his property and/or structure from future Agency acquisition subject to entering into an owner participation agreement.

Each structure and building in the Project Area to be rehabilitated or new projects to be constructed as a condition of the owner participation agreement between the Agency and the owner pursuant to this Plan will be considered to be satisfactorily rehabilitated and constructed, and the Agency will so certify, if the rehabilitated or new structure meets the following standards:

1. Executed owner participation agreement to meet conditions described below.
2. Any such property within the Project Area shall be required to conform to all applicable provisions, requirements, and regulations of this Plan. Upon completion of any rehabilitation or new development, each structure must be safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years.
3. All such buildings or portions of buildings which are to remain within the Project Area shall be rehabilitated in conformity with all applicable codes and ordinances of the City of Rexburg.
4. Any new construction shall also conform to all applicable provisions, requirements, and regulations of this Plan.
5. Any new construction shall also conform to all applicable codes and ordinances of the City of Rexburg.

In such participation agreements, participants who retain real property shall be required to join in the recordation of such documents as may be necessary to make the provisions of this Plan applicable to their properties, whether or not a participant enters into a participation agreement with the Agency, the provisions of this Plan are applicable to all public and private property in the Project Area.

In the event a participant fails or refuses to rehabilitate, develop, use, and maintain its real property pursuant to this Plan and a participation agreement, the real property or any interest therein may be acquired by the Agency in accordance with Section 307 of this Plan and sold or leased for rehabilitation or development in accordance with this Plan.

Owner participation agreements may be used to implement the following objectives:

1. Encouraging property owners or tenants to revitalize deteriorating areas of their parcels and to incorporate elements of the Plan;
2. Subject to the limitations of the Law and the Act, providing incentives to existing property owners or tenants to encourage continued utilization and expansion of existing permitted uses to prevent properties from falling into disuse, a proliferation of vacant and deteriorated parcels;
3. Allowing existing nonconforming uses to continue in accordance with City regulations and to accommodate improvements and expansions allowed by City regulations; and
4. Subject to the limitations of the Act, providing incentives to improve nonconforming properties so they implement the design guidelines recommended by this Plan to the extent possible and to encourage an orderly transition from nonconforming to conforming uses over the planning horizon.

All such agreements will address phasing issues, justification and eligibility of project costs, and achievement of the objectives of the Urban Renewal Plan. Agency shall retain its discretion in the funding level of its participation.

[§ 304] Cooperation With Public Bodies

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

The Agency may impose on all public bodies the planning and design controls contained in this Plan to ensure that present uses and any future development by public bodies will conform to the requirements of this Plan. The Agency is authorized to financially (and otherwise) assist any public entity in the cost of public land, buildings, facilities, structures, or other improvements within the Project Area.

The Agency specifically intends to cooperate to the extent allowable by law with the City of Rexburg and Madison School District No. 321 for the acquisition of property and the construction, reconstruction of public improvements and facilities, including the improvements to city streets and the state highway, and environmental remediation.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency, however, will seek the cooperation of all public bodies that own or intend to acquire property in the Project Area. Any public body that owns or leases property in the Project Area will be afforded all the privileges of an owner participant if such public body is willing to enter into a

participation agreement with the Agency. All plans for development of property in the Project Area by a public body shall comply with the provisions of this Plan, in the event the Agency is providing any financial assistance.

In the event the Agency is participating in the public development by way of financial incentive or otherwise, the public body shall enter into a participation agreement with the Agency and then shall be bound by the Plan and other land use elements and shall conform to those standards specified in Section 304 of this Plan.

[§ 305] Property Acquisition

[§ 305.1] Real Property

Only as specifically authorized herein, the Agency may acquire, through the voluntary measures described below, but is not required to acquire, any real property located in the Project Area where it is determined that the property is needed for construction of public improvements, required to eliminate or mitigate the deteriorated or deteriorating conditions, and as otherwise allowed by law. The acquisition shall be by any means authorized by law, including, but not limited to, the Law, the Act, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, but shall not include the right to invoke eminent domain authority. The Agency is authorized to acquire either the entire fee or any other interest in real property less than a fee, including structures and fixtures upon the real property, without acquiring the land upon which those structures and fixtures are located.

The Agency shall not acquire real properties to be retained by an owner pursuant to a participation agreement if the owner fully performed under the agreement.

The Agency intends to acquire any real property through voluntary or consensual gift, devise, exchange, or purchase. Such acquisition of property may be for the development of the public improvements identified in this Plan or for the assembly of properties for the redevelopment of those properties to achieve the objectives of this Plan. Such properties may include properties owned by private parties or public entities. This Plan does not anticipate the Agency's widespread use of its resources for property acquisition, except for the construction of public improvements, any ability to engage in certain demonstration projects, and other major objectives outlined in this Plan, and to assemble certain critical or strategic parcels to dispose to the private sector to assist in the redevelopment of the Project Area.

In the event the Agency identifies certain property which should be acquired to develop certain public improvements intended to be constructed under the provisions of this Plan, the Agency shall coordinate such property acquisition with any other public entity (e.g., without limitation, the City, the State of Idaho, or any of its authorized agencies), including the assistance of the Agency of funds to acquire said property either through a voluntary acquisition or the public entity's invoking of its eminent domain authority. The Agency shall not be entitled to invoke its statutory eminent domain authority without an express amendment to this Plan, properly approved by the City Council.

Under the provisions of the Act, the urban renewal plan "shall be sufficiently complete to indicate such land acquisition, demolition, and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area." Idaho Code § 50-2018(1). The Agency has not identified any

particular parcel for acquisition for the construction of public improvements other than the parking facility west of the K-Mart site. However, certain parcels may be acquired for development of public improvements, assemblage of parcels, or other demonstration projects. These activities are generally described in Attachment 3. The Agency may also acquire property for the purpose of developing public parking facilities, public open space, and to enhance the opportunity for other uses. At the present time, the Agency cannot specifically identify which parcels may be necessary for acquisition for the parking facilities or for site assembly for private development. The Agency reserves the right to determine which properties, if any, should be acquired. Generally, the Agency will invoke its acquisition authority only for the elimination or mitigation of deteriorated or deteriorating buildings, structures, or properties in order to enhance public open space in the Project Area or assist or participate in site reclamation, remediation, or elimination of blighted or deteriorated areas, and then only by voluntary means.

[§ 305.2] Personal Property

Generally, personal property shall not be acquired. However, where necessary in the execution of this Plan and where allowed by law, the Agency is authorized to acquire personal property in the Project Area by any lawful means. For purposes of this Plan, acquisition of certain permanent fixtures or improvements upon real property shall be governed by this section. The Agency retains the right to purchase those fixtures or improvements (including buildings) for the purpose of eliminating certain deteriorated or deteriorating structures to facilitate the Urban Renewal of the real property upon which the buildings and structures are located. Such acquisition shall be based upon appraised value of the structures and negotiation with the owner of the structures. The Agency

shall take into account, before committing to such acquisition, any environmental or other liability present or potentially present in such structures. In the event, the Agency determines to acquire such property; it shall do so upon the successful negotiation of an owner participation agreement in compliance with the terms of Section 303.1 of this Plan. In addition, such owner shall commit to the redevelopment of the real property and to maintain the real property in a safe and clean manner. The Agency shall acquire such property by way of any acceptable conveyance.

[§ 306] Property Management

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

[§ 307] Relocation of Persons (Including Individuals and Families), Business Concerns, and Others Displaced by the Project

If the Agency receives federal funds for real estate acquisition and relocation, the Agency shall comply with 24 C.F.R. Part 42, implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The Agency may also undertake relocation activities for those not entitled to benefit under federal law, as the Agency may deem appropriate for which funds are available. The Agency's activities should not result in the displacement of families within the area. In the event the Agency's activities result in displacement, the Agency will compensate such residents by providing reasonable moving expenses into decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such families. For

any other activity, the Agency will comply with the provisions of the Idaho Urban Renewal Law regarding relocation.

The Agency reserves the right to extend benefits for relocation to those not otherwise entitled to relocation benefits as a matter of state law under the Act or the Law. The Agency may determine to use as a reference the relocation benefits and guidelines promulgated by the federal government, the state government, or local government, including the Idaho Transportation Department. The intent of this section is to allow the Agency sufficient flexibility to award relocation benefits on some rational basis, or by payment of some lump sum per case basis. The Agency may also consider the analysis of replacement value for the compensation awarded to either owner occupants or businesses displaced by the Agency to achieve the objectives of this Plan. The Agency may adopt relocation guidelines which would define the extent of relocation assistance in non-federally-assisted projects and which relocation assistance to the greatest extent feasible would be uniform.

For displacement of families, the Agency shall comply with, at a minimum, the standards set forth in the Law. The Agency shall also comply with all applicable state laws concerning relocation benefits.

**[§ 308] Demolition, Clearance, Building Site Preparation and
 Construction Activities**

[§ 308.1] Demolition and Clearance

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

[§ 308.2] Building Site Preparation and Construction Activities

The Agency is authorized, but not required, to prepare or cause to be prepared as building sites any real property in the Project Area owned by the Agency. In connection therewith, the Agency may cause, provide for, or undertake the installation or construction of streets, utilities, parks, pedestrian walkways, traffic signals, drainage facilities, public art, and other public improvements necessary to carry out this Plan. The Agency is also authorized, but not required, to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for industrial, commercial, private, public, and other uses provided in this Plan. To the extent allowed by the Law and Act, the Agency may assist in the preparation of building sites by way of reclamation, remediation, or elimination of deteriorated conditions. The Agency is also authorized, but not required, to purchase certain site or building improvements for purposes of site preparation and development.

[§ 309] Property Disposition and Development

[§ 309.1] Real Property Disposition Development

[§ 309.1(a)] General

For the purposes of this Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property under the reuse provisions set forth in Idaho Code Section 50-2011 and as otherwise allowed by law. To the extent permitted by law, the Agency is authorized to dispose of real property by negotiated lease, sale, or transfer without public bidding.

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

Real property acquired by the Agency may be conveyed by the Agency and, where beneficial to the Project Area, without charge to any public body as allowed by law. All real property acquired by the Agency in the Project Area may be sold or leased to public or private persons or entities for development for the uses permitted in this Plan.

[§ 309.1(b)] Disposition and Development Documents

To provide adequate safeguards to ensure that the provisions of this Plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the Agency, as well as all property subject to participation agreements, is subject to the provisions of this Plan.

The Agency shall reserve such powers and controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is carried out pursuant to this Plan.

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

All property in the Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon race, color, creed, religion, sex, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Project Area. All property sold, leased, conveyed or subject to a participation agreement shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease, or other transfer of land in the Project Area shall contain such nondiscrimination and nonsegregation clauses as required by law. The developers (including owner/participants) will be required by the contractual agreement to observe the Land Use and Building Requirements provision of this Plan and to submit a Redevelopment Schedule satisfactory to the Agency. Schedule revisions will be made only at the option of the Agency.

In addition, the following requirements and obligations shall be included in the agreement:

The developers, their successors, and assigns agree:

1. A plan and time schedule for the proposed development shall be submitted to the Agency.
2. The purchase or lease of the land and/or subterranean rights and/or air rights is for the purpose of redevelopment and not for speculation.
3. The building of improvements will be commenced and completed as jointly scheduled and determined by the Agency and the developer(s).
4. There will be no discrimination against any person or group of persons because of handicap, disability, age, race, sex, creed, color, national origin or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises or any improvements erected or to be erected thereon, therein conveyed, nor will the developer or any person claiming under or through the developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection,

location, number, use, or occupancy of tenants, lessees, sublessees, or vendees in the premises or any improvements therein conveyed. The above provision will be perpetual and will be appended to the land disposed of within the Urban Renewal Project Area by the Agency.

5. The site and construction plans will be submitted to the Agency for review as to conformity with the provisions and purposes of this Urban Renewal Plan.
6. At the discretion of the Agency a bond or other surety will be provided acceptable to the Agency to ensure performance under the contract of the sale.
7. Rehabilitation of any existing structure must assure that the structure is safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years.
8. All such buildings or portions of the buildings which are to remain within the Project Area shall be reconstructed in conformity with all applicable codes and ordinances of the City of Rexburg.
9. All new construction shall have a minimum estimated life of no less than twenty (20) years.
10. All disposition and development documents and owner participation agreements shall be governed by the provisions of Section 405.2 of this Plan.

[§ 309.1(c)] Development by the Agency

To the extent now or hereafter permitted by the Law or Act, the Agency is authorized to pay for, develop, or construct any publicly-owned building, facility, structure, or other improvement within the Project Area for itself or for any public body or entity, which buildings, facilities, structures, or other improvements are or would be of benefit to the Project Area. Specifically, the Agency may pay for, install, or construct the buildings, facilities, structures, and other improvements identified in Attachment 5,

attached hereto and incorporated herein by reference, and may acquire or pay for the land required therefor.

The Agency may also prepare properties for development by renovation or other means as allowed by law. The Agency may also, as allowed by law, assist in the development of private projects.

In addition to the public improvements authorized under Idaho Code Section 50-2007, the Agency is authorized to install and construct or to cause to be installed and constructed within the Project Area or outside the Project Area, for improvements or facilities that are needed to support new development in the Project Area for itself or for any public body or entity, public improvements and public facilities, including, but not limited to, the following: (1) utilities; (2) pedestrian paths; (3) traffic signals; (4) landscaped areas; (5) street improvements; (6) sanitary sewers; (7) flood control facilities and storm drains; (8) water mains, pumps, and reservoirs; (9) parks and recreation facilities; (10) community facilities; and (11) environmental remediation.

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

The Agency may enter into contracts, leases, and agreements with the City, other public body, or private entity pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code Section 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under subdivision (2)(b) of

Section 50-2908 of the Act and Section 504 to this Plan or out of any other available funds.

[§ 309.1(d)] Development Plans

All development plans, whether public or private, prepared pursuant to disposition and development or owner participation agreements shall be submitted to the Agency for approval and architectural review through the City Building Department. All development in the Project Area must conform to those standards specified in Section 404 herein.

[§ 310] Personal Property Disposition

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

[§ 311] Rehabilitation and Conservation

The Agency is authorized to rehabilitate, renovate, and conserve, or to cause to be rehabilitated, renovated, and conserved, any building or structure in the Project Area owned by the Agency for preparation of redevelopment and disposition. The Agency is also authorized and directed to advise, encourage, and assist in the rehabilitation and conservation of property in the Project Area not owned by the Agency.

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

[§ 312] Participation With Private or Public Development

Under the Law the Agency has the authority to lend or invest funds obtained from the federal government for the purposes of the urban renewal law if allowable under federal laws or regulations. The federal funds that may be available to the Agency are governed by regulations promulgated by the Department of Housing and Urban Development for the Community Development Block Grant Program or other available federal grant programs.

Under those regulations the Agency may participate with the private sector in the development and financing of those private projects which will attain certain federal objectives.

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

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

The Agency may enter into contracts, leases, and agreements with the City or other public body or private entity pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code Section 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under subdivision (2)(b) of Section 50-2908 of the Act and Section 504 of this Plan or out of any other available funds.

[§ 313] Conforming Owners

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

[§ 400] USES PERMITTED IN THE PROJECT AREA

[§ 401] Redevelopment Plan Map and Development Strategy

The Description of the Second Amended and Restated Project Area and Revenue Allocation Boundary Map and the Second Amended and Restated Project Area-Revenue Allocation Boundary Description, attached hereto as Attachment 1 and Attachment 2 and incorporated by reference, describe the location of the Project Area boundaries. The proposed land uses to be permitted in the Project area for all land, public and private, are depicted in Attachment 4.

[§ 402] Designated Land Uses

[§ 402.1] Community Business Center Uses

The areas designated in Attachment 4 for area community business uses shall be used for commercial uses set forth and described in the Rexburg City Zoning Ordinance.

[§ 402.2] Residential Uses

The areas designated in Attachment 4 for low density, medium density, and high density residential uses shall be used for those purposes as set forth in the Rexburg City Zoning Ordinance.

[§ 402.3] Light Industrial Uses

The areas designated in Attachment 4 for light industrial uses shall be used for those purposes as set forth in the Rexburg City Zoning Ordinance.

[§ 402.4] Open Space

The areas designated in Attachment 4 for open space use shall be used for those purposes as set forth in the Rexburg City Zoning Ordinance.

[§ 403] Other Land Uses

[§ 403.1] Public Rights-of-Way

The major public streets within the Project Area include North Highway (2nd East), East 1000 North, East 7th North, North 2nd West, West 2nd North, and Barney Dairy Road.

Additional public streets, alleys, and easements may be created in the Project Area as need for proper development. Existing streets, alleys, and easements may be abandoned, closed, expanded, or modified as necessary for proper development of the Project in conjunction with any applicable policies and standards of the City of Rexburg or the Idaho Transportation Department regarding changes to dedicated rights-of-way.

Any changes in the existing interior or exterior street layout shall be in accordance with the objectives of this Plan and the City's design standards; shall be effectuated in the manner prescribed by state and local law; and shall be guided by the following criteria:

1. A balancing of the needs of proposed and potential new developments for adequate pedestrian and vehicular access, vehicular parking, and delivery loading docks with the similar needs of any existing developments permitted to remain-Such balancing shall take into consideration the rights of existing owners and tenants under the rules for owner and tenant

participation adopted by the Agency for the Project and any participation agreements executed thereunder;

2. The requirements imposed by such factors as topography, traffic safety, and aesthetics; and
3. The potential need to serve not only the Project Area and new or existing developments but also to serve areas outside the Project by providing convenient and efficient vehicular access and movement.

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

[§ 403.2] Other Public, Semi-Public, Institutional, and Nonprofit Uses

The Agency may impose such other reasonable requirements and/or restrictions as may be necessary to protect the development and use of the Project Area.

The Agency is also authorized to permit the maintenance, establishment, or enlargement of public, semi-public, institutional, or nonprofit uses, including park and recreational facilities; educational, fraternal, employee, philanthropic, and charitable institutions; utilities; governmental facilities; and facilities of other similar associations or organizations. All such uses shall, to the extent possible, conform to the provisions of this Plan applicable to the uses in the specific area involved. The Agency may impose such other reasonable requirements and/or restrictions as may be necessary to protect the development and use of the Project Area.

[§ 403.3] Interim Uses

Pending the ultimate development of land by developers and participants, the Agency is authorized to use or permit the use of any land in the Project Area for interim

uses that are not in conformity with the uses permitted in this Plan. However, any interim use must comply with applicable Rexburg City Code.

[§ 404] General Controls and Limitations

All real property in the Project Area, under the provisions of either a disposition and development agreement or owner participation agreement is made subject to the controls and requirements of this Plan. No such real property shall be developed, rehabilitated, or otherwise changed after the date of the adoption of this Plan, except in conformance with the provisions of this Plan.

[§ 404.1] Construction

All construction in the Project Area shall comply with all applicable state and local laws and codes in effect from time to time. In addition to applicable codes, ordinances, or other requirements governing development in the Project Area, additional specific performance and development standards may be adopted by the Agency to control and direct redevelopment activities in the Project Area in the event of a disposition and development agreement or owner participation agreement.

[§ 404.2] Rehabilitation and Retention of Properties

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

[§ 404.3] Limitation on Type, Size, and Height of Building

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

[§ 404.4] Open Spaces, Landscaping, Light, Air, and Privacy

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

[§ 404.5] Signs

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

[§ 404.6] Utilities

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

[§ 404.7] Incompatible Uses

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

[§ 404.8] Nondiscrimination and Nonsegregation

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

[§ 404.9] Subdivision of Parcels

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

[§ 404.10] Minor Variations

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

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

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

[§ 404.11] Off-Street Loading

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

[§ 404.12] Off-Street Parking

All new construction in the area shall provide off-street parking as required by the City ordinances as they now exist or are hereafter amended.

[§ 405] Design for Development

[§ 405.1] Design Guidelines for Development

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

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

In the event the Agency adopts design standards or controls, those provisions will thereafter apply to each site or portion thereof in the Project Area. Those controls and standards will be implemented through the provisions of any disposition and

development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standards and provisions of any applicable City Building or Zoning Ordinances; provided, however, each and every development shall comply with all applicable City Zoning and Building Ordinance. Absent the Agency developing and promulgating specific design standards or controls, the Agency shall review all projects by applying and/or deferring to the usual approval process imposed by the City of Rexburg.

[§ 405.2] Design Guidelines for Development Under a Disposition and Development Agreement or Owner Participation Agreement

Under an owner participation agreement or a disposition and development agreement the design guidelines and land use elements as imposed shall be achieved to the greatest extent feasible, though the Agency retains the authority to grant minor variations under Section 404.10 of this Plan and subject to a negotiated agreement between the Agency and the developer or property owner.

Under those agreements, the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. In such agreements, the Agency may impose additional design controls. One of the objectives of this Plan is to create an attractive pedestrian environment in the Project Area. Therefore, such plans shall give consideration to good design and amenities to enhance the aesthetic quality of the Project Area. These additional design standards or controls will be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and

instruments of conveyance executed pursuant thereto. These controls are in addition to any standard and provisions of any applicable City building or zoning ordinances; provided, however, each and every development shall comply with all applicable City zoning and building ordinances.

[§ 405.3] Nonconforming Uses

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

The Agency may authorize additions, alterations, repairs, or other improvements in the Project Area for uses which do not conform to the provisions of this Plan where such improvements are within a portion of the Project where, in the determination of the Agency, such improvements would be compatible with surrounding Project uses and development.

All nonconforming uses shall also comply with the Rexburg City Code.

[§ 500] METHODS OF FINANCING THE PROJECT

[§ 501] General Description of the Proposed Financing Method

The Agency is authorized to finance this Project with financial assistance from the City, State of Idaho, federal government, interest income, Agency bonds, donations, loans from private financial institutions, the lease or sale of Agency-owned property, or

any other available source, public or private, including assistance from any taxing district or any public entity.

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

The City or any other public agency may expend money to assist the Agency in carrying out this Project.

The Agency may also provide certain grants or loans to property owners, business owners, or others as may be allowed by law.

[§ 502] Revenue Bond Funds

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

[§ 503] Other Loans and Grants

Any other loans, grants, guarantees, or financial assistance from the United States, the State of Idaho, or any other public or private source will be utilized if available. The Agency intends to consider funding sources through Local Improvements Districts and/or Business Improvements Districts as authorized by state law. Neither the members of the Agency nor any persons executing such loans or grants shall be liable on the loans or grants by reason of their issuance.

[§ 504] Revenue Allocation Financing Provisions

The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, effective retroactively to January 1, 1991, for the original area, January 1, 1998, for the expansion area, and January 1, 2005, for the South Addition. These revenue allocation provisions shall apply to all taxing districts in which the Revenue Allocation Area is located and described on Attachments 1 and 2 to this Plan. The Agency shall take all actions necessary or convenient to implement these revenue allocation financing provisions. The Agency specifically finds that the equalized assessed valuation of property within the Revenue Allocation Area is likely to increase as a result of the initiation of the Urban Renewal Project.

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

Upon enactment of an ordinance by the governing body of the City of Rexburg, Idaho, finally adopting these revenue allocation financing provisions and defining the Revenue Allocation Area described herein as part of the Plan, there shall hereby be created a special fund of the Agency into which the County Treasurer shall deposit allocated revenues as provided in Idaho Code Section 50-2908. The Agency shall use such funds solely in accordance with Idaho Code Section 50-2909 and solely for the purpose of providing funds to pay the Project Costs, including any incidental costs, of

such urban renewal projects as the Agency may determine by resolution or resolutions of its Board of Directors.

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

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

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

Under legislation adopted in 2000 by the 55th Idaho Legislature, 2nd Regular Session, effective July 1, 2000, revenue allocation authority is limited to twenty-four (24) years from the date the ordinance was passed by the City Council, except for those urban renewal plans which were adopted prior to 2000. The amended and restated urban renewal plan established its duration through December 31, 2021. With this Second Amended and Restated Plan the duration of the Plan and revenue allocation authority has remained through December 31, 2021, with no extension.

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

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

The assumptions concerning revenue allocation proceeds are based upon certain assessed value increases and assumed tax levy rates. As of the effective date of this Second Amended and Restated Urban Renewal Plan, the Idaho State Legislature has appointed an interim legislative committee to study the ad valorem property tax laws of the State of Idaho. The interim committee has proposed certain changes to those property

tax laws which could impact the types of property subject to ad valorem taxation, the creation of several exemptions, and the limitation of taxes. No representation is made through the adoption of this Second Amended and Restated Urban Renewal Plan that the assumptions contained herein will remain in place for the term of the Second Amended and Restated Urban Renewal Plan.

[§ 504.1] Economic Feasibility Study

Attachment 5 consists of the Economic Feasibility Study for the Urban Renewal Area prepared by Harlan W. Mann, Urban Renewal Consultant, and Richard Horner, City of Rexburg Finance Officer and Agency Treasurer. The Study constitutes the financial analysis required by the Act.

[§ 504.2] Assumptions and Conditions/Economic Feasibility Statement

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

The Plan and attachments incorporate estimates and projections based on the Agency's present knowledge and expectations. The Study has assumed increases in assessed valuation based on the development of construction of new projects, plus two percent (2%) net property value increases for scheduled parcels on a 5-year reassessment cycle as offset by depreciated personal property values. The Study has also estimated tax levy rate increases of two percent (2%) from 2005 for five years, a level levy rate for four years, and a one percent (1%) decrease for four years. The Agency may modify the project if the Board of Commissioners deems such modifications necessary to effectuate the Plan. The Plan proposes certain public improvements, including utility improvements, streetscapes, street improvements, property acquisition, and relocation costs, which will facilitate development in the Revenue Allocation Area.

[§ 504.3] Ten Percent Limitation

Under the Act the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed valuation for the entire City. The base assessment roll, and less any homeowner's exemption, for the North Highway Revenue Allocation Area is \$3,805,164, which consists of the 1991 and the 1998 adjusted base amounts and the 2005 base assessment roll of \$5,728,945 for the proposed South Addition. In addition the base assessment roll for the Washington School Project is \$2,023,604 and the Downtown Project is \$35,748,977. The total assessed value for the City of Rexburg as of January 1, 2005, less homeowner's exemptions, is \$508,079,592. The combined base assessment roll for the Revenue Allocation Area does not exceed ten percent (10%) of the assessed value for the City of Rexburg.

[§ 504.4] Financial Limitation

The Study identifies several capital improvement projects. Use of any particular financing source for any particular purpose is not assured or identified. Use of revenue allocation funds will be limited by the authority of the Act. If revenue allocation funds are unavailable, then the Agency will need to use a different funding source for that improvement, including grant funds. The Study has examined the potential of grant funding and certain funds which may be received from the State of Idaho.

The amount of funds available to the Agency from revenue allocation financing is directly related to the assessed value of new improvements within the Revenue Allocation Area. Under the Act, the Agency is allowed the revenue allocation generated from inflationary increases and new development value. The Study has assumed certain annual increases over the term of the Plan based on historical analysis and other circumstances, as stated in Section 504.2.

The Study, with the various estimates and projections, constitutes an economic feasibility study. Costs and revenues are analyzed, and the analysis shows the need for public capital funds during the Project. Multiple financing sources including proposed revenue allocation notes and bonds, annual revenue allocations, developer contributions, and other funds are shown. This Study identifies the kind, number, and location of all proposed public works or improvements, a detailed list of estimated project costs, a description of the methods of financing illustrating project costs, and the time when related costs or monetary obligations are to be incurred. *See* Idaho Code 50-2905. Based on these funding sources, the conclusion is that the Project is feasible.

The information contained in the Study assumes certain projected actions. First the Agency has projected a bond issue (or perhaps a bank loan or note), which would be issued in 2007. The term of such debt will be finally determined by the marketability of the notes or bonds. Under the provisions of the Act, the revenue allocation may continue until the end of the Plan term. Second, the total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Should all of the development take place as projected, indebtedness would be extinguished earlier, dependent upon the bond sale documents and legal obligations therein. Should private development take longer to materialize or should the private development be substantially less than projected, then the amount of revenue generated will be substantially reduced and bonds may continue for their full term. The Study has targeted certain private development projects by a particular year and at a value premised on certain build-out assumptions.

The proposed timing for the public improvements may very well have to be modified depending upon the availability of some of the funds and the Agency's ability to sell an initial issue of notes or bonds.

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

[§ 504.5] Rebate of Revenue Allocation Funds

In any year during which the Agency receives revenue allocation proceeds, the Agency, as allowed by law, is authorized, but not required, to return or rebate to the other taxing entities identified in Attachment 5 of this Plan any revenue allocation funds not

previously pledged or committed for the purposes identified in the Plan. Under the Act, the Agency must first apply all such revenues for the payment of the projected costs of the urban renewal project identified and repayment of principal and interest on any moneys borrowed, indebtedness incurred, or bonds issued by the Agency and maintain any required reserve for payments of such obligation or indebtedness. Only to the extent revenues of the Agency exceed these obligations shall the Agency consider any rebate or return of revenue allocation funds to the other taxing entities. The Agency shall rebate such funds in a manner that corresponds to each taxing entity's relative share of the revenue allocation proceeds or on the basis of extraordinary service requirements generated by the Project. All other taxing entities shall first receive any such rebate before such rebate shall be disbursed to the City.

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

The Agency also reserves the right to provide a tax increment rebate to any particular taxing entity which may be entitled to a levy rate increase by virtue of an approved levy election.

[§ 505] Participation With Local Improvement Districts

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

[§ 506] Issuance of Debt and Debt Limitation

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

[§ 507] Impact on Other Taxing Districts

A specific delineation of tax dollars generated by revenue allocation upon each taxing district has not been prepared. The overall impact of the revenue allocation project is shown on Attachment 5B. Since the passage of House Bill 156 in 1995, taxing entities are constrained in establishing levy rates by a function of the amount each budget of each taxing district can increase on an annual basis. The amounts set forth in Attachment 5B in the column “Gross Revenue” would constitute the amounts distributed to the other taxing entities from the Revenue Allocation Area if there were no urban renewal project. Each individual district’s share of that amount would be determined by its particular levy rate as compared to the other districts in any given year. Therefore, the impact of revenue allocation is more of a product of the imposition of House Bill 156. In

addition, without the revenue allocation district and its ability to pay for public improvements and public facilities, fewer substantial improvements within the Revenue Allocation Area would be expected in the next five to ten years, hence there would be lower increases in assessed valuation to be used by the other taxing entities. If the overall levy rate is less than as assumed, the Agency shall receive fewer funds from revenue allocation.

[§ 508] Phasing and Other Fund Sources

The Agency anticipates funding only a portion of the entire cost of the public improvements shown on Attachment 5. Other sources of funds shall include developer contributions, federal and state funds, foundation funds, grants, and City of Rexburg participation. Agency participation shall be determined by the amount of revenue allocation funds generated.

[§ 509] Lease Revenue Bonds

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

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

[§ 600] ACTIONS BY THE CITY

The City shall institute the normal processes to aid and cooperate with the Agency in carrying out this Plan and shall take all actions necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread in the area of conditions causing deterioration. Actions by the City shall include, but not be limited to, the following:

1. Institution and completion of proceedings necessary for changes and improvements in private and publicly-owned property, rights-of-way, or public utilities within or affecting the Project Area;
2. Assuring that all project activities are consistent with the City Comprehensive Plan, Zoning Ordinances, and all applicable laws and regulations within the Project Area to permit the land uses and development authorized by this Plan;
3. Imposition, wherever necessary, by conditional use permits or other means of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use;
4. Provision for administrative enforcement of this Plan by the City after development, wherein the City and the Agency may develop and provide for enforcement of a program for continued maintenance by owners of all real property, both public and private, within the Project Area throughout the duration of this Plan;
5. Building code enforcement;

6. Performance of the above actions and of all other functions and services relating to public peace, health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays;
7. Institution and completion of proceedings necessary for the establishment of an LID under Chapter 17, Title 50, Idaho Code, or a BID under Chapter 26, Title 50, Idaho Code;
8. The undertaking and completing of any other proceedings necessary to carry out the Project;
9. Administration of Community Development Block Grants and other state and federal grant funds that may be made available for the Project;
10. Appropriate agreements with the Agency for administration, supporting services, funding sources, and the like;
11. The waiver of any hookup or installation fee for sewer, water, or other utility services for any facility owned by any public agency, including the Agency;
12. The imposition, whenever necessary (by conditional use permits or other means as appropriate), of controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use;
13. Joint funding of certain public improvements and coordination with the City's art programs; and
14. Use of City labor, services, and materials for construction of the public improvements listed in the Urban Renewal Plan.

The foregoing actions to be taken by the City do not constitute any commitment for additional financial outlays by the City.

[§ 700] ENFORCEMENT

The administration and enforcement of this Plan, including the preparation and execution of any documents implementing this Plan, shall be performed by the Agency and/or the City.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by court litigation instituted by either the Agency or the City. Such

remedies may include, but are not limited to, specific performance, damages, reentry, injunctions, or any other remedies appropriate to the purposes of this Plan. In addition, any recorded provisions which are expressly for the benefit of owners of property in the Project Area may be enforced by such owners.

[§ 800] DURATION OF THIS PLAN

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan shall be effective, from the date of the adoption of this Second Amended and Restated Plan by the Rexburg City Council through December 21, 2021, which date shall be deemed the termination date of this Second Amended and Restated Plan except for any revenue allocation proceeds received in calendar year 2022.

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

1. When the Revenue Allocation Area plan budget estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness, and bonds have been paid in full or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the Agency funded through revenue allocation proceeds shall be satisfied and the Agency has determined no additional project costs need be funded through revenue allocation financing, the allocation of revenues under Section 50-2908, Idaho Code, shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the affected taxing districts in which the Revenue Allocation Area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the Revenue Allocation Area; and the powers granted to the urban renewal agency under Section 50-2909, Idaho Code, shall thereupon terminate.

2. In determining the termination date, the Plan shall recognize that the Agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the urban renewal plan.
3. For the fiscal year that immediately predates the termination date, the Agency shall adopt and publish a budget specifically for the projected revenues and expenses of the Plan and make a determination as to whether the Revenue Allocation Area can be terminated before January 1 of the termination year pursuant to the terms of Section 50-2909(4), Idaho Code. In the event that the Agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by September 1, the Agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the State Tax Commission, recommending the adoption of an ordinance for termination of the Revenue Allocation Area by December 31 of the current year, and declaring a surplus to be distributed as described in Section 50-2909, Idaho Code, should a surplus be determined to exist. The Agency shall cause the ordinance to be filed with the office of the county recorder and the Idaho State Tax Commission as provided in Section 63-215, Idaho Code.

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

For those assets which do not provide such resources or revenues, the Agency will likely convey such assets to the City of Rexburg, depending on the nature of the asset.

Upon termination of the revenue allocation authority of the urban renewal plan to the extent the Agency owns or possesses any assets, the Agency shall dispose of any

remaining assets by granting or conveying or dedicating such assets to the City of Rexburg.

[§ 900] PROCEDURE FOR AMENDMENT

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

[§ 1000] SEVERABILITY

If any one or more of the provisions contained in this Plan to be performed on the part of the Agency shall be declared by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be null and void and shall be deemed separable from the remaining provisions in this Plan and shall in no way affect the validity of the other provisions of this Plan.

[§ 1100] ANNUAL REPORT

Under the Law, the Agency is required to file with the City, on or before March 31 of each year, a report of the Agency's activities for the preceding calendar

year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such calendar year.

11/18/05