



ORDINANCE 950

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REXBURG, IDAHO, APPROVING THE SECOND AMENDED AND RESTATED URBAN RENEWAL PLAN, NORTH HIGHWAY URBAN RENEWAL PROJECT, INCLUDING SOUTH ADDITION WHICH SECOND AMENDED AND RESTATED URBAN RENEWAL PLAN, NORTH HIGHWAY URBAN RENEWAL PROJECT, INCLUDING SOUTH ADDITION INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING THE CITY CLERK TO TRANSMIT A COPY OF THIS ORDINANCE AND OTHER REQUIRED INFORMATION TO COUNTY OFFICIALS, STATE OFFICIALS AND OTHER TAXING ENTITIES; APPROVING THE SUMMARY OF THE ORDINANCE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, by Resolution dated November 6, 1991, the City of Rexburg created an urban renewal agency, pursuant to Chapter 20, Title 50, Idaho Code, finding one or more areas within the City of Rexburg to be “deteriorated” or “deteriorating” as defined by Idaho Code Sections 50-2018(i) and 50-2903(8), finding one such area to include the North Highway, Second Street East, making additional findings regarding the characteristics of the area, making the necessary findings as required by Idaho Code Section 50-2008(a) and authorizing the Mayor to appoint five Commissioners for the Agency;

WHEREAS, the City Council of the City of Rexburg, Idaho (the “City”), after notice duly published, conducted a public hearing on the North Highway Urban Renewal Project pursuant to the North Highway Urban Renewal Plan (the “North Highway Urban Renewal Plan”) to redevelop a portion of the City, pursuant to the Law and the Act;

WHEREAS, following said public hearing, the city council adopted its Ordinance No. 728 on December 27, 1991, approving the North Highway Urban Renewal Plan and making certain findings;

WHEREAS, the Rexburg City Council, after notice duly published, conducted a public hearing on the North Highway Amended and Restated Urban Renewal Plan (the “North Highway Amended and Restated Plan”) which added a certain geographic area adjacent to the original urban renewal and revenue allocation area;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 815 on December 30, 1998, approving the North Highway Amended and Restated Plan and making certain findings;

WHEREAS, the Rexburg City Council, after notice duly published, conducted a public hearing on April 9, 1997, and passed Resolution No. 97.01, finding the Washington School Site Area as “deteriorated” or “deteriorating area” as defined by Idaho Code Section 50-2018(h), (i) and 50-2903(b) declaring such area as an urban renewal area, making the necessary findings as required by Idaho Code Section 50-2008(a) and authorizing the Agency to prepare an urban renewal plan;

WHEREAS, the Rexburg City Council, after notice duly published, conducted a public hearing on the Washington School Urban Renewal Plan (the “Washington School Urban Renewal Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 794 on June 3, 1997, approving the Washington School Urban Renewal Plan, and making certain findings;

WHEREAS, the Rexburg City Council, after notice duly published, conducted a public hearing on the Downtown District Redevelopment Plan (the “Downtown Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance 910, on December 17, 2003, approving the Downtown District Redevelopment Plan, and making certain findings;

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

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

WHEREAS, in September, 2005, the Agency authorized the commencement of an eligibility study and the preparation of an eligibility report of the Site and surrounding properties;

WHEREAS, the Eligibility Report, dated November 7, 2005, was submitted to the Agency Board for its consideration and approval at the Agency’s meeting of November 8, 2005;

WHEREAS, the Agency accepted the Eligibility Report by way of Resolution No. 2005-1 at the November 8, 2005 meeting of the Agency Board;

WHEREAS, pursuant to the Resolution adopted by the Agency on November 8, 2005, the Agency has sought authorization to pursue the development of an urban renewal plan for the City of Rexburg within a geographical area which the Agency seeks the City Council determination of qualification for urban renewal activity;

WHEREAS, City of Rexburg (“City”) obtained the Report, dated November 7, 2005, which examined the then labeled North Highway, South Addition Area, Urban Renewal Eligibility Report (“Report”), for the purpose of determining whether such an area was a deteriorating area and

deteriorated area as defined by Idaho Code Sections 50-2018(i) and 50-2903(8);

WHEREAS, the City Council, by way of Council Resolution No. 2005-17, dated November 9, 2005, accepted the North Highway, South Addition Area Urban Renewal Eligibility Report and deemed a certain geographical area as a deteriorated or deteriorating area,

directing the Agency to commence the preparation of an urban renewal plan which Plan may include revenue allocation provisions for all or part of the area;

WHEREAS, the Mayor and Council considered the steps set forth by the Act and Law, accepting the Report finding the area set forth therein to be “deteriorated” or “deteriorating” areas as defined by Idaho Code Sections 50-2018(h) and (i), and 50-2903(8)(b) declaring such area as an urban renewal area, making additional findings regarding the characteristics of the area, making the necessary findings as required by Idaho Code Section 50-2008(a) and authorizing the Agency to prepare an urban renewal plan;

WHEREAS, the legislature of the State of Idaho has enacted the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, referred to herein as the “Act,” authorizing certain urban renewal agencies (including the Agency), to adopt revenue allocation financing provisions as part of their urban renewal plans;

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

WHEREAS, the Agency prepared a proposed a Second Amended and Restated Urban Renewal Plan, North Highway Urban Renewal Project, including South Addition (hereinafter referred to as the “North Highway, South Addition Plan”), attached hereto as Exhibit 1, for the area previously designated as eligible for urban renewal planning and the area proposed to be eligible;

WHEREAS, the North Highway, South Addition Plan proposes to add an additional urban renewal area referred to as the South Addition, located in the following area: An area generally bounded by the Teton River and East 7th North on the north, the railroad tracks and North 2nd West on the west, an irregular line along 2nd North between North 2nd West and the City Park and school district property on the south, and on the east by an irregular line along the west line of the City Park and school district property, Barney Dairy Road, the eastern end of a planned office subdivision, along the north side of the Teton River to the L-shaped parcel behind the Albertson’s/Wal-Mart Center, and then north to East 7th North;

WHEREAS, the North Highway, South Addition Plan updates certain provisions and financial information from the prior version of the Plan, last amended in 1998;

WHEREAS, such proposed North Highway, South Addition Plan also contains provisions of revenue allocation financing as allowed by the Act;

WHEREAS, the content of the North Highway, South Addition Plan has been discussed at Agency Board meetings during November, 2005;

WHEREAS, the North Highway, South Addition Plan was presented to the Agency Board at its November 18, 2005, meeting;

WHEREAS, as required by the Act, the Agency reviewed the information within the North Highway, South Addition Plan concerning use of revenue allocation funds and approved such information;

WHEREAS, at the regular meeting of the Agency Board on November 18, 2005, the Board adopted Resolution No. 2005-2 which recommended the adoption of the North Highway, South Addition Plan;

WHEREAS, the Agency has, by letters of transmittal dated November 21, 2005, submitted the North Highway, South Addition Plan to the Mayor and City Council of Rexburg requesting the City schedule the necessary meetings and public hearing for consideration of the North Highway, South Addition Plan in compliance with the Law and the Act;

WHEREAS, the Mayor and City Clerk have taken the necessary action to process the North Highway, South Addition Plan;

WHEREAS, pursuant to the Law, the City of Rexburg Planning and Zoning Commission considered the North Highway, South Addition Plan and its compliance with the Comprehensive Plan of the City of Rexburg on December 1, 2005, and forwarded its findings to the City Council, a copy of which is attached hereto as Exhibit 2;

WHEREAS, as of November 21, 2005, the North Highway, South Addition Plan was submitted to the affected taxing entities, available to the public, and under consideration by the City Council;

WHEREAS, notice of the public hearing of the North Highway, South Addition Plan was caused to be published by the City Clerk of Rexburg Idaho, in the *Standard Journal*, on November 19, 2005, a copy of said notice being attached hereto as Exhibit 3;

WHEREAS, as required by Idaho Code Sections 50-2905 and 50-2906, the North Highway, South Addition Plan contains the following information which was made available to the general public and all taxing districts at least thirty (30) days prior to the December 21, 2005 regular meeting of the City Council: (1) the kind, number and location of all proposed public works or improvements within the revenue allocation area; (2) an economic feasibility study; (3) a detailed list of estimated project costs; (4) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property in the revenue allocation area; and (5) a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred;

WHEREAS, the North Highway, South Addition Plan authorizes certain projects to be financed by revenue allocation bonds and proceeds from revenue allocation;

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

WHEREAS, the City Council of the City Rexburg and the Agency Board conducted a joint work session on December 14, 2005, to review and discuss the North Highway South Addition Plan;

WHEREAS, the City Council of the City of Rexburg during its regular meeting of December 21, 2005, held a public hearing and did consider the North Highway, South Addition Plan as proposed;

WHEREAS, it is necessary and in the best interest of the citizens of the City of Rexburg, Idaho to recommend approval of the North Highway, South Addition Plan, and adopt the North Highway, South Addition Plan, including revenue allocation financing provisions since revenue allocation will help finance urban renewal projects to be completed in accordance with the North Highway, South Addition Plan (as now or hereafter amended), in order: (1) to encourage private development in the urban renewal area; (2) to prevent and arrest decay of the City of Rexburg due to the inability of existing financing methods to provide needed public improvements; (3) to encourage taxing districts to cooperate in the allocation of future tax revenues arising in the urban renewal area in order to facilitate the long-term growth of their common tax base; (4) to encourage the long-term growth of their common tax base; (5) to encourage private investment within the City of Rexburg and (6) to further the public purposes of the Agency;

WHEREAS, the Board of Commissioners of the Agency has found, and the City Council hereby finds that the equalized assessed valuation of the taxable property in the revenue allocation area described in Attachments 1 and 2 of the North Highway, South Addition Plan is likely to increase as a result of initiation of urban renewal projects in accordance with the North Highway, South Addition Plan;

WHEREAS, under the Law and Act, any such urban renewal plan should provide for (1) a feasible method for the location of families who will be displaced from the urban renewal area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families; (2) the urban renewal plan should conform to the general plan of the municipality as a whole; (3) the urban renewal plan should give due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of the children residing in the general vicinity of the site covered by the plan; and (4) the urban renewal plan should afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise;

WHEREAS, under the Act and the Law certain additional findings must be made concerning predominantly open land to be included within the urban renewal area or revenue allocation area;

WHEREAS, if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency, such area shall not be so acquired unless (1) if it is to be developed for residential uses, the local governing body shall determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing

cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality, or (2) if it is to be developed for nonresidential uses, the local governing body shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in the Law, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area;

WHEREAS, under the Act a deteriorated area includes any area which is predominantly open and which, because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area, or substantially impairs or arrests the sound growth of a municipality;

WHEREAS, the collective overall base assessment roll for the North Highway Urban Renewal Area along with the collective base assessment rolls of the Washington School Plan Area and the Downtown Plan Area cannot exceed ten percent (10%) of the Base Assessment Value of the City of Rexburg;

WHEREAS, the City at its regular meeting held on December 21, 2005, did consider the North Highway, South Addition Plan as proposed, conducted the public hearing, and made certain comprehensive findings;

WHEREAS, the Agency has prepared and attached hereto as Exhibit 4 a Change Sheet indicating the changes made to the originally proposed North Highway, South Addition Plan.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Rexburg, Idaho:

SECTION I: It is hereby found and determined that:

- (a) The Project Area as defined in the North Highway, South Addition Plan is a deteriorated or a deteriorating area as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Law and Act, including under the Act a deteriorated or deteriorating area consisting of open land.
- (b) The rehabilitation, conservation, and redevelopment of the Project Area pursuant to the North Highway, South Addition Plan is necessary in the interest of public health, safety, and welfare of the residents of the City of Rexburg.
- (c) There continues to be a need for the Agency to function in the City of Rexburg.
- (d) The North Highway, South Addition Plan conforms to the Comprehensive Plan of the City of Rexburg.

- (e) The North Highway, South Addition Plan gives due consideration to the provision of adequate park and recreation areas and facilities that may be desirable for neighborhood improvement (recognizing the mixed use components of the North Highway, South Addition Plan, the need for overall public improvements and the proposed public open space recreation and community facilities opportunity), and shows consideration for the health, safety, and welfare of any residents or businesses in the general vicinity of the Project Area as defined by the North Highway, South Addition Plan.
- (f) The North Highway, South Addition Plan affords maximum opportunity consistent with the sound needs of the City as a whole for the rehabilitation and redevelopment of the Project Area by private enterprises.
- (g) The North Highway, South Addition Plan provides a feasible method for relocation of any displaced families residing within the Project Area.
- (h) The Project Area and Revenue Allocation Area may contain certain open land, that the Agency does not intend to acquire any open land on any widespread basis, and that the Project Area is planned to be redeveloped in a manner that will include both residential and non-residential uses. Provided, however, that if portions of the Project Area and Revenue Allocation Area are deemed “open land” the criteria set forth in the Law and Act have been met.
- (i) That portion of the Project Area which is identified for non-residential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns and the need for the correlation of this area with other areas of the City.
- (j) The collective base assessment roll of the North Highway Urban Renewal Area, along with the collective base assessment rolls of the Washington School Plan and the Downtown Plan Area does not exceed ten percent (10%) of the assessed value of the City of Rexburg.

SECTION II: That the City Council finds that the Project Area and Revenue Allocation Area do not consist of predominantly open land, that the Agency does not intend to acquire any open land on any widespread basis, and that the Project Area is planned to be redeveloped in a manner that will include both residential and non-residential uses. Provided, however, the City Council finds that if portions of the Project Area and Revenue Allocation Area are deemed “open land,” the criteria set forth in the Law and Act have been met.

SECTION III: The City Council finds that one of the Plan objectives to increase the mixed use development opportunity to include housing does meet the sound needs of the City and will provide residential opportunities in an area that does not now contain such residential opportunities, and the portion of the Project Area which is identified for non-residential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance

with the objectives of the Rexburg Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns, and the need for the correlation of this area with other areas of the City.

SECTION IV: The North Highway, South Addition Plan, a copy of which is attached hereto and marked as Exhibit 1 and made a part hereof by attachment, be and the same hereby is approved, along with the changes reflected on the Change Sheet attached hereto as Exhibit 4. The City Clerk and/or the Agency may make certain technical corrections or revisions in keeping with the information and testimony presented at the December 21, 2005 hearing.

SECTION V: No direct or collateral action attacking the North Highway, South Addition Plan shall be brought prior to the effective date of this Ordinance or after the elapse of thirty (30) days from and after the effective date of the Ordinance adopting the North Highway, South Addition Plan.

SECTION VI: Upon the effective date of this Ordinance, the City Clerk is authorized and directed to transmit to the Madison County Recorder, Madison County Auditor and Tax Assessor of Madison County, and to the appropriate officials of the Madison County Board of County Commissioners, Rexburg Cemetery District, Madison Library District, Madison School District #321 Board of Trustees, Madison County Ambulance District, Madison County Mosquito Abatement District, and to the State Tax Commission, a copy of this Ordinance, a copy of the legal description of the boundaries of the Urban Renewal Revenue Allocation Area, and a map or plan indicating the boundaries of the Urban Renewal Revenue Allocation Area.

SECTION VII: The City Council hereby finds and declares that the Urban Renewal Revenue Allocation Area as defined in the North Highway, South Addition Plan includes that portion of the Urban Renewal Project Area, the equalized assessed valuation of which the Council hereby determines is in and is part of the North Highway, South Addition Plan is likely to continue to increase as a result of the initiation and completion of urban renewal projects pursuant to the North Highway, South Addition Plan.

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

SECTION IX: So long as any Agency bonds are outstanding, the City Council will not exercise its power under Idaho Code Section 50-2006 to designate itself as the Agency Board.

SECTION X: This Ordinance shall be in full force and effect immediately upon its passage, approval and publication, and shall be retroactive to January 1, 2005, to the extent permitted by the Act.

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

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

SECTION XIII: The Summary of this Ordinance, a copy of which is attached hereto as Exhibit 5, is hereby approved.

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

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

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR this 21st day of December, 2005.

Shawn Larsen, Mayor

(SEAL)

ATTEST:

Blair Kay, City Clerk

EXHIBIT 1

SECOND AMENDED AND RESTATED URBAN RENEWAL PLAN
NORTH HIGHWAY URBAN RENEWAL PROJECT,
INCLUDING SOUTH ADDITION

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

Ordinance No. 728
Adopted December 27, 1991
Effective December 31, 1991, Publication

Amendment No. 1
Ordinance No. 815
Adopted December 27, 1998
Effective December 30, 1998, Publication

Amendment No. 2
Ordinance No. 950
Adopted 12-21-05
Effective December 23, 2005, Publication

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Attachment 2	Description of the Project Area and Revenue Allocation Area
Attachment 3	Private Properties Which May be Acquired by Agency
Attachment 4	Map Depicting Expected Land Uses and Current Zoning Within Revenue Allocation Area and Project Area
Attachment 5	Introduction
Attachment 5	Statement of Proposed Public Improvements, Costs, Revenues, Tax Impacts and Financing Methods (and) Implementation Plan
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**SECOND AMENDED AND RESTATED URBAN RENEWAL PLAN
FOR THE NORTH HIGHWAY PROJECT AREA, SOUTH ADDITION
NORTH HIGHWAY URBAN RENEWAL PROJECT,
INCLUDING SOUTH ADDITION**

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

[§ 100] INTRODUCTION

This is the Second Amended and Restated urban Renewal Plan (the “Plan”)¹ for the North

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.

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);

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 original work for the 1998 Plan and the prior 1991 Plan are available through the Agency or the City of Rexburg.

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 co investment to help stimulate desired private development. Typically, the public will fund enhanced public facilities like streets, sidewalks, parking facilities, parks, public buildings such as 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 in sanitary 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 therefore.

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 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

EXHIBIT 2

PLANNING & ZONING COMMISSION FINDINGS

**RESOLUTION OF THE REXBURG PLANNING & ZONING COMMISSION
RELATING TO THE NORTH HIGHWAY URBAN RENEWAL PLAN,
SOUTH ADDITION, FOR THE CITY OF REXBURG**

WHEREAS, the Rexburg Redevelopment Agency (hereinafter "Agency"), has submitted a proposed Urban Renewal Plan entitled the "Second Amended and Restated North Highway Urban Renewal Plan, South Addition" (the "Plan") to the City of Rexburg, and the City Council, through the Mayor, referred the Plan to the Rexburg Planning & Zoning Commission for review and recommendations concerning the conformity of said Plan with the Comprehensive Plan known as the City of Rexburg Comprehensive Plan; and

WHEREAS, the staff of the Rexburg Planning & Zoning Commission has reviewed said Plan and has determined that it is in all respects in conformity with the Comprehensive Plan; and

WHEREAS, the Rexburg Planning & Zoning Commission met on December 1, 2005, to consider the Plan; and

WHEREAS, the Rexburg Planning & Zoning Commission has reviewed said Plan in view of the Comprehensive Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING & ZONING COMMISSION OF THE CITY OF REXBURG, IDAHO:

Section 1. That the Plan, submitted by the Rexburg Redevelopment Agency and referred to this Commission by the City Council for review, is in all respects in conformity with the Comprehensive General Plan.

Section 2. That the Director of the Planning & Zoning Division by and hereby is authorized and directed to provide the Rexburg City Council with a certified copy of this Resolution relating to said Plan.

Section 3. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Planning & Zoning Commission of the City of Rexburg, Idaho, this 1st day of December, 2005.

Chairman, Planning & Zoning Commission

Director, Planning & Zoning Division

EXHIBIT 3

NOTICE PUBLISHED IN THE *STANDARD JOURNAL*
November 19, 2005

EXHIBIT 4

**CHANGE SHEET FOR
SECOND AMENDED AND RESTATED
URBAN RENEWAL PLAN
NORTH HIGHWAY URBAN RENEWAL PROJECT,
INCLUDING SOUTH ADDITION
CITY OF REXBURG**

Page 21, Section 300. [§308] Demolition, Clearance, Building Site Preparation, and Construction Activities.

Retitle Section to add “Construction Activities.”

Page 22, Section 300. [§308.2] Building Site Preparation, and Construction Activities.

Retitle Section from “Demolition and Clearance” to “Building Site Preparation and Construction Activities.”

Page 26, Section 300. [§309.1(c)] Development by the Agency.

Third paragraph, last line, correct numbering error from (“12”) to (“11”).

Page 29, Section 300. [§313] Conforming Owners.

Retitle Section from “Participation With Private or Public Development” to “Conforming Owners.”

Page 33, Section 400. [§404.8] Nondiscrimination and Nonsegregation.

Add the word “age” directly after word “creed” at end of first line.

Attachments 5A and 5B to Plan.

Attachments 5A and 5B were inadvertently not included in Plan as originally provided.

Modification of Attachment 5A.

EXHIBIT 5

CITY OF REXBURG

SUMMARY OF ORDINANCE NO. 950

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REXBURG, IDAHO, APPROVING THE SECOND AMENDED AND RESTATED URBAN RENEWAL PLAN, NORTH HIGHWAY URBAN RENEWAL PROJECT, INCLUDING SOUTH ADDITION, WHICH SECOND AMENDED AND RESTATED URBAN RENEWAL PLAN, NORTH HIGHWAY URBAN RENEWAL PROJECT, INCLUDING SOUTH ADDITION INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING THE CITY CLERK TO TRANSMIT A COPY OF THIS ORDINANCE AND OTHER REQUIRED INFORMATION TO COUNTY OFFICIALS, STATE OFFICIALS AND OTHER TAXING ENTITIES; APPROVING THE SUMMARY OF THE ORDINANCE; PROVIDING FOR A WAIVER OF THE READING RULES; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF REXBURG, IDAHO:

Section 1: It is hereby found and determined that:

- (a) The Project Area as defined in the Second Amended and Restated Urban Renewal Plan, North Highway Urban Renewal Project, Including South Addition (“North Highway, South Addition Plan”) is a deteriorated or a deteriorating area as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Law and Act, including under the Act a deteriorated area consisting of open land.
- (b) The rehabilitation, conservation, and redevelopment of the Project Area pursuant to the North Highway, South Addition Plan is necessary in the interest of public health, safety, and welfare of the residents of the City of Rexburg.
- (c) There continues to be a need for the Agency to function in the City of Rexburg.
- (d) The North Highway, South Addition Plan conforms to the Comprehensive Plan of the City of Rexburg.
- (e) The North Highway, South Addition Plan gives due consideration to the provision of adequate park and recreation areas and facilities that may be desirable for neighborhood improvement (recognizing the mixed use components of the North Highway, South Addition Plan, the need for overall public improvements and the proposed public open space, recreation and community facilities opportunity), and shows consideration for the health, safety, and welfare of any residents or businesses in the general vicinity of the Project Area as defined by the North Highway, South Addition Plan.

- (f) The North Highway, South Addition Plan affords maximum opportunity consistent with the sound needs of the City as a whole for the rehabilitation and redevelopment of the Project Area by private enterprises.
- (g) The North Highway, South Addition Plan provides a feasible method for relocation of any displaced families residing within the Project Area.
- (h) The Project Area and Revenue Allocation Area may contain certain open land, that the Agency does not intend to acquire any open land on any widespread basis, and that the Project Area is planned to be redeveloped in a manner that will include both residential and non-residential uses. Provided, however, that if portions of the Project Area and Revenue Allocation Area are deemed “open land” the criteria set forth in the Law and Act have been met.
- (i) That portion of the Project Area which is identified for non-residential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns and the need for the correlation of this area with other areas of the City.
- (j) The collective base assessment roll of the Rexburg North Highway, South Addition Plan Project Area, along with the collective base assessment rolls of the Washington School Plan Area and the Downtown Plan Area, does not exceed ten percent (10%) of the assessed value of the City of Rexburg.

Section 2: That the City Council finds that the Project Area and Revenue Allocation Area do not consist of predominantly open land, that the Agency does not intend to acquire any open land on any widespread basis, and that the Project Area is planned to be redeveloped in a manner that will include both residential and non-residential uses. Provided, however, the City Council finds that if portions of the Project Area and Revenue Allocation Area are deemed “open land,” the criteria set forth in the Law and Act have been met.

Section 3: The City Council finds that one of the Plan objectives to increase the mixed use development opportunity to include housing does meet the sound needs of the City and will provide residential opportunities in an area that does not now contain such residential opportunities, and the portion of the Project Area which is identified for non-residential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Rexburg Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns, and the need for the correlation of this area with other areas of the City.

Section 4: That the North Highway, South Addition Plan, a copy of which is attached hereto and marked as Exhibit 1 and made a part hereof by attachment, be and the same hereby is approved, along with the changes reflected on the Change Sheet attached to the Ordinance as Exhibit 4.

Section 5: No direct or collateral action attacking the North Highway, South Addition Plan shall be brought prior to the effective date of this Ordinance or after the elapse of thirty (30)

days from and after the effective date of the Ordinance adopting the North Highway, South Addition Plan.

Section 6: City Clerk is authorized and directed to transmit to the County Auditor and Tax Assessor of Madison County, and to the appropriate officials of the Madison County Board of County Commissioners, Rexburg Cemetery District, Madison Library District, City of Rexburg, Madison School District #321 Board of Trustees, Madison County Ambulance District, Madison County Mosquito Abatement District, and to the State Tax Commission, a copy of this Ordinance, a copy of the legal description of the boundaries of the Rexburg North Highway, South Addition Revenue Allocation area, and a map or plan indicating the boundaries of the Rexburg North Highway, South Addition Revenue Allocation Area.

Section 7: The equalized assessed valuation of the Rexburg Urban Renewal North Highway, South Addition Plan is likely to continue to increase as a result of the initiation and completion of urban renewal projects pursuant to the Rexburg Urban Renewal North Highway, South Addition Plan.

Section 8: Any City Council members who are members of the Agency's Board of Commissioners are not acting in any ex officio capacity, but rather as private citizens and the City Council recognizes that it has no power to control the powers or operations of the Agency.

Section 9: So long as any Agency bonds are outstanding, the City Council shall not exercise its power under Idaho Code Section 50-2006 to designate itself as the Agency Board.

Section 10: The Ordinance shall be in full force and effect immediately upon its passage, approval and publication, and shall be retroactive to January 1, 2005, to the extent permitted by the Act, with the effective date of the base assessment roll covered by the original Revenue Allocation Area remaining at January 1, 2005.

Section 11: The provisions of this Ordinance are severable, and if any provision of this Ordinance or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of remaining portions of this Ordinance.

Section 12: One-half, plus one, of the City Council members finding good cause, the City Council hereby dispenses with the rule that this ordinance be read on three different days; two readings of which shall be in full, and have hereby adopted this ordinance, having considered it at one reading.

Section 13: The Summary of this Ordinance is hereby approved.

Section 14: All ordinances, resolutions, orders or parts thereof in conflict herewith are hereby repealed, rescinded and annulled.

Section 15: **SAVINGS CLAUSE:** This Ordinance does not affect an action or proceedings commenced or right accrued before this Ordinance takes effect.

PASSED by the City Council of Rexburg this 21st day of December, 2005.

APPROVED by the Mayor on this 21st day of December, 2005.

EXHIBITS TO THE ORDINANCE

EXHIBIT 1: The Second Amended and Restated Urban Renewal Plan, North Highway Urban Renewal Project, Including South Addition.

EXHIBIT 2: The Planning & Zoning Commission Findings.

EXHIBIT 3: General Proof of Publication of the Notice providing notice of the public hearing of the North Highway, South Addition Plan before the City Council.

EXHIBIT 4: Change Sheet to the Second Amended and Restated Urban Renewal Plan, North Highway Urban Renewal Project, Including South Addition.

EXHIBIT 5: Approved Summary of Ordinance No. 950.

SUMMARY OF THE SECOND AMENDED AND RESTATED
URBAN RENEWAL PLAN, NORTH HIGHWAY URBAN RENEWAL
PROJECT, INCLUDING SOUTH ADDITION:

The North Highway, South Addition Plan was prepared by the Rexburg Urban Renewal Agency ("Agency") pursuant to the State of Idaho Urban Renewal Law, the local Economic Development Act, the Idaho Constitution and all applicable laws and ordinances and approved by the Agency. The North Highway, South Addition Plan provides for the Agency to undertake urban renewal projects pursuant to the Idaho Urban Renewal Law of 1965 as amended (the "Law"), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"). The North Highway, South Addition Plan contains a revenue allocation financing provision pursuant to the Act that will cause property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation as shown on the original base assessment roll as of January 1, 2005, as set forth in the Second Amended and Restated Urban Renewal Plan, North Highway Urban Renewal Project, Including South Addition, to be allocated to the Agency for the urban renewal purposes.

The general scope and objectives of the North Highway, South Addition Plan are:

1. The acquisition of certain real property (if needed);
2. The 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, lessen density, eliminate obsolete or other uses detrimental to the public welfare or otherwise to remove or to prevent the spread of blight or deterioration;
3. The provision for participation by property owners within the Project Area to achieve the objectives of the Plan;
4. The management of any property acquired by and under the ownership and control of the Agency;
5. The provision for relocation assistance to displaced Project occupants, as required by law;
6. The installation, construction, or reconstruction of streets, 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 #321, storm drain systems, walkways, public open spaces, parks, and visitors or information centers as may be deemed appropriate by the Urban Renewal Agency Board;

7. The 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. The rehabilitation of structures and improvements by present owners, their successors, and the Agency.
10. The 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. To the extent allowed by law, lend or invest federal funds to facilitate redevelopment;
12. The construction of foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights, sites for buildings to be used for residential, commercial, industrial, and other uses contemplated by the Plan, and to provide utilities to the development site;
13. The elimination of environmental deficiencies in the Project Area, including, among others, obsolete and aged building types, and inadequate public improvements and facilities, and environmental remediation. .
14. The assembly of land into parcels suitable for modern, integrated development with appropriate setbacks, parking, pedestrian and vehicular circulation in the Project Area.
15. The replanning, redesign, and development of undeveloped and underdeveloped areas which are stagnant or improperly utilized.
16. The strengthening of the economic base of the Project Area and the community by the installation of needed site improvements and facilities to stimulate new commercial expansion, employment, and economic growth.
17. The establishment and implementation of performance criteria to assure design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area.
18. 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.
19. The creating of public spaces, gateway entries, recreational facilities, parks, and the like.

20. The provision of civic buildings or community facilities owned or occupied by other public entities, including the City of Rexburg.
21. The provision of adequate land for open space and street rights-of-way.
22. 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.
23. The provision of civic buildings or community facilities owned or occupied by other public entities including the City of Rexburg, Madison School District #321, and visitors/information center owned or operated by the appropriate state or other local entity and other public facilities as may be deemed appropriate by the Agency Board.

Any such land uses as described in the North Highway, South Addition Plan will be in conformance with the Comprehensive Plan, City of Rexburg. Land made available will be developed by private enterprises or public agencies as authorized by law. The North Highway, South Addition Plan identifies various public and private improvements which may be made within the Urban Renewal Project Area.

DESCRIPTION OF PROJECT AREA

The Project Area and Revenue Allocation Area is located as follows:

URBAN RENEWAL DISTRICT

The following legal description is of the Urban Renewal District for the City of Rexburg in the year of 2005.

Beginning at the Northeast corner of lot 1, block 25, of the Rexburg Original Townsite, of Township 06 North, Range 40 East, Section 19, and commencing North 0°15' 4" west, a distance of 1154.826 feet; thence N 89°44'49" East a distance of 1226.561 feet; thence in a Northeasterly direction following the Eastern railroad right-of-way and having a bearing of North 30°8'14" East, and a distance of 959.904 feet; thence in an Easterly direction following the center of the Teton River, with an approximate bearing of South 89°22'37" East, and an approximate distance of 2,240.66 feet; thence North 1°1'9" East, 502.879 feet; thence North 88°47'44" East, 110.024 feet; thence North 0°14'13" West, 287.002 feet; thence North 89°26'48" East, 330.015 feet; thence North 0°13'56" West, 993.978 feet; thence North 89°26'50" East, 398.359 feet; thence South 0°17'53" East, 1883.756 feet to the South bank of the Teton River; thence along the south bank of said river the following four courses: North 53°3'14" East, 227.586 feet; thence North 77°3'41" East, 206.558 feet; thence South 80°27'49" East, 398.38 feet; thence South 48°11'16" East, 205.266 feet. Thence continuing South 0°19'43" East, 687.725 feet; thence West 751.125 feet; thence South 1049.937 feet; thence West 259.999 feet; thence North 224 feet; thence West 312.626 feet; thence North 0°6'45" West, 521.249 feet; thence along the South right-of-way line of Barney Dairy Rd. S 60°33'43" West a distance of 23.71 feet; thence on a tangent curve to the right a distance of 174.647 feet, having a radius of 416.912 feet, and a tangent of 88.623 feet; South 0°19'30" East, 22.08 feet; thence South 84°44'29" West, 4.676 feet; thence South 53°1'30" West, 14.421 feet; thence South 61°18'36" West, 192.615 feet; thence South 85°22'7" West, 105.526 feet; thence South 80°4'21" West, 39.745 feet; thence South 0°15'13" East, 116.345 feet; thence South 70°59'40" West, 104.577 feet; thence South 89°44'59" West, 229.003 feet; Thence South 0°16'31" East, 65.001 feet; S 89°44'48" West, 99 feet; thence North 0°14'51" West, 57.938 feet; thence west, 332 feet, thence South 0°15'12" East, 17.18 feet; thence North 89°58'20" W, a distance of 99.012 feet; thence North 0°15'5" West, 336.831 feet; thence South 89°44'57" West, to the center of the Rexburg canal, a distance of 477.203 feet; thence in a Northwesterly direction along the center of the Rexburg canal, with an approximate bearing of North 31°38'50" West, and an approximate distance of 350.882 feet; thence South 0°15'2" East, 603.394 feet; thence South 89°50'42" West a distance of 234.001 feet; thence South 0°15'7" East a distance of 16 feet; thence S 89°44'56" West, 62.9 feet; thence North 0°14'57" West a distance of 11.001 feet; thence South 89°44'55" West, 132.099 feet; thence South 0°15'3" East, 70.999 feet; thence South 89°44'56" West, 379.497 feet; thence South 0°11'33" East a distance of 428.994 feet; thence South 89°44'57" West, 1564.564 feet to the point of beginning.

Less the following areas:

LESS 1: Beginning at a point that is North 89°44'58" E, 529.694 feet and North 0°0'24" East, 83.469 feet, of the Southwest corner, of the Southeast quarter, of the Northeast quarter, of section 19, Township 06 North, Range 40 East, which point is the point of beginning, and running thence North 0°0'31" West, 600.93 feet; thence North 89°19'8" East, 731.172 feet; thence South 0°8'39" East, 659.853 feet; thence North 89°57'26" West, 308.55 feet; thence on a tangent curve to the right

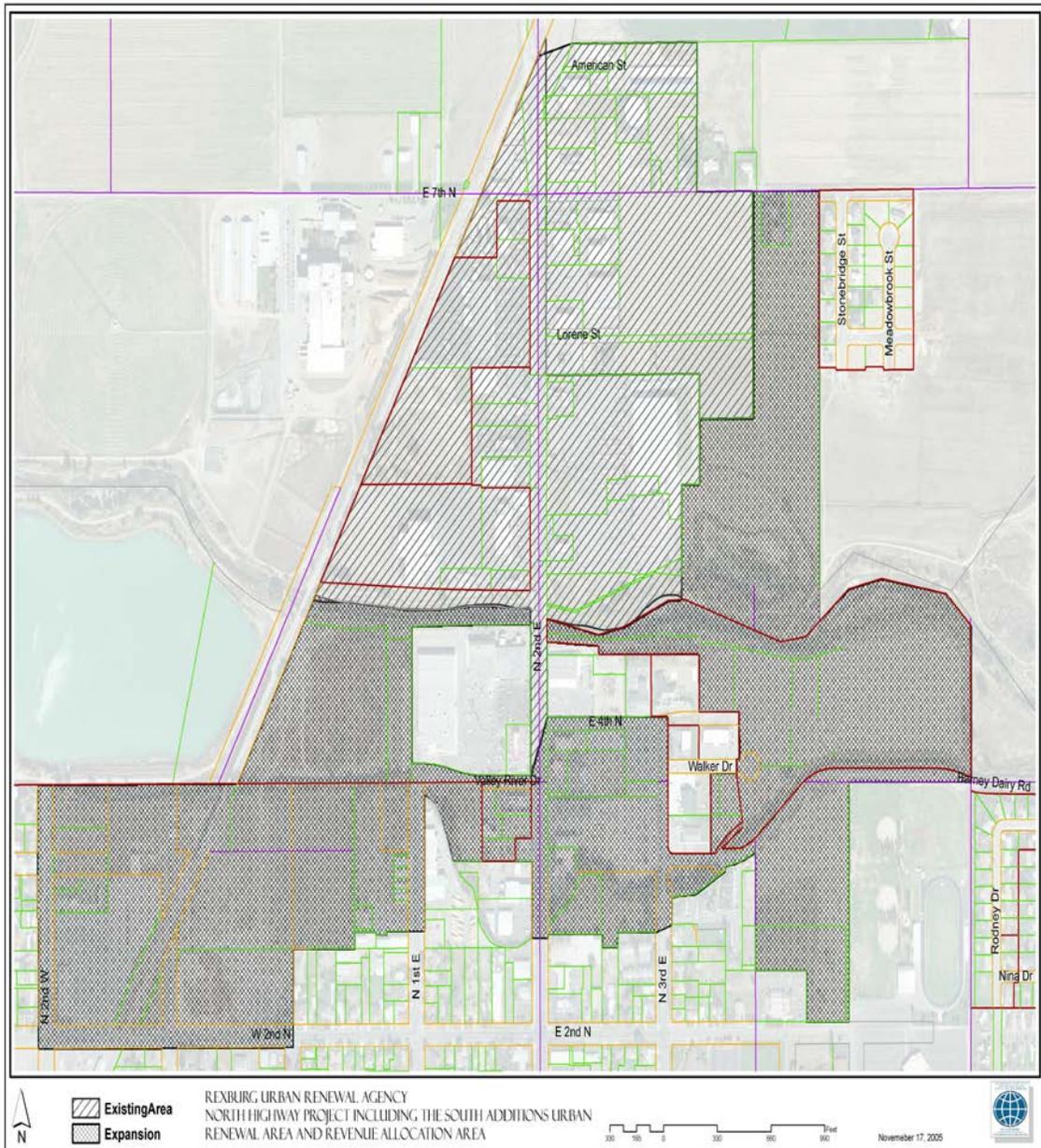
a distance of 111.124, having a radius of 577.313, a delta of $11^{\circ}1'43''$, and a bearing of North $84^{\circ}26'34''$ West; thence North $76^{\circ}27'33''$ West, 97.931 feet; thence on a tangent curve to the left a distance of 121.584 feet, having a radius of 580.403, a delta of $12^{\circ}0'9''$, and a bearing of North $82^{\circ}27'37''$ West; thence North $89^{\circ}45'59''$ West, 98.368 feet to the point of beginning.

LESS 2: Beginning at a point that is North $9^{\circ}37'28''$ East, 287.562 feet from the West quarter corner of section 20 of Township 06 North, Range 40 East, which point is the point of beginning, and running thence North $0^{\circ}15'10''$ West, 326.505 feet; South $89^{\circ}56'25''$ East, 62.004; South $85^{\circ}56'10''$ East, 91.623 feet; thence South $87^{\circ}37'31''$ East, 163.059 feet; thence South $0^{\circ}16'54''$ East, 38.625 feet; thence North $89^{\circ}49'33''$ East, 616.876 feet; thence South $0^{\circ}11'55''$ East, 252.389 feet; thence North $89^{\circ}45'41''$ East, 242.603 feet; thence South $1^{\circ}16'11''$ East, 209.798 feet; thence South $89^{\circ}2'22''$ West, 18.628 feet; thence South $0^{\circ}14'21''$ East, 59.953 feet; thence South $89^{\circ}44'59''$ West, 159.114 feet; thence South $0^{\circ}15'3''$ East, 351.658 feet; thence South $89^{\circ}44'57''$ West, 231.47 feet to a point on a curve to the right; said curve described as having a radius of 30.001, a tangent of 30, a delta of $89^{\circ}59'56''$, and a bearing of North $45^{\circ}15'4''$ West; thence North $0^{\circ}15'3''$ West, 571.658 feet; thence S $89^{\circ}45'6''$ West, 740.019 feet to the point of beginning.

The Urban Renewal Area is the entire area referred to as the Project Area. The Agency may use its funding resources, including revenue allocation proceeds, to fund public improvements within the various rights-of-way and Revenue Allocation Area. The Revenue Allocation Area is the area from which revenue allocation proceeds will be received.

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.

Attachment No. 1:



Sections 300 through 313 discuss the proposed redevelopment actions, participation opportunities and agreements, cooperation with public bodies, property acquisition standards and requirements, relocation, demolition and property disposition and public arts funding.

Sections 402 through 404 discuss the type of land uses authorized in the Project Area and list other controls by referencing the applicable City Ordinances.

Section 405 describes Design Guidelines for Development.

The North Highway, South Addition Plan also contains a major section on financing. Among other sources, the North Highway, South Addition Plan will utilize revenue allocation financing, authorized by the Act.

Section 504 and Attachment No. 5 discuss revenue allocation financing and show how such financing has worked and would work in the Project Area in the future if certain new private developments occur as estimated.

Increases in assessed valuation of real and personal property in the Project Area that occur after January 1, 2005 will generate revenue for the Agency to pay project costs. Project costs include street improvements, drainage improvement, utilities, community facilities, parks, recreational facilities, and other public improvements costs. The assessed valuation of real and personal property on the base assessment roll is still available for use by the other taxing districts, City of Rexburg, Rexburg Cemetery District, Madison Library District, Madison School District #321, Madison County Ambulance District and Madison County Mosquito Abatement District, to finance their operations. The North Highway, South Addition Plan authorizes the Agency to sell revenue bonds to finance project costs and to use annual revenue allocations to pay the debt service.

The program outlined in the North Highway, South Addition Plan emphasizes the installation of needed public improvements, drainage and street improvements, sewer system improvements, utilities, community facilities, public art, and other costs to encourage private development.

Attachment No. 5 describes in detail the cost and financing methods for complete repayment for the debt incurred used to finance the Project and to also fund the described activities.

No change in the land use designation or the potential uses in the area have been proposed. The North Highway, South Addition Plan follows the underlying zoning classifications of the City of Rexburg.

Sections 600 and 700 describe cooperative activities by the Agency with the City.

The duration of the North Highway, South Addition Plan is for sixteen (16) years through December 31, 2021. The Agency is required to prepare an annual report each year describing its activities during the previous year.

ATTACHMENTS

- Attachment No. 1: Map of the Urban Renewal Project Area and Revenue Allocation Area
- Attachment No. 2: Description of Urban Renewal Project Area
- Attachment No. 3: Properties Identified for Acquisition by the Agency
- Attachment No. 4: Expected Land Use and Current Zoning Map of the Project Area
- Attachment No. 5: Introduction to Attachment 5, Statement of Proposed Public Improvements, Costs, Revenue, Tax Impacts, and Financing Methods
- Attachment No. 5A: Net Value of Private Development in Revenue Allocation Area
- Attachment No. 5B: Estimated Annual Tax Revenues Allocations
- Attachment No. 5C Estimated Annual Revenues and Costs
- Attachment No. 5C-1 Financial History North Highway Project Area 1993-2005
- Attachment No. 5C-2 Bond Amortization Schedule

The full text of Ordinance No. 950 is available at the offices of the City Clerk located at Rexburg City Hall, 12 North Center, Rexburg, Idaho 83340.

This summary approved by the Rexburg City Council at its meeting of December 21, 2005.

Shawn Larsen, Mayor

ATTEST:

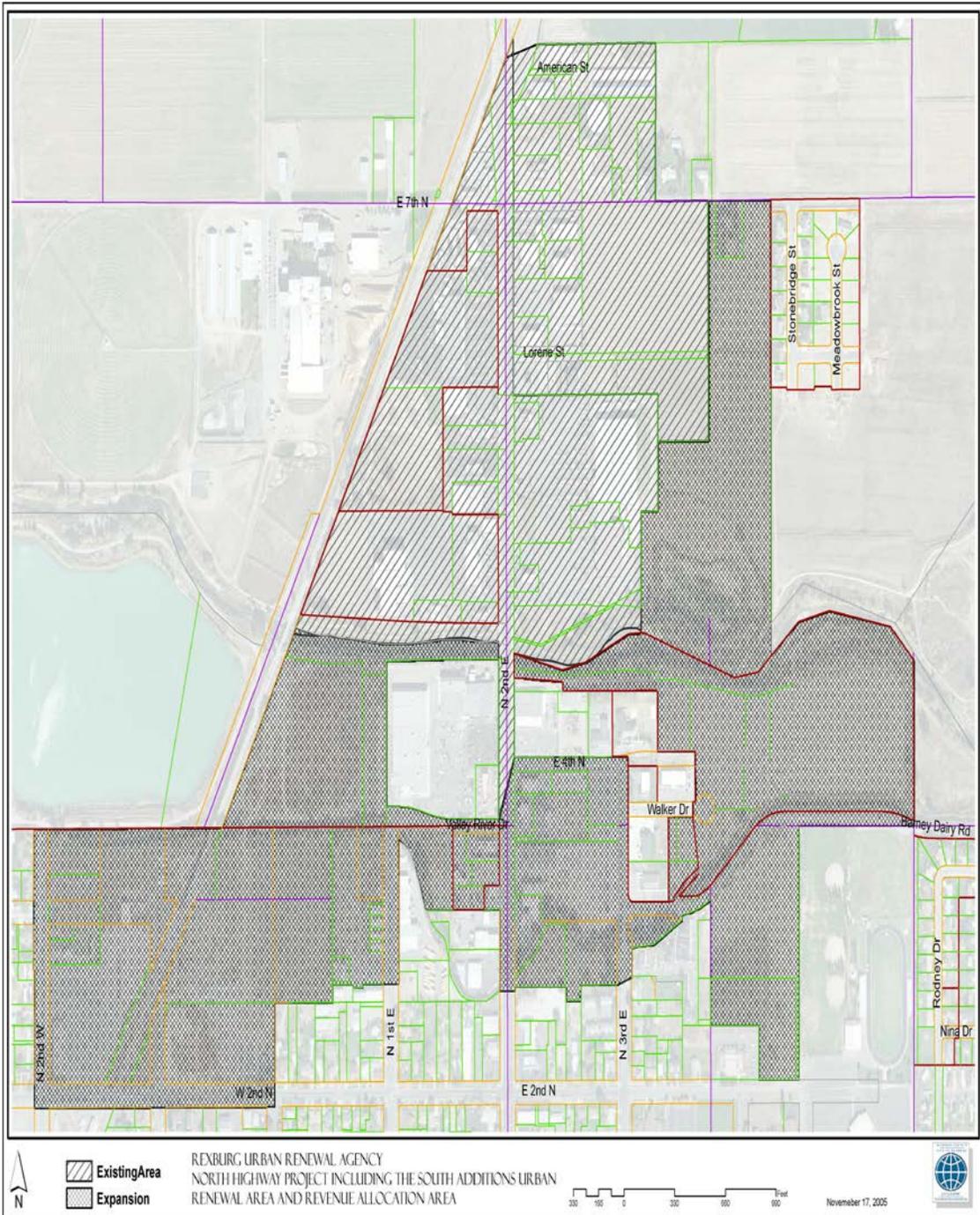
By _____
Blair Kay, City Clerk

I, Stephen Zollinger, City Attorney for the City of Rexburg, declare that in my capacity as City Attorney of the City of Rexburg, pursuant to Idaho Code Section 50-901A(3) of the Idaho Code as amended, I hereby certify that I have reviewed a copy of the above cited Summary of Ordinance and have found the same to be true and complete and to provide adequate notice to the public of the contents, including the exhibits, of Ordinance No. 950.

DATED this 21st day of December, 2005.

Stephen Zollinger, City Attorney
City of Rexburg

Attachment No. 1:



Attachment No. 2:

URBAN RENEWAL DISTRICT

The following legal description is of the Urban Renewal District for the City of Rexburg in the year of 2005.

Beginning at the Northeast corner of lot 1, block 25, of the Rexburg Original Townsite, of Township 06 North, Range 40 East, Section 19, and commencing North 0°15' 4" west, a distance of 1154.826 feet; thence N 89°44'49" East a distance of 1226.561 feet; thence in a Northeasterly direction following the Eastern railroad right-of-way and having a bearing of North 30°8'14" East, and a distance of 959.904 feet; thence in an Easterly direction following the center of the Teton River, with an approximate bearing of South 89°22'37" East, and an approximate distance of 2,240.66 feet; thence North 1°1'9" East, 502.879 feet; thence North 88°47'44" East, 110.024 feet; thence North 0°14'13" West, 287.002 feet; thence North 89°26'48" East, 330.015 feet; thence North 0°13'56" West, 993.978 feet; thence North 89°26'50" East, 398.359 feet; thence South 0°17'53" East, 1883.756 feet to the South bank of the Teton River; thence along the south bank of said river the following four courses: North 53°3'14" East, 227.586 feet; thence North 77°3'41" East, 206.558 feet; thence South 80°27'49" East, 398.38 feet; thence South 48°11'16" East, 205.266 feet. Thence continuing South 0°19'43" East, 687.725 feet; thence West 751.125 feet; thence South 1049.937 feet; thence West 259.999 feet; thence North 224 feet; thence West 312.626 feet; thence North 0°6'45" West, 521.249 feet; thence along the South right-of-way line of Barney Dairy Rd. S 60°33'43" West a distance of 23.71 feet; thence on a tangent curve to the right a distance of 174.647 feet, having a radius of 416.912 feet, and a tangent of 88.623 feet; South 0°19'30" East, 22.08 feet; thence South 84°44'29" West, 4.676 feet; thence South 53°1'30" West, 14.421 feet; thence South 61°18'36" West, 192.615 feet; thence South 85°22'7" West, 105.526 feet; thence South 80°4'21" West, 39.745 feet; thence South 0°15'13" East, 116.345 feet; thence South 70°59'40" West, 104.577 feet; thence South 89°44'59" West, 229.003 feet; Thence South 0°16'31" East, 65.001 feet; S 89°44'48" West, 99 feet; thence North 0°14'51" West, 57.938 feet; thence west, 332 feet, thence South 0°15'12" East, 17.18 feet; thence North 89°58'20" W, a distance of 99.012 feet; thence North 0°15'5" West, 336.831 feet; thence South 89°44'57" West, to the center of the Rexburg canal, a distance of 477.203 feet; thence in a Northwesterly direction along the center of the Rexburg canal, with an approximate bearing of North 31°38'50" West, and an approximate distance of 350.882 feet; thence South 0°15'2" East, 603.394 feet; thence South 89°50'42" West a distance of 234.001 feet; thence South 0°15'7" East a distance of 16 feet; thence S 89°44'56" West, 62.9 feet; thence North 0°14'57" West a distance of 11.001 feet; thence South 89°44'55" West, 132.099 feet; thence South 0°15'3" East, 70.999 feet; thence South 89°44'56" West, 379.497 feet; thence South 0°11'33" East a distance of 428.994 feet; thence South 89°44'57" West, 1564.564 feet to the point of beginning.

Less the following areas:

LESS 1: Beginning at a point that is North 89°44'58" E, 529.694 feet and North 0°0'24" East, 83.469 feet, of the Southwest corner, of the Southeast quarter, of the Northeast quarter, of section 19, Township 06 North, Range 40 East, which point is the point of beginning, and running thence North 0°0'31" West, 600.93 feet; thence North 89°19'8" East, 731.172 feet; thence South 0°8'39" East, 659.853 feet; thence North 89°57'26" West, 308.55 feet; thence on a tangent curve to the right a distance of 111.124, having a radius of 577.313, a delta of 11°1'43", and a bearing of North 84°26'34" West; thence North 76°27'33" West, 97.931 feet; thence on a tangent curve to the left a

distance of 121.584 feet, having a radius of 580.403, a delta of 12°0'9", and a bearing of North 82°27'37" West; thence North 89°45'59" West, 98.368 feet to the point of beginning.

LESS 2: Beginning at a point that is North 9°37'28" East, 287.562 feet from the West quarter corner of section 20 of Township 06 North, Range 40 East, which point is the point of beginning, and running thence North 0°15'10" West, 326.505 feet; South 89°56'25" East, 62.004; South 85°56'10" East, 91.623 feet; thence South 87°37'31" East, 163.059 feet; thence South 0°16'54" East, 38.625 feet; thence North 89°49'33" East, 616.876 feet; thence South 0°11'55" East, 252.389 feet; thence North 89°45'41" East, 242.603 feet; thence South 1°16'11" East, 209.798 feet; thence South 89°2'22" West, 18.628 feet; thence South 0°14'21" East, 59.953 feet; thence South 89°44'59" West, 159.114 feet; thence South 0°15'3" East, 351.658 feet; thence South 89°44'57" West, 231.47 feet to a point on a curve to the right; said curve described as having a radius of 30.001, a tangent of 30, a delta of 89°59'56", and a bearing of North 45°15'4" West; thence North 0°15'3" West, 571.658 feet; thence S 89°45'6" West, 740.019 feet to the point of beginning.

Attachment No. 3:

Private Properties Which May Be Acquired by Agency

1. No particular properties have been identified for acquisition by the Agency, excepting a parking area adjacent to the existing K-Mart, and such other properties as may be required to meet the objectives of the Plan.
2. The Agency reserves the right to acquire any additional right-of-way or access routes near or around existing or planned rights-of-way.
3. The Agency reserves the right to acquire property needed to encourage certain demonstration projects which achieve the objectives of the Plan (the exact location of which has not been determined).

Attachment No. 4: Expected Land Use and Current Zoning Map of the Project Area

Attachment No. 5:

Statement of Proposed Public Improvements, Costs, Revenue, Tax Impacts, and Financing Methods

Introduction

Expenditure of funds for projects is anticipated through 2022 with the assumption the Project could be completed by that date.

Anticipated costs of the urban renewal project, revenue sources, estimated revenue allocations, and the amount of indebtedness required to complete the project are shown in Attachment 5. Attachment 5 necessarily incorporates estimates and projections based on the Agency's completed activities, present knowledge, and expectations. The Agency may modify the presently anticipated urban renewal projects and use of revenue allocation financing or 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. Any future modification will affect the estimate.

Attachment 5A also depicts estimated tax assessments through 2021, anticipated increases in tax assessments through the development process, and increases as described in Section 504.4 of this Plan.

Attachment 5 also demonstrates the overall estimated impact of revenue allocation financing on all taxing districts in which the revenue allocation area is located. The impact on individual taxing districts would be determined by those districts' then-current levies and the projected addition of private investment within the Revenue Allocation Area.

The information contained in Attachment 5 assumes certain completed and projected actions. Under the provisions of the Act, the revenue allocation shall continue until the bond debt and Project is satisfied. All debt is projected to be repaid no later than the duration period of the Plan. Second, the total amount of bonded indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Attachment 5C projects expenditures from 2005 through 2022. Should all of the development take place as projected, bonded or other 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 bonds may continue for their full term.

The Urban Renewal Plan and attachments incorporate estimates and projections based on the Agency's present knowledge and expectations. The Agency may modify the project if the Board of Directors deems such modifications necessary to effectuate the Plan. The Plan proposes certain public improvements, including utility improvements, streetscapes, street improvements, property acquisition, , relocation costs, water and sewer improvements, public facilities, and community facilities which will facilitate development in the Revenue Allocation Area.

Economic Feasibility Statement

The attachments, with their various estimates and projections, constitute an economic feasibility study. Costs and revenues are analyzed, and the analysis shows the need from public capital funds during the project. Multiple financing sources including proposed revenue allocation notes and bonds, annual revenue allocations, developer contributions, grant funds, City in-kind services, and other funds are shown. This attachment 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 these attachments assumes certain projected actions. First, the Agency has projected certain loan or bond obligations. The loan or bond term will be finally determined by the marketability of the obligations. Under the provisions of the Act, the revenue allocation may continue until the debt is satisfied. Second, the total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and time 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 loan or bond obligations may continue for their full term.

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

Attachment 5A, Estimated Net Taxable Value of New Private Development and Annual Tax Revenue Allocations, lists estimated increases in tax assessments resulting from new development in the Revenue Allocation Area beginning in 2006 and illustrates how the project's new development would generate net revenue to the Agency, including reassessment cycles as offset by depreciated personal property values.

Attachment 5B, Estimated Annual Revenues, shows the estimated revenue allocation funds through 2022.

The analysis has assumed certain changes in the levy rates as more particularly described in Attachment 5B and Section 504.4.

Attachment 5C, Estimated Annual Revenues and Costs shows the projected Agency Project expenditures. .

Attachment 5C-1 provides the financial history for the North Highway District for the period 1993 through 2005.

Attachment 5C-2 provides the Bond amortization schedule.

Description of Public Financing Sources

Revenue Allocation—Revenue allocation financing (sometimes referred to as tax increment financing) applies the increase in property taxes within a defined area to public infrastructure improvements. The improvements are designed to enhance the private development potential, thus creating the additional assessed valuation. The process is initiated upon action of a municipality, whereupon the county assessor will establish the assessed valuation within the Revenue Allocation Area for a base year. The incremental revenue may be applied directly as it is received by the authorized redevelopment agency or, more commonly, applied as a long-term revenue stream for the issuance of bonds or other debt obligations. Once the Plan has been fully implemented, the incremental revenue flows back to the appropriate taxing districts in the same proportion as the base revenue. Under the Act, a percentage of the Tax Levy Rate (currently 0.0040) is deducted from the incremental taxes and passed through to the local public school district. Revenue Allocation has been available in Idaho since 1988 and is anticipated to be the major, and thus most essential, component for Plan financing.

Bond Anticipation Notes—Problematic with Revenue Allocation financing is the time delay from initiation of Plan implementation and establishment of the base assessment roll. Several years may elapse before the incremental tax revenue stream can adequately demonstrate the strength necessary to issue bonds. Short-term bond anticipation notes issued by local lenders or underwriters are a means of providing the bridge financing necessary to begin development work. Bond proceeds can then be used to “take out” the notes. The Agency may borrow other funds from other sources as needed and authorized under the Urban Renewal Plan.

Local Improvement Districts (LIDs)—This financing mechanism is used to fund capital improvements and distribute the cost among a number of property owners. Cities and highway districts often use LIDs for local street and sewer projects. After sixty percent (60%) of a proposed district's property owners sign a LID petition, a series of ordinances are adopted to create the district, approve the assessment roll, and issue construction warrants and long-term bonds. The tax-exempt bonds are issued through bid or negotiated sale with revenue collection tied to the property tax system. Bond terms are usually ten years.

SBA 504 Program—This program uses the public sale of reduced interest debentures to write-down commercial loans for commercial and limited industrial projects.

Community Reinvestment—Local lenders are making funds available at below-market interest rates in order to meet their Community Reinvestment Act obligations.

Community Development Block Grant (CDBG)—In order to achieve the objectives set forth in this Plan, the City may submit an application from time to time for Community Development Block Grant funding. Such application must meet certain eligibility objectives. The grant is constrained to a specific list of eligible activities. However, Community Development Block Grant funding may be of some assistance in portions of the Agency's funding objectives.

Other Federal Funding—The City has also commenced the process for direct federal funding for several of the projects shown on Attachment 5C.

Developer Advances—Given the delayed flow of revenue under tax increment financing, developer advances may be a desirable approach to initiate development projects. The terms of the advance would be negotiable on a project-by-project basis, but possible uses could be master planning, project administrations, necessary legal work, and even preliminary public infrastructure work.

City Advances—City may provide advances or contributions for certain public improvements.

Conduit Financing—The Agency reserves the right to participate as a conduit financing vehicle for those projects described in this Urban Renewal Plan, using lease or revenue proceeds, rather than revenue allocation proceeds.

Financing Conclusion

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

Attachment No. 5A:

Estimated Net Taxable Value of New Private Development
Rexburg North Highway Urban Renewal Project, as Amended
(12-21-05)

I. Year	Commercial	Office	Year Total¹	Cumulative Total
1992-2005	0	26,156,888	26,156,888	26,158,888
2005-2006	224,000	375,000	599,000	26,750,000 ²
2006-2007		4,525,000	4,525,000	31,275,000
2007-2008	14,391,000	4,460,000	18,851,000	50,126,000
2008-2009	4,857,000	3,415,000	8,272,000	58,398,000
2009-2010	0	2,175,000	2,175,000	60,573,000
2010-2011	0	0	0	60,573,000
2011-2012	0	0	625,000 ³	61,198,000
2012-2013	0	0	0	61,198,000
2013-2014	0	0	1,211,000 ³	62,409,000
2014-2015	0	0	0	62,409,000
2015-2016	0	0	0	62,409,000
2016-2017	0	0	0	62,409,000
2017-2018	0	0	0	62,409,000
2018-2019	0	0	1,248,000 ³	63,657,000
2019-2020	0	0	0	63,657,000
2020-2021	0	0	0	63,657,000

¹Generally reflects value of construction completed in the first year indicated and assessed in the following year but can include occupancy roll (buildings) and subsequent/missed roll (personal property) values for the following year.

²Previous total rounded to nearest thousand.

³Reflects estimated 2.0 percent net property value increases for scheduled parcels on 5-year reassessment cycle, as offset by depreciated personal property values.

Attachment No. 5B:

Estimated Annual Revenue Allocations
Rexburg North Highway Urban Renewal Project, as Amended
(11-17-05)

Year Assessed	Year Taxes Received	Estimated Valuation ¹	Tax Levy Rate ²	Gross Revenue ³	School Payment ⁴	Agency Net Revenue
1993-2005	2006	26,156,888	0.0165611	443,187	104,628	328,559
2006	2007	26,750,000	0.0168923	451,869	107,000	344,869
2007	2008	31,275,000	0.0172301	538,871	125,100	413,771
2008	2009	50,126,000	0.0175747	863,676	200,504	663,172
2009	2010	58,398,000	0.0179262	1,045,958	233,392	812,566
2010	2011	60,573,000	0.0181055	1,096,704	242,292	854,412
2011	2012	60,573,000	0.0182866	1,107,674	242,292	865,382
2012	2013	61,198,000	0.0184695	1,130,296	244,792	885,504
2013	2014	61,198,000	0.0186542	1,141,600	244,792	896,808
2014	2015	62,409,000	0.0188407	1,175,829	249,636	926,193
2015	2016	62,409,000	0.0188407	1,175,829	249,636	926,193
2016	2017	62,409,000	0.0188407	1,175,829	249,636	926,193
2017	2018	62,409,000	0.0188407	1,175,829	249,636	926,193
2018	2019	62,409,000	0.0186523	1,164,071	249,636	914,435
2019	2020	63,657,000	0.0184658	1,175,477	254,628	920,849
2020	2021	63,657,000	0.0182811	1,163,720	254,628	909,092
2021	2022	63,657,000	0.0180983	1,152,083	254,628	897,455
2022	2023	63,657,000	0.0179173	1,140,562	254,628	885,934
II. Totals					4,011,484	14,297,580

¹Estimated valuation is based on cumulative net values from Attachment 5A.

²Tax levy rate is estimated to increase 2 percent per year from 2005 for 5 years, 1 percent per year for next 5 years, level levy rate for the next 4 years, and 1 percent per year decrease for the final 4 years.

³Gross revenue is estimated valuation times tax levy rate. The amount shown as “Gross Revenue” is the amount that, absent revenue allocation authority, would be distributed to the other

taxing entities in proportion to their respective annual levies. The levy amount is determined by compliance with the limitations contained within House Bill 156 adopted by the Idaho Legislature in 1995.

⁴School payment is estimated valuation times 0.0040 as required by statute, revised 1994.

Attachment No. 5C:

Attachment 5C (11-17-05)
Estimated Annual Revenues and Costs (Figures Shown in 000)
Rexburg North Highway Urban Renewal Project, as Amended

	1993-2005 ²	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Totals
Beginning Balance	0	179	59	60	130	78	91	45	90	156	233								
Sources of Funds:																			
Revenue Allocation ³	0	329	345	414	663	813	854	865	886	897	926								6,992
Federal Appropriation			100	500															600
Foundation Grants			200																200
City (in Kind L. & E.)					400														400
Total Sources of Funds		320	445	1,114	1,063	813	854	865	886	897	926								8,192
Total Funds Available		508	504	1,174	1,193	891	945	910	976	1,053	1,159								
Uses of Funds:																			
Parks & Recreation Facilities		130	100	700	700	580	880	800	800	800	900								6,390
Pathways-River		175																	175
Streets/Bridge			197	320															517
School Prop. Dev't					100														100
Bond Debt Service		129	132	9 ⁴															270
Property Acquisition					300	200													500
Admin./Prof. Services		15	15	15	15	20	20	20	20	20	20								180
Total Uses of Funds		449	444	1,044	1,115	800	900	820	820	820	920								8,182
END BALANCE	179	59	60	130	78	91	45	90	156	233	239 ⁵								

¹ See attached Attachment 5C-1 for financial history.

² From Attachment 5B, rounded to the nearest thousand to 2015, fiscal year ending September 30 of year indicated.

³ Net amount after use of bond reserve of \$120,000.

⁴ If this figure is achieved, it would be repaid to the taxing entities, or as set out through the termination provisions under Section 800 of this Plan.

Attachment No. 5C1:

Attachment 5C-1
 Rexburg Redevelopment
 Agency
 Financial History: North Hiway District
 Only

Year		1993	1994	1995	1996	1997	1998	1999
Revenue								
	Property Tax Revenue	\$ 14,121	\$ 105,649	\$ 116,249	\$ 106,808	\$ 103,437	\$ 134,207	\$ 125,971
	Tax Refund to Schools							
	State & Local Funding	\$ 32,288		\$ 195,000	\$ 64,119			
	Interest Income	\$ 28,576	\$ 14,958	\$ 18,499	\$ 7,001	\$ 7,886	\$ 7,454	\$ 9,065
	Bond & Note Proceeds	\$ 1,250,000			\$ 15,000	\$ 20,000		
	Total Revenue	\$ 1,324,985	\$ 120,607	\$ 329,748	\$ 192,928	\$ 131,323	\$ 141,661	\$ 135,036
Expenses								
	Administration	\$ 105,653	\$ 13,286	\$ 6,357	\$ 687	\$ 10,614	\$ 980	\$ 9,537
	Debt Service*	\$ 48,322	\$ 126,973	\$ 133,501	\$ 130,889	\$ 133,001	\$ 131,048	\$ 132,343
	Construction Costs*	\$ 771,040	\$ 4,739	\$ 373,756	\$ 111,286			
	Total Expenses	\$ 925,015	\$ 144,998	\$ 513,614	\$ 242,862	\$ 143,615	\$ 132,028	\$ 141,880
Net		\$ 399,970	\$ (24,391)	\$ (183,866)	\$ (49,934)	\$ (12,292)	\$ 9,633	\$ (6,844)
Balance*		\$ 399,970	\$ 375,579	\$ 191,713	\$ 141,779	\$ 129,487	\$ 139,120	\$ 132,276

Year		2000	2001	2002	2003	2004	2005
Revenue							
	Property Tax Revenue	\$ 200,585	\$ 173,546	\$ 232,732	\$ 177,799	\$ 186,420	\$ 202,862
	Tax Refund to Schools			\$ (140,000)		\$ (63,647)	
	State & Local Funding						
	Interest Income	\$ 9,429	\$ 12,312	\$ 9,859	\$ 5,584	\$ 3,817	\$ 5,890
	Bond & Note Proceeds						

	Total Revenue	\$ 210,014	\$ 185,858	\$ 102,591	\$ 183,383	\$ 126,590	\$ 208,752
Expenses							
	Administration	\$ 396	\$ 450	\$ 1,185	\$ 2,205	\$ 1,540	\$ 3,602
	Debt Service*	\$ 186,893	\$ 128,943	\$ 129,255	\$ 129,175	\$ 133,119	\$ 133,686
	Construction Costs*						
	Total Expenses	\$ 187,289	\$ 129,393	\$ 130,440	\$ 131,380	\$ 134,659	\$ 137,288
Net		\$ 22,725	\$ 56,465	\$ (27,849)	\$ 52,003	\$ (8,069)	\$ 71,464
Balance*		\$ 155,001	\$ 211,466	\$ 183,617	\$ 235,620	\$ 227,551	\$ 299,015

*Construction Costs included: road & bridge widening, street signal, utility line extension, landscaping.

*Bond issue will be repaid in full in 2008.

*Balance includes \$120,000 of Bond Reserve

Attachment 5C-2

Bond Amortization Schedule
Rexburg North Highway Urban Renewal Project, as Amended

Compound Period: Annual
 Effective Annual Rate: 6.000%

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/1/2007	8,500,000.00	1		
2	Payment	12/1/2008	900,000.00	13	Annual	12/1/2020
3	Payment	12/1/2021	1,204,124.31	1		

AMORTIZATION SCHEDULE - Normal
 Amortization

	Date	Payment	Interest	Principal	Balance
Loan	12/1/2007				8,500,000.00
1	12/1/2008	900,000.00	510,000.00	390,000.00	8,110,000.00
2	12/1/2009	900,000.00	486,600.00	413,400.00	7,696,600.00
3	12/1/2010	900,000.00	461,796.00	438,204.00	7,258,396.00
4	12/1/2011	900,000.00	435,503.76	464,496.24	6,793,899.76
5	12/1/2012	900,000.00	407,633.99	492,366.01	6,301,533.75
6	12/1/2013	900,000.00	378,092.03	521,907.97	5,779,625.78
7	12/1/2014	900,000.00	346,777.55	553,222.45	5,226,403.33
8	12/1/2015	900,000.00	313,584.20	586,415.80	4,639,987.53
9	12/1/2016	900,000.00	278,399.25	621,600.75	4,018,386.78
10	12/1/2017	900,000.00	241,103.21	658,896.79	3,359,489.99
11	12/1/2018	900,000.00	201,569.40	698,430.60	2,661,059.39
12	12/1/2019	900,000.00	159,663.56	740,336.44	1,920,722.95
13	12/1/2020	900,000.00	115,243.38	784,756.62	1,135,966.33
14	12/1/2021	1,204,124.31	68,157.98	1,135,966.33	0.00
Grand Totals		12,904,124.31	4,404,124.31	8,500,000.00	