URBAN RENEWAL PLAN FOR THE
FRONT STREET URBAN RENEWAL PROJECT

DRIGGS URBAN RENEWAL AGENCY
CITY OF DRIGGS, IDAHO

Ordinance No. _____
Adopted _____
Effective _____

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100 INTRODUCTION

This is the Urban Renewal Plan (the "Plan") for the Front Street Urban Renewal Project (the "Project") in the city of Driggs (the "City"), state of Idaho, and consists of the text contained herein and the following attachments:

Map of the Urban Renewal Project Area and Revenue Allocation Area Map (Attachment 1),

The Description of the Urban Renewal Project Area Boundaries and Revenue Allocation Area (Attachment 2),

Private Properties Which May be Acquired by Agency (Limited to Public Improvements and Utilities Related to Public Rights-of-Way) (Attachment 3),

Map Depicting Expected Land Uses and Current Zoning within Project Area (Attachment 4),

Public Improvements within the Revenue Allocation Area (Attachment 5.1),

Economic Feasibility Study (Attachment 5.2),

Estimated Growth and Revenue Projections in the Front Street Urban Renewal Project (Attachment 5.3),

Estimated Cash Flow Analysis in the Front Street Urban Renewal Project (Attachment 5.4), and

Front Street District Estimated Improvement Schedule (Attachment 5.5).

The term "Project" is used herein to describe the overall activities defined in this Plan and conforms to the statutory definition of an urban renewal project. Reference is specifically made to Idaho Code § 50-2018(10) 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. The Front Street Project Area is also referred to as the "Project Area."

This Plan was prepared by the Board of Commissioners, consultants, and staff of the Driggs Urban Renewal Agency (the "Agency") and reviewed and recommended by the Agency pursuant to the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as

amended (the "Law"), the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"), and all applicable local laws and ordinances.

Idaho Code § 50-2905 identifies what information the plan must include with specificity as follows:

(1) A statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality.

(2) A statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area.

(3) An economic feasibility study.

(4) A detailed list of estimated project costs.

(5) 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 on the revenue allocation area.

(6) A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred;

(7) A termination date for the plan and the revenue allocation area as provided for in section 50-2903(20), Idaho Code. 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.

(8) A description of the disposition or retention of any assets of the agency upon the termination date. Provided however, nothing herein shall prevent the agency from retaining assets or revenues generated from such assets as long as the agency shall have resources other than revenue allocation funds to operate and manage such assets.

This Plan includes the above information with specificity.

The proposed redevelopment of the Project Area as described in this Plan conforms to the The City of Driggs Comprehensive Plan, as amended (the "Comprehensive Plan"), and adopted by the City Council (the "City Council").The Agency intends to rely heavily on any applicable City design standards which may cover all or part of the Project Area.

The Agency acknowledges this Plan is subject to the Plan modification limitations and reporting requirements set forth Idaho Code § 50-2903A. Subject to limited exceptions as set forth in Idaho Code § 50-2903A, if this Plan is modified through an ordinance of the

City, the base value for the year immediately following the year in which modification occurred shall include the then current year's equalized assessed value of the taxable property in the revenue allocation area. The effect of a modification to this Plan would be the loss of annual revenue to the Agency from the increment value, from the base year to the then current year, and the creation of a new base year. Going forward the Agency would only receive revenue from the increment value above the new base year through the Plan's Termination Date of December 31, 2036, with revenue allocation proceeds received by the Agency in calendar year 2037. For additional information see Section 900 of this Plan. Should the Agency have any outstanding financial obligations, the City shall not adopt an ordinance modifying this Plan unless written consent has been obtained by any creditors, including but not limited to lending institutions and developers who have entered into reimbursement agreements with the Agency.

This Plan provides the Agency with powers, duties, and obligations to implement and further the program generally formulated in this Plan for the redevelopment, rehabilitation, and revitalization of the area within the boundaries of the Project Area. The Agency retains all powers allowed by the Law and Act. This Plan presents a process and a basic framework within which plan implementation, including contracts, agreements and ancillary documents will be presented and by which tools are provided to the Agency to fashion, develop, and proceed with plan implementation. The Plan has balanced the need for flexibility over the twenty-year time frame of the Plan to implement the improvements identified in Attachment 5.5, with the need for specificity as required by Idaho Code § 50-2905. Agency expenditures are prioritized each fiscal year during the required annual budgeting process.

Implementation of this Plan will require public co-investment to help stimulate desired private development. Typically, the public will fund enhanced public improvements like utilities, streets, and sidewalks which, in turn, create an attractive setting for adjacent private investment for industrial, office, and commercial facilities.

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 public-private relationship is crucial in the successful redevelopment of the Project Area.

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

a. The elimination of environmental deficiencies in the Project Area, including, among others, deteriorated and inadequate public improvements including certain streets; and improvements to roadways, curbs, gutters and streetscapes, which for purposes of this Plan, the term includes sidewalks, lighting, landscaping, benches, bike racks, public art and similar amenities between the curb and right of way line; improvements to public utilities including water and sewer improvements, and fire protection systems; other related public improvements; removal, burying, or relocation of overhead utilities; extension of electrical distribution lines and

transformers; improvement of irrigation and drainage ditches and laterals; and improvement of storm drainage facilities;

b. The acquisition of property for right-of-way improvement or extension with improved pedestrian and vehicular circulation in the Project Area;

c. The replanning, redesign, and development of undeveloped or underdeveloped areas which are stagnant or improperly utilized because of limited traffic access, underserved utilities, and other site conditions;

d. The strengthening of the economic base of the Project Area and the community by the installation of needed public improvements to stimulate new private development providing, employment, and economic growth;

e. The provision of adequate land for street rights-of-way and pedestrian rights-of-way;

f. The reconstruction and improvement of street corridors to allow traffic flows to move through the Project Area along with the accompanying utility connections, through the Project Area;

g. The provision of public service utilities such as water system improvements, sewer system improvements and improvements to storm drainage facilities (which may be located outside the Project Area);

h. In conjunction with the City, the establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area, including commitment of funds for planning studies, achieving high standards of development, and leveraging such development to achieve public objectives and efficient use of scarce resources;

i. 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 urban renewal area is located; and

j. The funding of necessary public infrastructure to accommodate both public and private development.

101 General Procedures of the Agency

The Agency is a public body, corporate and politic, as defined and described under the Law and the Act. The Agency is also governed by its bylaws as authorized by the Law and adopted by the Agency. Under the Law, the Agency is governed by the Idaho open meeting law, the Public Records Act and the Ethics in Government Act of 2015, Chapters 1, 2 and 4 of Title

74, Idaho Code, reporting requirements pursuant to Idaho Code §§ 67-450B and 67-450E, and the competitive bidding requirements under Chapter 28, Title 67, Idaho Code, as well as other procurement or other public improvement delivery methods.

As of January 1, 2017, the Agency will be required to provide additional reporting information to the State Tax Commission in compliance with Idaho Code § 50-2913, and will need to comply with the requirements set forth in Idaho Code § 50-2903A.

Subject to limited exceptions, 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.

The Agency may adopt separate policy statements. Any modification to any policy statement does not constitute a modification to this Plan.

102 Provisions Necessary to Meet State and Local Requirements

102.1 Conformance with the Idaho Urban Renewal Law of 1965, as Amended

a. The laws of the state of Idaho require that an urban renewal plan be prepared for an area certified as an urban renewal area by the City Council. The Project Area was certified by the City Council by Resolution No. 314-16 on April 19, 2016.

b. With the adoption of Resolution No. 314-16, the City Council found the Project Area a deteriorated and deteriorating area existing in the City as defined by the Law and Act, and authorized the preparation of an urban renewal plan.

c. In accordance with the Law, this Plan was submitted to the Planning and Zoning Commission of the City. After consideration of the Plan, the Commission reported to the City Council stating that this Plan is in conformity with the City's Comprehensive Plan.

d. Pursuant to the Law and Act, the City Council having published due notice thereof, a public hearing was held on this Plan. Notice of the hearing was duly published in a newspaper having general circulation. The City Council adopted this Plan on _____ __, 2016, by Ordinance No. _____.

103 History and Current Conditions of the Area

This Project Area includes an area adjacent to and including the central part of the City. The Project Area contains an estimated total of 33 acres, including approximately 37 individual tax parcels. The streets throughout the Project Area show deterioration and/or the facilities do

not meet current City development standards. The Project Area has an incomplete street grid layout that impedes development. Front Street currently dead-ends into a private lane where it should connect with Harper Avenue. Additionally, Ross Avenue should connect with an extended Front Street. Many lots in the north half of the Front Street Area can only be accessed from Main Street; there is no access to the rear portion of long lots, which impairs development potential. Several streets lack curb, gutter and sidewalks, or have curb, gutter and sidewalks that are either deteriorating or sub-standard. Several streets are inadequate and updated signalization is required. Street-lighting improvements and the addition of sidewalks are necessary safety improvements throughout the Project Area. The water distribution system has not been extended along Front Street north of Buxton and therefore development is prohibited by the lack of adequate fire suppression. In other areas the system includes substandard lines, and significant development within the Project Area could not be served by the existing system and would create fire suppression issues. The older 6" water lines need to be replaced. Finally, vacant lots hold abandoned vehicles, equipment and trash.

The Plan will primarily include improvements to public infrastructure, creating the framework for the development of mixed-use and commercial property. Part of the Project Area is underdeveloped or vacant and is not being used to its highest and best use due to deteriorating structures, deterioration of site and other improvements, diversity of ownership, the age and obsolescence of infrastructure, the predominance of defective or inadequate street layout, outmoded street patterns, need for modern traffic requirements, insanitary and unsafe conditions, faulty lot layout and inadequate utility infrastructure needed for development. The foregoing conditions have arrested or impaired growth in the Project Area.

The preparation and approval of an urban renewal plan, including a revenue allocation financing provision, gives the City additional resources to solve the public infrastructure problems in this area. Revenue allocation financing should help to improve the situation. In effect, property taxes generated by new developments within the area may be used by the Agency to finance a variety of needed public improvements and facilities. Finally, some of the new developments may also generate new jobs in the community that would, in turn, benefit area residents.

104 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, the amount the Agency may fund by way of percentage or other criteria including the need for such assistance. 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.

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 but, rather, grant 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 activities listed in Attachments 5.1-5.5 will be determined or prioritized as the overall Project Area develops and through the annual budget setting process.

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.

The activities listed in Attachments 5.1-5.5 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, achievement of higher objectives, long term goals, and commitments. As required by the Law and Act, the Agency will adopt more specific budgets annually.

200 DESCRIPTION OF PROJECT AREA

The boundaries of the Project Area and the Revenue Allocation Area are shown on the Project Area and Revenue Allocation Boundary Map, attached hereto as Attachment 1 and incorporated herein by reference, and are described in the Description of the Project Area and Revenue Allocation Area, 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 or other natural boundary unless otherwise stated.

300 PROPOSED REDEVELOPMENT ACTIONS

301 General

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

a. The acquisition of certain real property for right-of-way improvements;

b. 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, enhance density, eliminate obsolete or other uses detrimental to the public welfare or otherwise to remove or to prevent the spread of deteriorating or deteriorated conditions;

c. The provision for participation by property owners within the Project Area to achieve the objectives of this Plan;

d. The management of any property acquired by and under the ownership and control of the Agency;

e. The provision for relocation assistance to displaced Project Area occupants as a result of any Agency activity, as required by law;

f. The elimination of environmental deficiencies in the Project Area, including, among others, deteriorated and inadequate public improvements including certain streets; and improvements to roadways, curbs, gutters and streetscapes, which for purposes of this Plan, the term includes sidewalks, lighting, landscaping, benches, bike racks, public art and similar amenities between the curb and right of way line; improvements to public utilities including water and sewer improvements, and fire protection systems; other related public improvements; removal, burying, or relocation of overhead utilities; extension of electrical distribution lines and transformers; improvement of irrigation and drainage ditches and laterals; and improvement of storm drainage facilities;

g. The disposition of property for public use in accordance with this Plan;

h. The redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;

i. The rehabilitation of structures and improvements by present owners and their successors;

j. The preparation and assembly of adequate sites for the development and construction of facilities for industrial, commercial, retail, and governmental use;

k. To the extent allowed by law, lend or invest federal funds to facilitate redevelopment; and

l. To make improvements to utilities to encourage development through the Project Area.

In the accomplishment of these purposes and activities and in the implementation and 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 and Act.

302 Urban Renewal Plan Objectives

Urban renewal activity is necessary in the Project Area to combat problems of physical deterioration or deteriorating conditions.

The Project Area and revenue allocation area consist of approximately 33 acres of property. The Project Area boundaries are specifically identified on Attachment 1. As set forth in greater detail in Section 103, the Project Area has a history of a slow-growing tax base primarily attributed to deteriorating structures, deterioration of site and other improvements, diversity of ownership, the age and obsolescence of infrastructure, the predominance of defective or inadequate street layout, outmoded street patterns, need for modern traffic requirements, insanitary and unsafe conditions, faulty lot layout and inadequate utility infrastructure needed for development. The foregoing conditions have arrested or impaired growth in the Project Area.

Construction of public facilities, enhancement of infrastructure, including roadways, sidewalk, curb, gutter, intersections, improvements to water and sewer facilities, fire protection updates, as well as, remediating any drainage issues will enhance the overall development of the Project Area.

Hence, the Plan for the Project Area is a proposal for street and utility improvements to provide an improved environment for new retail, residential and commercial facilities, public improvements or facilities, the elimination of unsafe conditions, and to otherwise prevent the extension of deterioration and reverse the deteriorating action of the area.

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

Less than fee acquisition may be utilized by the Agency when and if necessary to promote redevelopment in accordance with the objectives of the Plan.

Temporary project improvements shall be provided to facilitate adequate vehicular and pedestrian circulation.

The provisions of this Plan are applicable to all public and private property in the Project Area. The provisions of the Plan shall be interpreted and applied as objectives and goals, recognizing the need for flexibility in interpretation and implementation, while at the same time not in any way abdicating the rights and privileges of the property owners which are vested in the present and future zoning classifications of the properties. All development under an owner participation agreement shall conform to those standards specified in Section 303.1 of this Plan.

This Plan must be practical in order to succeed. Particular attention has been paid to how it can be implemented, given the changing nature of market conditions. Transforming the Project Area into a vital, thriving part of the community requires an assertive strategy. The following list represents the key elements of that effort:

a. Initiate simultaneous projects designed to revitalize the Project Area. From street and utility improvements to significant new development, the Agency plays a key role in creating the necessary momentum to get and keep things going.

b. Develop new residential, commercial, and light industrial opportunities as well as encourage economic development.

Without direct public intervention, much of the Project Area could conceivably remain unchanged for the next several years. The Plan creates the necessary flexible framework for the Project Area to support the City's economic development while complying with the specificity requirement set forth in Idaho Code § 50-2905.

Land use in the Project Area will be modified to the extent that buildings currently vacant and land now devoted to scattered inconsistent uses will be converted to residential, commercial, light industrial, public and private parking, and/or public/semi-public uses. In implementing the activities described in this Plan, the Agency shall 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 residents in the general vicinity of the site covered by the Plan.

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 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 through an executed owner participation agreement to meet conditions described below.

a. Any such property within the Project Area shall be required to conform to all applicable provisions, requirements, and regulations of this Plan. The owner participation agreement may require as a condition of financial participation by the Agency a commitment by the property owner to meet the greater objectives of the land use elements identified in the Comprehensive Plan, and applicable zoning ordinances. Upon completion of any rehabilitation 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 that will continue throughout an estimated useful life for a minimum of twenty (20) years.

b. 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.

c. Any new construction shall also conform to all applicable provisions, requirements, and regulations of this Plan.

d. Any new construction shall also conform to all applicable codes and ordinances of the City.

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

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 305.1 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:

a. Encouraging established businesses to revitalize deteriorating areas of their parcels to accelerate the enhancement of the street environment in the Plan area.

b. Subject to the limitations of the Law and the Act, providing incentives to existing business owners to encourage continued utilization and expansion of existing permitted uses to prevent properties from falling into disuse, a proliferation of vacant and deteriorated parcels and a reduction in area employment.

c. Allowing existing nonconforming uses to continue in accordance with City regulations and to accommodate improvements and expansions allowed by City regulations.

d. Subject to the limitations of the Law and Act, providing incentives to improve nonconforming properties so they implement the design guidelines contained in this Plan to the extent possible and to encourage an orderly transition from nonconforming to conforming uses over the next twenty (20) years.

e. Provide for advance funding by the developer/owner participant of those certain public improvements related to or needed for the private development. In that event, the Agency will agree as set out in the participation agreement to reimburse a portion of, or all of, the costs of public improvements identified in the participation agreement from the revenue allocation generated by the private development. Though no specific advance funding by a developer/owner

participant is shown in the cash analysis attachments, this Plan specifically allows for such advance.

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, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency will seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. All plans for development of property in the Project Area by a public body shall be subject to Agency approval, in the event the Agency is providing any financial assistance.

Subject to applicable authority, the Agency may impose on all public bodies the planning and design controls contained in this Plan to insure 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 of the Project Area as allowed by the Law and Act.

The Agency specifically intends to cooperate to the extent allowable with the City for the construction of streetscape, utility, and pedestrian improvements. The Agency shall also cooperate with the City on various relocation, screening, or underground projects, the providing of fiber optic capability, and the funding of water and sewer improvements. To the extent any public entity, including the City, has funded certain improvements such as water and sewer facilities or storm drainage improvements, the Agency may reimburse those entities for those expenses. The Agency shall also cooperate with any public entity having jurisdiction over rights-of-way for the improvement of streets within the Project Area and with the public bodies responsible for water and sewer improvements. The Agency also intends to cooperate and seek available assistance from state and federal sources for economic development.

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 303.1 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 except as authorized herein. 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 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. 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.

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 is authorized by this Plan to acquire the properties identified in Attachment 3 hereto, including but not limited to property to be acquired for the extension or expansion of certain rights-of-way. .

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

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(12). The Agency has generally described those properties by use as set out in Attachment 3 for acquisition for the construction of public improvements. The Agency may also acquire property for the purpose of developing streetscape and public utilities. The Agency reserves the right to determine which properties identified, if any, should be acquired.

305.2 Personal Property

Generally, personal property shall not be acquired. However, where necessary in the execution of this Plan, the Agency is authorized to acquire personal property in the Project Area

by any lawful means, including eminent domain for the purpose of developing the public improvements described in section 305.1.

306 [Reserved]

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.

In the event the Agency's activities result in displacement, 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. The Agency shall also coordinate with the various local, state, or federal agencies concerning relocation assistance.

308 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.

309 Property Disposition and Development

309.1. Disposition by the Agency

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 § 50-2011. To the extent permitted by law, the Agency is authorized to dispose of real property by negotiated lease, sale, or transfer without public bidding.

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 shall be sold or leased to public or private persons or entities for development for the uses permitted in this Plan.

309.2. Development by the Agency

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct public improvements within the Project Area for itself or for any public body or entity, which public improvements are or would be of benefit to the Project Area. Specifically, the Agency may pay for, install, or construct the public improvements identified in Attachments 5.1-5.5, attached hereto and incorporated herein by reference, and may acquire or pay for the land required therefore.

The major activities of the Agency are the elimination of environmental deficiencies in the Project Area, eliminating inadequate public improvements including certain streets; and constructing new improvements to roadways, curbs, gutters and streetscapes, which for purposes of this Plan, the term includes sidewalks, lighting, landscaping, benches, bike racks, public art and similar amenities between the curb and right of way line; improvements to public utilities including water and sewer improvements, and fire protection systems; other related public improvements; removal, burying, or relocation of overhead utilities; extension of electrical distribution lines and transformers; improvement of irrigation and drainage ditches and laterals; and improvement of storm drainage facilities**.**

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 § 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under Idaho Code § 50-2908(2)(b) and Section 504 to this Plan or out of any other available funds.

309.3 Development Plans

All development plans (whether public or private) prepared, pursuant to an owner participation agreement, shall be submitted to the Agency for approval and architectural review. All development in the Project Area must conform to those standards specified in Sections 408 and 412, infra.

310 [Reserved]

311 [Reserved]

312 Participation with Private Development 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 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 Idaho Community Development Block Grant Program ("ICDBG"), the Economic Development Administration, the Small Business Administration, or other federal agencies. In order to enhance such grants, the Agency's use of revenue allocation funds is critical.

Under those regulations the Agency may participate with the private sector in the development and financing of those private projects that 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 to 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 or Act.

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 § 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under Idaho Code § 50-2908(2)(b) and Section 504 to 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.

314 Arts Funding

The Agency encourages public art and performing arts through joint ventures with private developers and in cooperation with the City. Whenever possible, any Agency arts funding will be used to leverage additional contributions from developers, other private sources, and public or quasi-public entitles for purposes of including public art within the streetscape projects identified in this Plan.

400 USES PERMITTED IN THE PROJECT AREA

401 Redevelopment Plan Map and Development Strategy

The Urban Renewal Project Area Map, the Revenue Allocation Map, and the Description of the Urban Renewal Project Area Boundaries, are attached hereto as Attachments 1 and 2, and are incorporated by reference. The proposed land uses and permitted land uses in the Project Area for all land-public and private, are described in Attachment 4.

402 Designated Land Uses

The Agency intends to rely upon the overall land use designations and zoning classifications of the City, as depicted on Attachment 4 and as set forth in the City's Comprehensive Plan and Title 9 of the Driggs City Code, including the future land use map and zoning classifications. For the most part, the Project Area is proposed as residential, commercial, and light industrial development. This Plan recognizes the significant land use amendments approved by the Driggs City Council in 2016 and as referenced in Attachment 4. Provided, however, nothing herein within this Plan shall be deemed to be granting any particular right to zoning classification or use.

403 [Reserved]

404 Public Rights-of-Way

The major public streets within the Project Area are portions of Main Street, Front Street, Buxton Avenue and Ross Avenue. Harper Avenue is proposed to be extended west through the Project Area to connect Main Street and Front Street. Other public streets within the Project Area may not be listed, but are within the boundaries of the Project Area as more specifically set forth in Attachment 1.

Additional improvements to existing streets and easements may be created, improved, or extended in the Project Area as need for development. Existing streets, easements, and irrigation or drainage laterals or ditches may be abandoned, closed, or modified as necessary for proper development of the Project Area, in conjunction with any applicable policies and standards of the City regarding changes to dedicated rights-of-way, and appropriate irrigation or drainage districts regarding changes to laterals or ditches.

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:

a. A balancing of the needs of proposed and potential new developments for adequate 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;

b. The requirements imposed by such factors as topography, traffic safety, and aesthetics; and

c. The potential need to serve not only the Project Area and new or existing developments, but to also serve areas outside the Project Area by providing convenient and efficient vehicular access and movement.

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

405 [Reserved]

406 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 City Code.

407 General Controls and Limitations

All real property in the Project Area, under the provisions of an 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.

407.1 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.

407.2 Rehabilitation and Retention of Properties

Any existing structure within the Project Area, subject to an 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.

407.3 Limitation on Type, Size, and Height of Buildings

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.

407.4 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 laws and ordinances.

407.5 Signs

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

407.6 Utilities

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

407.7 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.

407.8 Nondiscrimination and Nonsegregation

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

407.9 Subdivision of Parcels

Any parcel in the Project Area shall be subdivided only in compliance with the City subdivision ordinance.

407.10 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:

a. 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;

b. 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;

c. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area; and

d. 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. In permitting any such variation, the Agency shall impose such conditions as are necessary to protect the public peace, health, safety, or welfare and to assure compliance with the purposes of the Plan. Any variation permitted by the Agency hereunder shall not supersede any other approval required under City codes and ordinances.

408 Design for Development

Within the limits, restrictions, and controls established in this Plan, 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's zoning ordinance regarding heights, setbacks, and other like standards.

In the case of property which is the subject of an 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, open space, 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. The Agency reserves the right to impose such design standards on an ad hoc, case by case basis through the approval process of the owner participation agreement or disposition and development agreement. Any change to such approved design must be consented to by the Agency and such consent may be conditioned upon reduction of Agency's financial participation towards the Project.

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 owner participation agreement. 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.

409 Off-Street Loading

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

410 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. The off-street parking requirement may be met by a public parking facility, including a parking garage and/or parking lot within proximity to the new construction.

411 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 an owner 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 City Ordinances.

412 Design Guidelines for Development under a Disposition and Development Agreement or Owner Participation Agreement

Under an owner participation agreement, the design guidelines and land use elements of the Plan shall be achieved to the greatest extent feasible, though the Agency retains the authority to grant minor variations under Section 407.10 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 owner participation agreement. 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.

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, developer advanced funds, donations, loans from private financial institutions (line of credit), 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 Agency may also consider an inter-fund transfer from other urban renewal project areas and a grant from the City. The principal and interest on such advances, funds, and indebtedness may be paid from any 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.

502 Revenue Funds

As allowed by law and subject to restrictions as are imposed by law, the Agency is authorized to issue notes or 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 are liable personally 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, including ICDBG funds, or any other public or private source will be utilized if available. The Agency may consider funding sources through Local Improvement 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.

The Agency also intends to seek appropriate private contributions, where applicable, to assist in the funding of the activities described herein.

504 Revenue Allocation Financing Provisions

The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, effective retroactively to January 1, 2016. These revenue allocation provisions shall apply to all taxing districts which are located in or overlap the Revenue Allocation Area 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 Project.

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

The Agency may consider a note or line of credit issued by a bank or lending institution premised upon revenue allocation funds generated by a substantial private development not contemplated by the Study as defined in section 504.1, which would allow the Agency to more quickly fund the Public Improvements contemplated by this Plan. Likewise, a developer advanced funding could achieve the same purpose.

Upon enactment of an ordinance by the governing body of the City finally adopting these revenue allocation financing provisions and defining the Revenue Allocation Area described

herein as part of 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 § 50-2908. The Agency shall use such funds solely in accordance with Idaho Code § 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.

A statement listing proposed public improvements and facilities, a schedule of improvements, an economic feasibility study, estimated project costs, fiscal impact upon other taxing districts, and methods of financing project costs required by Idaho Code § 50-2905 is included in Attachments 5.1-5.5 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 adjust the presently anticipated urban renewal projects and use of revenue allocation financing of the related Project Costs if the Board deems such adjustment necessary or convenient to effectuate the general objectives of the Plan in order to account for revenue inconsistencies and unknown future costs.

The Agency may also appropriate funds consisting of revenue allocation proceeds on an annual basis without the issuance of notes or bonds. The Agency has also provided for obtaining advances or loans from the City or Agency, or from the Agency's other revenue allocation area, or private entity and financial institutions 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 Attachments 5.1-5.5 are completely constructed or until any obligation to the City or any other public entity, other revenue allocation area, or private entity are fulfilled. Attachments 5.1-5.5 incorporate estimates and projections based on the Agency's present knowledge and expectations concerning the length of time to complete the improvements and estimated future revenues. 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.

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

The Agency reserves the right to either pay for Project Costs from available revenue (pay as you go basis) or borrow funds by incurring debt through notes or other obligations.

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.

504.1 Economic Feasibility Study

Attachment 5.2 constitutes the Economic Feasibility Study ("Study") as supported by Attachments 5.1, 5.3, 5.4, and 5.5 for the urban renewal area prepared by Doug Self, AICP, Community Development Director for the City and Phil Kushlan, Kushlan and Associates. The Study constitutes the financial analysis required by the Act and is based upon existing information from the Agency and City. Projections are based upon input from the Agency, property owners, developers, and others.

504.2 Assumptions and Conditions/Economic Feasibility Statement

The information contained in Attachments 5.1-5.5 assumes certain completed and projected actions. Under the provisions of the Act, the revenue allocation shall continue until the debt or other obligations or other project activity is completed or satisfied, or as otherwise set forth in the Act. All debt is projected to be repaid no later than the duration period of the Plan. The total amount of bonded indebtedness (and all other loans or indebtedness) and the amount of revenue generated by revenue allocation are dependent upon the extent and timing of private development. Should all of the development take place as projected, the project 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 debt may continue for its full term.

The Plan and attachments incorporate estimates and projections based on the Agency's present knowledge and expectations. The Plan proposes certain public improvements, including utility and street improvements, which will facilitate development in the Revenue Allocation Area.

The assumptions set forth in the Study are based upon the best information available to the Agency through public sources or discussions with property owners, developers, and others. The information has been analyzed by the Agency and its consultants in order to provide an analysis that meets the requirements set forth under the Law and Act. At the point in time when the Agency may seek a loan from lenders or others, a more detailed and then-current financial pro forma will be presented to those lenders or underwriters for analysis to determine the borrowing capacity of the Agency. As set forth herein, the Agency reserves the right to fund the Project on a "pay as you go" basis. The Agency Board will prioritize the activities set forth in this Plan and determine what funds are available and what activities can be funded. The Agency will establish those priorities through its mandated annual budgetary process.

The assumptions concerning revenue allocation proceeds are based upon certain assessed value increases and assumed tax levy rates. In projecting new construction, the Driggs Community Development Director reviewed the 11 year history of construction in the adjacent

Downtown Driggs Urban Renewal Area established in 2004. Over this time, the average annual value of new construction in a 45 acre area was $1,000,000 or approximately $22,000/acre/year of new construction. Over the approximately 33 acres of the new district, this rate of new construction would equate to a little over $700,000 per year.

The types of new construction expected in the Project Area are: Vertical Mixed Use (Residential above retail and office), Live-Work (residential with linked space for office, retail or light industrial), Lodging (e.g., boutique hotel), Retail and Light Industrial. These categories of development are supported by a new form-based code that is currently being considered for adoption by the City Council. City staff has identified significant interest in these development types. The Project Area has potential for a significant increase in residential growth as interest has been expressed for condominium and downtown living. Several large parcels in the Project Area have recently been listed for sale. Other owners have expressed interest in developing their properties or selling to a developer. Additionally, Teton County is expected to sell a two-acre property in the Project Area now being used by the County as its road and bridge construction yard. However, without a method to construct the identified public improvements such as water lines and street infrastructure, development is unlikely to occur in much of the Project Area.

The financial analysis set forth in Attachments 5.1-5.4 has taken into account and excluded levies that do not flow to the Agency consistent with Idaho Code § 50-2908.

Idaho Code § 63-602KK provides for personal property tax exemption to businesses. Application of the exemption may have the effect of reducing the increment value and the base value.

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. According to the Teton County Assessor, the base assessment roll for the Project Area as of January 1, 2016, is $6,135,913.00. The total assessed value for the City as of January 1, 2016, less homeowners' exemptions, is $220,843,459.00. Therefore, the 10% limit is $22,084,345.90. The estimated adjusted base value for the existing project area, approved in 2004, and amended in 2007, is $11,341,568.00. The base values for the combined revenue allocation areas total $17,477,481.00, which is less than 10% of the City's 2016 value.

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 the funding source shall be conditioned on any limiting authority. If revenue allocation funds are unavailable, then the Agency will need to use a different funding source for that improvement.

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. Increases have been assumed based upon the projected

value of new development as that development occurs along with possible land reassessment based on a construction start.

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, annual revenue allocations, developer contributions, city contributions, interfund loan, 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 relate 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 an advance from the Agency's other revenue allocation area and a grant from the City. 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 the development take place as projected, indebtedness would be extinguished earlier, dependent upon the note 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 any financing obligations may continue for their full term.

The proposed timing for the public improvements may very well have to be adjusted depending upon the availability of some of the funds and the Agency's ability to finance any portion of the Project. Any adjustment to Project timing or funding shall not be considered a modification of the Plan pursuant to Idaho Code § 50-2903A.

Attachments 5.1-5.5 list those public improvements the Agency intends to construct through the term of the Plan. The costs of improvements are estimates only as it is impossible to know with any certainty what the costs of improvements will be in future years. There is general recognition that construction costs fluctuate and are impacted by future unknowns, such as, the cost of materials and laborers. Final costs will be determined by way of construction contract public bidding or by an agreement between the developer/owner and Agency.

The listing of public improvements does not commit the Agency to any particular improvement, any particular cost, or any particular order of construction. How the Plan is implemented and a determination as to the priority of Projects does not constitute a modification pursuant to Idaho Code § 50-2903A. The Agency reserves its discretion and flexibility in deciding which improvements are more critical for redevelopment, and the Agency intends to coordinate its public improvements with associated development by private developers/owners. The Agency also intends to coordinate its participation in the public improvements with the receipt of certain grants or loans which may require the Agency's participation in some combination with the grant and loan funding.

Generally, the Agency expects to develop those improvements identified in Attachments 5.1-5.5 first, in conjunction with private development within the Project Area generating the increment as identified in Attachments 5.1-5.4.

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 [Reserved]

504.6 Participation with Local Improvement Districts

Under the Idaho Local Improvement District Code, Chapter 17, Title 50, Idaho Code, the City has the authority to establish local improvement districts for various public facilities, including, but not limited to, streets, curbs, gutters, sidewalks, storm drains, landscaping, and other like facilities. To the extent allowed by the Law and the Act, the 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.

504.7 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.

504.8 Impact on Other Taxing Districts and Levy Rate

A specific delineation of tax dollars generated by revenue allocation upon each taxing district has not been prepared. The overall impact of the revenue allocation project is shown in the Study. Pursuant to Idaho Code § 63-802, taxing entities are constrained in establishing levy rates by a function of the amount each budget of each taxing district can increase on an annual basis. The amounts set forth in the Study would constitute the amounts distributed to other taxing entities from the Revenue Allocation Area if there were no urban renewal project. Each individual district's share of that amount would be determined by its particular levy rate as compared to the other districts in any given year. Therefore, the impact of revenue allocation is more of a product of the imposition of Idaho Code § 63-802.

If the overall levy rate is less than assumed, the Agency will receive fewer funds from revenue allocation. The assessed value for each property in a revenue allocation area consists of a base value and an increment value. The base value is the assessed value as of January 1 of the year in which a revenue allocation area is approved by a municipality, with periodic adjustments allowed by statute. The increment value is the difference between the base assessed value and current assessed value in any given year while the property is in a revenue allocation area. Under Idaho Code § 63-802, taxing entities are constrained in establishing levy rates by the amount each budget of each taxing district can increase on an annual basis. Taxing entities

submit proposed budgets to the County Board of Commissioners, which budgets are required to comply with the limitations set forth in Idaho Code § 63-802.

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

In addition, without the Revenue Allocation Area 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.

One result of Idaho Code §§ 63-802 and 63-301A is the likely reduction of the levy rate as assessed values increase for property within each taxing entity's jurisdiction. If the overall levy rate is less than as assumed, the Agency shall receive fewer funds from revenue allocation. Idaho Code § 63-301A prohibits taxing entities from including, as part of the new construction roll, the increased value related to new construction within a revenue allocation area until the revenue allocation authority is terminated. Any new construction within the Project Area is not available for inclusion by the taxing entities to increase their budgets. Less tax revenue will be available to those taxing entities. Upon termination of this Plan, the taxing entities will be able to include the accumulated new construction roll value in setting the following year's budget and revenue from such value is not limited to the three percent increase allowed in Idaho Code § 63-802(1)(a).

Generally, the impact on the taxing entities would be to determine the Agency's projected revenue and disburse those funds in the same ratio as the respective levy rates in the Revenue Allocation Area of each taxing district. As 2016 levy rates are not determined until late September 2016, the 2015 levy rates have been shown. For Tax Year 2015, those districts and rates are as follows:

Applicable Tax Levy Analysis	Rate	Exempt From UR	Available for UR
Teton County	0.002778927	0	0.002778927
City of Driggs	0.002348349	0	0.002348349
Teton School Bond 1996	0.000380698	0.000380698	0.000000000
Teton School Emergency	0.000150000	0.000150000	0.000000000
Teton School Plnt Facilities	0.000279662	0.000279662	0.000000000
Teton School Supplemental	0.002167383	0.002167383	0.000000000
Teton School Bond 2006	0.000601097	0.000601097	0.000000000
Special Road Levy	0.000699156	0.000699156	0.000000000
Regular Road Levy	0.000116283	0	0.000116283
Cemetery Driggs -Darby	0.000076652	0	0.000076652
Teton County Fire	0.001580954	0	0.001580954
Library	0.000168603	0	0.000168603
Library override	0.000153814	0	0.000000000
Mosquito Abatement	0.000200000	0	0.000200000
Teton Creek Flood Control	0.000599972	0	0.000599972
Ambulance	0.000400000	0	0.000400000
	0.012701550		0.008269740

TOTAL LEVY[1] .008269740

As noted above Idaho Code § 63-802 may have the effect of reducing the levy rate as assessed values increase for property within each taxing entity's jurisdiction; however, it is unclear how Idaho Code § 63-602KK may impact the levy rate. The Study has made certain assumptions concerning the levy rate. The levy rate is estimated to stay level for the life of the revenue allocation area. The annual increment value is expected to increase by $900,000 of new construction value in 2018 and then a constant $700,000 of new construction value each year thereafter. The Study also assumes a 2% annual increase in land value and 4% annual increase in improvement value over the term of the Plan. If the overall levy rate is less than projected, or the land values do not increase as expected, or expected development fails to occur as estimated, the Agency shall receive fewer funds from revenue allocation.

Pursuant to Idaho Code § 50-2908, the Agency is not entitled to revenue allocation proceeds from certain levy increases which are allowed by either specific statutory authorization or approved by an election of the qualified electors of the particular taxing district. Therefore, for any levy election, the Agency will not receive revenue allocation funds which would have been generated by imposing that levy on the assessed valuation within the Project Area. The Study which is attached as Attachments 5.1-5.4 has taken this statute into account.

[1] Net of voter approved bonds and levies.

505 Phasing and Other Fund Sources

The Agency anticipates funding only a portion of the entire cost of the public improvements shown on Attachments 5.1-5.5. Other sources of funds shall include City participation. Agency participation shall be determined by the amount of revenue allocation funds generated.

506 Lease Revenue, Parking Revenue, and Bonds

Under the Law (Idaho Code § 50-2012), the Agency is authorized to issue revenue bonds to finance certain public improvements identified in the 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 are not 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 20-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 § 50-2905(8) as those resources involve funds not related to revenue allocation funds.

507 Membership Dues and Support of Community Economic Development

The Act is premised upon economic development being a valid public purpose. To the extent allowed by the Law and the Act, the Agency reserves the authority to use revenue allocation funds to contract with non-profit and charitable organizations established for the purpose of supporting economic development and job creation. Additionally, the Agency reserves the authority to expend revenue allocation funds to join, participate and support non-profit organizations established to support Agency best practices and administration. The line item of Operating Expenses within the Study shall be deemed to include expenditures for the purposes described in this section as may be deemed appropriate during the annual budgetary process.

600 ACTIONS BY THE CITY

The City shall 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:

a. Institution and completion of proceedings necessary for changes and improvements in private and publicly owned public utilities within or affecting the Project Area.

b. Revision of zoning (if necessary) within the Project Area to permit the land uses and development authorized by this Plan.

c. Imposition wherever necessary of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.

d. Provision for administrative enforcement of this Plan by the City after development. 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.

e. Building Code enforcement.

f. 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.

g. Institutional and completion of proceedings necessary for the establishment of a local improvement district under Chapter 17, Title 50, Idaho Code.

h. The undertaking and completing of any other proceedings necessary to carry out the Project.

i. Administration of Idaho Community Development Block Grant funds that may be made available for this Project.

j. Appropriate agreements with the Agency for administration, supporting services, funding sources, and the like.

k. Imposition, whenever necessary of controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.

l. The waiver of any hookup or installation fee for sewer, water, or other utility services for any facility owned by any public agency, including any Agency facility.

m. Joint funding of certain public improvements, including but not limited to improvements to sewer treatment facilities.

n. Use of public entity labor, services, and materials for construction of the public improvements listed in this Plan.

o. The waiver of any city impact fee for development within the Project Area.

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

601 Maintenance of Public Improvements

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

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, TERMINATION, AND ASSET REVIEW

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 for twenty (20) years from the effective date of the Plan subject to modifications and/or extensions set forth in Idaho Code § 50-2904. The revenue allocation authority will expire on December 31, 2036, except for any revenue allocation proceeds received in calendar year 2037, as contemplated by Idaho Code § 50-2905(7).

This Plan shall terminate no later than December 31, 2036, except for revenues which may be received in 2037. Idaho Code § 50-2093(5) provides the Agency shall adopt a resolution of intent to terminate the revenue allocation area by September 1. In order to provide sufficient notice of termination to the affected taxing districts to allow them to benefit from the increased budget capacity, the Agency will use its best efforts to provide notice of its intent to terminate this Plan and its revenue allocation authority by May 1, 2037, or if the Agency determines an earlier terminate date, then by May 1 of the early termination year:

a. When the Revenue Allocation Area plan budget estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness, and bonds have been paid in full or when deposits in the special

fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the 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 Idaho Code § 50-2908 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 Idaho Code § 50-2909 shall thereupon terminate.

b. 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 Plan.

c. 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 Idaho Code § 50-2909(4). 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 May 1, but in any event, no later than 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 Idaho Code § 50-2909should 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 Idaho Code § 63-215.

Upon termination of the revenue allocation authority of the 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.

As allowed by Idaho Code § 50-2905(8), 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. Similarly, facilities which provide a least 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, depending on the nature of the asset.

Upon termination of the revenue allocation authority of the 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.

900 PROCEDURE FOR AMENDMENT OR MODIFICATION

To the extent there is any outstanding loans or obligations, this Plan shall not be modified. Modification of this Plan results in a reset of the base assessment roll values to the current values in the year of modification as more fully set forth in Idaho Code § 50-2903A subject to certain limited exceptions contained therein. As more specifically identified above, the Agency's projections are based on estimated values, estimated levy rates, estimated future development, and estimated costs of future construction/improvements. Annual adjustments as more specifically set forth in the Agency's annual budget will be required to account for more/less estimated revenue and prioritization of projects. Any adjustments for these stated purposes is not a modification under Idaho Code § 50-2903A.

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 AND OTHER REPORTING REQUIREMENTS

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. This annual report shall be considered at a public meeting to report these findings and take comments from the public.

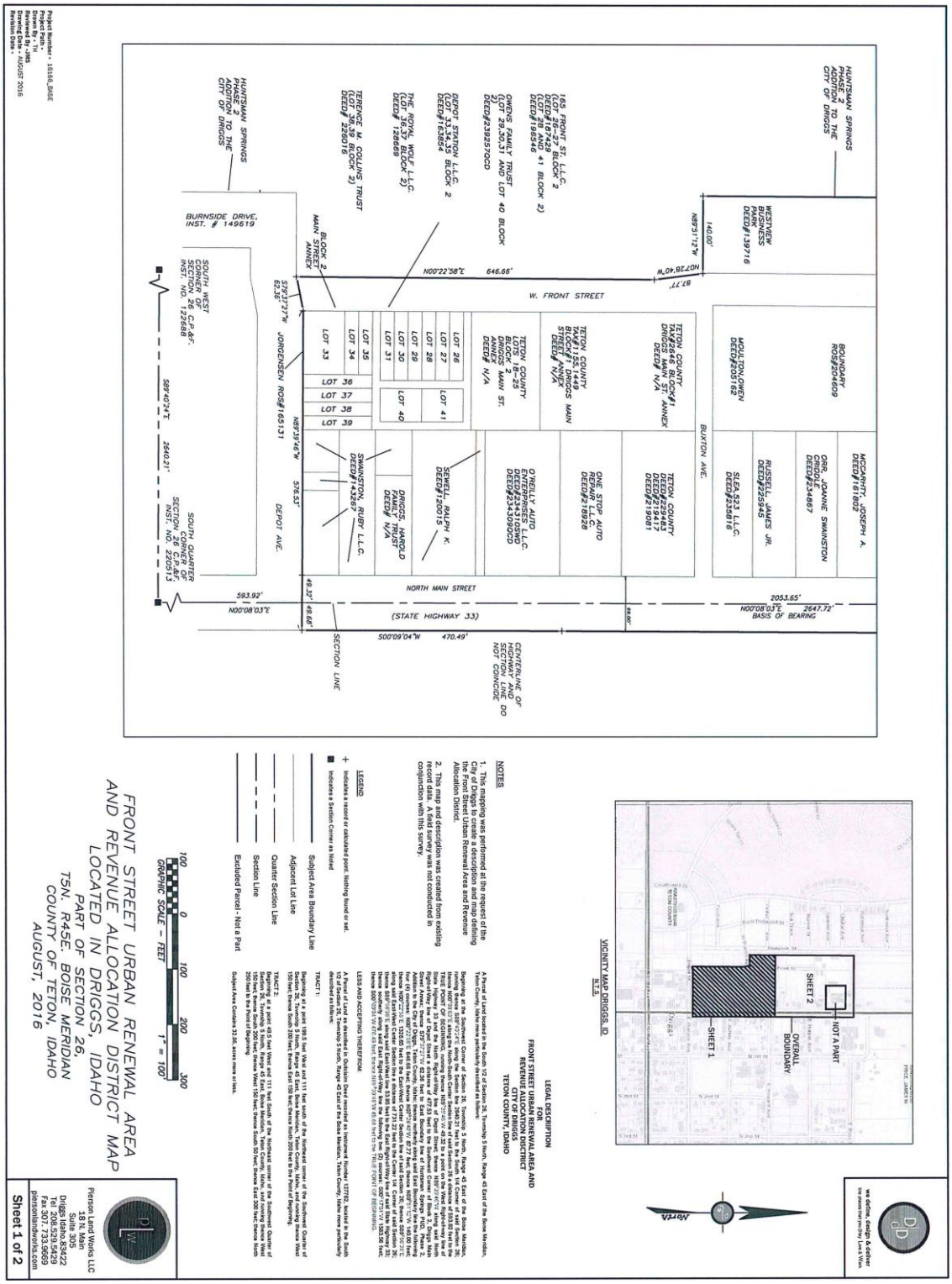
Additionally, the Agency must comply with certain other reporting requirements as set forth in Idaho Code § 67-450E, the local government registry portal, Idaho Code § 50-2913, the tax commission plan repository (effective, January 1, 2017), and Idaho Code § 50-2903A, the tax commission's plan modification annual attestation (statute effective as of July 1, 2016). Failure to report the information requested under any of these statutes results in significant penalties, including loss of increment revenue, and the imposition of other compliance measures by the Teton County Board of County Commissioners.

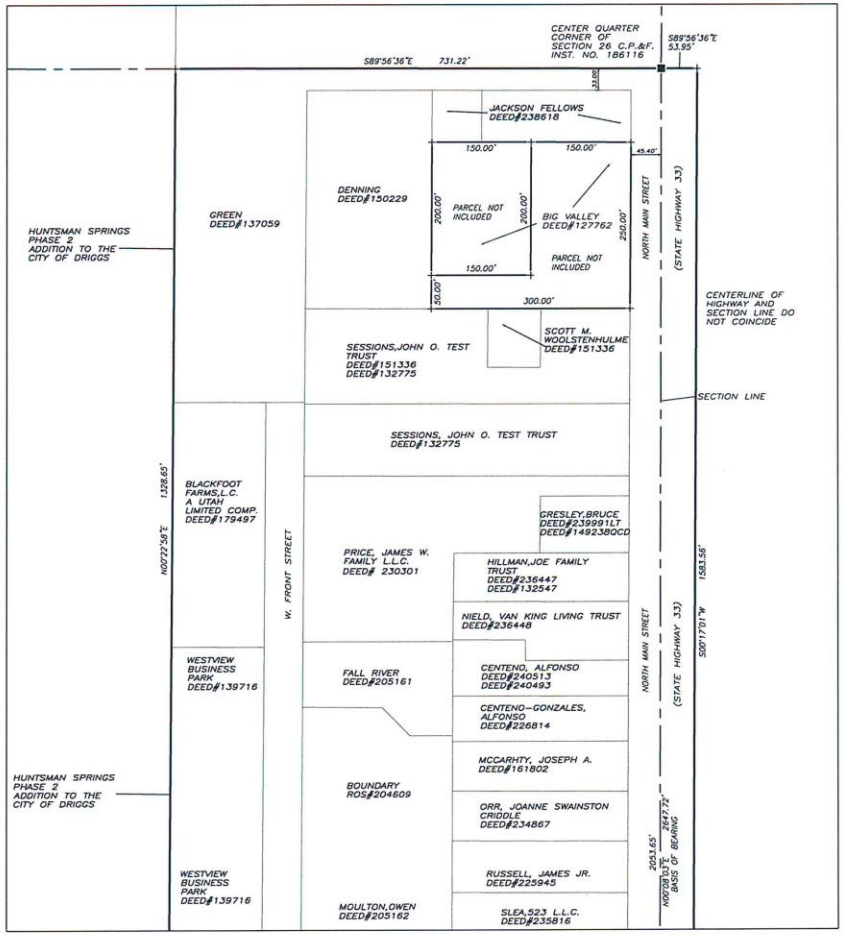
1101 APPENDICES, ATTACHMENTS, EXHIBITS, TABLES

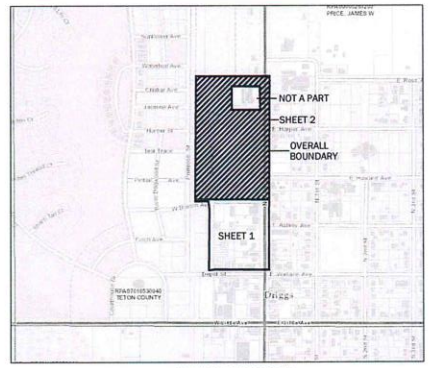
All attachments and tables referenced in this Plan are attached and incorporated herein by their reference. All other documents referenced in this Plan but not attached are incorporated by their reference as if set forth fully.

Attachment 1

Project Area and Revenue Allocation Area Boundary Map (2 sheets)







VICINITY MAP DRIGGS, ID
N.T.S.

LEGEND

- + Indicates a record or calculated point. Nothing found or set.
- ■ Indicates a Section Corner as Noted
- Lot Boundary Line
- Adjacent Lot Line
- Quarter Section Line
- Section Line
- Parcel - Not a Part

100 0 100 200 300
GRAPHIC SCALE - FEET 1" = 100'

FRONT STREET URBAN RENEWAL AREA AND REVENUE ALLOCATION DISTRICT MAP

LOCATED IN DRIGGS, IDAHO
PART OF SECTION 26,
T5N. R45E. BOISE MERIDIAN
COUNTY OF TETON, IDAHO
AUGUST, 2016

we define, design & deliver the places that you Play Live & Work

Pierson Land Works LLC
18 N. Main
Suite 305
Driggs Idaho.83422
Tel 208.529.5429
Fax 307. 733.9669
piersonlandworks.com

Sheet 2 of 2

Project Number - 16166_BASE
Project Path -
Drawn By - TH
Reviewed By - JMS
Drawing Date - AUGUST 2016
Revision Date -

Attachment 2

Legal Description of Project Area and Revenue Allocation Area

An area consisting of approximately 33 acres as more particularly described as follows:

A Parcel of Land located in the South 1/2 of Section 26, Township 5 North, Range 45 East of the Boise Meridian, Teton County, Idaho more particularly described as follows:

Beginning at the Southwest Corner of Section 26, Township 5 North, Range 45 East of the Boise Meridian, running thence S89^{o}40'24"E along the Section line 2640.21 feet to the South 1/4 Corner of said Section 26; thence N00^{o}08'03"E along the North-South Center Section line of said Section 26 a distance of 593.92 feet to the TRUE POINT OF BEGINNING, running thence N89^{o}39'46"W 49.32 to a point on the West Right-of-way line of State Highway 33 and the North Right-of-Way line of Depot Street; thence N89^{o}39'46"W along said North Right-of-Way line of Depot Street a distance of 477.53 feet to the Southwest Corner of Block 2, Driggs Main Street Annex; thence S79^{o}37'27"W 62.36 feet to East Boundary line of Huntsman Springs PUD, Phase 2, Addition to the City of Driggs, Teton County, Idaho; thence northerly along said East Boundary line the following four (4) courses: N00^{o}22'58"E 646.66 feet; thence N07^{o}28'40"W 87.77 feet; thence N89^{o}51'12"W 140.00 feet; thence N00^{o}22'58"E 1328.65 feet to the East-West Center Section line of said Section 26; thence S89^{o}56'36"E along said East-West Center Section line a distance of 731.22 feet to the Center 1/4 Corner of said Section 26; thence S89^{o}56'36"E along said East-West line 53.95 feet to the East Right-of-Way line of said State Highway 33; thence southerly along said East Right-of-Way line the following two (2) courses: S00^{o}17'01"W 1583.56 feet; thence S00^{o}09'04"W 470.49 feet; thence N89^{o}39'46"W 49.68 feet to the TRUE POINT OF BEGINNING.

LESS AND ACCEPTING THEREFROM:

A Parcel of Land as described in Quitclaim Deed recorded as Instrument Number 127762, located in the South 1/2 of Section 26, Township 5 North, Range 45 East of the Boise Meridian, Teton County, Idaho more particularly described as follows:

TRACT 1:

Beginning at a point 199.5 feet West and 111 feet south of the Northeast corner of the Southwest Quarter of Section 26, Township 5 North, Range 45 East, Boise Meridian, Teton County, Idaho, and running thence West 150 feet; thence South 200 feet; thence East 150 feet; thence North 200 feet to the Point of Beginning.

TRACT 2:
Beginning at a point 49.5 feet West and 111 feet South of the Northeast corner of the Southwest Quarter of Section 26, Township 5 North, Range 45 East, Boise Meridian, Teton County, Idaho, and running thence West 150 feet; thence South 200 feet; thence West 150 feet; thence South 50 feet; thence East 300 feet; thence North 250 feet to the Point of Beginning.

Attachment 3

Private Properties Which May Be Acquired by Agency

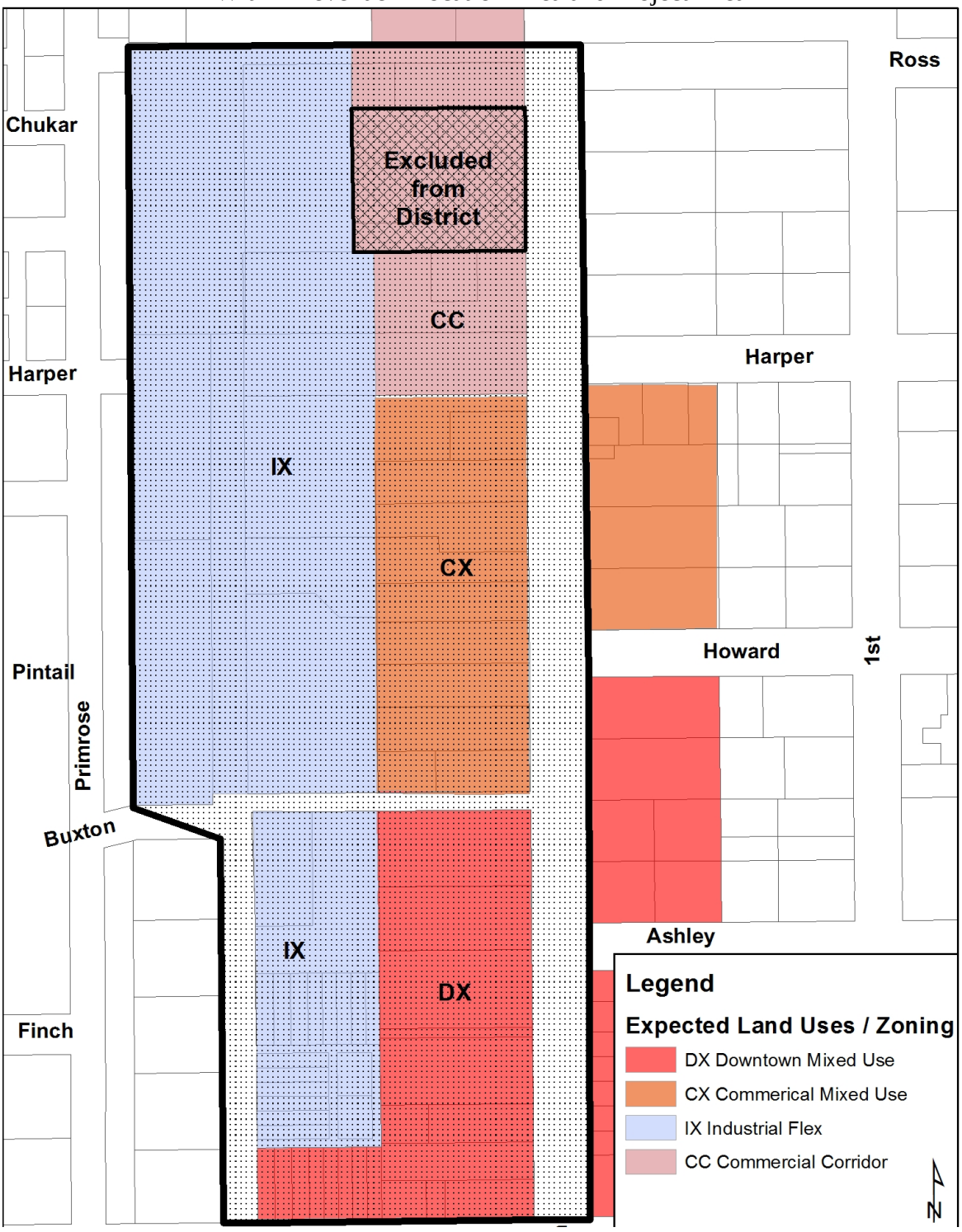
1. Property is intended to be acquired that is necessary for the extension or expansion of certain rights-of-way. No other particular properties have been identified for acquisition by the Agency. The Agency does not intend to purchase property for future development by private persons.

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 for the development of public improvements**.**

Attachment 4

Map Depicting Expected Land Uses and Current Zoning
Within Revenue Allocation Area and Project Area



ATTACHMENT 5.1

Driggs Urban Renewal Agency
Public Improvements within the Front Street Revenue Allocation Area

This attachment includes a specific list of proposed public works improvements within the Front Street Revenue Allocation Area also referred to as the Project Area. The proposed projects in the Project Area include streets, alleys and other public rights-of-way along with associated public and private utilities.

The Driggs Urban Renewal Agency (URA) Public Improvement Project List, as set forth below, identifies needed investments in capital facilities by the Driggs Urban Renewal Agency (the "Agency"). Capital facilities generally have long useful lives and significant costs. Some of the improvement projects contained in the Driggs URA Public Improvement Project List are also contained in the City of Driggs Capital Improvement Plan (CIP). Some improvement projects included in the Driggs URA Public Improvement Project List have evolved upon consideration of these and various other City plans and policies, including the Comprehensive Plan, and may have potential grant funding allocated. The project list is not an appropriation or approval of any specific project. The Urban Renewal Plan for the Front Street Urban Renewal Project (the "Plan") covers the 20-year period from 2016 to 2036, and assumes no Agency revenue in 2016, the year of creation, and recognizes the Agency shall receive its allocation of revenues in 2037, the calendar year following the last year of the revenue allocation authority as permitted by Idaho Code § 50-2905(7).

The Project Area is estimated to generate $1,738,221 in tax increment revenue between 2018 and 2037, in addition to the initial $5,000 loan from the existing revenue allocation area to cover administrative costs until revenue allocation resources are available, a $30,000 start-up grant from the City of Driggs (the "City") and a capital grant from the City in 2035, in the amount of $100,000. Additional regular project funding is anticipated to come from the City ($725,000) and from grants or other sources ($750,000). The total expenditures for all categories is estimated to be $3,263,831. There is presently $2,950,000 of project costs identified in the Driggs URA Public Improvement Project List as well as a sum of $178,831 for administrative costs over the life of the district. Repaying start-up obligations amounts to $35,000, plus repayment of the capital grant from the City in the amount of $100,000, for a total repayment amount of $135,000. Total estimated expenditures therefore, equal $3,263,831 leaving an estimated positive program balance of $54,390 **at** the end of the term. See Attachment 5.4 cash flow analysis for detailed estimates.

Secure funding includes revenue allocation funds and is money the Agency is highly likely to receive. The funds may not be in the Agency's possession at the beginning of the Plan period, but it is virtually certain that the Agency will receive the funds. The Agency may need to take specific actions to generate the funding, but those actions are within the Agency's powers.

Despite the high probability of secure funding, no project can proceed until a specific, enforceable funding plan is in place.

Potential funding is money that might be received by the Agency. In every case the Agency is eligible for the funding, and the source of funding exists under current law. However, each potential funding source requires one or more additional steps or decisions before the Agency can obtain the resources, and the ultimate decision is outside of the Agency's independent control. City funding and grant funds are examples of potential funding.

Unfunded projects, or portions of projects lack secure or potential funding.

The amount of tax increment contributed to each project may vary. These projects will be funded in part from a variety of other revenue sources. The timing of each project and the availability of all revenue sources will determine the final combination of funding sources.

The plan proposes certain public improvements that will facilitate development and support rehabilitation in the Project Area. The investments will be funded from a variety of financing methods and sources. The primary method of financing will be through the use of tax increment/revenue allocation revenue pursuant to Idaho Code § 50-2908 (i.e., a portion of the incremental property taxes from the revenue allocation area). This plan anticipates that the tax increment revenue may be used to pay for improvements on a pay-as-you-go basis. Should revenues warrant, short-term Line-of-Credit (LOC) borrowing might be considered to advance the timing of projects.

Other sources of funding for project may include, but are not limited to:

- Local Improvement District (LID)
- Business Improvement District (BID)
- Development Impact Fees
- Franchise Fees
- Grants from federal, state, regional agencies and/or private entities
- Improvements and/or payments by developers

The total project costs and the amount of tax increment contributed to each project are estimates. The estimated project costs and revenues are based on the Agency's present knowledge and expectations. The Agency may adjust the timing of certain projects to effectuate the Plan. The timing of each project and the availability of all revenue sources will determine the final combination of funding sources.

Summary of Projects

The following table summarizes the estimated total project costs for each project. Specific project funding will be reviewed by the Agency Board during the annual budget cycle.

Driggs Urban Renewal Agency Public Improvement Project List: Front Street District		
Investment	**Year**	**Amount**
• Front Street Road Improvements – Phase I	2026	$300,000
• Front Street Road Improvements – Phase II	2029	$300,000
• Ross Avenue Road Improvements	2032	$400,000
• Buxton & Front Streetscapes	2033	$200,000
• Acquire Harper Ave. ROW	2035	$450,000
• Main Street Streetscapes	2035	$600,000
• Construct Harper Avenue	2036	$600,000
		$2,850,000
Total Street Improvements		
• Front St. & Ross Ave. Water System Improvements	2021	$100,000
Total Project Costs		**$2,950,000**

Cost of Improvements by Year (2017-2037)

Year	Secure Funding (Tax Increment Revenue)	Potential Funding	Unfunded	Total Project Liabilities
2017	$0.00	$5,000.00	$0.00	$2,500.00
2018	$9,106.00	$0.00	$0.00	$7,902.00
2019	$16,617.00	$0.00	$0.00	$6,029.00
2020	$24,190.00	$0.00	$0.00	$7,923.00
2021	$31,826.00	$50,000.00	$0.00	$110,343.00
2022	$39,529.00	$0.00	$0.00	$12,847.00
2023	$47,300.00	$0.00	$0.00	$9,322.00
2024	$58,037.00	$0.00	$0.00	$5,804.00
2025	$66,011.00	$0.00	$0.00	$6,601.00
2026	$74,063.00	$60,000.00	$0.00	$307,406.00
2027	$82,195.00	$0.00	$0.00	$8,220.00
2028	$90,412.00	$0.00	$0.00	$9,041.00
2029	$98,715.00	$60,0000.00	$0.00	$309,872.00
2030	$107,109.00	$0.00	$0.00	$10,711.00
2031	$115,596.00	$0.00	$0.00	$11,560.00
2032	$124,181.00	$80,000.00	$0.00	$412,418.00
2033	$132,866.00	$100,000.00	$0.00	$213,287.00
2034	$141,656.00	$0.00	$0.00	$14,156.00
2035	$150,554.00	$775,000.00	$0.00	$1,065,055.00
2036	$159,565.00	$450,000.00	$0.00	$615,957.00
2037	$168,693.00	$0.00	$0.00	$116,869.00
2038	$0.00	$0.00	$0.00	$0.00
Total	$1,738,221.00	$1580,000.00	$0.00	$3,263,823.00

Note: Cash Flow Analysis reflects an anticipated positive fund balance of $54,390 in FY 2037 at Plan Termination

ATTACHMENT 5.2

Economic Feasibility Study

The Driggs Urban Renewal Agency Front Street Revenue Allocation Area, or Project Area, is economically feasible because the proposed development is consistent with the City's Comprehensive Plan, the amount of growth in the area is consistent with the growth projected in the Comprehensive Plan and the revenue from the proposed district equals or exceeds the estimated costs of the projects to be funded by the Driggs Urban Renewal Agency (the "Agency").

The economic feasibility of the Urban Renewal Plan for the Front Street Urban Renewal Project (the "Plan") is based on the following factors:

- The amount of development proposed in the Project Area
- The amount of tax revenue to be generated by the proposed development
- The amount of other revenue to be received for public improvement projects
- The cost of public improvement projects to be funded by the Agency's tax increment revenue. If revenue equals or exceeds project costs, the Plan is economically feasible.

The following is a summary of the analysis and estimates of the factors used to determine the economic feasibility of Plan.

Driggs URA Front Street District Financial Feasibility Analysis

Summary:

Over the course of the Revenue Allocation District, $1,738,221 of Tax Increment Revenue will be generated. Ten percent (10%) will be used annually for administration of the Project Area for a total of $178,831 for administration costs over the 20-year lifespan of the Project Area. The City of Driggs (the "City") has provided a $30,000 grant to support the costs of developing the information needed for the Agency Board and City Council to make informed decisions with respect to the potential establishment of the Project Area. Resources have been included in the analysis to reimburse the City for this cost over time.

At this time, no revenue bonds or other debt instruments are planned for the Project Area; however, should taxable investment proceed at a more aggressive pace than anticipated, either in the timing or value of projects, debt scenarios may be possible that could advance the schedule of projects listed in the Plan.

At the conclusion of the Project Area in 2037, the termination plan will submit any unspent funds by September 2037 to the County Treasurer to distribute pro-rata to the taxing districts according to their levy percentages.

The graph entitled Cash Flow Analysis gives a more detailed outlook on the revenues and expenses of the Project Area.

The following assumptions were made in the formulation of the Financial Feasibility Analysis:

- Land Value Increase @ 2% / Yr
- Improvement Value Increase @ 4% / Yr.
- $700,000 average annual New Construction Value
- Tax Levy Rate remains constant
- Total Cost of Improvements over the life of the project: $2,950,000
- Tax Levy rate does not include levies excluded by law.

The Financial Feasibility Analysis shows that the project is 100% financially feasible and will generate adequate funds within the Project Area to fund the necessary capital improvements. The Agency will pursue outside funding sources to augment tax increment revenues, minimize debt, and advance project schedules as well as potentially reducing the number of years the Project Area will be necessary. The Agency is committed to closing the district as soon as the project is deemed complete and all infrastructure improvements are made and financial obligations satisfied. This would result in a benefit to the taxing districts and taxpayers supporting those districts.

Moderate Growth: 2% annual increase in land value and 4% annual Increae in Improvement Value

Year	Land Value (+2% annually)	Improvement Value (+4% Annually)	Total Assessed Value	Average Annual New Const. Value	Cum New Const, Vaalue	Cum. New Const Value + Inflation	Homeowners' Exemption	Taxable Value	Increment Value (H - Base)	Levy Rate (-0%)	Tax Increment Yield	Admin Costs (10%)	Funding for Capital Projects
2017	$ 2,215,768	$ 3,920,145	$ 6,135,913	$ -		$ 6,135,913	$ -	$ 6,135,913	$ -	0.0082697			
2018	$ 2,260,083	$ 4,076,951	$ 6,337,034	$ 900,000	$ 900,000	$ 7,237,034	$ -	$ 7,237,034	$ 1,101,121	0.0082697	$ 9,106	$ 2,500	$ 6,606
2019	$ 2,305,285	$ 4,240,029	$ 6,545,314	$ 700,000	$ 1,600,000	$ 8,145,314	$ -	$ 8,145,314	$ 2,009,401	0.0082697	$ 16,617	$ 2,500	$ 14,117
2020	$ 2,351,391	$ 4,409,630	$ 6,761,021	$ 700,000	$ 2,300,000	$ 9,061,021	$ -	$ 9,061,021	$ 2,925,108	0.0082697	$ 24,190	$ 2,500	$ 21,690
2021	$ 2,398,419	$ 4,586,015	$ 6,984,434	$ 700,000	$ 3,000,000	$ 9,984,434	$ -	$ 9,984,434	$ 3,848,521	0.0082697	$ 31,826	$ 2,283	$ 29,543
2022	$ 2,446,387	$ 4,769,456	$ 7,215,843	$ 700,000	$ 3,700,000	$ 10,915,843	$ -	$ 10,915,843	$ 4,779,930	0.0082697	$ 39,529	$ 2,538	$ 36,991
2023	$ 2,495,315	$ 4,960,234	$ 7,455,549	$ 700,000	$ 4,400,000	$ 11,855,549	$ -	$ 11,855,549	$ 5,719,636	0.0082697	$ 47,300	$ 2,802	$ 44,498
2024	$ 2,895,221	$ 5,158,643	$ 8,053,864	$ 700,000	$ 5,100,000	$ 13,153,864	$ -	$ 13,153,864	$ 7,017,951	0.0082697	$ 58,037	$ 4,109	$ 53,927
2025	$ 2,953,125	$ 5,364,989	$ 8,318,114	$ 700,000	$ 5,800,000	$ 14,118,114	$ -	$ 14,118,114	$ 7,982,201	0.0082697	$ 66,011	$ 4,429	$ 61,582
2026	$ 3,012,188	$ 5,579,589	$ 8,591,777	$ 700,000	$ 6,500,000	$ 15,091,777	$ -	$ 15,091,777	$ 8,955,864	0.0082697	$ 74,063	$ 4,760	$ 69,303
2027	$ 3,072,432	$ 5,802,772	$ 8,875,204	$ 700,000	$ 7,200,000	$ 16,075,204	$ -	$ 16,075,204	$ 9,939,291	0.0082697	$ 82,195	$ 7,585	$ 74,611
2028	$ 3,133,880	$ 6,034,883	$ 9,168,763	$ 700,000	$ 7,900,000	$ 17,068,763	$ -	$ 17,068,763	$ 10,932,850	0.0082697	$ 90,412	$ 8,040	$ 82,372
2029	$ 3,196,558	$ 6,276,278	$ 9,472,836	$ 700,000	$ 8,600,000	$ 18,072,836	$ -	$ 18,072,836	$ 11,936,923	0.0082697	$ 98,715	$ 8,513	$ 90,202
2030	$ 3,260,489	$ 6,527,330	$ 9,787,819	$ 700,000	$ 9,300,000	$ 19,087,819	$ -	$ 19,087,819	$ 12,951,906	0.0082697	$ 107,109	$ 9,748	$ 97,361
2031	$ 3,325,699	$ 6,788,423	$ 10,114,122	$ 700,000	$ 10,000,000	$ 20,114,122	$ -	$ 20,114,122	$ 13,978,209	0.0082697	$ 115,596	$ 10,287	$ 105,309
2032	$ 3,392,213	$ 7,059,960	$ 10,452,172	$ 700,000	$ 10,700,000	$ 21,152,172	$ -	$ 21,152,172	$ 15,016,259	0.0082697	$ 124,181	$ 10,846	$ 113,334
2033	$ 3,460,057	$ 7,342,358	$ 10,802,415	$ 700,000	$ 11,400,000	$ 22,202,415	$ -	$ 22,202,415	$ 16,066,502	0.0082697	$ 132,866	$ 12,171	$ 120,695
2034	$ 3,529,258	$ 7,636,052	$ 11,165,311	$ 700,000	$ 12,100,000	$ 23,265,311	$ -	$ 23,265,311	$ 17,129,398	0.0082697	$ 141,656	$ 12,804	$ 128,852
2035	$ 3,599,843	$ 7,941,494	$ 11,541,338	$ 700,000	$ 12,800,000	$ 24,341,338	$ -	$ 24,341,338	$ 18,205,425	0.0082697	$ 150,554	$ 13,460	$ 137,094
2036	$ 3,671,840	$ 8,259,154	$ 11,930,994	$ 700,000	$ 13,500,000	$ 25,430,994	$ -	$ 25,430,994	$ 19,295,081	0.0082697	$ 159,565	$ 16,623	$ 142,942
2037	$ 3,745,277	$ 8,589,520	$ 12,334,797	$ 700,000	$ 14,200,000	$ 26,534,797	$ -	$ 26,534,797	$ 20,398,884	0.0082697	$ 168,693	$ 17,430	$ 151,263
				$ 14,200,000							$ 1,738,220		$ 1,582,293

Assumptions:

- 2018 Project is an O'Reilly's Auto Parts curr
- Land Value inflates at 2% per year and Improvement Value inflates at 4% per year
- Revenue Allocation yields assums new taxable investment within the District at an average annual amount of $700,000 which is sligtly less than experiences in adjacent area
- Property Tax Income available 2 years after completion of construction
- Tax rates held constant

Cash Flow for Specified Improvement Schedule without Debt

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	$ -	$ 2,500	$ 3,705	$ 14,292	$ 30,560	$ 2,042	$ 28,724	$ 66,702	$ 118,936	$ 178,346	$ 5,002
Source of Funds											
Revenue Allocation	$ -	$ 9,106	$ 16,617	$ 24,190	$ 31,826	$ 39,529	$ 47,300	$ 58,037	$ 66,011	$ 74,063	$ 82,195
Inter-District Loan *	$ 5,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City Funds / Streets										$ 60,000	
City Funds / Utilities					$ 50,000						
Grants / Other											
Total Funds Available	$ 5,000	$ 11,606	$ 20,322	$ 38,482	$ 112,386	$ 41,571	$ 76,024	$ 124,739	$ 184,947	$ 312,409	$ 87,197
Use of Funds											
District Operating Expenses	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 3,183	$ 3,953	$ 4,730	$ 5,804	$ 6,601	$ 7,406	$ 8,220
Bond Repayment											
Repay Inter-District Loan	$ -	$ 5,000									
Reimburse City Grants	$ -	$ 402	$ 3,529	$ 5,423	$ 7,161	$ 8,894	$ 4,592	$ -		$ -	$ -
Front Street District Improvements											
ROW Acquisition /URA	$ -		$ -		$ -	$ -				$ -	
ROW Acquisition /City											
Street Improvements / URA Share	$ -		$ -	$ -							
Front Street Road Improvements - Phase I										$ 240,000	
Front Street Road Improvemnets - Phase II											
Ross Ave. Road Improvements											
Buxton & Front Streetscapes											
Main Avenue Streetscapes											
Harper Avenue Construction											
Street Improvements / City Share											
Front Street Road Improvements - Phase I										$ 60,000	
Front Street Road Improvemnets - Phase II											
Ross Ave. Road Improvements											
Buxton & Front Streetscapes											
Main Avenue Streetscapes											

Harper Avenue Construction											
Street Improvements / Other Share											
Buxton & Front Sidwewalks											
Main Avenue Streetscapes											
Harper Avenue Construction											
Water System Improvements / URA											
Front Street & Ross Ave. Improvements					$ 50,000						
Water System Improvements / City											
Front Street & Ross Ave. Improvements					$ 50,000						
Total Use of Funds	$ 2,500	$ 7,902	$ 6,029	$ 7,923	$ 110,343	$ 12,847	$ 9,322	$ 5,804	$ 6,601	$ 307,406	$ 8,220
Ending Balance	$ 2,500	$ 3,705	$ 14,292	$ 30,560	$ 2,042	$ 28,724	$ 66,702	$ 118,936	$ 178,346	$ 5,002	$ 78,978

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	Total
Beginning Balance	$ 78,978	$ 160,349	$ 9,192	$ 105,590	$ 209,627	$ 1,389	$ 20,969	$ 148,459	$ 8,958	$ 2,566	$ 1,196,886
Source of Funds											$ -
Revenue Allocation	$ 90,412	$ 98,715	$ 107,109	$ 115,596	$ 124,181	$ 132,866	$ 141,656	$ 150,554	$ 159,565	$ 168,693	$ 1,738,221
Inter-District Loan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000
City Funds / Streets		$ 60,000			$ 80,000	$ 50,000		$ 175,000	$ 250,000		$ 675,000
City Funds / Utilities											$ 50,000
City Project Grant								$ 100,000			$ 100,000
Grants / Other						$ 50,000		$ 500,000	$ 200,000		$ 750,000
Total Funds Available	#####	$ 319,064	$ 116,301	$ 221,186	$ 413,808	$ 234,255	$ 162,625	$ 1,074,013	$ 618,523	$ 171,259	$ 4,515,107
Minus cumulative cash carryover											$ (1,196,886)
Actual Funds available											$ 3,318,221
Use of Funds											
Operations and Debt Service											
District Operating Expenses	$ 9,041	$ 9,872	$ 10,711	$ 11,560	$ 12,418	$ 13,287	$ 14,166	$ 15,055	$ 15,957	$ 16,869	$ 178,831
Repay Inter-District Loan											$ 5,000
Reimburse City Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ 130,000
Total Operations and Debt Svc.											$ 313,831
Front Street District Improvements											
Right of Way Acquisition											
ROW Acquisition / URA				$ -				$ 275,000			$ 275,000
ROW Acquisition / City								$ 175,000			$ 175,000
Total Right of Way Acquisition											$ 450,000
Street Improvements											
Street Improvements / URA Share											
Front Street Road Improvements - Phase I											$ 240,000
Front Street Road Improvemnets - Phase II		$ 240,000									$ 240,000
Ross Ave. Road Improvements					$ 320,000						$ 320,000
Buxton & Front Streetscapes						$ 100,000					$ 100,000
Main Avenue Streetscapes								$ -			$ -
Harper Avenue Construction									$ 150,000		$ 150,000
Street Improvements / URA Share											$ 1,050,000

Street Improvements / City Share											$ -
Front Street Road Improvements - Phase I											$ 60,000
Front Street Road Improvemnets - Phase II		$ 60,000									$ 60,000
Ross Ave. Road Improvements					$ 80,000						$ 80,000
Buxton & Front Sidwewalks						$ 50,000					$ 50,000
Main Avenue Streetscapes								$ 100,000			$ 100,000
Harper Avenue Construction									$ 250,000		$ 250,000
Street Improvements / City Share											$ 600,000
Street Improvements / Other Share											
Buxton & Front Sidwewalks						$ 50,000					$ 50,000
Harper Avenue Construction									$ 200,000		$ 200,000
Total Street Imprv / Other Share											$ 250,000
Main Avenue Streetscapes								#######			$ 500,000
Water System Improvements											
Water System Improvements / URA											$ 50,000
Water System Improvements / Cit	$ -				$ -	$ -		$ -	$ -	$ -	$ 50,000
Total Water System Improvements											$ 100,000
Total Use of Funds	$ 9,041	$ 309,872	$ 10,711	$ 11,560	$ 412,418	$ 213,287	$ 14,166	$ 1,065,055	$ 615,957	$ 116,869	$ 3,263,831
Ending Balance	#####	$ 9,192	$ 105,590	$ 209,627	$ 1,389	$ 20,969	$ 148,459	$ 8,958	$ 2,566	$ 54,390	
											$ -
							Reconcile				
							Total Funds Available		$	2,718,221	
							Ending Balance 2037		$	154,390	
							Total Use of Funds		$	2,563,831	

Assumptions

Revenue Allcoation yields assume Moderate Growth estimated at 2% annual increase in land value and 4% annual increase in improvement values

Revenue Allocation yields assums new taxable investment within the District at an average annual amount of $700,000 which is sligtly less than experiences in adjacent

It is anticipated that the DURA will loan the new District $5,000 in 2017 to fund operations until Tax receipts are available, which will be repaid with no interest in 20

DURA/City Agreement is for DURA to repay $30K grant at 25% of revenue allocation after operating expenses are removed.

No debt service assumed. Consider possible cash flow Line of credit in later years to advance investment schedule.

Cash flow accounts for all sources of revenue including URA, City of Driggs, and Grant / Other Funds