

ORDINANCE NO. 2814

AN ORDINANCE OF THE CITY OF POCA TELLO, A MUNICIPAL CORPORATION OF IDAHO, MAKING FINDINGS PURSUANT TO IDAHO CODE §§50-2008 and 50-2906 REQUISITE TO APPROVE A REVENUE ALLOCATION AREA AND URBAN RENEWAL PLAN AND PROJECTS WITHIN THE URBAN RENEWAL AREA, TO BE KNOWN AS THE NORTH PORTNEUF URBAN RENEWAL PLAN; ADOPTING REVENUE ALLOCATION FINANCING PROVISIONS AS PART OF THE URBAN RENEWAL PLAN PURSUANT TO IDAHO CODE §50-2906; PROVIDING THAT THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT FROM AND AFTER ITS PASSAGE, APPROVAL AND PUBLICATION ACCORDING TO LAW, THE RULE REQUIRING AN ORDINANCE TO BE READ ON THREE SEPARATE OCCASIONS HAVING BEEN DISPENSED WITH.

WHEREAS, on July 14, 1988, the Pocatello City Council created by Resolution No. 1988-13 an urban renewal agency pursuant to Idaho Code §50-2005, to be known as the Pocatello Development Authority; and

WHEREAS, on April 19, 2007, the Pocatello City Council approved the formation of an urban renewal area by Resolution No. 2007-07; and

WHEREAS, the Pocatello Development Authority proposed an urban renewal plan with revenue allocation financing provisions to the Community Development Commission for its review and recommendation, and then to the Pocatello City Council for its approval, all pursuant to Idaho Code §§50-2008, 50-2904 through 50-2906; and

WHEREAS, a public hearing on the plan for projects within the area, to be known as the North Portneuf Urban Renewal Plan, was scheduled before the Pocatello City Council at its regular meeting on April 19, 2007, and notice of said meeting was published in the Idaho State Journal on March 27, 2007, and was, at the same time, transmitted to the governing body of each taxing district which levies taxes on property in the urban renewal area, pursuant to Idaho Code §50-2008 and §50-2906; and

WHEREAS, said public hearing was in fact held before the City Council on April 19, 2007; and

WHEREAS, after said hearing, the Council authorized the drafting of an ordinance approving the urban renewal plan and projects and adopting revenue allocation financing provisions therein; and

WHEREAS, copies of the urban renewal plan and projects, with the plan's revenue allocation financing provisions, along with a recommendation from the Pocatello Development Authority and notice of the date of the public hearing regarding adoption of the plan and projects were delivered to the governing body of each taxing district which levies taxes on property in the urban renewal area, pursuant to Idaho Code §50-2906;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF POCA TELLO AS FOLLOWS:

Section 1. That, pursuant to Idaho Code §50-2008, the Mayor and Council of the City of Pocatello, after due presentation of relevant information by City staff members and after the holding of a public hearing pursuant to statute on April 19, 2007, do hereby find:

- A. That no families will be displaced from the proposed North Portneuf Urban Renewal Area and Revenue Allocation Area;
- B. That, as indicated by the review of the Urban Renewal Plan by the Community Development Commission, the North Portneuf Urban Renewal Plan conforms to the Comprehensive Plan (general plan) of the municipality as a whole;
- C. That adequate parks and recreational facilities already exist in close proximity to the Urban Renewal Area and the nature of the use of the real property within the Urban Renewal Area and Revenue Allocation Area will be Industrial in nature; and
- D. That the North Portneuf Urban Renewal Plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for

the rehabilitation or redevelopment of the Urban Renewal Area by private enterprise.

Section 2: That, in light of the above findings, the Mayor and Council of the City of Pocatello hereby approve the Urban Renewal Projects and Plan for the North Portneuf Urban Renewal Area described as follows:

A tract of land located in the NE 1/4 of the SE 1/4 of Section 7, the S 1/2 of Section 8, the E 1/2 of Section 16, the NE 1/4 of the NW 1/4 and the E 1/2 of Section 17, the NE 1/4 of the NW 1/4, and the NW 1/4 of the NE 1/4 of Section 21, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

Beginning at the intersection of the southerly right-of-way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300 feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320 feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25 feet to a point on the easterly right-of-way line of Philbin Road; (4) thence in a southerly direction along the easterly right-of-way line of Philbin Road approximately 600 feet to a point of intersection with the northerly right-of-way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right-of-way line of Highway 30 West approximately 30 feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of Section 16 approximately 700 feet to the west 1/4 corner of Section 16 marked by a 5/8-inch iron pin; thence continuing in a southerly direction along the west line of Section 16 approximately 160 feet to a point of intersection with the original northerly right-of-way line of the Oregon Short Line Railroad (OSLRR); thence S 56°36'03" E along the northerly right-of-way line of the OSLRR approximately 1570 feet to a point of intersection with the west 1/16 line of Section 16; thence S 00°41'13" E along the west 1/16 line approximately 120 feet to a point of intersection with the southerly right-of-way line of the OSLRR, said point marked by a 5/8-inch iron pin stamped PLS 8075; thence S 56°36'03" E along the

southerly right of way of the OSLRR 265.12-feet to a Bannock County brass cap monument on the south 1/16 line of Section 16; thence S $89^{\circ}06'59''$ W along the south 1/16 line of Section 16 a distance of 223.15 feet to the southwest 1/16 corner of Section 16 marked by a 6-inch diameter steel post; thence southerly along the west 1/16 line of Section 16 approximately 740 feet to a point of intersection with the centerline of the Portneuf River; thence in a southeasterly direction upstream to a point of intersection with the south line of Section 16; thence N $89^{\circ}59'$ E approximately 551.60 feet to the south 1/4 corner of Section 16, said point also being the north 1/4 corner of Section 21, Township 6 South, Range 34 East, Boise Meridian; thence in a southerly direction along the meridional centerline of Section 21 a distance of 40 feet to a point on the southwesterly right-of-way of Kraft Road; thence S $77^{\circ}34'$ E along said southwesterly right-of-way line of Kraft Road described in Instrument #224872 recorded in the official records of Bannock County, Idaho, 57.00 feet, more or less, to the beginning of a 118.5 foot radius curve concave to the southwest; thence continuing along said westerly right-of-way line of Kraft Road southeasterly and southwesterly along said 118.50 foot radius curve through a central angle of $105^{\circ}15'35''$ a distance of 217.70 feet; thence S $27^{\circ}40'$ W continuing along said right-of-way line approximately 108 feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, going downstream along the centerline of the Portneuf River approximately 13,000 feet to a point of intersection with the southerly right-of-way line of Interstate 86; thence in an easterly direction along said southerly right-of-way line of Interstate 86 approximately 6700 feet to the TRUE POINT OF BEGINNING.

Section 3: That in light of the proposed revenue allocation financing provision's compliance with the requirements of Idaho Code §§50-2904 through 50-2906, the Mayor and Council of the City of Pocatello hereby expressly adopt revenue allocation financing provisions for the North Portneuf Urban Renewal Area Plan and Projects as herein described. These revenue allocation provisions shall be in effect through the year 2030, unless retired sooner.

Section 4: That this ordinance shall be in full force and effect from and after its passage, approval, and publication according to law, the rule requiring that an ordinance be read on three separate occasions having been dispensed with.

PASSED AND APPROVED this 3rd day of May, 2007.

CITY OF POCA TELLO, a municipal
corporation of Idaho


ROGER CHASE, Mayor

ATTEST:


RHONDA L. JOHNSON, City Clerk

PUBLISHED:

STATE OF IDAHO

)

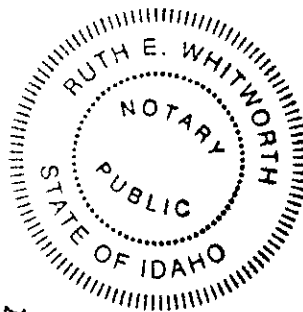
ss:

County of Bannock

)

On this 3rd day of May, 2007, before me, the undersigned, a Notary Public for the State, personally appeared Roger W. Chase and Rhonda L. Johnson, known to me to be the Mayor and City Clerk, respectively, of the City of Pocatello, and acknowledged to me that they executed the foregoing instrument for and on behalf of said municipal corporation and that said municipal corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal,
the date and year in this certificate first above written.




NOTARY PUBLIC FOR IDAHO
Residing in Pocatello, Idaho
My commission expires: 4/16/2013

PUBLISH:

5-9-2007

**North Portneuf Urban
Renewal Area and Revenue
Allocation District

Improvement Plan**

May 2007

CITY OF POCATELLO**North Portneuf Urban Renewal Area Improvement Plan
Table of Contents****ACKNOWLEDGEMENTS**

Pocatello Development Authority
City Officials

I. INTRODUCTION

Background
Purpose of the Plan

II. NORTH PORTNEUF URBAN RENEWAL AREA DESCRIPTION**III. PROJECT PLAN**

Project Description
Project Costs and Revenues

IV. ECONOMIC FEASIBILITY STUDY**V. CONFORMANCE WITH STATE LAW****VI. PLAN DURATION****VII. AMENDMENT PROCEDURES****VIII. SEVERABILITY****IX. CONCLUSION****ATTACHMENTS**

1. North Portneuf/Revenue Allocation Map
2. North Portneuf Urban Renewal Area & Revenue Allocation District Legal Description
3. Bannock County Transfer of Powers Ordinance
4. Recommendation of the PDA
5. Recommendation of the CDC
6. Resolution of the City Council designating the Urban Renewal Area

Acknowledgements**Pocatello City Council:**

Roger Chase	Mayor
Roger Bray	Council Member
Ron Frasure	Council Member
Gary Moore	Council Member
Eva Nye	Council Member
Richard Stallings	Council Member
Brian Underwood	Council Member

Pocatello Development Authority:

Steve Brown	Chair Person/Commissioner
Terry Brower	Commissioner
Mayor Roger Chase	Commissioner
Darsi Foster-Johnson	Commissioner
Larry Ghan	Commissioner
Ken Monroe	Commissioner
John Ricks	Commissioner
Dan Schroeder	Commissioner
Richard Stallings	Commissioner

Dean Tranmer	Attorney to the Commission
Darcy Taylor	Secretary to the Commission

City of Pocatello Staff:

Robert Chambers	Director, Planning and Development Services
Tim Tingey	Division Manager, Neighborhood & Community Services
Melanie Gygli	Associate Planner
Dave Swindell	Chief Financial Officer

Bannock Development Corporation:

Gynii Gilliam	Executive Director
Sari David	Administrative Assistant

I. INTRODUCTION

The Pocatello Development Authority (PDA) was created by the City of Pocatello on July 14, 1988, and was granted authority by the City of Pocatello to undertake urban renewal projects which may be facilitated through the use of tax increment financing. The PDA helps to ensure that appropriate development takes place in areas of greatest need.

Planning is essential to ensure that development efforts create both an environment of convenience and safety for neighborhood residents, and increased opportunities for businesses to succeed. This North Portneuf Urban Renewal Plan, once implemented, will be the vehicle to provide a more conducive atmosphere for business operation in the City, and enhance opportunities for businesses wishing to relocate to Pocatello.

This plan identifies projects and describes the process for enhancing this area in the City through efforts of the Pocatello Development Authority and the City of Pocatello.

Background

The Pocatello Development Authority (PDA), in the meeting of March 21, 2007 made the following recommendation (SEE ATTACHMENT 1):

- The PDA recommended the creation of a Revenue Allocation District for the area adjacent to the Portneuf River to Interstate 86 and running east to Philbin Road and then in a southerly direction to the Portneuf River. The area also includes properties south and southwest of and adjacent to the Great Western Malting Plant. Underdevelopment of this area necessitates the creation of an improvement plan. This recommendation initiated the creation of the improvement plan contained herein.

The recommendation of the PDA, as outlined, is consistent with the goals of the City and is allowed by the State of Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code). Accordingly, this North Portneuf Urban Renewal Area Improvement Plan directs use of revenue allocation financing to accomplish the following:

- To eliminate underutilized areas which are causing economic under-development in the designated area, substantially impairing the sound growth of Pocatello in general.
- To encourage both private and public development in the Urban Renewal Area in order to diversify and improve the local economy by providing adequate public facilities.
- To encourage cooperation among taxing districts in the Pocatello community regarding the use of funds.
- To accomplish plan goals in accordance with all appropriate federal, state, and local laws.

Purpose of the Plan

The purpose of this plan is to create a proactive approach to development/redevelopment projects by the PDA in Pocatello by focusing efforts in five areas:

1. Leveling or reducing the City's levy rate by increasing the tax base through more aggressive engagement in redeveloping underutilized areas;
2. Partnering with the private sector to enhance development and to attract new or to expand businesses to improve the Pocatello economy;
3. Targeting areas in need of building and site improvements;
4. Utilizing more effectively the powers granted to the PDA in the pursuit of redevelopment activities. Such powers include:
 - a. carrying out urban renewal projects;
 - b. making and executing contracts and other instruments;
 - c. disseminating slum clearance and urban renewal information;
 - d. repairing streets, roads, public utilities or other facilities;
 - e. installing streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, or other facilities;
 - f. entering buildings or property to make inspections, surveys, appraisals, soundings or test borings;
 - g. acquiring by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property or personal property for its administrative purposes;
 - h. holding, improving, renovating, rehabilitating, clearing or preparing for redevelopment any such property or buildings;
 - i. mortgaging, pledging, hypothecating or otherwise encumbering or disposing of any real property;
 - j. insuring or providing for the insurance of any real or personal property or operations of the municipality;
 - k. demolishing and removing structures on property;
 - l. investing urban renewal funds;
 - m. borrowing money and applying for and accepting advances, loans, grants, contributions, and any other form of financial assistance;
 - n. creating, modifying and executing plans which may include programs of voluntary compulsory repair and rehabilitation of buildings and improvements;
 - o. conducting appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects;
 - p. developing, testing, and reporting methods and techniques, and carrying out demonstrations for the prevention and elimination of slums and urban blight;
 - q. developing new or improved means of providing housing;
 - r. accepting and utilizing grants of funds from the federal government;
 - s. assisting in the relocation of persons displaced from an urban renewal area;
 - t. exercising all or any part or combination of powers herein granted.

By adopting this Plan, it is the intention of the PDA to facilitate improvements in the designated North Portneuf Urban Renewal Area and enhance the economic viability of the area.

II. NORTH PORTNEUF URBAN RENEWAL AREA DESCRIPTION AND DETERIORATED OR DETERIORATING CONDITIONS ANALYSIS

The Urban Renewal Area boundary and Revenue Allocation District are identified with the same boundaries. The area is legally described in Attachment 2. State Urban Renewal Law and the Local Economic Development Act identify a number of conditions that qualify an area for urban renewal status. The following presents an analysis and reasoning why this North Portneuf area should be included as part of an Urban Renewal Area.

Idaho Code 50-2002 outlines requirements for a finding and declaration of necessity which states that areas that impose onerous municipal burdens which decrease the tax base, and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities and among other things aggravates traffic problems in an area will qualify to be included in an Urban Renewal Area. Additionally, Idaho Code 50-2903 states areas in which there is a predominance of buildings or improvements...which by reason of dilapidation, deterioration, age or obsolescence...contributes to the economic underdevelopment of an area qualify for assistance.

The properties associated with these areas are in need of improvements to facilitate building and infrastructure enhancements and these needs have contributed to underutilization of the site for businesses and industry for several years. This area includes several site issues that impede redevelopment including:

- Under-development of land which has detracted from the economic viability of the area;
- Inadequate transportation access points and infrastructure limiting development of this site;
- Any combination of the above factors which has reduced the feasibility of full development of this area.

Without addressing these conditions, the feasibility of additional development in this area in the near future would be limited. Additionally, the range of issues and the costs associated with redevelopment contributes to the ongoing underutilization of this area and prompts the additional need to establish the North Portneuf Urban Renewal Area.

III. PROJECT PLAN

The project list outlined in this plan may be funded (all or in part), if the PDA and Council decide to utilize tax increment financing funds as they become available from new construction. A description of the projects with estimated costs are as follows:

TABLE 1. Project Costs

PROJECT EXPENSE ITEM	COST	Total
Main Water Re-use Line (4,500/ft x \$100/Ft)	\$450,000	
Main and Lateral Water Line (\$3,500/ft x \$50/ft)	\$175,000	
Main and Lateral Sewer Line (1,000/ ft x \$50/ft)	\$50,000	
Rail Spur, Dbl. Track (4,000/ft x \$220/ft)	\$880,000	
Rail Switch	\$2,000,000	
Roadway Construction (5,000/ft x \$150/ft)	\$750,000	
Property Access (Acquisition and Construction)	\$3,215,000	
Environmental Remediation and Site Preparation	\$250,000	
Power	\$8,500,000	
Natural Gas	\$1,000,000	
Cable/Fiber Optics	\$1,000,000	
Subtotal		\$18,270,000
Water/Sewer Connect Fees	\$291,029	
Contingency @ 20%	\$3,654,000	
Engineering/Administration @ 20%	\$3,654,000	
Total		\$25,869,029
Taxing Entity Operational Costs		\$16,029,830
City Capital Cost Reimbursement		\$1,361,528
PDA Administration		\$1,393,898
Company Employment Reimbursement		\$17,423,728
FINAL PROJECT COST TOTAL		\$62,078,013

Project Description

- **Infrastructure, Access, and Site Work**—any necessary and eligible costs related to infrastructure enhancement, construction of facilities, upgrades of utilities, site preparation work, and other associated work to facilitate development;
- **Contingency costs**--additional cost calculated for work related to other administrative or construction related costs associated with the project;
- **Taxing Entity Operational Costs**—taxing entities will receive a reimbursement percentage to occur in the tenth year of the district to cover administrative and operational costs thereby lessening the burden of service delivery for the entities associated with this urban renewal area. Funding may also be used for property acquisition for economic development purposes;
- **City Capital Cost Reimbursement**—City of Pocatello costs incurred for acquisition of property for location of HOKU Scientific.
- **PDA Administration**—An administrative cost will be allocated to the PDA for ongoing operational needs;

- **Company Employment Reimbursement**—In year 2016, provided that tax increment financing revenue is collected as projected, HOKU Scientific will be reimbursed funding percentages if they obtain and maintain at minimum 200 new jobs in the community. If they do not have 200 or maintain that number of jobs, then the amount of the reimbursement will be proportionately reduced downward on a prorated sliding scale. There is no increase in reimbursement for jobs in excess of 200.

The following table outlines the total project costs and the projected revenue for the proposed revenue allocation district.

TABLE 2. Project Costs and Revenues

ITEM	AMOUNT	TOTAL
REVENUES		
Revenue Allocation Proceeds	\$62,078,013	
Sub-Total		\$62,078,013
COSTS		
Infrastructure Costs	\$25,869,029	
Taxing Entity Operational Costs	\$16,029,830	
City Capital Cost Reimbursement	\$1,361,528	
PDA Administration	\$1,393,898	
Company Employment Reimbursement	\$17,423,728	
Subtotal		\$62,078,013
Ending District Balance		\$0

IV. ECONOMIC FEASIBILITY STUDY

The following tables provide a projection of base-assessed valuations for the proposed revenue allocation district for the North Portneuf Urban Renewal Area. An analysis of the tax levy rates applied in calculating tax collection for taxing entities and the North Portneuf Revenue Allocation District is described below. The 2006 tax levies for each of the five taxing jurisdictions are as follows:

<u>Taxing Jurisdictions</u>	<u>Tax levy¹</u>
City of Pocatello	.010385066
Bannock County	.005278294
School District # 25	.004556190
County Road & Bridge	.000591630
Ambulance	.000278340
Total	.021089520

¹ Obtained from Bannock County Auditor's Office

TABLE 3

Taxing Entity	² Tax Levy	North Portneuf Area Valuation	Revenue
City of Pocatello	0.010385066	\$4,409,661	\$45,794.62
Bannock County	0.005278294	\$4,409,661	\$23,275.49
School District #25	0.004556190	\$4,409,661	\$20,091.25
County Road & Bridge	0.000591630	\$4,409,661	\$2,608.89
Ambulance	0.000278340	\$4,409,661	\$1,227.39
Total	0.021089520		\$92,997.64

As the above table shows, \$ 92,997.63 of tax revenue is presently produced in the revenue allocation district for the North Portneuf Urban Renewal Plan. The remainder of the property is currently tax exempt. Taxable value will be added by real improvements to the land scheduled to begin summer of 2007.

Table 4 outlines the net increase in tax revenue potential from the estimated post construction value on the property over a nineteen year period.

TABLE 4

Value of Taxable Property in Revenue Allocation Area			
Property	2007 Base Value	Estimated Post Construction and Base Value	Net Increase
Proposed North Portneuf Improvement Site	\$4,409,661 ³	\$200,409,661	\$196,000,000

Table 5 provides an analysis of the estimated revenue to the PDA from new construction value within the North Portneuf Revenue Allocation District. Levy rates based on current rate determinations are applied to determine net revenue to be collected and distributed to the PDA.

² 2006 tax levy rate obtained from Bannock County Auditor's office

³ Includes a 3% estimated amount for utilities which are included as base value.

TABLE 5

Year 12 months ending	TIF Tax Value ⁴	⁵ Tax Levy Rate	Revenue to PDA
2007	-----	0.021089520	-----
2008	-----	0.021089520	-----
2009	\$196,000,000	0.021089520	\$4,133,546
2010	\$190,120,000	0.018980568	\$3,608,586
2011	\$184,416,400	0.018980568	\$3,500,328
2012	\$178,883,908	0.018980568	\$3,395,318
2013	\$173,517,391	0.018980568	\$3,293,459
2014	\$168,311,869	0.018980568	\$3,194,655
2015	\$163,262,513	0.018980568	\$3,098,815
2016	\$158,364,638	0.018980568	\$3,005,851
2017	\$153,613,698	0.018980568	\$2,915,675
2018	\$149,005,287	0.018980568	\$2,828,205
2019	\$144,535,129	0.018980568	\$2,743,359
2020	\$140,199,075	0.018411151	\$2,581,226
2021	\$135,993,103	0.018411151	\$2,503,790
2022	\$131,913,310	0.018411151	\$2,428,676
2023	\$127,955,910	0.018411151	\$2,355,816
2024	\$127,955,910	0.018411151	\$2,355,816
2025	\$127,955,910	0.018411151	\$2,355,816
2026	\$127,955,910	0.018411151	\$2,355,816
2027	\$127,955,910	0.018411151	\$2,355,816
2028	\$127,955,910	0.018411151	\$2,355,816
2029	\$127,955,910	0.018411151	\$2,355,816
2030	\$127,955,910	0.018411151	\$2,355,816
Total	\$2,907,915,873		\$62,078,013

The total revenue amount that may be received by the PDA over twenty four years is estimated at approximately \$62,078,013. This amount will be used to finance all projected costs within the North Portneuf Urban Renewal Area.

Table 6 outlines reimbursement and payment amounts, with percentage allocations for all costs to be distributed to both the public and private entities. There are no guarantees of the revenue amounts listed in this plan. Revenue distributions listed in the plan will be based on actual proceeds received. If for whatever reason, net revenue to PDA is less than that projected in the plan, then the listed percentages will govern how the proceeds are to be allocated. There is no adjustment in distribution for net revenue to PDA in excess of that listed in the plan.

⁴ Proposed new construction is anticipated to be completed at the end of 2008. Full tax value will be collected for 2009.

⁵ Calculations include holding the levy rate constant through 2009. In 2010, it is reduced by 10% due to the anticipated Central Corridor Urban Renewal Area expiration which will generate a broader tax base resulting in a reduction in the levy rate. It is also reduced an additional 3% in 2020 to account for the future expiration of the North Yellowstone Urban Renewal Area.

The company is paying the costs of infrastructure, access and site work and will therefore be reimbursed for the **actual** costs of these items, currently estimated to be \$25,869,029. The company will also receive an employment reimbursement for jobs created. The full amount listed in the table under Company Employment Reimbursement will be distributed to the company if employment is achieved and maintained at 200 FTE's. For the purposes of this plan, Bureau of Labor Statistics standards are used to define full time equivalent employment. This definition is 35 hours per week. The distribution amount will be adjusted downward if the job creation is less than the 200 FTE's and will be proportionally reduced on a prorated sliding scale. There is no increase in distribution for jobs in excess of 200 FTE's.

Public entities will receive reimbursement of costs associated with land acquisition and operations/administration. This will help to pay the costs associated with service delivery by these entities in this area.

TABLE 6

Tax Collection Year	Net Revenue to PDA	Company Infrastructure Reimbursement 95%	Company Employment Reimbursement 50%	City Capital Cost Reimbursement 5%	Taxing Entity Operational Costs 46%	PDA Admin 4%
2007	-----	-----	-----	-----	-----	-----
2008	-----	-----	-----	-----	-----	-----
2009	-----	-----	-----	-----	-----	-----
2010	\$4,133,546	\$3,926,869		\$206,677		
2011	\$3,608,586	\$3,428,156		\$180,429		
2012	\$3,500,328	\$3,325,312		\$175,016		
2013	\$3,395,318	\$3,225,552		\$169,766		
2014	\$3,293,459	\$3,128,786		\$164,673		
2015	\$3,194,655	\$3,034,922		\$159,733		
2016	\$3,098,815	\$2,943,874		\$154,941		
2017	\$3,005,851	\$2,855,558		\$150,293		
2018	\$2,915,675		\$1,457,838		\$1,341,211	\$116,627
2019	\$2,828,205		\$1,414,102		\$1,300,974	\$113,128
2020	\$2,743,359		\$1,371,679		\$1,261,945	\$109,734
2021	\$2,581,226		\$1,290,613		\$1,187,364	\$103,249
2022	\$2,503,790		\$1,251,895		\$1,151,743	\$100,152
2023	\$2,428,676		\$1,214,338		\$1,117,191	\$97,147
2024	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2025	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2026	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2027	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2028	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2029	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2030	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2031	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
Total	\$62,078,013	\$25,869,029	\$17,423,728	\$1,361,528	\$16,029,830	\$1,393,898

As outlined in Table 6, when revenue is received by the PDA (projected to begin in 2010), the costs for public infrastructure will be reimbursed over eight years provided that revenue is collected at the projected rate. City capital costs for acquisition will also be funded within the same time frame. After those items are compensated, a reimbursement for job creation, taxing entity operational costs and PDA administration and acquisition costs will also be funded.

V. CONFORMANCE WITH STATE LAW

Redevelopment activities for the North Portneuf Urban Renewal Area are governed by two applicable sections of Idaho Code: the Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code) and the Idaho Local Economic Development Act (Chapter 29, Title 50, Idaho Code).

The Idaho Legislature passed the Urban Renewal Law in 1965. Under this law, a Mayor and Council can declare areas as deteriorating, and declare that the rehabilitation, conservation, and redevelopment of such areas is in the interest of the public's health, safety, morals or welfare (Idaho Code 50-2008). The Urban Renewal Law also states that an area of a city that "constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities..." may be designated an urban renewal area.

The Idaho Legislature passed the Local Economic Development Act in 1988. This act states: "An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan...A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area, or thereafter, as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area." (Idaho Code 50-2904)

In addition to this, Idaho Code 50-2906 states: "The local governing body of an authorized municipality must enact an ordinance in accordance with Chapter 9, Title 50, Idaho Code, and Section 50-2008, Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance...and conduct a public hearing." (Idaho Code 50-2906) This part of the Idaho Code specifically implies that a local municipality must enact an ordinance before redevelopment can take place.

The North Portneuf Urban Renewal Plan proposed within this document follows the guidelines prescribed within Idaho Code for the development of Urban Renewal Areas and Revenue Allocation Districts.

VI. PLAN DURATION

The plan shall be in effect and enforceable for a period of time necessary to finance all designated improvements and all debt obligations the PDA may incur in connection with such improvements. This term may be amended as allowed by law.

VII. AMENDMENT PROCEDURES

The plan may be amended by the PDA after all notice and public hearing requirements as set forth in Idaho Code have been met, and upon formal approval by the Pocatello City Council.

VIII. SEVERABILITY

If any part of the plan is declared contrary to Idaho Code, and any provision or application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of any remaining provisions of the Plan.

IX. CONCLUSION

The North Portneuf Urban Renewal Plan is designed to ameliorate deteriorating conditions which are causing economic under-development of the area and substantially impairing the sound and continued growth of Pocatello. The plans call for extensive building and site construction work.

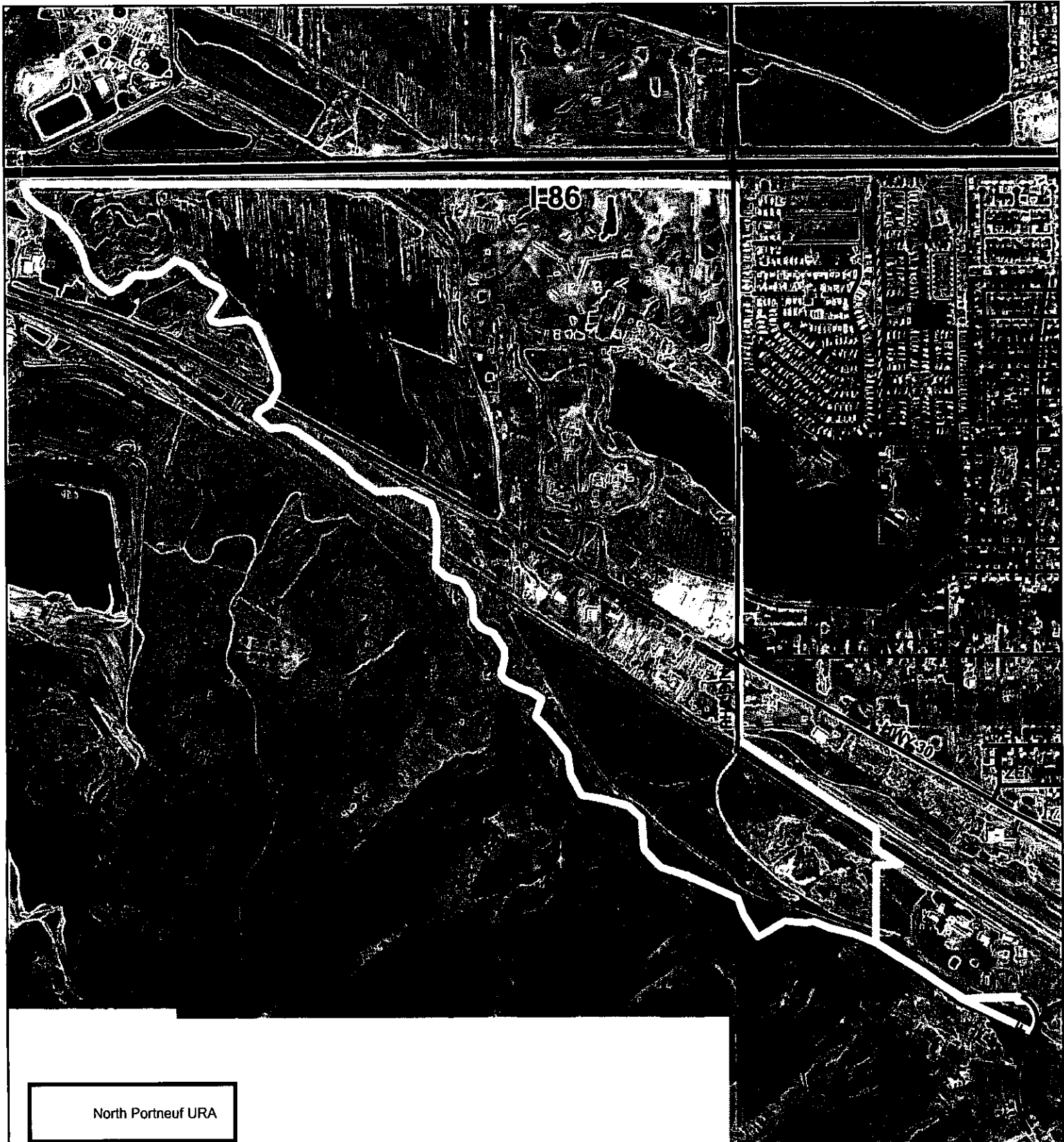
Implementation of the plan will provide the capacity necessary to foster sound growth of the municipality, increase the tax base and tax revenues, encourage economic stability of the community, increase job creation, and improve the health, safety, and welfare of the community.

The Pocatello Development Authority recommends that the City approve and cooperate in carrying out the purposes of this Plan.

ATTACHMENT 1

**North Portneuf Revenue Allocation
Map**

Proposed North Portneuf Urban Renewal Area & Revenue Allocation District



1 inch equals 1,250 feet

The City of Pocatello does not guarantee any information contained in this map to be an accurate representation of actual conditions.

No reproduction of this material in any form is authorized without written consent of the City of Pocatello.

ATTACHMENT 2

North Portneuf Urban Renewal Area & Revenue Allocation District Legal Description

NORTH PORTNEUF URBAN RENEWAL AREA
AND REVENUE ALLOCATION DISTRICT

A tract of land located in the NE 1/4 of the SE 1/4 of Section 7, the S 1/2 of Section 8, the E 1/2 of Section 16, the NE 1/4 of the NW 1/4 and the E 1/2 of Section 17, the NE 1/4 of the NW 1/4, and the NW 1/4 of the NE 1/4 of Section 21, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

Beginning at the intersection of the southerly right of way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300-feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320-feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25-feet to a point on the easterly right of way line of Philbin Road; (4) thence in a southerly direction along the easterly right of way line of Philbin Road approximately 600-feet to a point of intersection with the northerly right of way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right of way line of Highway 30 West approximately 30-feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of said Section 16 approximately 700-feet to the west 1/4 corner of Section 16 marked by a 5/8-inch iron pin; thence continuing in a southerly direction along the west line of Section 16 approximately 160-feet to a point of intersection with the original northerly right of way line of the Oregon Short Line Railroad (OSLRR); thence S56°36'03"E along the northerly right of way line of the OSLRR approximately 1570-feet to a point of intersection with the west 1/16 line of Section 16; thence S.00°41'13"E along the west 1/16 line approximately 120-feet to a point of intersection with the southerly right of way line of the OSLRR, said point marked by a 5/8" iron pin stamped PLS 8075; thence S56°36'03"E along the southerly right of way of the OSLRR 265.12-feet to a Bannock County brass cap monument on the south 1/16 line of Section 16; thence S89°06'59"W along the south 1/16 line of Section 16 a distance of 223.15-feet to the southwest 1/16 corner of Section 16 marked by a 6-inch diameter steel post; thence southerly along the west 1/16 line of Section 16 approximately 740-feet to a point of intersection with the centerline of the Portneuf River; thence in a southeasterly direction upstream to a point of intersection with the south line of Section 16; thence N89°59'E approximately 551.60-feet to the S1/4 corner of Section 16, said point also being the N1/4 corner of Section 21, Township 6 South, Range 34 East, Boise Meridian; thence in a southerly direction along the meridional centerline of Section 21 a distance of 40-feet to a point on the southwesterly right of way of Kraft Road; thence S77°34'E along said southwesterly right of way line of Kraft Road

described in instrument #224872 recorded in the Bannock County, Idaho, Courthouse 57.00-feet more or less, to the beginning of a 118.5-foot radius curve concave to the southwest; thence continuing along said westerly right of way line of Kraft Road southeasterly and southwesterly along said 118.50-foot radius curve through a central angle of $105^{\circ}15'35''$ a distance of 217.70-feet; thence $S27^{\circ}40'W$ continuing along said right of way line approximately 108-feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, going downstream along the centerline of the Portneuf River approximately 13,000-feet to a point of intersection with the southerly right of way line of Interstate 86; thence in an easterly direction along said southerly right of way line of Interstate 86 approximately 6700-feet to the TRUE POINT OF BEGINNING.

ATTACHMENT 3

Bannock County Transfer of Powers Ordinance

37-25

80705801

20711155

BANNOCK COUNTY, IDAHO
ORDINANCE NO. 2007-1
TRANSFER OF POWER ORDINANCE

BE IT ORDAINED by the Bannock County Commissioners, State of Idaho, that an agreement with the City of Pocatello and the County of Bannock has been negotiated concerning the said property described below pursuant to Idaho Code Section 50-2906 (3) (b) concerning transfer of powers over said property for the purpose of a urban renewal area for the purpose of financing public improvements to facilitate economic development including construction of manufacturing facilities.

A parcel of land located in the NE1/4 of the SE1/4 of Section 7, the S1/2 of Section 8, the W1/2 of the NW1/4 of Section 16, and Section 17, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

Beginning at the intersection of the southerly right of way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300-feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320-feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25-feet to a point on the easterly right of way line of Philbin Road; (4) thence in a southerly direction along the easterly right of way line of Philbin Road approximately 600-feet to a point of intersection with the northerly right of way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right of way line of Highway 30 West approximately 30-feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of said Section 16 approximately 2800-feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, leaving said city limits line, going downstream along the centerline of the Portneuf River approximately 10,000-feet to a point of intersection with the southerly right of way line of Interstate 86; thence in an easterly direction along said southerly right of way line of Interstate 86 approximately 6700-feet to the TRUE POINT OF BEGINNING.

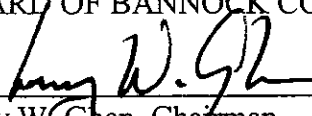
This Ordinance shall be in full force and effect upon its passage, approval and publication.

4-2
37-26

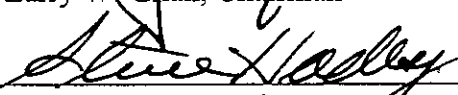
20705801
20711155

Adopted this 12th day of March, 2007.

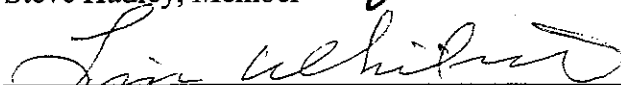
BOARD OF BANNOCK COUNTY COMMISSIONERS



Larry W. Ghan, Chairman



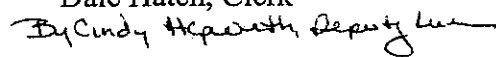
Steve Hadley, Member



Lin Whitworth, Member

ATTEST: **DALE HATCH**

Dale Hatch, Clerk


By Cindy Hapworth, Deputy Clerk

ATTACHMENT 4

Recommendation of the PDA

RESOLUTION 2007-1

A RESOLUTION OF THE POCATELLO DEVELOPMENT AUTHORITY APPROVING THE DEVELOPMENT PLAN AND PROJECT FOR A REVENUE ALLOCATION AREA KNOWN AS THE NORTH PORTNEUF URBAN RENEWAL AREA AND REVENUE ALLOCATION DISTRICT, AND RECOMMENDING THAT THE CITY COUNCIL APPROVE THE PLAN AND PROJECT AND ESTABLISH THE REVENUE ALLOCATION PROVISIONS FOR A PERIOD OF TIME NECESSARY TO FINANCE ALL DESIGNATED IMPROVEMENTS, NOT TO EXCEED TWENTY-FOUR YEARS.

WHEREAS, the Pocatello Development Authority has been presented with plans for infrastructure enhancement, construction of facilities, upgrade of utilities, site preparation work and other associated work to facilitate industrial development within the proposed North Portneuf Urban Renewal Area; and

WHEREAS, the Pocatello Development Authority has reviewed the projects and determined that they are suitable for tax revenue allocation limited to no longer than a twenty-four year collection period, subject to other restrictions as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE POCATELLO DEVELOPMENT AUTHORITY AS FOLLOWS:

1. That the Pocatello Development Authority hereby approves the establishment of an urban renewal area and revenue allocation area district to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area and authorizes its presentation to the City Council for approval and passage of an ordinance to establish said Urban Renewal Area and Revenue Allocation Area. The Plan does not include bond financing, and the term is limited to no longer than twenty-four years, terminating at 11:59 p.m. on December 31, 2030.

2. That, regardless of the total revenue stream, in the event the Urban Renewal Area and Revenue Allocation Area is formed, reimbursement of land acquisition costs

expended by the City of Pocatello for real property designated for the location of the Hoku Materials, Inc. manufacturing plant and access thereto shall be made to the City of Pocatello. Additionally, verified, eligible costs for infrastructure, access and site work incurred by Hoku Materials, Inc., in the development of its manufacturing plant shall be reimbursed from tax increment financing funds as they become available to the Pocatello Development Authority Board. The Plan includes a provision for eligible taxing entities to receive a fixed percentage of the revenue allocation (tax increment) revenues beginning with the tenth year of the Urban Renewal Area and Revenue Allocation Area.

3. That the base year of the District will be 2007, and that the Revenue Allocation Area shall last as long as through taxing year 2030, with collection of tax increment monies lasting through calendar year 2031.

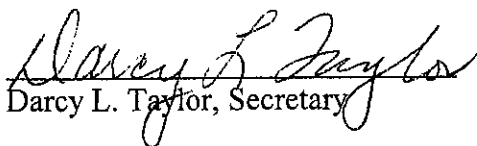
4. That this Resolution shall be effective the 21st day of March, 2007, the date of the meeting at which the unanimous vote approving said project was held.

RESOLVED this 21st day of March, 2007.

POCATELLO DEVELOPMENT
AUTHORITY

By: 
Steve Brown, Chair

ATTEST:


Darcy L. Taylor, Secretary

ATTACHMENT 5

Recommendation of the CDC

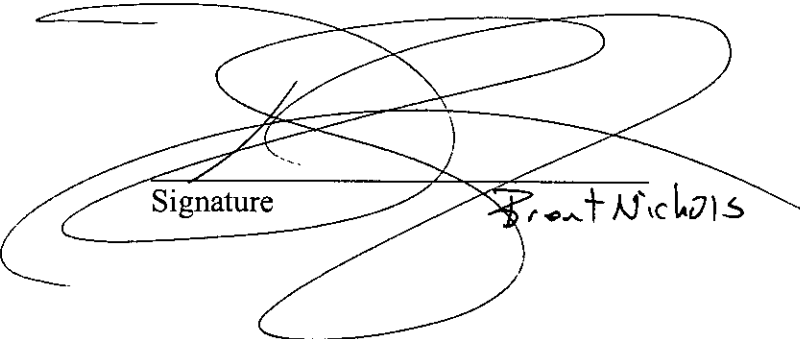
TO: Mayor Roger Chase
City Council

FROM: Brent Nichols, Vice Chair
Community Development Commission

DATE: March 28, 2007

RE: North Portneuf Urban Renewal Area Improvement Plan

Following review at the March 28, 2007 meeting, In accordance with Idaho Code 50-2008(b), the Community Development Commission finds the proposed North Portneuf Urban Renewal Area Improvement Plan to be in conformance with the City's Comprehensive Plan.



Signature

Brent Nichols

3/28/07
Date

ATTACHMENT 6

Resolution of the City Council designating the Urban Renewal Area

5-1
37-33

20711153 ~~20711154~~

RESOLUTION NO. 2007-07

A RESOLUTION OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, DESIGNATING AN URBAN RENEWAL AREA WITHIN THE CITY OF POCATELLO AND BANNOCK COUNTY TO BE KNOWN AS THE NORTH PORTNEUF URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA DISTRICT; APPROVING THE PLANS REVIEWED AND RECOMMENDED BY THE POCATELLO DEVELOPMENT AUTHORITY AND THE COMMUNITY DEVELOPMENT COMMISSION FOR CONSIDERATION AT A PUBLIC HEARING HELD BEFORE THE CITY COUNCIL ON APRIL 19, 2007; PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE UPON ITS PASSAGE.

WHEREAS, pursuant to Idaho Code §§50-2005-2008, the Mayor and Council of the City of Pocatello have heretofore made findings of fact sufficient to establish certain urban renewal areas within the City and to cause an urban renewal agency known as the Pocatello Development Authority to function within the City as set forth in Resolution No. 1988-13; and

WHEREAS, the City Council has since that time reviewed certain other areas within the city limits and declared them to be appropriate for urban renewal projects by Resolution as required by Idaho Code §50-2008; and

WHEREAS, the City Council has since then considered the issue of development of the area consisting generally of real property parcels in the Philbin Road and Highway 30 West area, bounded by Interstate 86 on the north, the Portneuf River on the west/southwest, and Philbin Road on the east, up to the Great Western Malting Plant property, and properties south/southwest of and adjacent to the Great Western Malting Plant which are determined to be deteriorated or deteriorating parcels in need of rehabilitation and infrastructure improvements which heretofore have prevented development; and

WHEREAS, the City Council, having reviewed the proposal for the above-described area, deems it in the best interest of the citizens of the City of Pocatello to

5-2
37.34

20711155

20711154

incorporate said area into an Urban Renewal Area to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pocatello as follows:

1. That the area depicted on Exhibit A attached hereto and made a part hereof, to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area, is hereby declared and determined to be a deteriorating area, as defined by Idaho Code §50-2018(9) and §50-2903(8)(b) and (c), by reason of the existence of inadequate street layout, accessibility or usefulness, and a lack of adequate infrastructure or development, all of which substantially impairs the sound growth within the City and results in economic underdevelopment of the area and is detrimental to the public health, safety, or welfare.

2. That the above-described area is therefore declared appropriate for, and is hereby designated as, an Urban Renewal Area and Revenue Allocation Area suitable for urban renewal projects.

3. That the City Council hereby acknowledges the adoption by the Board of Commissioners for Bannock County, Idaho, of a Transfer of Powers Ordinance for those areas within the Urban Renewal Area and Revenue Allocation Area not yet annexed into the corporate City limits.

4. That the City Council also hereby acknowledges the recommendation of the Community Development Commission that the plan submitted for this area conforms to the Comprehensive Plan of the City.

5. That the City Council hereby acknowledges the recommendation of the Pocatello Development Authority regarding the urban renewal area and revenue allocation area and the Plan for improving said area, including infrastructure improvements, public

RESOLUTION

5-3
37-25

20711154

utility improvements and the like, which Plan shall encompass improvements to the area for the maximum time allowed by law or a period of up to twenty-four (24) years, and that the Plan be appropriately modified to reflect this change.

5. That the City Council hereby approves of the Pocatello Development Authority proceeding with the preparation of plans for urban renewal projects to be performed in the above named urban renewal area and revenue allocation area in conformity with the Plan submitted to the Community Development Commission in accordance with Idaho Code §50-2008(b).

6. That the City Council hereby makes the following findings after a public hearing held on April 19, 2007, conducted in accordance with Idaho Code §50-2008(c) and (d) and §50-2906(3) regarding the above named urban renewal plan and project:

A. That no families will be displaced from the proposed North Portneuf Urban Renewal Area and Revenue Allocation Area;

B. That the North Portneuf Urban Renewal Plan conforms to the general plan of the municipality as a whole;

C. That adequate parks and recreational facilities already exist in close proximity to the Urban Renewal Area and the nature of the use of the real property within the Urban Renewal Area and Revenue Allocation Area will be Industrial in nature; and

D. That the North Portneuf Urban Renewal Plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the Urban Renewal Area by private enterprise.

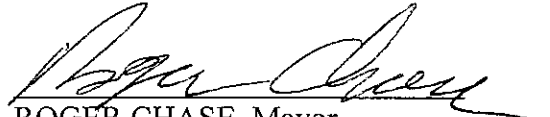
7. That the City council hereby directs the City Legal Department to prepare an Ordinance for one reading at the May 3, 2007 regular City Council Meeting and authorizing the City Clerk to prepare and publish proper Notice and provide proper Notice to the various taxing entities so entitled, all in conformance with Idaho Code §50-2906(3).

5-4
37-36

20711154
20711155

RESOLVED AND EFFECTIVE this nineteenth day of April, 2007.

CITY OF POCA TELLO, a municipal
corporation of Idaho


ROGER CHASE, Mayor

ATTEST:


RHONDA L. JOHNSON, City Clerk

~~6-5~~
37-37 20711154

20711155

OFFICIAL RECORD BK# 895 RECORDED AT REQUEST OF
BANNOCK COUNTY IDAHO FEE ✓ DEPUTY mw

CITY OF POCAHELLO

~~20711154~~ 2007 MAY 11 P 3:44

OFFICIAL RECORD BK# 895 RECORDED AT REQUEST OF
BANNOCK COUNTY IDAHO FEE ✓ DEPUTY mw

CITY OF POCAHELLO

20711155 2007 MAY 11 P 3:50

Original
Stamp on
back of original
Resolution