

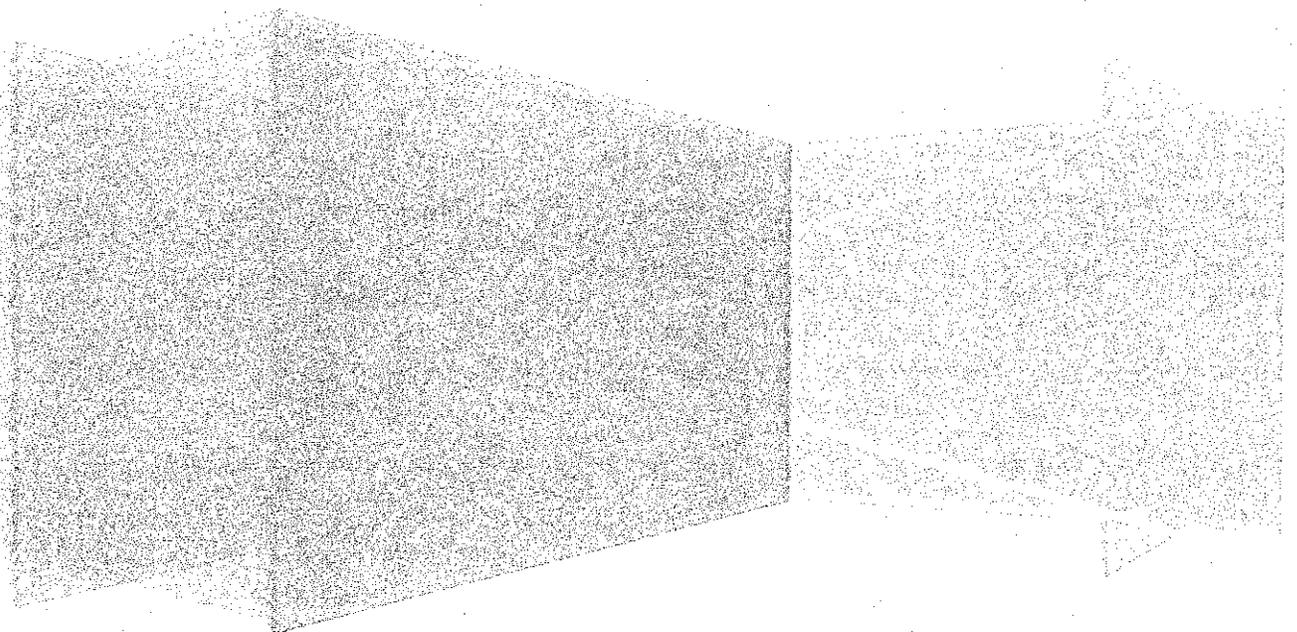
The City of Shelley

Country Club URA

Urban Renewal Area

Improvement Plan

Original Plan Date: December 10, 2013



CITY OF SHELLEY

Urban Renewal Area Improvement Plan

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ACKNOWLEDGEMENTS

Shelley City Council
Shelley Urban Renewal Agency
Shelley Planning and Zoning Commission

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ATTACHMENTS

- Attachment 1: Revenue Allocation Map
- Attachment 2: Revenue Allocation Legal Description
- Attachment 3: Recommendation of Shelley Planning and Zoning Commission
- Attachment 4: Resolution of the City Council designating the Urban Renewal Area
- Attachment 5: City Council Ordinance No. ____ approving the Urban Renewal Plan
- Attachment 6: Notice of Public Hearing

I. INTRODUCTION

The Shelley Urban Renewal Agency (SURA) was created by the City of Shelley on May 26, 1998 and was granted authority by the City of Shelley to undertake urban renewal projects which may be facilitated through the use of tax increment financing. The SURA 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 increase opportunities for businesses to succeed. This 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 in Shelley.

The Plan identifies projects and describes the process for enhancing this area in the City through efforts of the Shelley Urban Renewal Agency and the City of Shelley.

Background

The Shelley City Council, in their meeting on October 22, 2013, declared the area known as the Golden West Area to be deteriorated or deteriorating, and recommended that the SURA pursue creating an Urban Renewal Plan and a Revenue Allocation Area for this purpose (Attachment 6).

The Shelley Planning and Zoning Commission, in their meeting on December 4, 2013 made the following recommendation (Attachment 4):

The Shelley Planning and Zoning Commission recommended the creation of an Urban Renewal Area and a Revenue Allocation Area for the deteriorating area generally adjacent to the east side of the New Sweden Highway and the south side of Country Club Road, north of the existing canal in the North Shelley Business Park in Shelley, Idaho. The legal description for this parcel of property is as follows:

Commencing at a point that is the Northwest Quarter Corner of Section 28, Township 1 North, Range 37 East of the Boise Meridian, Bingham County, Idaho, and running thence along the north section line of said section S 89°

45' 52" E 1319.55 feet; thence S 00° 15' 37" W 1319.01 feet; thence N 89° 50' 39" W 941.15 feet; thence N 00° 06' 45" E 250.28 feet; thence N 89° 53' 15" W 375.00 feet to the west section line; thence along the west section line of said section N 00° 06' 45" E 1070.85 feet to the point of beginning, containing 37.779 acres.

Idaho Code defines a deteriorating area where the predominance of buildings or improvements by reason of dilapidation, deterioration, age or obsolescence is conducive to crime and detrimental to public safety, morals and welfare, deterioration of site or other improvements, property that aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities, property that substantially impairs or arrests the sound growth of a municipality and property that constitutes an economic or social liability and is a menace to the public safety, morals and welfare, necessitates the creation of an improvement plan. This recommendation initiated the creation of the Urban Renewal Plan contained herein.

The recommendation of the Planning and Zoning Commission, 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 Urban Renewal Plan directs use of revenue allocation financing to accomplish the following:

- To facilitate proper growth and development in accordance with sound planning principles and local objectives by encouraging private development that eliminates deterioration and economic disuse of property
- To eliminate underutilized areas which are causing economic under-development in the designated area, and/or substantially impairing the sound growth of Shelley 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 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 SURA in Shelley by focusing efforts in four 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 expanded businesses to improve the Shelley economy;
3. Targeting areas in need of site improvements;
4. Utilizing more effectively the powers granted to the SURA 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. Demolition and removal of building improvements;
 - e. Acquisition of a deteriorated area or a deteriorating area or portion thereof;
 - f. Disposition of any property acquired in the Urban Renewal Area, including sale, initial leasing or retention by the agency itself, at its fair value for uses in accordance with the Urban Renewal Plan;
 - g. Repairing streets, roads, public utilities, storm sewer facilities, or other facilities;
 - h. Installing streets and street improvements, street landscaping, utilities, parks, trails, playgrounds, off-street parking facilities, public facilities, railroad crossings, railroad bridges, railroad underpasses, or other facilities;
 - i. Entering buildings or property to make inspections, surveys, appraisals, soundings or test borings;
 - j. Acquiring by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property or personal for its administration purposes;
 - k. Holding, improving, renovating, rehabilitating, clearing or preparing for redevelopment any such property or buildings;
 - l. Mortgaging, pledging, hypothecating or otherwise encumbering or disposing of any real property;
 - m. Insuring or providing for the insurance of any real or personal property or operations of the municipality;
 - n. Demolishing and removing structures on property;

- o. Investing urban renewal funds;
- p. Borrowing money and applying for and accepting advances, loans, grants, contributions, and any other form of financial assistance;
- q. Creating, modifying and executing plans which may include repair and rehabilitation of buildings and improvements;
- r. Conducting appraisals, title searches, survey, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects;
- s. Accepting and utilizing grants of funds from the federal governments.

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

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

The Urban Renewal Area Boundary and Revenue Allocation Area are identified with concurrent 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 reason why the area should be included as part of an Urban Renewal Area:

Idaho Code 50-2002 outlines 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, in Idaho Code 50-2903 any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of improvements, or otherwise, results in economic under-development of the 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. 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
- 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 are and prompts the additional need to establish the Urban Renewal Area.

III. PROJECT PLAN

The project list outlined in this Plan may be funded (all or in part) if the SURA and Council decide to utilize tax increment financing funds as they become available from new construction. It is the intent of the SURA to close this District no later than 2028.

Table 1 provides a description of estimated project costs as follows:

Table 1. Estimated Project Costs

PROJECT EXPENSE ITEM	Cost	Total Cost
Building	\$14,000,000	\$14,000,000
SUBTOTAL NEW BUILDING INVESTMENT		\$14,000,000

SURA INFRASTRUCTURE COSTS	Cost	Total Cost
Road Improvements	\$ 39,776	\$ 39,776
Berming	\$ 11,400	\$ 11,400
Bike Pathway	\$ 21,926	\$ 21,926
Parking Lot Lighting	\$ 40,000	\$ 40,000
Sanitary Storm & Wastewater Discharge	\$ 27,000	\$ 27,000
Storm Sewer System	\$ 165,000	\$ 165,000
Landscaping & Irrigation	\$ 72,500	\$ 72,500
Install Pipe for Ditch water	\$ 77,500	\$ 77,500
Parking Lot		
a. Approaches	\$ 46,425	\$ 46,425
b. Curb & Gutter	\$ 85,620	\$ 85,620
c. Sidewalks	\$ 19,400	\$ 19,400
d. Pit Run	\$ 63,200	\$ 63,200
e. Cushion	\$ 60,800	\$ 60,800
f. Asphalt	\$ 330,500	\$ 330,500
g. Signage & Striping	\$ 8,960	\$ 8,960
Subtotal SURA	\$ 1,070,007	\$ 1,070,007
Contingency – 10%	\$ 107,000	\$ 107,000
Subtotal SURA Costs	\$ 1,177,007	\$ 1,177,007
TOTAL DIRECT COSTS		\$15,177,007
INDIRECT COSTS		
SURA Administration (one year)	\$ 10,000	\$ 10,000
City Administration (one year)	\$ 10,000	\$ 10,000
Legal	\$ 15,000	\$ 15,000
TOTAL INDIRECT COSTS		\$ 35,000

Project Description

1. **Infrastructure, Access, and Site Work** - any necessary and eligible costs related to infrastructure enhancement, construction of facilities, upgrades of utilities, site preparation work, road enhancement, and other associated work to facilitate development;
2. **SURA Administration** - administrative costs to be allocated to the SURA for ongoing operational needs;
3. **SURA Contingency Costs** - additional cost calculated for work related to other administrative or construction related costs associated with the project;
4. **Private Development** – property owner/developer agrees to construct new buildings consistent with values and estimates as outlined in **Table 1**, Direct Costs.
 - a. Typical costs for all improvements on private property shall be borne by the owner or developer indicated as “private development investment,” with exception as shown in Table 1, including;
 - i. SURA Investment” indicated as:
 1. Landscaping along right-of-way;
 2. Costs incurred for eligible infrastructure costs may be reimbursed by the SURA.

Public Development

The Shelley Urban Renewal Agency agrees to provide investment consistent with **Table 1**.

The Net Market Value of the City of Shelley is \$126,734,292. The Urban Renewal Area may take up to 10% of the total valuation of the City. Ten percent is equal to \$12,673,429 maximum. Revenue is projected based on the figure of \$12,673,429.

The following **Table 2** outlines the total project costs and the projected revenue for the proposed Revenue Allocation District:

Table 2. Project Costs and Revenue

ITEM	Amount	Total
REVENUES		
Revenue Allocation Proceeds	\$2,563,821	\$2,563,821
Subtotal		\$ 2,563,821
COSTS		
Developer Infrastructure Reimbursement	\$ 1,100,000	
SURA Administration (\$10,000 x 5 years)	\$ 50,000	
City Administration (\$10,000 x 5 years)	\$ 50,000	
Contingency	\$ 107,000	
Subtotal		\$ 1,307,000
ENDING DISTRICT BALANCE		\$ 1,256,821

IV. ECONOMIC FEASIBILITY STUDY

The following tables, **Table 3** and **Table 4**, provide a projection of base-assessed valuations for the proposed Revenue Allocation District for the Urban Renewal Area. An analysis of the tax levy rates applied in calculation tax collection for taxing entities and the Revenue Allocation Area is described below. The 2012/2013 tax levies for each of the nine taxing jurisdictions are as follows:

Taxing Jurisdictions	Tax Levy
Bingham County	.005586322
City of Shelley	.005799227
School District 60	.001502548
School Dist. 60 Supplemental Levy	.000919671
School Dist. 60 Plant Facility	.000896680
Shelley Cemetery	.000283515
Shelley/Firth Fire Dist.	.000523076
North Bingham Library	.000577857
Flood #1	.000007453
Ambulance Dist.	.000394490
Ambulance Override	.000069479
Mosquito Abatement	.000245177
Total	.016805495

Table 3. Tax Valuation: Existing Values

TAXING ENTITY	2013 Tax Levy Rate	URA Base Valuation	Present Revenue
Bingham County	0.005586322	\$36,157	\$201.99
City of Shelley	0.005799227	\$36,157	\$209.68
Shelley Cemetery	0.000283515	\$36,157	\$ 10.25
Shelley/Firth Fire Dist.	0.000523076	\$36,157	\$ 18.91
No. Bingham Library	0.000577857	\$36,157	\$ 20.89
Flood #1	0.000007453	\$36,157	\$ 0.27
Ambulance Dist.	0.000394490	\$36,157	\$ 14.26
Ambulance Override	0.000069479	\$36,157	\$ 2.51
Mosquito Abatement	0.000245177	\$36,157	\$ 8.87
TOTAL	0.013486596		\$487.63

Table 4. Tax Valuation: Estimated Future Tax Revenue

Net Valuation Increase	New Increased Revenue	Net Increase	15 Year TIF Revenue
\$12,673,429	\$ 171,408.63	\$ 170,921	\$2,563,815

As the above table shows, \$487.63 of tax revenue is presently produced in the Revenue Allocation District for the Urban Renewal Plan. New construction will include mostly private sector development and will be taxable, increasing the tax revenue for the Revenue Allocation Area.

Table 5 outlines the net increase in tax revenue potential from the estimated post construction value on the property over a fifteen year period.

Table 5. Property Value of Revenue Allocation Area

Property	2013 Base Value	Estimated Post Construction and Base Value	Net Increase
Urban Renewal Area 2	\$ 36,157	\$21,036,157	\$21,000,000

Table 6 provides an analysis of the estimated revenue to the SURA from new construction value within the Revenue Allocation Area. The levy rates are based on the current rate and are applied to the current valuations for property within the Revenue Allocation Area. The Revenue Allocation Tax Value is passed upon the current County Assessor's valuation of the property as of October 2013. The net revenue to be collected and distributed to the SURA is calculated by subtracting the standard amount allocated to School District #60 in compliance with State Law.

Table 6. Net Revenue Estimate

12 Month Year Ending	RAA Tax Value	Tax Levy Rate	Net Revenue to SURA
2014	\$12,673,429	0.013486596	
2015	\$ 12,673,429	0.013486596	\$170,921
2016	\$ 12,673,429	0.013486596	\$170,921
2017	\$ 12,673,429	0.013486596	\$170,921
2018	\$ 12,673,429	0.013486596	\$170,921
2019	\$ 12,673,429	0.013486596	\$170,921
2020	\$ 12,673,429	0.013486596	\$170,921
2021	\$ 12,673,429	0.013486596	\$170,921
2022	\$ 12,673,429	0.013486596	\$170,921
2023	\$ 12,673,429	0.013486596	\$170,921
2024	\$ 12,673,429	0.013486596	\$170,921
2025	\$ 12,673,429	0.013486596	\$170,921
2026	\$ 12,673,429	0.013486596	\$170,921
2027	\$ 12,673,429	0.013486596	\$170,921
2028	\$ 12,673,429	0.013486596	\$170,921
2029	\$ 12,673,429	0.013486596	\$170,921

The revenue that could be received by the SURA over the fifteen year period is estimated at approximately **\$2,563,815**. This amount will be used to finance public improvement projects within the adjacent to the Urban Renewal Area. A portion of any revenue in excess of the annual debt requirements may be distributed to taxing districts.

V. CONFORMANCE WITH STATE LAW

Redevelopment activities for the 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 and 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 Urban Renewal Plan proposed within this document follows the guidelines prescribed within Idaho Code for the development of Urban Renewal Areas and Revenue Allocations Areas.

VI. PLAN DURATION

This Plan shall be in effect and enforceable for a period of time necessary to refund all qualified and designated improvements and all debt obligations the SURA may incur in connection with such improvements for a period not to exceed fifteen years. This term may be amended as allowed by Idaho law.

VII. AMENDMENT PROCEDURES

This Plan may be amended by the SURA after all notice and public hearing requirements as set forth in Idaho Code have been met, and upon formal approval by the Shelley City Council.

VIII. SEVERABILITY

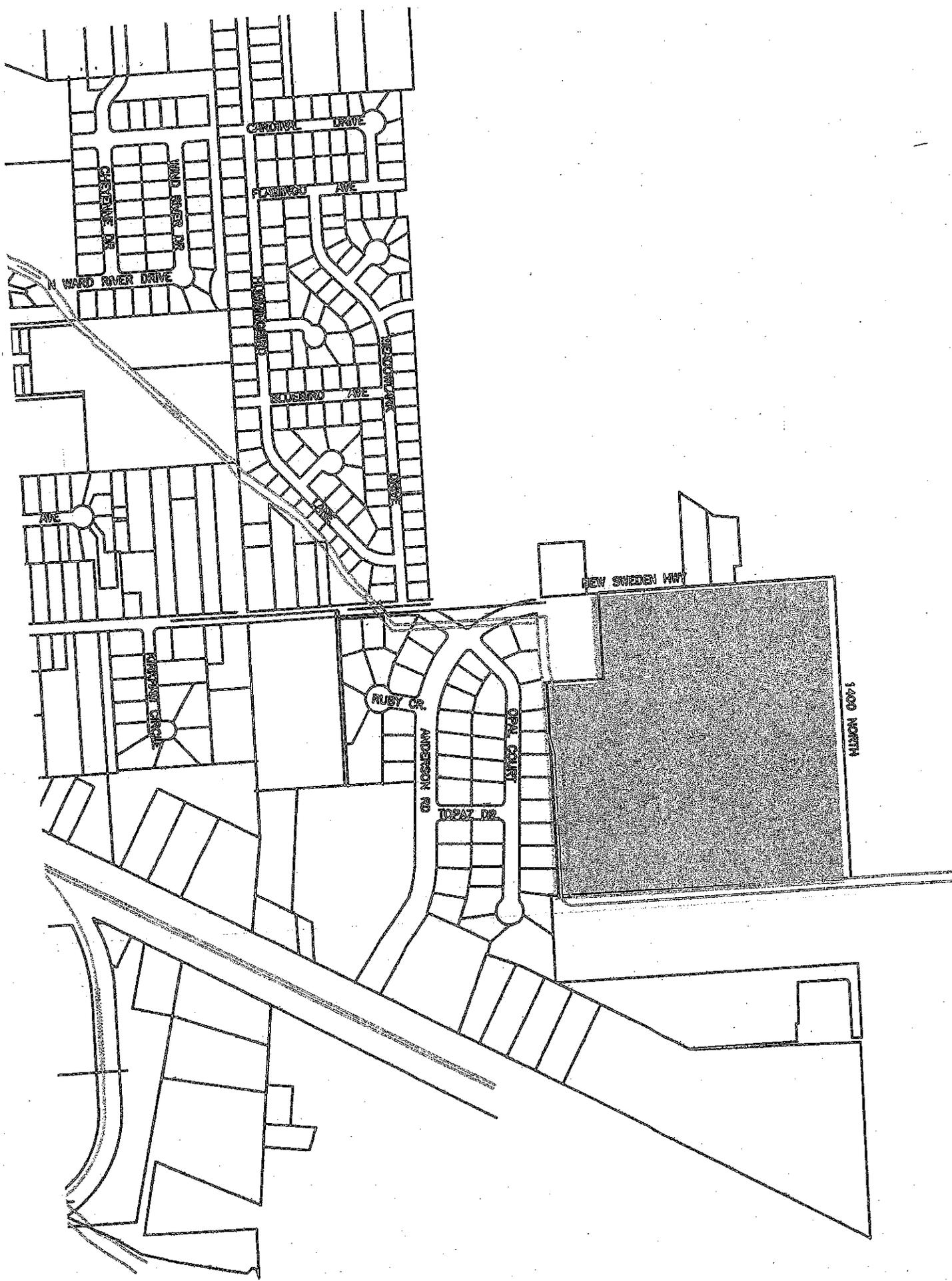
If any part of the Plan is declared contrary to Idaho Code, and any provision or application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of any remaining provisions of the Plan.

IX. CONCLUSION

The 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 Shelley. The Plans call for new public infrastructure, site construction, right-of-way improvements and new building construction.

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 Shelley Urban Renewal Agency recommends that the City approve and cooperate in carrying out the purposes of this Plan.



CARDINAL DRIVE

FARGO AVE

WARD RIVER DRIVE

CLUBBERD AVE

AVE

NEW SWEDEN HWY

TOPAZ DR

RUSTY CR

ANDERSON RD

OPAL COURT

TOPAZ DR

1400 NORTH

EXHIBIT A

DESCRIPTION OF THE AREA OF DETERIORATION AND DETERIORATING CONDITIONS

The location of the parcel of property is adjacent to the east side of the New Sweden Highway and the south side of the Country Club Road, north of the existing canal in the North Shelley Business Park in Shelley, Idaho. The legal description for this parcel of property is as follows:

Commencing at a point that is the Northwest Quarter Corner of Section 28, Township 1 North, Range 37 East of the Boise Meridian, Bingham County, Idaho, and running thence along the north section line of said section S 89° 45' 52" E 1319.55 feet; thence S 00° 15' 37" W 1319.01 feet; thence N 89° 50' 39" W 941.15 feet; thence N 00° 06' 45" E 250.28 feet; thence N 89° 53' 15" W 375.00 feet to the west section line; thence along the west section line of said section N 00° 06' 45" E 1070.85 feet to the point of beginning, containing 37.779 acres.