UNIVERSITY BOULEVARD-SOUTH 12TH WEST

URBAN RENEWAL PLAN

CITY OF REXBURG
URBAN RENEWAL PROJECT

Ordinance No. 996

Adopted December 19, 2007

Effective December 22, 2007

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Attachments

UNIVERSITY BOULEVARD-SOUTH 12TH WEST
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I. [§ 100] INTRODUCTION

This the University Boulevard-South 12th West Urban Renewal Plan (the "Plan") for the University Boulevard-South 12th West Area (the "Project Area") Urban Renewal Project (the "Project") within the City of Rexburg (the "City"), County of Madison, State of Idaho, and consists of the text contained herein and the following attachments:

Project Area and Revenue Allocation Area Boundary Map (Attachment 1);

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

Private Properties Which May Be Acquired by Agency (Attachment 3) (limited to public improvements and facilities);

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

Statement of Proposed Public Improvements, Costs, Revenues, Tax Impacts, and Financing Methods (Attachment 5);

Estimated Net Taxable Value of Private Development in University Boulevard-South 12th West Project Area (Attachment 5A);

Estimated Annual Future Tax Revenue Allocations University Boulevard-South 12th West Project Area (Attachment 5B); and

Estimated Annual Revenues and Costs, University Boulevard-South 12th West Project Area (Attachment 5C).

The term "Project" is used herein to describe the overall activities defined in this Plan and conforms with the statutory definition of "urban renewal project." Reference is specifically made to Idaho Code Section 50-2018(10) for the various activities contemplated by Project Area. Such activities include both private and public development of property within the Urban Renewal Area. The term "Project" is not meant to refer to a specific activity or development scheme.

This Plan was prepared by the Board of Commissioners, consultants, and staff of the Rexburg Urban Renewal Agency (the "Agency"), and was reviewed and recommended by the Agency pursuant to the State of Idaho Urban Renewal Law, 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.

The proposed redevelopment of the Project Area as described in this Plan conforms to the Rexburg: 2010 City of Rexburg Comprehensive Plan (the "Comprehensive Plan"), as amended, adopted by the City Council of the City of Rexburg ("City Council") in July 1998.

The Agency may create several planning documents generally describing the overall Project and may identify certain specific public and private capital improvement projects. Because of the changing nature of the Project, these documents, by necessity, must be dynamic and flexible. The Agency anticipates that these documents will be modified as circumstances warrant. Any modification, however, shall not be deemed as an amendment of this Plan. No modification will be deemed effective if it is in conflict with this Plan. The planning documents are purposely flexible and do not constitute specific portions of the Plan. Provided, however, prior to the adoption of any planning document or proposed modification to any planning document, the Agency shall notify the City and publish a public notice of such proposed modification at least thirty (30) days prior to the consideration of such proposed modification, thus providing the City and any other interested person or entity an opportunity to comment on said proposed modification. The Board of Directors of the Agency (the "Board") shall consider any such comments and determine whether to adopt the planning documents or any modification. The planning documents apply to redevelopment activity within the Project Area as described herein. In the event of any conflict between this Plan and the appended documents, the provisions of this Plan shall control. The Agency intends to rely heavily on any applicable City design standards which may cover all or part of the area within the boundaries of the Project Area.

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 Project Area. The Agency retains all powers allowed by the Law and Act. Because of the long-term nature of this Plan and the need to retain flexibility to respond to market and economic conditions, property owner and developer interests, and opportunities from time to time presented for redevelopment, this Plan does not present a precise plan or establish specific projects for redevelopment, rehabilitation, and revitalization of any area within the Project Area, nor does this Plan present specific proposals in an attempt to solve or alleviate the concerns and problems of the community relating to the Project Area. Instead, this Plan presents a process and a basic framework within which specific plans will be presented, specific projects will be established, and specific solutions will be proposed and by which tools are provided to the Agency to fashion, develop, and proceed with such specific plans, projects, and solutions.

Implementation of this Plan will require public co-investment to help stimulate desired private development. Typically, the public will fund enhanced public facilities like utilities, streets, sidewalks, parking facilities, parks, or plazas which, in turn, create an attractive setting for adjacent private investment in office, retail, residential (housing or hotels), entertainment facilities, and light industrial uses.

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. This public-private relationship is crucial in the successful redevelopment of the University Boulevard-South 12th West Project Area.

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

(a) the elimination of environmental deficiencies in the Project Area, including, among others, obsolete and aged building types, substandard streets, and deteriorated and inadequate public improvements, including certain streets, improvements to public utilities, removal, burying, or relocation of overhead utilities;

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

(c) the replanning, redesign, and development of undeveloped and underdeveloped areas which are stagnant or improperly utilized because of fragmented ownerships and other site conditions;

(d) the clean-up and redevelopment of properties adjacent to the Yellowstone Highway;

(e) the redevelopment of properties along University Boulevard from South 12th West to South 2nd East and from University Boulevard on 2nd west north to 7th South;

(f) the strengthening of the economic base of the Project Area and the community by the installation of needed site and public improvements and infrastructure to stimulate new commercial expansion, employment, and economic growth;

(g) the provision of adequate land for parks, open spaces, street rights-of-way, storm drain/retention facilities and ponds, and paths and landscape areas;

(h) the provision of civic buildings or community facilities owned or occupied by public entities including the City of Rexburg;

(i) the establishment and implementation of performance criteria to assure high site design standards, environmental quality, and other design elements which provide unity and integrity to the entire Project, including commitment of funds for planning studies;

(j) the strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area, as shown on Attachment 1 and described in Attachment 2 hereto, and the Project Area as a whole and benefiting the various taxing districts in the Project Area; and

(k) the funding of necessary public infrastructure to accommodate both public and private development.

A. [§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, the Ethics in Government Act, financial reporting requirements under Idaho Code Section 67-450B, and the competitive bidding requirements under Chapter 28, Title 67.

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

B. [§102] Provisions Necessary to Meet State and Local Requirements

1. [§103] Conformance With State of Idaho Urban Renewal Law of 1965, as Amended

The laws of the State of Idaho require an Urban Renewal Plan be submitted by any interested person or entity in an area certified as an urban renewal area by the Rexburg City Council. The University Boulevard-South 12th West Project Area was certified by the City Council by Resolution 2007-11 on October 10, 2007.

With the adoption of Resolution 2007-11, the City Council found the University Boulevard-South 12th West Project Area a deteriorated and deteriorating area existing in Rexburg as defined by Chapters 20 and 29, Title 50, Idaho Code, as amended, and authorized the preparation of an urban renewal plan.

In accordance with the Idaho Urban Renewal Law of 1965, this Plan was submitted to the Planning Commission of the City of Rexburg. After consideration of the Plan, the Commission filed a resolution with the City Council stating this Plan is in conformity with the City of Rexburg Comprehensive Plan, Rexburg 2010.

Pursuant to the Law and the 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 the University Boulevard-South 12th West Urban Renewal Plan on December 19, 2007, by Ordinance No. 996.

C. [§104] <u>History and Current Conditions of the Area</u>

The University Boulevard-South 12th West Project Area is largely an open land area. A significant portion of the area is vacant. Two public streets traverse through this Project Area. It is served by a combination of public and private streets, some constructed without curb, gutter, and storm water retention facilities. Water and sewer are available at the edges of the urban renewal area but are generally lacking through the urban renewal 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 Revenue Allocation Area may be used by the City's urban renewal 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. Additionally, orderly development of the urban renewal area may enhance the downtown central district and provide infrastructure for that activity within the central town site, along with improving the eastern gateway to the City of Rexburg.

D. [§105] <u>Purpose of Activities</u>

The description of activities, public improvements, and the estimated costs of those items are intended to create an outside limit of the Agency's activity. The Agency reserves the right to change amounts from one category to another, as long as the overall total amount estimated is not substantially exceeded. The items and amounts are not intended to relate to any one particular development, developer, or owner. Rather, the Agency intends to discuss and negotiate with any owner or developer who seeks Agency assistance. During such negotiation, the Agency will determine, on an individual basis, the eligibility of the activities sought for Agency funding and the amount the Agency may fund by way of percentage or other criteria. The Agency will also take into account the amount of revenue allocation proceeds estimated to be generated from the developer's activities. The Agency also reserves the right to establish by way of policy, its funding percentage or participation applying to all developers and owners.

The activities listed in Attachment 5 are also prioritized by way of importance to the Agency by the amounts funded and by year of funding, with earlier years reflecting the more important activities. The Agency reserves the right to change priorities within this Plan. The Agency reserves the right to retain its flexibility in funding the various activities. As required by the Law and the Act, the Agency will adopt more specific budgets annually.

Throughout this Plan there are references to Agency activities, Agency funding, and the acquisition, development, and contribution of public improvements. Such references do not necessarily constitute a full, final, and formal commitment by the Agency 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. In some respects the activities listed in Attachment 5 are concepts which will be determined or prioritized as the overall Project Area develops.

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.

E. [§106] University Boulevard-South 12th West Project Area

In 2006, the Agency commissioned an eligibility report to determine whether the University Boulevard-South 12th West Project Area is eligible and appropriate for urban renewal planning under the Law and the Act. The report was prompted by interest from certain property owners, city officials, and others. The eligibility report dated September 28, 2007 (the "Report"), was received by the Agency and subsequently approved by the Agency Board on October 10, 2007, and by the City Council on October 10, 2007. After receipt of the Report, the Agency and its consultants, with input from other interested parties and entities, determined an urban renewal plan should be prepared.

The Project Area is now referred to as the "University Boulevard-South 12th West Project Area." This area has lacked an appreciable value increase with a few exceptions. Earlier in 2007, University Boulevard was constructed from Yellowstone Highway to South 2nd West and north on South 2nd West to West 7th South. This three-lane street is improving traffic flow through the area, but it needs to be widened to five lanes in the future. Currently South 12th West is a two-lane road along the east edge. The objective of this Plan is to provide urban renewal and revenue allocation tools to enhance this area through improving the street system, and utility infrastructure.

The Agency retains all powers allowed by the Law and the Act. Because of the long-term nature of the University Boulevard-South 12th West Urban Renewal Plan and the need to retain in the Agency flexibility to respond to market and economic conditions, property owner and developer interests, and opportunities from time to time presented for redevelopment, this Plan does not present a rigid or inflexible list of projects for the redevelopment, rehabilitation, and revitalization of any area within the University Boulevard-South 12th West Project Area, nor does the University Boulevard-South 12th West Urban Renewal Plan present rigid or inflexible proposals in an attempt to solve or alleviate the concerns and problems of the community relating to the University Boulevard-South 12th West Project Area. Instead, the University Boulevard-South 12th West Urban Renewal Plan presents a process and a basic framework within which specific plans will be presented, specific projects will be established, and specific solutions will be proposed and by which tools are provided to the Agency to fashion, develop, and proceed with such specific plans, projects, and solutions. In particular, the University Boulevard-South 12th West Urban Renewal Plan attempts to respond to the challenges created by commercial and anticipated residential development along the two major streets and elsewhere in the area. Implementation of the University Boulevard-South 12th West Urban Renewal Plan will require public co-investment to help stimulate desired private development. Typically, the public will fund enhanced public facilities like streets, sidewalks, parking facilities, parks, walking paths, public buildings, or plazas which, in turn, create an attractive setting for adjacent private investment.

The University Boulevard-South 12th West Urban Renewal Plan provides the Agency with powers, duties, and obligations to implement this Plan for the redevelopment, rehabilitation, economic enhancement, and revitalization of the Project Area. The Agency retains all powers allowed by law. The Agency will encourage projects with those activities which comply with the Law and the Act and meet the overall objectives of the University Boulevard-South 12th West Urban Renewal Plan.

F. [§107] <u>Open Land Criteria</u>

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

Such areas qualify if any of the standard Idaho Code Sections 50-2018(9) and 59-2903(8)(b) characteristics apply. But such areas also qualify if any of the problems listed only in Idaho Code Section 50-2008(d)(4)(2) apply. Clearly, lack of water and sewer facilities, a nonexistent street system, and lack of fire protection facilities are all conditions which retard development of the area.

G. [§108] <u>Agricultural Land Consent</u>

In 2006, the Idaho Legislature approved amendments to certain definitions of the Idaho Urban Renewal Law which do not allow the inclusion of property which has been used for agricultural operation within the past three years within the definition of a deteriorating area, without the consent of the owner of the agricultural operation. If such property is not within a deteriorating area, then by definition the property would not be included within an urban renewal area. The Agency has obtained any required consent and the urban renewal area and revenue allocation area as shown and described in Attachment 1 and Attachment 2 comply with the applicable laws.

II. [§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.

III. [§300] PROPOSED REDEVELOPMENT ACTIONS

A. [§301] <u>General</u>

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

(a) acquisition of certain real property;

(b) 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, insanitary, or unsafe conditions, eliminate obsolete or other uses detrimental to the public welfare or otherwise to remove or to prevent the spread of deterioration or deteriorating conditions;

(c) provision for participation by property owners within the Project Area;

(d) management of any property acquired by and under the ownership and control of the Agency;

(e) provision for relocation assistance to displaced Project occupants, as required by law;

(f) installation, construction, or reconstruction of streets, utilities, including electrical distribution and transmission lines in underground configuration, if needed to encourage new developments, fiber optic or other communication systems, parking facilities, and other public improvements, including, but not limited to, irrigation and drainage laterals and ditches; storm drain systems; retention ponds; landscaped areas; paths and walkways; improvements to University Boulevard, South 12th West, and Yellowstone Highway; streetscape; and landscaping;

(g) disposition of property for uses in accordance with this Plan;

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

(i) rehabilitation of structures and improvements by present owners, their successors, and the Agency;

(j) preparation and assembly of adequate sites for the development and construction of facilities for commercial, retail, entertainment, lodging, residential, and governmental use;

(k) to the extent allowed by law, lending or investing federal funds to facilitate redevelopment; and

(l) construction of foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights; sites for buildings to be used for residential, commercial, industrial, and other uses contemplated by the Plan; and to provide utilities to the development site along Yellowstone Highway from University Boulevard to West 7th South.

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. The Agency intends to encourage development of a mixed-use project consisting of residential, office, and supporting commercial and retail. For purposes of this Plan, the reference to "mixed-use" development shall mean this objective.

B. [§302] <u>Urban Renewal Plan Objectives</u>

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

The University Boulevard-South 12th West Project Area includes an area generally bounded by South 12th West, plus the School District No. 321 property adjacent to the west side, Pole Line Road on the south to Morningside and north on Morningside and along Fairview, Franklin, and Westwood to 2nd East. The boundary then continues from 2nd East west along Sunrise Drive to 2nd West, then north to 7th South continuing to 12th West, excluding certain property east of Yellowstone and south of 7th South to the new University Blvd., and as far east along 7th South as far as the west boundary of BYUI, and excluding residential parcels on both sides of South 5th West starting at Pole Line Road and going north to 7th South. The area has a history of a slow-growing tax base primarily attributed to inadequate street and utility improvements, inadequate public park areas, undeveloped properties, and other deteriorating areas.

This environment contrasts sharply with the growing economic and cultural strength of Rexburg and the Madison County region.

Hence, the Urban Renewal Plan for the Project Area is a proposal for major street, storm drain, and open space improvements to provide an improved environment for new and rehabilitated residential, retail, lodging, commercial, and industrial facilities; to eliminate unsafe conditions; and to otherwise prevent the extension of deterioration and reverse the deteriorating action of the area.

The streets to be vacated or relocated will create additional buildable area for retail, commercial, office, or public use. Vacations or relocations must be requested from the City of Rexburg or any agency having jurisdiction over the particular public right-of-way.

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

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

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

Agency may act to improve transportation opportunity through the Project Area. A further objective of the Urban Renewal Plan is to provide for the acquisition and clearance of property to be used for other public facilities. Over the life of the Plan, land use in the Project Area will be modified to the extent that buildings currently vacant and land underdeveloped will be converted to residential, lodging, commercial, retail, office, parks and paths, parking, and public/semi-public uses.

The provisions of this Plan are applicable to all public and private property in the Project Area. The provisions of the Plan shall 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 304 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 sidewalk improvements to significant new development, the Agency plans a key role in creating the necessary momentum to get and keep things going.

(b) Secure significant public open space. This open space will greatly increase property values adjacent to it and greatly contribute to a new sense of place.

(c) Develop and encourage new lodging opportunities, develop support facilities such as restaurants, and encourage new uses in the Project Area.

(d) Pursue development across all land-use sectors simultaneously.

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

C. [§303] Participation Opportunities And Agreement

1. [§304] 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 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, applicable zoning ordinance, and any framework master plan. 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 of Rexburg or County of Madison, as the case may be.

(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 of Rexburg or County of Madison, as the case may be.

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

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

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

(a) Encourage property owners or tenants to revitalize deteriorating areas of their parcels and to incorporate elements of the Plan such as street trees and sidewalk treatments to accelerate the enhancement of the street environment in the Project Area.

(b) Subject to the limitations of the Law and the Act, provide 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.

(c) Allow 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 Act, provide incentives to improve nonconforming properties so they implement the design guidelines contained in this Plan to the extent possible and encourage an orderly transition from nonconforming to conforming uses over the planning horizon.

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

D. [§305] <u>Cooperation With Public Bodies</u>

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 Plan. 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 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.

The Agency may impose on all public bodies the planning and design controls contained in this Plan to ensure 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.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency, however, will seek the cooperation of all public bodies owning or intending to acquire property in the Project Area. Any public body owning or leasing property in the Project Area will be afforded all the privileges of an owner participant if such public body is willing to enter into a participation agreement with the Agency. All plans for development of property in the Project Area by a public body shall comply with the provisions of this Plan, in the event the Agency is providing any financial assistance.

The Agency specifically intends to cooperate to the extent allowable with the City of Rexburg for the future widening of University Boulevard and South 12th West and the reconstruction or improvement of Yellowstone Highway. The Agency intends to cooperate with the Idaho Transportation Department on improvements related to State of Idaho projects including additional improvements to University Boulevard and Yellowstone Highway.

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

E. [§306] <u>Property Acquisition</u>

1. [§307] <u>Real Property</u>

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

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

In the event the Agency identifies certain property which should be acquired to develop certain public improvements intended to be constructed under the provisions of this Plan, the Agency shall coordinate such property acquisition with any other public entity (e.g., without limitation, the City, the State of Idaho, or any of its authorized agencies), including the assistance of the Agency of funds to acquire said property either through a voluntary acquisition or the public entity's invoking of its eminent domain authority without an express amendment to this Plan, properly approved by the City Council.

Under the provisions of the Act, the urban renewal plan "shall be sufficiently complete to indicate such land acquisition, demolition, and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area." Idaho Code § 50-2018(12). The Agency has not identified any particular parcel for acquisition for the construction of public improvements. These activities are generally described in Attachment 3. The Agency may also acquire property for the purpose of developing public parking facilities, providing public open space, and enhancing the opportunity for other uses. At the present time, the Agency cannot specifically identify which parcels may be necessary for acquisition. The Agency reserves the right to determine which properties, if any, should be acquired. Generally, the Agency will invoke its acquisition authority only for the elimination or mitigation of deteriorated or deteriorating buildings, structures, or properties in order to enhance public open space in the Project Area or to assist or participate in site reclamation, remediation, or elimination of blighted or deteriorated areas, and then only by voluntary means. However, the Agency's authority to invoke eminent domain to acquire real property for disposition to private parties for economic development is limited by House Bill 555 adopted by the 58th Idaho Legislature, Second Session, 2006, Session Law Chapter 96.

2. [§308] <u>Personal Property</u>

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 purposes of this Plan, acquisition of certain permanent fixtures or improvements upon real property shall be governed by this section. The Agency retains the right to purchase those fixtures or improvements (including buildings) for the purpose of eliminating certain deteriorated or deteriorated structures to facilitate the redevelopment the real property upon which the buildings and structures are located. Such acquisition shall be based upon appraised value of the structures and negotiation with the owner of the structures. The Agency shall take into account, before committing to such acquisition, any environmental or other liability present or potentially present in such structures. In the event the Agency determines to acquire such property, it shall do so upon the successful negotiation of an owner participation agreement in compliance with the terms of Section 304 of this Plan. In addition, such owner shall commit to the redeployment of the real property and to maintain the real property in a safe and clean manner. The Agency shall acquire such property by way of any acceptable conveyance.

F. [§309] <u>Property Management</u>

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

G. [§310] **Relocation of Persons (Including Individuals and Families), Business Concerns, and Others Displaced by the Project**

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

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

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

H. [§311] Demolition, Clearance, and Building and Site Preparation

1. [§312] 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.

2. [§313] Preparation of Building Sites

The Agency is authorized, but not required, to prepare or cause to be prepared as building sites any real property in the Project Area owned by the Agency. In connection therewith, the Agency may cause, provide for, or undertake the installation or construction of streets, utilities, parks, playgrounds, parking facilities, and other public improvements necessary to carry out this Plan. The Agency is also authorized, but not required, to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for industrial, commercial, private, public, and other uses provided in this Plan.

To the extent allowed by the Law and Act, the Agency may assist in the preparation of building sites by way of reclamation, remediation, or elimination of deteriorated conditions. The Agency is also authorized, but not required, to purchase certain site or building improvements for purposes of site preparation and development.

I. [§314] Property Disposition and Development

1. [§315] Real Property Disposition and Development

a. [§316] General

For the purposes of this Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property under the reuse provisions set forth in Idaho Code Section 50-2011. 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.

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

b. [§317] Disposition and Development Documents

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

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

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

All property in the Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon race, color, creed, religion, sex, disability, age, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Project Area. All property sold, leased, conveyed, or subject to a participation agreement shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease, or other transfer of land in the Project Area shall contain such nondiscrimination and nonsegregation clauses as required by law.

The land and/or air rights and subterranean rights acquired by the Rexburg Urban Renewal Agency will be disposed of subject to an agreement between the Agency and the developers. The developers (including owner/participants) will be required by the contractual agreement to observe the land use and building requirements provision of this Plan and to submit a Redevelopment Schedule satisfactory to the Agency. Schedule revisions will be made only at the option of the Rexburg Urban Renewal Agency.

As required by law or as determined in the Agency's discretion to be in the best interest of the Agency and the public, the following requirements and obligations may be included in the agreement.

The developers, their successors, and assigns agree:

(a) A plan and time schedule for the proposed development shall be submitted to the Rexburg Urban Renewal Agency.

(b) The purchase or lease of the land and/or subterranean rights and/or air rights is for the purpose of redevelopment and not for speculation.

(c) The building of improvements will be commenced and completed as jointly scheduled and determined by the Rexburg Urban Renewal Agency and the developer(s).

(d) There will be no discrimination against any person or group of persons because of age, race, sex, creed, color, national origin, disability, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises or any improvements erected or to be erected thereon, therein conveyed; nor will the developer or any person claiming under or through the developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, or vendees in the premises or any improvements erected, or to be erected thereon, therein conveyed. The above provision will be perpetual and will be appended to the land disposed of within the Urban Renewal Project Area by the Rexburg Urban Renewal Agency.

(e) The site and construction plans will be submitted to the Agency for review as to conformity with the provisions and purposes of this Urban Renewal Plan.

(f) At the discretion of the Agency, a bond or other surety will be provided that is acceptable to the Agency to ensure performance under the contract of the sale.

(g) Rehabilitation of any existing structure must assure that the structure is safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years.

(h) All new construction shall have a minimum estimated life of no less than twenty (20) years.

(i) All such buildings or portions of the buildings which are to remain within the Project Area shall be reconstructed in conformity with all applicable codes and ordinances of the City of Rexburg.

(j) All disposition and development documents shall be governed by the provisions of Section 420 of this Plan.

The Agency also reserves the right to determine the extent of its participation based upon the objectives of this Plan.

c. [§318] Development by the Agency

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

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

In addition to the public improvements authorized under Idaho Code Section 50-2007, 50-2018, and 50-2903(9), (13), and (14), the Agency is authorized to install and construct or to cause to be installed and constructed within the Project Area, for itself or for any public body or entity, public improvements and public facilities, including, but not limited to, the following: (1) utilities; (2) telecommunications (including fiber-optic) facilities; (3) parks, plazas, pedestrian bridges, and pedestrian paths; (4) landscaped areas; (5) street improvements; (6) sanitary sewers; (7) flood control facilities and storm drains; (8) water mains; (9) civic center or other public building; (10) police and fire facilities; (11) transit/transportation facilities, vehicles, and infrastructure; and (12) streetscape and landscape.

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

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

d. [§319] Development Plans

All development plans (whether public or private) prepared, pursuant to disposition and development or owner participation agreements, shall be submitted to the Agency for approval and architectural review. All development in the Project Area must conform to those standards specified in Section 421, *infra*.

2. [§320] Personal Property Disposition

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

J. [§321] Rehabilitation and Conservation

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

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

K. [§322] Participation With Private Development or Public Development

Under the Idaho Urban Renewal 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 Community Development Block Grant Program, the Economic Development Administration, the Small Business Administration, or other federal agencies.

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 of support, for any other activity necessary or appropriate to carry out an economic development project.

As allowed by law, the Agency may also use funds from any other sources for any purpose set forth under the Law 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 Section 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under subdivision 2(b) of Section 50-2908 of the Local Economic Development Act and Section 504 to this Plan or out of any other available funds.

L. [§313] <u>Conforming Owners</u>

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.

IV. [§400] USES PERMITTED IN THE PROJECT AREA

A. [§401] <u>Redevelopment Plan Map and Development Strategy</u>

The Project Area and Revenue Allocation Area Boundary Map and Description of the Project Area and Revenue Allocation Area (including the Revenue Allocation Area referred to herein), attached hereto as Attachment 1 and Attachment 2, describe the location of the Project Area boundaries. The proposed land uses to be permitted in the Project Area for all land–public and private–are described in Attachment 4.

B. [§402] <u>Designated Land Uses</u>

The Agency intends to rely upon the overall land use designations and zoning requirements of the City of Rexburg, as depicted on Attachment 4 and as set forth in the City of Rexburg Comprehensive Plan, including the future land use map and zoning classifications.

C. [§403] <u>Other Land Uses</u>

1. [§404] <u>Public Rights-of-Way</u>

The major public streets within the Project Area include University Boulevard, South 12th West, and Yellowstone Highway.

Additional public streets or improvements to existing streets (including, but not limited to University, South 12th West, and Yellowstone Highway), alleys, and easements may be created, improved, or extended in the Project Area as need for proper development. Existing streets, alleys, easements, and irrigation or drainage laterals or ditches may be abandoned, closed, or modified as necessary for proper development of the Project, in conjunction with any applicable policies and standards of the City of Rexburg 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 pedestrian and vehicular access, transit facilities, 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 also to 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.

2. [§405] Other Public, Semi-Public, Institutional, and Nonprofit

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

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

D. [§407] General Controls and Limitations

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

1. [§408] 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.

2. [§409] Rehabilitation and Retention of Properties

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

3. [§410] 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.

4. [§411] Open Spaces, Landscaping, Light, Air, and Privacy

The approximate amount of open space to be provided in the Project Area is the total of all areas which will be in the public rights-of-way, the public ground, the space around buildings, and all other outdoor areas not permitted to be covered by buildings. Landscaping shall be developed in the Project Area to ensure optimum use of living plant material.

5. [§412] Signs

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

6. [§413] <u>Utilities</u>

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

7. [§414] <u>Incompatible Uses</u>

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.

8. [§415] <u>Nondiscrimination and Nonsegregation</u>

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.

9. [§416] <u>Subdivision of Parcels</u>

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

10. [§417] <u>Minor Variations</u>

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 this public peace, health, safety, or welfare and to assure compliance with the purposes of this Plan. Any variation permitted by the Agency hereunder shall not supersede any other approval required under the City of Rexburg codes and ordinances.

E. [§418] <u>Design for Development</u>

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 of Rexburg's zoning ordinance regarding heights, setbacks, and other like standards.

In the case of property which is the subject of a disposition and development or 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* 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 toward 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 disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standards and provisions of any applicable City building or zoning ordinances; provided, however, each and every development shall comply with all applicable City zoning and building ordinances.

F. [§419] <u>Off-Street Loading</u>

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

G. [§420] <u>Off-Street Parking</u>

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.

H. [§421] **Nonconforming Uses**

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

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

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

I. [§422] **Design Guidelines for Development Under a Disposition and Development Agreement or Owner Participation Agreement**

Under an owner participation agreement or a disposition and development agreement the design guidelines and land use elements of the Plan shall be achieved to the greatest extent feasible, though the Agency retains the authority to grant minor variations under Section 417 of this Plan and subject to a negotiated agreement between the Agency and the developer or property owner.

Under those agreements, the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. In such agreements, the Agency may impose additional design controls. One of the objectives of this Plan is to create an attractive pedestrian environment in the Project Area. Therefore, such plans shall give consideration to good design and amenities to enhance the aesthetic quality of the Project Area. These additional design standards or controls will be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standard and provisions of any applicable City building or zoning ordinances; provided, however, each and every development shall comply with all applicable City zoning and building ordinances.

V. [§500] USES PERMITTED IN THE PROJECT AREA

A. [§501] **General Description of the Proposed Financing Method**

The Agency is authorized to finance this Project with financial assistance from the City, Madison County, State of Idaho, federal government, interest income, Agency bonds, donations, loans from private financial institutions, the lease or sale of Agency-owned property, or any other available source, public or private, including assistance from any taxing district or any public entity.

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

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

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

B. [§502] Revenue Bond Funds

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

C. [§503] Other Loans, Grants, and Developer Contributions

Any other loans, grants, guarantees, or financial assistance from the United States, the State of Idaho, or any other public or private source will be utilized if available. The Agency intends to consider funding sources through Local Improvement Districts and/or Business 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.

D. [§504] Revenue Allocation Financing Provisions

The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, effective retroactively to January 1, 2007. These revenue allocation provisions shall apply to all taxing districts located on the Revenue Allocation Area described in Attachment 2 to this Plan. The Agency shall take all actions necessary or convenient to implement these revenue allocation provisions. The Agency specifically finds that the equalized assessed valuation of the property within the Revenue Allocation Area is likely to increase as a result of the initiation of the Urban Renewal Project.

The Agency, acting by one or more resolutions adopted by its Board, 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 bonds issued by the Agency to finance or to refinance the Project Costs (as defined in Idaho Code Section 50-2903(14)) of one or more urban renewal projects.

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

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

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

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

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 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.

The assumptions concerning revenue allocation proceeds are based upon certain assessed value increases and assumed tax levy rates.

1. [§505] <u>Economic Feasibility Study</u>

Attachment 5 consists of the Economic Feasibility Study ("Study") for the Urban Renewal Area prepared by Harlan W. Mann, urban renewal consultant, and Agency staff. The Study constitutes the financial analysis required by the Act and is based upon existing information from the Agency and Madison County. Projections are based upon input from the Agency, property owners, developers, and others.

2. [§506] <u>Assumptions and Conditions/Economic Feasibility Statement</u>

The information contained in Attachment 5 assumes certain completed and projected actions. Under the provisions of the Act, the revenue allocation shall continue until the debt or other obligations or the project activity is completed or is satisfied. All debt and activity are projected to be completed or repaid no later than the duration period of the Plan. The total amount of bonded indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Should all of the development take place as projected, the project indebtedness could be extinguished earlier, dependent upon the debt 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 the debt and the Project may continue for their full term.

The Urban Renewal Plan and attachments incorporate estimates and projections based on the Agency's present knowledge and expectations. The Agency may modify the Project if the Board deems such modifications necessary to effectuate the Plan. The Plan proposes certain public improvements, including utility improvements, streetscapes, street improvements, property acquisition, parking facilities, and relocation costs, greenbelt improvements, and relocating (undergrounding) of overhead power lines, 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 below, 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.

3. [§507] <u>Ten Percent Limitation</u>

Under the Act the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed valuation for the entire City. The adjusted base assessment roll, including utilities and less any homeowner's exemption, for the three existing revenue allocation areas as of January 1, 2007, is $46,606,105. This total is split among the three areas, North Highway–$9,692,524, Washington School–$2,697,045, and Downtown–$34,216,536. The base assessment roll for the University Boulevard-South 12th West Project Area, as of January 1, 2007, is estimated to be $8,206,319. The total assessed value for the City of Rexburg as of January 1, 2007, less homeowners' exemptions is $648,867,566. The combined base assessment roll for all Revenue Allocation Areas does not exceed ten percent (10%) of the assessed value for the City of Rexburg.

4. [§508] <u>Financial Limitation</u>

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. The Study has assumed projected new development from 2008 through 2014, premised upon planned or commenced projects consisting primarily of several commercial projects and a residential subdivision. No additional increases have been programmed from 2014 through 2024. 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 throughout the term of the Project. Multiple financing sources including proposed revenue allocation notes and bonds, annual revenue allocations, developer contributions, and other funds are shown. This Study identifies the kind, number, and location of all proposed public works or improvements, a detailed list of estimated Project Costs, a description of the methods of financing illustrating Project Costs, and the time when relate costs or monetary obligations are to be incurred. See Idaho Code § 50-2905. Based on these funding sources, the conclusion is the Project is feasible.

The information contained in the Study assumes certain projected actions. First, the Agency has projected several bank loans or note issues. The debt term will be finally determined by the marketability of the notes. Under the provisions of the Act, the revenue allocation may continue until the end of the Plan term. Second, the total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Should all of the development take place as projected, indebtedness would be extinguished earlier, dependent upon the 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 obligation may continue for their full term.

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

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

5. [§509] <u>Rebate of Revenue Allocation Funds</u>

In any year during which the Agency receives revenue allocation proceeds, the Agency, as allowed by law, is authorized, but not required, to return or rebate to the other taxing entities identified in Attachment 5 of this Plan any revenue allocation funds not previously pledged or committed for the purposes identified in the Plan. Under the Act, the Agency must first apply all such revenues for the payment of the projected costs of the urban renewal project identified and repayment of principal and interest on any moneys borrowed, indebtedness incurred, or bonds issued by the Agency and maintain any required reserve for payments of such obligation or indebtedness. Only to the extent revenues of the Agency exceed these obligations shall the Agency consider any rebate or return of revenue allocation funds to the other taxing entities. The Agency shall rebate such funds in a manner that corresponds to each taxing entity's relative share of the revenue allocation proceeds or on the basis of extraordinary service requirements generated by the Project. All other taxing entities shall first receive any such rebate before such rebate shall be disbursed to the City.

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

The Agency also reserves the right to provide a tax increment rebate to any particular taxing entity which may be entitled to a levy rate increase by virtue of an approved levy election, which may increase levies, beyond the levy rates as of Tax Year 2007.

6. [§510] <u>Participation With Local Improvement Districts and Business Improvement Districts</u>

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.

Under the Business Improvement District Code (BID), Chapter 26, Title 50, Idaho Code, the City has the authority to establish business improvement districts for the acquisition, construction, and maintenance of parking facilities, promotion of public events, general promotion of retail trade in the district, and physical improvement and decoration of any public space in the district. To the extent allowed by the Law and Act, the Agency reserves the authority to participate in the funding of the business improvement district activities. The participation may include either direct funding to reduce the overall cost of the BID or to participate as an assessed entity, should the Agency own any property subject to assessment.

7. [§511] <u>Issuance of Debt, Debt Limitation, and Current Obligations</u>

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.

8. [§512] <u>Impact on Other Taxing Districts and Levy Rate</u>

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. Since the passage of House Bill 156 in 1995, taxing entities are constrained in establishing levy rates by a function of the amount each budget of each taxing district can increase on an annual basis. The amounts set forth in 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 House Bill 156. In addition, without the revenue allocation district and its ability to pay for public improvements and public facilities, fewer substantial improvements within the Revenue Allocation Area would be expected in the next five to ten years, hence there would be lower increases in assessed valuation to be used by the taxing entities.

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 Idaho State Code. 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 House Bill 156, 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 House Bill 156.

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 House Bill 156 (1995) and House Bill 79 (2007) 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. House Bill 79 became effective retroactively to January 1, 2007, upon Governor Otter's signature on March 21, 2007.

House Bill 79 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 will no longer be available for inclusion by the taxing entities to increase their budgets. Less tax revenue will be available to those taxing entities. 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. For Tax Year 2007, those districts and rates are as follows

Madison County	0.005402398
City of Rexburg	0.003426326
School District No. 321	0.003621317
Madison County Ambulance	0.000369043
Madison County Library District	0.000547471
Rexburg Cemetery	0.000050928
Madison County Mosquito Abatement District	0.000283981

One result of House Bill 156 is the likely reduction of the levy rate as assessed values increase for property within each taxing entity's jurisdiction. The Study has made certain assumptions concerning the reduction in the levy rate, by reduction of one percent (1%) per year from 2007. If the overall levy rate is less than projected, the Agency shall receive fewer funds from revenue allocation.

9. [§513] <u>Phasing and Other Fund Sources</u>

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

10. [§514] <u>Lease Revenue, Parking Revenue, and Bonds</u>

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

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

11. [§515] <u>Developer/Owner Initiated Improvements</u>

The Agency recognizes the right and possible interest of developers/owners to initiate the construction of designated new streets in the Project Area through:

(a) One or more LID;

(b) Private financing; or

(c) Direct payment of construction costs.

Any LID would be established by the City of Rexburg. Any of the three alternatives listed above would provide a means of financing necessary public improvements before the Agency would have the necessary funds to pay for such improvements. As an incentive for such developer/owner financed improvements, the Agency may repay the developer/owner for fifty percent (50%) of the developer/owner's total assessment, including interest, from available annual revenue allocation funds generated by new developments on the developer/owner's property included in the LID. If the improvements have been financed through private funding sources or paid directly by the developer/owner, the Agency shall repay the developer/owner fifty percent (50%) of the actual costs of construction. This policy may apply retroactively to developers/owners who have previously contributed toward the cost of public improvements abutting their property. The Agency's contribution under this paragraph shall be conditioned upon the developer having commenced construction (or a binding commitment to proceed issued by a recognized financial institution) to develop such property, thus generating additional revenue allocation funds. Additional details concerning this policy will be specified in a resolution to be approved by the Agency complying with its normal approval process or under a specific owner participation agreement or disposition and development agreement.

For purposes of this section, "available annual revenue allocation funds" shall mean those incremental tax (revenue allocation) revenues received by the Agency after all necessary payments have been made to:

(a) Pay the obligations of the Agency as described in this Article V or any other obligations of the Agency;

(b) Fund the administration fund;

(c) Fund any debt service reserve fund deposits; and

(d) Fund any other long-term obligations of the Agency.

12. [§516] Variance

The Agency reserves the right to grant minor variations from these standards under the guidelines established under Section 417 of this Plan.

VI. [§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 blight. 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, by conditional use permits or other means, of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use;

(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) enforcement building code;

(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) institution and completion of proceedings necessary for the establishment of a LID under Chapter 17, Title 50, Idaho Code, or a BID under Chapter 26, Title 50, Idaho Code;

(h) undertaking and completion of any other proceedings necessary to carry out the Project;

(i) administration of Community Development Block Grant funds that may be made available for this Project;

(j) formation of appropriate agreements with the Agency for administration, supporting services, funding sources, and the like;

(k) imposition whenever necessary, by conditional use permits or other means, as appropriate of controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use;

(l) waiver of any hookup or installation fee for sewer, water, or other utility services for any facility owned by any public agency, including the Agency;

(m) joint funding of certain public improvements and coordination with the City's art programs; and

(n) use of City labor, services, and materials for construction of the public improvements listed in the Plan.

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

A. [§601] <u>Maintenance of Public Improvements</u>

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.

VII. [§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.

VIII. [§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-four (24) years from the date of adoption of the Plan by the City Council in 2007, which period shall expire on December 31, 2031, except for any revenue allocation proceeds received in calendar year 2032.

This Plan shall terminate no later than December 31, 2031, except for revenues which may be received in 2032. Either on January 1, 2031, or earlier if the Agency determines an earlier termination date, the following shall apply:

(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 Section 50-2908, Idaho Code, shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the affected taxing districts in which the Revenue Allocation Area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the revenue allocation area; and the powers granted to the Agency under Section 50-2909, Idaho Code, 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 Urban Renewal Plan.

(c) For the fiscal year that immediately predates the terminate date, the Agency shall adopt and publish a budget specifically for the projected revenues and expenses of the Plan and make a determination as to whether the revenue allocation area can be terminated before January 1 of the termination year pursuant to the terms of Section 50-2909(4), Idaho Code. In the event that the Agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by September 1, the Agency shall adopt a resolution advising and notifying the local governing body, the County Auditor, and the State Tax Commission, recommending the adoption of an ordinance for termination of the revenue allocation area by December 31 of the current year, and declaring a surplus to be distributed as described in Section 50-2909, Idaho Code, should a surplus be determined to exist. The Agency shall cause the ordinance to be filed with the office of the County Recorder and the Idaho State Tax Commission as provided in Section 63-215, Idaho Code.

Upon termination of the revenue allocation authority of the Urban Renewal Plan to the extent the Agency owns or possesses any assets, the Agency shall dispose of any remaining assets by granting or conveying or dedicating such assets to the City of Rexburg.

As allowed by Idaho Code Section 50-2905(7), the Agency may retain assets or revenues generated from such assets as loans; the Agency shall have resources other than revenue allocation funds to operate and manage such assets. The Agency may retain ownership of any parking facilities which may be constructed in the Project Area, as parking revenues may be sufficient to provide the resources necessary for the Agency to retain those assets. Similarly, facilities which provide a 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 of Rexburg, depending on the nature of the asset.

Upon termination of the revenue allocation authority of the Urban Renewal Plan, to the extent the Agency owns or possesses any assets, the Agency shall dispose of any remaining assets by granting or conveying or dedicating such assets to the City of Rexburg.

IX. [§900] PROCEDURE FOR AMENDMENT

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

X. [§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, 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.

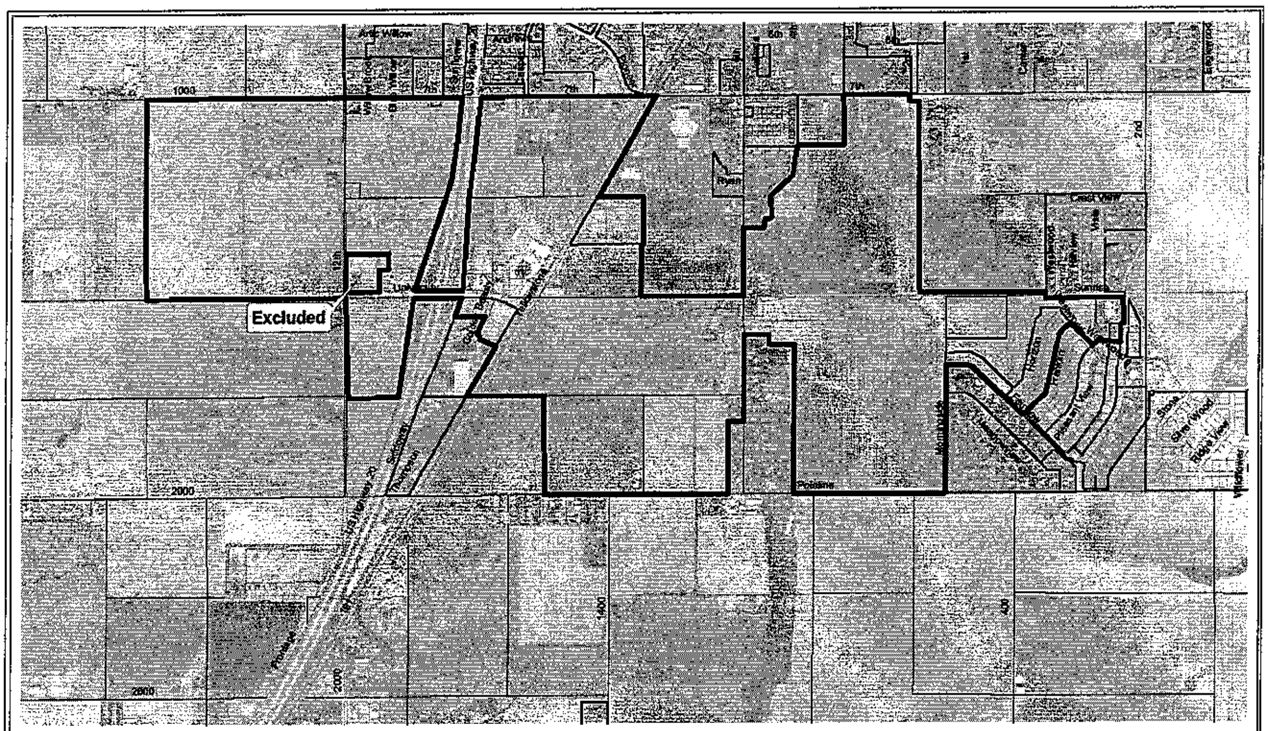
XI. [§1100] ANNUAL REPORT

Under the Idaho Urban Renewal Law, the Agency is required to file with the City, on or before March 31 of each year, a report of the Agency's activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such calendar year.

(11/14/07)

Attachment 1

Project Area and Revenue Allocation Area Boundary Map



N

University Boulevard - South 12th West Project Area
Project Area and Revenue Allocation Area Boundary Map

Attachment 2

Description of Project Area and Revenue Allocation Area

The University Boulevard-South 12th West Project Area includes an area generally bounded by South 12th West, plus the School District No. 321 property adjacent to the west side, Pole Line Road on the south to Morningside and north on Morningside and along Fairview, Franklin, and Westwood to 2nd East. The boundary then continues from 2nd East west along Sunrise Drive to 2nd West, then north to 7th South continuing to 12th West, excluding certain property east of Yellowstone and south of 7th South to the new University Blvd., and as far east along 7th South as far as the west boundary of BYUI, and excluding residential parcels on both sides of South 5th West starting at Pole Line Road and going north to 7th South.

And more particularly described as:

Tract I

The NE Quarter of Section 35; the Northwest Quarter and the North Half of the Southwest Quarter of Section 36, Township 6 North, Range 39 East of the Boise Meridian, Madsion County, Idaho

> ***Less the following:***
>
> *Commencing at a point that is South 0°58'5" East 2042.94 feet from the Northwest Corner of Section 36, Township 6 North, Range 39 East, Boise Meridian; running thence South 0°24'14" East 513.41 feet, thence North 89°35'46" East 440.76 feet, thence North 0°2'54" West 297.50 feet, thence North 89°57'5" East 121.28 feet, thence North 0°24'17" West 216.66 feet, thence South 89°35'50" West 563.89 feet to the point of beginning.*
>
> *Also Less Lots 2 & 5 of the Wilcox Subidivison in the City of Rexburg, Madison County, ID. Also Less the US 20 highway right of way.*

Tract II

The Southeast Quarter, and the West Half of the Northeast Quarter of Section 36, Township 6 North, Range 39 East of the Boise Meridian, Madison County, Idaho.

> ***Less the following:***
> *Commencing at the Southeast Corner of Section 36, Township 6 North, Range 39 East, Boise Meridian; running thence West along the said Section Line 216 feet, thence North 950 feet, thence East 216 feet, thence South 950 feet to the point of beginning.*
>
> *Also less an area commencing at point which is 170.27 feet east of the Northwest*

corner of the Northeast Quarter of the Northeast Quarter of Section 36, Township 6 North, Range 39 East, Boise Meridian; running thence S 29-28-02 W 1519.67 feet along the west edge of the South Yellowstone Hwy thence N 89-57-46 E 747.825 feet, thence N 00-00-44 W 1322.56 feet to the point of beginning.

Also Less the US 20 highway right of way.

Tract III

Commencing at a point that is North 0°16’28” West 2114.60 feet from the Southwest Corner of Section 31, Township 6 North, Range 40 East, Boise Meridian; running thence North 0°26’46” West 503.85 feet, thence North 0°10’51” West 892.13 feet, thence North 89°43’20” East 264.02 feet, thence North 9°44’26” East 132.00 feet, thence North 89°43’20” East 76.04 feet, thence North 0°16’50” West 297.56 feet, thence North 46°24’26” East 385.90 feet, thence North 8°13’4” East 401.40 feet, thence North 89°57’28” East 615.23 feet, thence North 0°18’18” West 661.05 feet, thence North 89°46’23” East 857.71 feet, thence South 0°10’32” East 90.00 feet, thence South 87°41’41” East 124.10 feet, thence South 0°27’20” East 2513.35 feet, thence North 89°49’35” East 1648.87 feet, thence South 3°58’41” East 86.08 feet, thence North 89°14’16” East 652.93 feet, thence North 89°44’37” East 361.92 feet, thence South 1°28’8” East 342.60 feet, thence South 83°39’35” West 39.76 feet, thence South 0°31’15” West 241.50 feet, thence North 86°19’32” West 239.79 feet, thence North 45°4’41” West 41.37 feet, thence South 45°2’19” West 129.70 feet, thence North 43°56’35” West 426.46 feet, thence South 46°2’33” West 194.31 feet, thence South 12°55’54” West 826.40 feet, thence South 44°58’16” West 420.89 feet, thence North 45°29’58” West 939.33 feet, thence North 71°22’19” West 58.50 feet, thence South 89°48’53” West 289.63 feet, thence South 0°4’11” East 1695.00 feet, thence South 89°58’16” West 1979.69 feet, thence North 0°16’36” West 1980.02 feet, thence South 89°58’3” West 330.00 feet, thence North 0°16’18” West 132.00 feet, thence South 89°58’3” West 330.00 feet to the point of beginning.

Attachment 3

Private Properties Which May Be Acquired by Agency

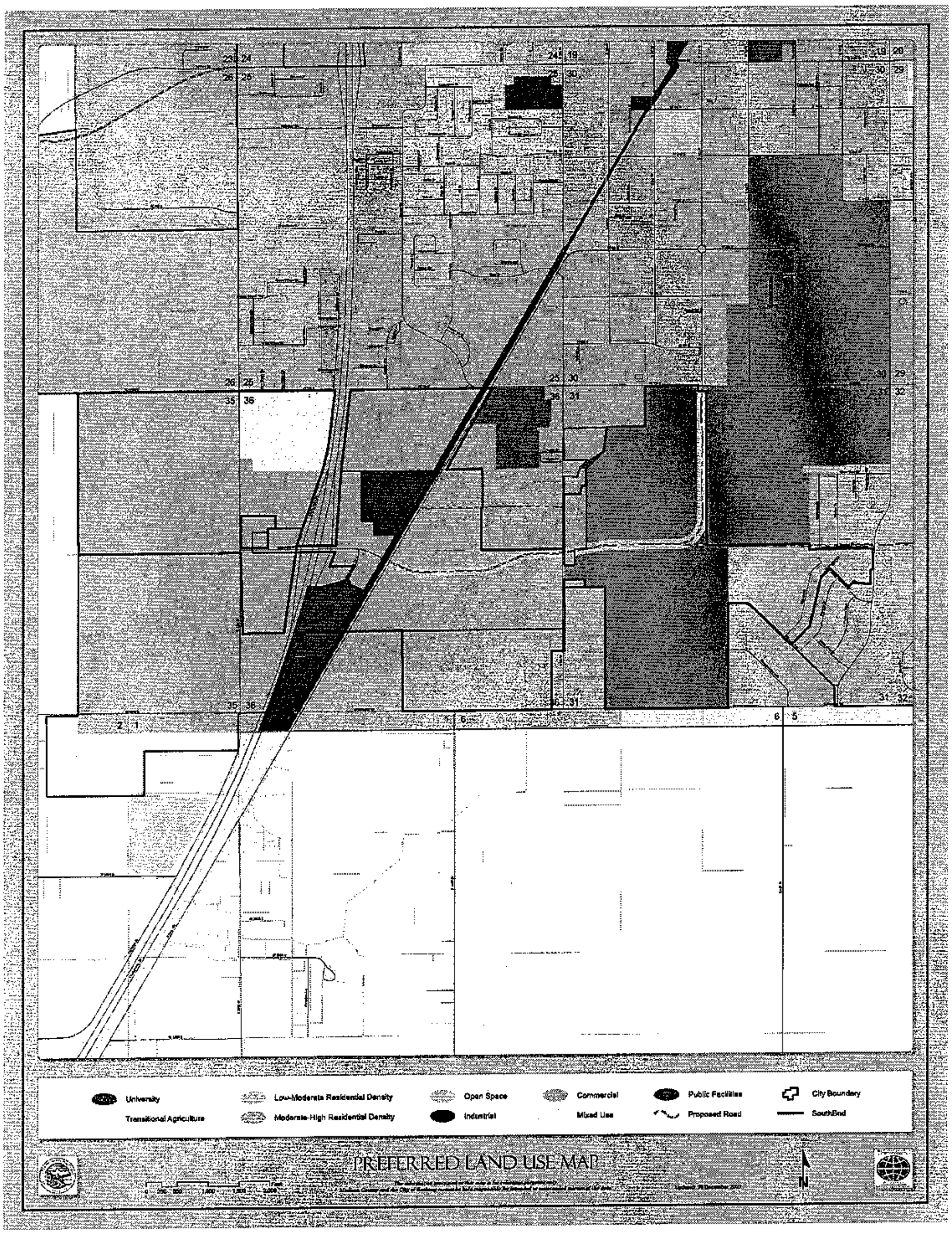
1. No particular properties have been identified for acquisition by the Agency. The Agency does not intend to purchase property for future development by private persons.

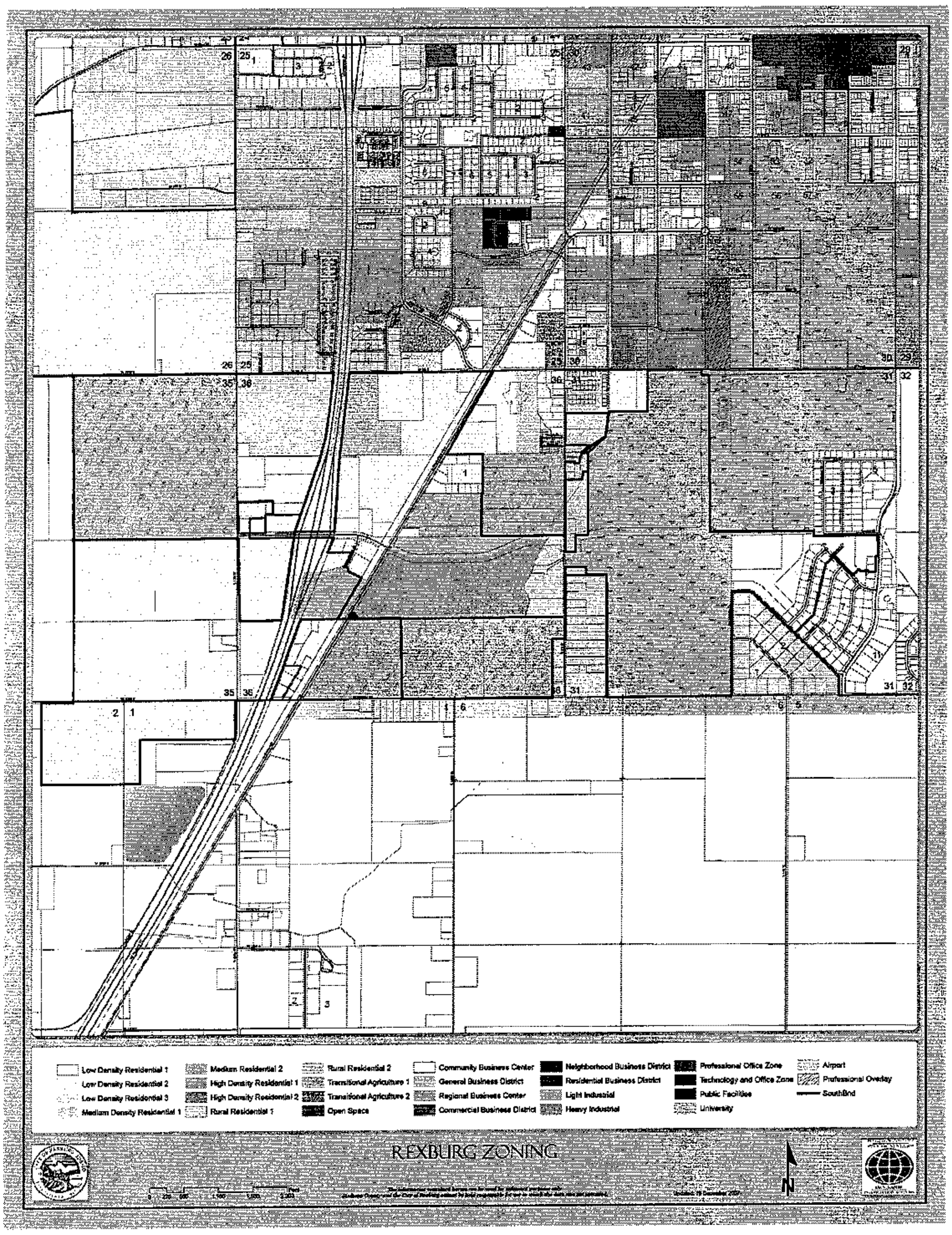
2. The Agency reserves the right to acquire any additional right-of-way or access routes near or around existing or planned rights-of-way.

3. The Agency reserves the right to acquire property needed for the development of public improvements and public facilities.

Attachment 4

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




Low Density Residential 1
Low Density Residential 2
Low Density Residential 3
Medium Density Residential 1
Medium Residential 2
High Density Residential 1
High Density Residential 2
Rural Residential 1
Rural Residential 2
Transitional Agriculture 1
Transitional Agriculture 2
Open Space
Community Business Center
General Business District
Regional Business Center
Commercial Business District
Neighborhood Business District
Residential Business District
Light Industrial
Heavy Industrial
Professional Office Zone
Technology and Office Zone
Public Facilities
University
Airport
Professional Overlay
SouthBnd
REXBURG ZONING
N

Attachment 5

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

Introduction

Expenditure of funds for projects is anticipated through 2022 with the Project as a whole terminating the following year.

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

Attachment 5A depicts estimated tax assessments through 2024, anticipated increases in tax assessments through the development process, and increases as described in Section 508 of this Plan. Section 512 also addresses the impact on taxing districts and the levy rate.

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

The information contained in Attachment 5 assumes certain completed and projected actions. Under the provisions of the Act, the revenue allocation shall continue until any indebtedness is satisfied or the Project activity is completed. All activity is projected to be repaid no later than the duration period of the Plan. Second, the total amount of any obligation and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Attachment 5C projects expenditures from 2008 through 2025. Should private development take longer to materialize or should the private development be substantially less than projected, then the amount of revenue generated could be substantially reduced and activity may continue for the full term of the Plan.

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

Economic Feasibility Statement

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

The proposed timing for the public improvements may very well have to be modified depending upon the availability of the funds anticipated.

Attachment 5A, Estimated Net Taxable Value of Private Development, Rexburg University Boulevard-South 12th West Project Area, lists estimated increases in tax assessments resulting from new development in the Revenue Allocation Area beginning in 2008 and illustrates how the project's new development would generate net revenue to the Agency.

Attachment 5B, Estimated Annual Future Revenue Allocations, Rexburg University Boulevard-South 12th West Project Area shows the estimated revenue allocation funds through 2024, dependent upon assumptions of the annual levy rates.

Attachment 5C, Estimated Annual Revenues and Costs, Rexburg University Boulevard-South 12th West Project Area shows the contemplated schedule for expenditure of funds for the Agency's activities. The attachment also provides a description of the activity proposed.

Description of Public Financing Sources

Revenue Allocation–Revenue allocation financing (sometimes referred to as tax increment financing) applies the increase in property taxes within a defined area to public infrastructure improvements. The improvements are designed to enhance the private development potential, thus creating the additional assessed valuation. The process is initiated upon action of a municipality, whereupon the County Assessor shall establish the assessed valuation within the Revenue Allocation Area for a base year. The incremental revenue may be applied directly as it is received by the authorized redevelopment agency or, more commonly, applied as a long-term revenue stream for the issuance of bonds or other debt obligations. Once the Plan has been fully implemented and/or the bonds or debt obligations have been retired, the incremental revenue flows back to the appropriate taxing districts in the same proportion as the base revenue.

Revenue allocation has been available in Idaho since 1988 and is anticipated to be the major, and thus most essential, component for Plan financing.

Loans and Notes--Problematic with revenue allocation financing is the time delay from initiation of Plan implementation and establishment of the base assessment roll. Several years may elapse before the incremental tax revenue stream can adequately demonstrate the strength necessary to complete the projects. Short-term notes or loans from local lenders or others are a means of providing the bridge financing necessary to begin development work. The Agency may borrow other funds from other sources as needed and authorized under the Urban Renewal Plan.

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

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

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

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

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

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

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

Financing Conclusion

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

Attachment 5A
Estimated Net Taxable Value[1] of Private Development
Rexburg University Boulevard-South 12th West Project Area
(11-9-07)

I. Year	Residential	Commercial	Year Total[2]	Cumulative Total
2007-2008	300,000	3,611,000	3,911,000	3,911,000
2008-2009	1,640,000	3,251,000	4,891,000	8,802,000
2009-2010	1,680,000	2,440,000	4,120,000	12,922,000
2010-2011	1,720,000	2,560,000	4,280,000	17,202,000
2011-2012	1,760,000	2,560,000	4,320,000	21,522,000
2012-2013	1,800,000	2,010,000	3,810,000	25,332,000
2013-2014		2,100,000	2,100,000	27,432,000
2014-2015				27,432,000
2015-2016				27,432,000
2016-2017				27,432,000
2017-2018				27,432,000
2018-2019				27,432,000
2019-2020				27,432,000
2020-2021				27,432,000
2021-2022				27,432,000
2022-2023				27,432,000
2023-2024				27,432,000
Totals	8,900,000	18,532,000	27,432,000	

[1]Cummulative estimated increases of assessed value for land, improvements, personal property and utilities above the base value.

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

Attachment 5B

Estimated Annual Future Tax Revenue Allocations
Rexburg University Boulevard-South 12th West Project Area
(11-9-07)

Year Assessed	Year Taxes Received	Estimated Valuation[1]	Tax Levy Rate[2]	Agency Revenue[3]
2008	2009	3,911,000	0.0135533	53,007
2009	2010	8,802,000	0.0134178	118,103
2010	2011	12,922,000	0.0132836	171,651
2011	2012	17,202,000	0.0131508	226,220
2012	2013	21,522,000	0.0130193	280,201
2013	2014	25,332,000	0.0128891	326,507
2014	2015	27,432,000	0.0127602	350,038
2015	2016	27,432,000	0.0126326	346,537
2016	2017	27,432,000	0.0125063	343,070
2017	2018	27,432,000	0.0123812	339,641
2018	2019	27,432,000	0.0122574	336,245
2019	2020	27,432,000	0.0121348	332,882
2020	2021	27,432,000	0.0120135	329,554
2021	2022	27,432,000	0.0118934	326,260
2022	2023	27,432,000	0.0117745	322,990
2023	2024	27,432,000	0.0116568	319,759
2024	2025	27,432,000	0.0115402	316,571
II. Totals				4,839,257

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

[2]Tax levy rate is estimated to decrease 1 percent per year from 2007.

[3]Agency revenue is estimated valuation times tax levy rate. The amount shown as "Gross Revenue" is the amount that, absent revenue allocation authority, would be distributed to the other taxing entities in proportion to their respective annual levies. The levy amount is determined by compliance with the limitations contained within House Bill 156 adopted by the Idaho Legislature in 1995. Also see Section 512 of the Plan.

Attachment No.5C[1] (11-9-07)
Estimated Annual Revenues and Costs (Figures Shown in 000s)
Rexburg University Boulevard-South 12th West Project

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals
Beginning Balance	0	0	33	131	284	420	112	144	93	341	69	278	
Sources of Funds													
Revenue Allocations[2]		53	118	171	226	280	327	350	347	343	340	336	
Agency Advance	20	(10)	(10)										
City Contributions/Grants				900				400		500		1,000	
Bank Loan				500									
Total Sources of Funds	20	43	108	1,571	226	280	327	750	347	843	340	1,336	
Total Funds Available	20	43	141	1,702	510	700	439	894	440	1,184	409	1,614	
Uses of Funds													
Street Imp. - South 12th West				1,408									
Park Imp. (Next to School Site)						500	200						
Street Imp. – University Blvd.								720		1,000		1,500	
Other Park Improvements													
Admin./Professional Services	20	10	10	10	15	15	15	15	15	15	15	15	
Debt Service/Payoff					75	73	80	66	84	100	116		
Total Uses of Funds	20	10	10	1,418	90	588	295	801	99	1,115	131	1,515	
END BALANCE	0	33	131	284	420	112	144	93	341	69	278	99	

[1]Fiscal year ending September 30, 2008.
[2]From Attachment 5B.
[3]Estimated balance to be distributed to all taxing districts.

Attachment No.5C[1] (11-9-07)
Estimated Annual Revenues and Costs (Figures Shown in 000s)
Rexburg University Boulevard-South 12th West Project

	2020	2021	2022	2023	2024	2025	Totals
Beginning Balance	99	17	332	143	51	61	
Sources of Funds							
Revenue Allocations[2]	333	330	326	323	320	317	4,840
Agency Advance							
City Contributions/Grants							2,800
Bank Loan							500
Total Sources of Funds	333	330	326	323	320	317	8,140
Total Funds Available	432	347	658	466	371	378	
Uses of Funds							
Street Imp. - South 12th West							1,408
Park Imp. (Next to School Site)							700
Street Imp. – University Blvd.			500	400			4,120
Other Park Improvements	400				300	200	900
Admin./Professional Services	15	15	15	15	10	10	250
Debt Service/Payoff							594
Total Uses of Funds	415	15	515	415	310	210	7,972
END BALANCE	17	332	143	51	61	168	

250 100 350

EXHIBIT 6

SUMMARY OF ORDINANCE NO. 996

Instrument # 342483
REXBURG, MADISON, IDAHO
2007-12-21 02:01:00 No. of Pages: 11
Recorded for : CITY OF REXBURG
MARILYN R. RASMUSSEN Fee: 0.00
Ex-Officio Recorder Deputy

Instrument # 343740
REXBURG, MADISON, IDAHO
2-20-2008 04:45:00 No. of Pages: 11
Recorded for : CITY OF REXBURG
MARILYN R. RASMUSSEN Fee: 0.00
Ex-Officio Recorder Deputy

THIS IS BEING RERECORDED TO CORRECT A LEGAL DESCRIPTION ERROR ON PAGE 6.

CITY OF REXBURG

SUMMARY OF ORDINANCE NO. 996

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REXBURG, IDAHO, APPROVING THE UNIVERSITY BOULEVARD-SOUTH 12TH WEST URBAN RENEWAL PLAN WHICH PLAN INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING THE CITY CLERK TO TRANSMIT A COPY OF THIS ORDINANCE AND OTHER REQUIRED INFORMATION TO COUNTY OFFICIALS, STATE OFFICIALS AND OTHER TAXING ENTITIES; APPROVING THE SUMMARY OF THE ORDINANCE; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1: It is hereby found and determined that:

(a) The Project Area as defined in the University Boulevard Plan is a deteriorated or a deteriorating area as defined in the Law and the Act and qualifies as an eligible urban renewal area under the Law and Act, including under the Act a deteriorated or deteriorating area consisting of open land.

(b) The rehabilitation, conservation, and redevelopment of the Project Area pursuant to the University Boulevard Plan are necessary in the interest of public health, safety, and welfare of the residents of the City of Rexburg.

(c) There continues to be a need for the Agency to function in the City of Rexburg.

(d) The University Boulevard Plan conforms to the Comprehensive Plan of the City of Rexburg.

(e) The University Boulevard Plan gives due consideration to the provision of adequate park and recreation areas and facilities that may be desirable for neighborhood improvement (recognizing the mixed use components of the University Boulevard Plan, the need for overall public improvements and the proposed public open space recreation and community facilities opportunity), and shows consideration for the health, safety, and welfare of any residents or businesses in the general vicinity of the Project Area as defined by the University Boulevard Plan.

(f) The University Boulevard Plan affords maximum opportunity consistent with the sound needs of the City as a whole for the rehabilitation and redevelopment of the Project Area by private enterprises.

(g) The University Boulevard Plan provides a feasible method for relocation of any displaced families residing within the Project Area.

(h) The Project Area and Revenue Allocation Area contains certain open land, that the Agency does not intend to acquire any open land on any widespread basis, and that the Project Area is planned to be redeveloped in a manner that will include both residential and non-residential uses. Provided, however, that if portions of the Project Area and Revenue Allocation Area are deemed "open land" the criteria set forth in the Law and Act have been met.

(i) That portion of the Project Area which is identified for non-residential uses is necessary and appropriate to facilitate the proper growth and development standards in accordance with the objectives of the Comprehensive Plan to overcome economic disuse, the need for improved traffic patterns and the need for the correlation of this area with other areas of the City.

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(j) The collective base assessment roll of the University Boulevard Plan, along with the collective base assessment rolls of the Washington School Plan, the Downtown Plan Area, and the North Highway Urban Renewal Area does not exceed ten percent (10%) of the assessed value of the City of Rexburg.

(k) The urban renewal area, which includes the deteriorating area, as defined in Idaho Code Section 50-2018(9), does not include any agricultural operation for which the Agency has not received a written consent, or has not been used for agricultural purposes for three (3) consecutive years.

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

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

Section 4: That the University Boulevard-South 12th West Urban Renewal Plan ("University Boulevard Plan"), a copy of which is attached hereto and marked as Exhibit 5 and made a part hereof by attachment, be and the same hereby is approved, along with the changes reflected on the Change Sheet attached to the Ordinance as Exhibit 4 as directed by the City Council. At the direction of the City Council, the City Clerk and/or the Agency may make certain technical corrections or revisions in keeping with the information and testimony presented at the December 19, 2007 hearing.

Section 5: No direct or collateral action attacking the University Boulevard Plan shall be brought prior to the effective date of this Ordinance or after the elapse of thirty (30) days from and after the effective date of the Ordinance adopting the University Boulevard Plan.

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

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

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

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

Section 10: The Ordinance shall be in full force and effect immediately upon its passage, approval and publication, and shall be retroactive to January 1, 2007, to the extent permitted by the Act, with the effective date of the base assessment roll covered by the original Revenue Allocation Area remaining at January 1, 2007.

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

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

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

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

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

PASSED by the City Council of Rexburg this 19th day of December, 2007.

APPROVED by the Mayor on this 19th day of December, 2007.

EXHIBITS TO THE ORDINANCE

EXHIBIT 1: The Planning & Zoning Commission Findings.

EXHIBIT 2: General Proof of Publication of the Notice providing notice of the public hearing of the University Boulevard Urban Renewal Plan before the City Council.

EXHIBIT 3: Consents from Property Owners.

EXHIBIT 4: Change Sheet to the University Boulevard Urban Renewal Plan.

EXHIBIT 5: University Boulevard-South 12th West Urban Renewal Plan.

EXHIBIT 6: Approved Summary of Ordinance No. 996.

SUMMARY OF THE UNIVERSITY BOULEVARD-SOUTH 12th WEST URBAN RENEWAL PLAN:

The University Boulevard-South 12th West Urban Renewal Plan (the "University Boulevard Plan"), was prepared by the Rexburg Urban Renewal Agency ("Agency") pursuant to the State of Idaho Urban Renewal Law, the local Economic Development Act, the Idaho Constitution and all applicable laws and ordinances and approved by the Agency. The University Boulevard Plan provides for the Agency to undertake urban renewal projects pursuant to the Idaho Urban Renewal Law of 1965 as amended (the "Law"), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"). The University Boulevard Plan contains a revenue allocation financing provision pursuant to the Act that will cause property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation as shown on the original base assessment roll as of January 1, 2007, as set forth in the University Boulevard Plan to be allocated to the Agency for the urban renewal purposes.

The general scope and objectives of the University Boulevard Plan are:

1. The acquisition of certain real property;

2. The demolition or removal of certain buildings and improvements for public rights-of-way for streets, utilities, walkways and other improvements, for public facility building sites, to eliminate unhealthful, unsanitary, or unsafe conditions, eliminate obsolete or other uses detrimental to the public welfare or otherwise to remove or to prevent the spread of deterioration or deteriorating conditions;

3. The provision for participation by property owners within the Project Area;

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

5. The provision for relocation assistance to displaced Project occupants, as required by law;

6. The installation, construction, or reconstruction of streets, utilities, including electrical distribution and transmission lines in underground configuration, if needed to encourage new developments, fiber optic or other communication systems, parking facilities, and other public improvements including, but not limited to, irrigation and drainage laterals and ditches, storm drain systems, retention ponds, landscaped areas, paths, and walkways, improvements to University Boulevard, South 12th West, and Yellowstone Highway, streetscape and landscaping;

7. The disposition of property for uses in accordance with this University Boulevard Plan;

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

9. The rehabilitation of structures and improvements by present owners, their successors, and the Agency.

10. The preparation and assembly of adequate sites for the development and construction of facilities for commercial, entertainment, lodging, residential and governmental use;

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

12. The construction of foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights, sites for buildings to be used for residential, commercial, industrial, and other uses contemplated by the

Plan, and to provide utilities to the development site along Yellowstone Highway from University Boulevard to West 7th South;

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

14. The assembly of land into parcels suitable for modern, integrated development with appropriate setbacks, parking, pedestrian and vehicular circulation in the Project Area.

15. The replanning, redesign, and development of undeveloped and underdeveloped areas which are stagnant or improperly utilized.

16. The strengthening of the economic base of the Project Area and the community by the installation of needed site improvements and facilities to stimulate new commercial expansion, employment, and economic growth.

17. The establishment and implementation of performance criteria to assure design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area.

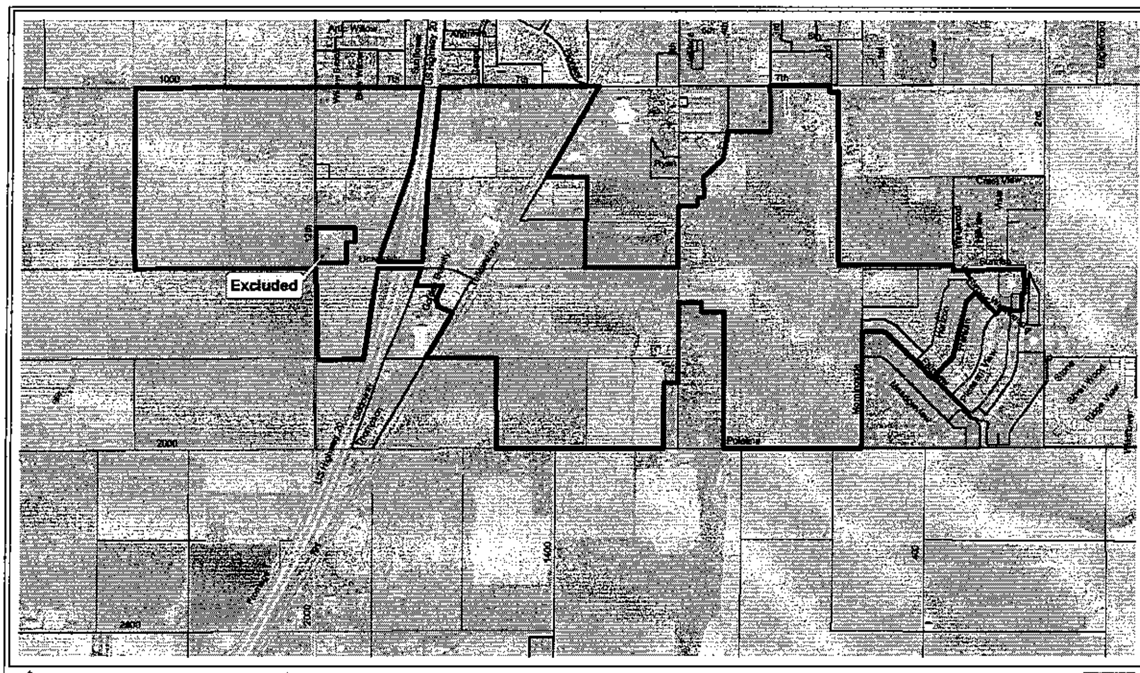
18. The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and the Project Area as a whole, and benefiting the various taxing districts in which the Project Area is located.

19. The creating of public spaces, gateway entries, recreational facilities, parks, and the like.

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

Any such land uses as described in the University Boulevard Plan will be in conformance with the Comprehensive Plan, City of Rexburg. Land made available will be developed by private enterprises or public agencies as authorized by law. The University Boulevard Plan identifies various public and private improvements which may be made within the Urban Renewal Project Area. The Project Area and Revenue Allocation Area boundaries herein referred to as follows:

The Project Area is as depicted on Attachment 1, The Boundary Map:



University Boulevard - South 12th West Project Area
Project Area and Revenue Allocation Area Boundary Map

And, Attachment 2, Description of Project Area and Revenue Allocation Area of the University Boulevard Plan; and more particularly described as:

Tract I

The NE Quarter of Section 35; the Northwest Quarter and the North Half of the Southwest Quarter of Section 36, Township 6 North, Range 39 East of the Boise Meridian, Madsion County, Idaho

Less the following:

Commencing at a point that is South 0°58'5" East 2042.94 feet from the Northwest Corner of Section 36, Township 6 North, Range 39 East, Boise Meridian; running thence South 0°24'14" East 513.41 feet, thence North 89°35'46" East 440.76 feet, thence North 0°2'54" West 297.50 feet, thence North 89°57'5" East 121.28 feet, thence North 0°24'17" West 216.66 feet, thence South 89°35'50" West 563.89 feet to the point of beginning.

Also Less Lots 2 & 5 of the Wilcox Subidivison in the City of Rexburg, Madison County, ID. Also Less the US 20 highway right of way.

Tract II

The Southeast Quarter, and the West Half of the Northeast Quarter of Section 36, Township 6 North, Range 39 East of the Boise Meridian, Madison County, Idaho.

Less the following:

Commencing at the Southeast Corner of Section 36, Township 6 North, Range 39 East, Boise Meridian; running thence West along the said Section Line 216 feet, thence North 950 feet, thence East 216 feet, thence South 950 feet to the point of beginning.

Also less an area commencing at point which is 170.27 feet east of the Northwest corner of the Northeast Quarter of the Northeast Quarter of Section 36, Township 6 North, Range 39 East, Boise Meridian; running thence S 29-28-02 W 1519.67 feet along the west edge of the South Yellowstone Hwy thence N 89-57-46 E 747.825 feet, thence N 00-00-44 W 1322.56 feet to the point of beginning.

Also Less the US 20 highway right of way.

Tract III

Commencing at a point that is North 0°16'28" West 2114.60 feet from the Southwest Corner of Section 31, Township 6 North, Range 40 East, Boise Meridian; running thence North 0°26'46" West 503.85 feet, thence North 0°10'51" West 892.13 feet, thence North 89°43'20" East 264.02 feet, thence North 9°44'26" East 132.00 feet, thence North 89°43'20" East 76.04 feet, thence North 0°16'50" West 297.56 feet, thence North 46°24'26" East 385.90 feet, thence North 8°13'4" East 401.40 feet, thence North 89°57'28" East 615.23 feet, thence North 0°18'18" West 661.05 feet, thence North 89°46'23" East 857.71 feet, thence South 0°10'32" East 90.00 feet, thence South 87°41'41" East 124.10 feet, thence South 0°27'20" East 2513.35 feet, thence North 89°49'35" East 1648.87 feet, thence South 3°58'41" East 86.08 feet, thence North 89°14'16" East 652.93 feet, thence North 89°44'37" East 361.92 feet, thence South 1°28'8" East 342.60 feet, thence South 83°39'35" West 39.76 feet, thence South 0°31'15" West 241.50 feet, thence North 86°19'32" West 239.79 feet, thence North 45°4'41" West 41.37 feet, thence South 45°2'19" West 129.70 feet, thence North 43°56'35" West 426.46 feet, thence South 46°2'33" West 194.31 feet, thence South 12°55'54" West 826.40 feet, thence South 44°58'16" West 420.89 feet, thence North 45°29'58" West 939.33 feet, thence North 71°22'19" West 58.50 feet, thence South 89°48'53" West 289.63 feet, thence South 0°4'11" East 1695.00 feet, thence South 89°58'16" West 1979.69 feet, thence North 0°16'36" West 1980.02 feet, thence South 89°58'3" West 330.00 feet, thence North 0°16'18" West 132.00 feet, thence South 89°58'3" West 330.00 feet to the point of beginning.

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

For purposes of boundary descriptions and use of proceeds for payment of improvements, the boundary shall be deemed to extend to the outer boundary of rights-of-way.

Sections 300 through 323 discuss the proposed redevelopment actions, participation opportunities and agreements, cooperation with public bodies, property acquisition standards and requirements, relocation, demolition and property disposition.

Sections 402 through 417 discuss the type of land uses authorized in the Project Area and list other controls by referencing the applicable City Ordinances.

Section 418 and 422 describes Design Guidelines for Development.

Section 419 through 421 addresses off street loading, off street parking and non-conforming uses.

The University Boulevard Plan also contains a major section on financing. Among other sources, the University Boulevard Plan will utilize revenue allocation financing, authorized by the Act.

Section 504 through Section 512 and Attachment No. 5 discuss revenue allocation financing and show how such financing has worked and would work in the Project Area in the future if certain new private developments occur as estimated.

Increases in assessed valuation of real and personal property in the Project Area that occur after January 1, 2007 will generate revenue for the Agency to pay project costs. Project costs include street improvements, drainage improvement, utilities, and other public improvements costs. The assessed valuation of real and personal property on the base assessment roll is still available for use by the other taxing districts, Madison County, City of Rexburg, Rexburg Cemetery District, Madison Library District, Madison School District #321, Madison County Ambulance District and Madison County Mosquito Abatement District, to finance their operations. The

University Boulevard Plan authorizes the Agency to sell revenue bonds to finance project costs and to use annual revenue allocations to pay the debt service.

The program outlined in the University Boulevard Plan emphasizes the installation of needed public improvements, drainage and street improvements, sewer system improvements, utilities, and other costs to encourage private development.

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

No change in the land use designation or the potential uses in the area have been proposed. The University Boulevard Plan follows the underlying zoning classifications of the City of Rexburg.

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

The duration of the University Boulevard Plan is for twenty-four (24) years through December 31, 2031. The Agency is required to prepare an annual report each year describing its activities during the previous year.

ATTACHMENTS

Attachment No. 1:	Boundary Map of the Urban Renewal Project Area and Revenue Allocation Area
Attachment No. 2:	Description of Project Area and Revenue Allocation Area
Attachment No. 3:	Private Properties Which May be Acquired by the Agency
Attachment No. 4:	Map Depicting Expected Land Uses Within the Revenue Allocation and Project Area
Attachment No. 5:	Statement of Proposed Public Improvements, Costs, Revenue, Tax Impacts, and Financing Methods
Attachment No. 5A:	Estimated Net Taxable Value of Private Development in Revenue Allocation Area
Attachment No. 5B:	Estimated Annual Future Tax Revenue Allocation
Attachment No. 5C	Estimated Annual Revenues and Costs

The full text of Ordinance No. 996 is available at the offices of the City Clerk located at Rexburg City Hall, 12 North Center, Rexburg, Idaho 83340.

This summary approved by the Rexburg City Council at its meeting of December 19, 2007.

Shawn Larsen
Shawn Larsen
Mayor

ATTEST:

By Blair D. Kay
Blair D. Kay
City Clerk

I, Stephen Zollinger, City Attorney for the City of Rexburg, declare that in my capacity as City Attorney of the City of Rexburg, pursuant to Idaho Code Section 50-901A(3) of the Idaho Code as amended, I hereby certify that I have reviewed a copy of the above cited Summary of Ordinance and have found the same to be true and complete and to provide adequate notice to the public of the contents, including the exhibits, of Ordinance No. 996.

DATED this 20th day of December, 2007.

Stephen Zollinger, City Attorney
City of Rexburg

CITY OF
REXBURG
America's Family Community

December 24, 2007

RE: University Boulevard Urban Renewal Plan

Mr. Blair Kay
City Clerk
City of Rexburg
P.O. Box 280
Rexburg, Idaho 83440

Dear Mr Kay:

Enclosed please find a copy of Ordinance No. 996 approved by the Rexburg City Council on December 19, 2007, signed by the Mayor of the City of Rexburg on December 19, 2007. Publication of the Ordinance Summary occurred on December 22nd, 2007. You are being provided a copy of the Ordinance and a copy of the summary of the Ordinance. The Ordinance includes by way of exhibit the University Boulevard Urban Renewal Plan and its attachments. As set forth in Idaho Code Section 50-2907, you are also being provided a separate copy of the legal description of the urban renewal area and the revenue allocation area, as well as a copy of the map indicating the urban renewal area and the revenue allocation area. There were no changes to the University Boulevard Urban Renewal Plan from the changed copy and change sheet transmitted to you on December 7, 2007.

Should you desire a copy of the entire University Boulevard Urban Renewal Plan and its attachments, copies can be obtained from Terry Butikofer or Judy Coy, The Development Company, 299 East 4th North, Rexburg, Idaho 83440, or through the City Clerk's office, at 12 North Center, Rexburg, Idaho 83340.

Sincerely

Blair Kay

Blair Kay
City Clerk

BK/__
Enclosures

c: Mayor Shawn Larsen
Stephen Zollinger, Esquire
Ryan Armbruster, Esquire
Terry Butikofer
Judy Coy

Blair D. Kay City Clerk 12 N. Center Rexburg, ID 83440 P. O. Box 280
Phone (208) 359.3020 ext313 Fax (208) 359.3022
blairk@rexburg.org www.rexburg.org

NOTICE OF
RESOLUTION NO. 2007-4

Public notice is hereby given by The Urban Renewal Agency of the City of Rexburg, Madison County, Idaho (the "Agency"), that on December 4, 2007, the Board of Commissioners of the Agency approved and adopted Resolution No.2007-4(the "Resolution").

The Resolution authorizes the issuance of the Agency's Revenue Allocation (Tax Increment) Bonds, Series 2008 (the "Bonds"), in the aggregate principal amount of $6,300,000.

The Bonds are being issued to provide funds for the North Highway Urban Renewal Project (the "Project"), to be financed from the proceeds of the Bonds. The Project shall consist of (1) acquisition of land and construction of a public outdoor swimming facility, including dressing facilities, access road, parking facilities, and related furnishings and improvements; construction and furnishing of a building for sporting and community events; installation of outdoor fields for soccer, football, baseball, and other public recreation purposes, and related improvements; (2) deposit of funds into the Debt Service Reserve Fund in an amount sufficient to meet the Reserve Fund Requirement; and (3) payment of the reasonable and necessary Costs of Issuance of the Bonds. The Agency hereby authorizes and directs the appropriate officers of the Agency to carry out the Project consistent with the terms of this Resolution and the Urban Renewal Plan.

Under the Resolution, the Agency has pledged for the payment of the amount of interest coming due on each semiannual interest payment date and the principal coming due on each annual principal payment date of the Bonds, all Incremental Tax Revenues received by the Agency, moneys in the Bond Fund, and investment earnings on money held in the Bond Fund, all as defined in the Resolution. Pledged Revenues received by the Agency in excess of Debt Service on the Bonds may be reserved by the Agency for future payments of Debt Service on the Bonds, to redeem or purchase Outstanding Bonds on the open market, or for any other legal purpose of the Agency.

Neither the City of Rexburg, the State of Idaho, its Legislature, nor any political subdivision thereof is liable for the payment of the principal of or interest or redemption premium, if any, on the Bonds.

The Resolution and other supporting material is available for public inspection at the offices of the Agency at Rexburg City Hall, 12 North Center, Rexburg, Idaho, Monday through Friday, 8:00 a.m. to 5:00 p.m. (telephone [208] 359-3020).

The Resolution became effective upon its passage and approval on December 4, 2007.

In accordance with the provisions of Sections 50-2019 and 50-2911 of the Idaho Code, no direct or collateral action attacking or otherwise questioning the validity of the Bonds may be brought prior to the effective date of the Resolution authorizing such Bonds or after the elapse of thirty (30) days from and after the effective date of the Resolution authorizing such Bonds.

By Order of the Board of Commissioners of The Urban Renewal Agency of the City of Rexburg, dated as of the 4th day of December, 2007.

THE URBAN RENEWAL AGENCY OF THE CITY OF REXBURG

By: Glen Pond

Glen Pond, President

ATTEST:

Jon O. Weber

Jon O. Weber, Secretary

RESOLUTION NO. 2007-4

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF REXBURG, IDAHO, a/k/a REXBURG REDEVELOPMENT AGENCY:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF REXBURG, IDAHO, AUTHORIZING THE ISSUANCE OF REVENUE ALLOCATION (TAX INCREMENT) BONDS, SERIES 2008, IN A PRINCIPAL AMOUNT NOT TO EXCEED $6,300,000; DESCRIBING THE PROJECT TO BE FINANCED WITH THE PROCEEDS OF THE BONDS; DESCRIBING THE BONDS; PROVIDING FOR THE COLLECTION, HANDLING, AND DISPOSITION OF REVENUE ALLOCATION PROCEEDS; PROVIDING FOR THE SALE AND DELIVERY OF THE BONDS AND THE EXECUTION OF A BOND PURCHASE AGREEMENT THEREFOR; PROVIDING COVENANTS WITH RESPECT TO THE BONDS; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Urban Renewal Agency of the City of Rexburg, of Madison County, Idaho (the "Agency"), is an independent public body corporate and politic and is an urban renewal agency created and existing under the authority of the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code, as amended and supplemented; and

WHEREAS, the Agency is authorized to issue revenue allocation (tax increment) bonds pursuant to the terms and provisions of the Local Economic Development Act, the same being Title 50, Chapter 29, Idaho Code (the "Act"), as amended and supplemented, for the purpose of financing the undertaking of an urban renewal project; and

WHEREAS, the City of Rexburg (the "City"), by adoption of Ordinance No. 720 on December 27, 1991, duly adopted the North Highway Urban Renewal Plan, and subsequently, by adoption of Ordinance No. 950 on December 21, 2005, duly adopted the Second Amended and Restated Urban Renewal Plan, North Highway Urban Renewal Project (the "Urban Renewal Plan"), to be administered by the Agency; and

WHEREAS, the Urban Renewal Plan contains a revenue allocation (tax increment) financing provision, as provided by Section 50-2904, Idaho Code; and

WHEREAS, the Agency now desires to provide financing for a portion of the public improvements, as described hereinafter (the "Project"), pursuant to the Urban Renewal Plan, and to issue its revenue allocation (tax increment) bonds (the "Bonds") in an amount sufficient to finance the Project; and

WHEREAS, a proposal to purchase the Bonds has been submitted by Zions Bank Public Finance; and

WHEREAS, it is the intent of the Agency to submit this Resolution to the District Court of the Seventh Judicial District of the State of Idaho, in and for the County of Madison, pursuant to a petition seeking judicial confirmation of the validity of the Urban Renewal Plan, this Resolution, the Bonds, and the bond purchase agreement for the Bonds, all pursuant to the Idaho Judicial Confirmation Law, Title 7, Chapter 13, Idaho Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF REXBURG, IDAHO, as follows:

ARTICLE I

DEFINITIONS

For all purpose~~ds~~ of this Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

Accountant's Certificate shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent public accountants of recognized standing, selected by the Agency, who may be the accountant or firm of accountants who regularly audit the books of the Agency.

Act shall mean, collectively, the Idaho Urban Renewal Law of 1965, being Idaho Code Title 50, Chapter 20, as amended, and the Local Economic Development Act, the same being Idaho Code Title 50, Chapter 29, as amended.

Additional Bonds shall mean any bonds which the Agency may hereafter issue pursuant to Section 9.1 of this Resolution having a lien upon the Pledged Revenues for the payment of the principal thereof and interest thereon equal to the lien upon the Pledged Revenues of the Bonds.

Administration Fund shall mean the special fund created by Section 5.4 of this Resolution, from which the Costs of Administration shall be paid.

Agency shall mean the Urban Renewal Agency of the City of Rexburg, Idaho, an urban renewal agency created by and existing under the authority of the Act as an independent public body corporate and politic.

Authorized Officer of the Agency shall mean the Chairperson, Vice Chairperson, Secretary, Treasurer or any officer or employee of~~f~~ the Agency authorized to perform specific acts or duties pursuant to the Act, the by-laws of the Agency, or a resolution duly adopted by the Board.

Board shall mean the Board of Commissioners of the Agency, as the same shall be duly and regularly constituted from time to time.

Bond Counsel shall mean a nationally-recognized municipal bond counsel firm retained by the Agency.

Bond Fund shall mean the fund created by Section 5.3(A) of this Resolution.

Bond Purchase Agreement shall mean the agreement for the purchase of the Bonds from the Agency by the Underwriter.

Bond Register shall mean the registration records of the Agency, maintained by the Bond Registrar, on which shall appear the names and addresses of the Registered Owners of the Bonds.

Bond Registrar shall mean the Treasurer of the Agency as bond registrar, authenticating agent, paying agent, and transfer agent with respect to the Bonds, his successor in functions, or any successor or substitute Bond Registrar appointed by the Agency.

Bond Year shall mean the twelve-month period beginning the dated date of the Bonds and ending on each of the following anniversary dates of the Bonds, provided that the last Bond year shall terminate upon retirement of the Bonds.

Bonds shall mean the Revenue Allocation (Tax Increment) Bonds, Series 2008, herein authorized to be issued, sold, and delivered in the aggregate principal amount of $6,300,000.

Business Day shall mean a day, other than a Saturday or Sunday, on which banks located in the State of Idaho are open for the purpose of conducting commercial banking business.

Certified Bond(s) shall mean a Bond or Bonds evidenced by a printed certificate in the event that the Book-Entry-Only System is discontinued.

Chairperson or Chairman shall mean the Chairperson of the Board of Commissioners, or any presiding officer or titular head of the Board, or his/her successor in functions.

City shall mean the City of Rexburg, Madison County, Idaho.

Code shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

Computation Date shall mean an Installment Computation Date or the Final Computation Date.

Construction Fund shall mean the fund created by Section 5.2 of this Resolution.

Consultant's Report shall mean a report signed by an independent financial consultant or an independent redevelopment consultant, as may be appropriate to the subject of the report, and including:

(1) a statement that the person or firm making or giving such report has read the pertinent provisions of the Resolution to which such report relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based;

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent financial consultant or independent redevelopment consultant to express an informed opinion with respect to the subject matter referred to in the report.

Cost of Acquisition and Construction, with respect to the Project, shall include, together with any other proper item of cost not specifically mentioned herein, the Costs of Issuance, the cost of demolition, the cost of acquisition and construction of the Project and the financing thereof, the cost, whether incurred by the Agency or another, or field surveys and advance planning undertaken in connection with the Project, and the cost of acquisition of any land or interest therein required as the sites thereof or for use in connection therewith, the cost of preparation of the sites thereof and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and insurance premiums, allocable administrative and general expenses of the Agency, allocable portions of inspection expenses, financing charges, legal fees, and fees and expensed of financial advisors and consultants in connection therewith, cost of audits, the cost of all machinery, apparatus and equipment, cost of engineering, the cost of utilities, architectural services, design, plans, specifications and surveys, estimate of cost, the payment of any bonds or notes of the Agency (including any interest and redemption premiums) issued to temporarily finance the payment of any item or items of cost of the Project and payable from the proceeds of the Bonds, and all other expenses necessary or incident to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the construction and acquisition of the Project, the financing thereof, and the placing of the same in use and operation.

Costs of Administration shall mean, with respect to the Project, the Agency's expenses (including reserves for such expenses) for allocable administration and general expenses of the Project, legal, financial, architectural and engineering expenses, fees and expenses of fiduciaries under this Resolution, bond insurance, guaranty and/or letter of credit fees, if any, interest and finance charges, trustee fees, if any, paying agent and registrar fees, and any other normal expenses or contingencies required to be paid or provided for by the Agency, all to the extent properly attributable to the Project and payable by the Agency.

Cost(s) of Issuance shall mean printing, rating agency fees, if any, legal fees, underwriting fees, fees and expenses of the Bond Registrar, bond insurance premiums, if any, and all other fees, charges, and expenses with respect to or incurred in connection with the issuance, sale, and delivery of the Bonds.

Debt Service for any period shall mean, as of any date of calculation, an amount equal to the principal and interest accruing during such period on the Bonds and any Additional Bonds. Debt Service on the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of principal of the Bonds on the due date thereof.

Debt Service Reserve Fund shall mean the fund of that name created by Section 5.3 of this Resolution.

Engineer shall mean the engineer for the Project duly appointed by the Agency.

Event of Default shall mean one or more of the events enumerated in Section 12.1 of this Resolution.

Feasibility Consultant shall mean an independent accounting, consulting, management, redevelopment, or financial services firm selected by the Agency, which shall have the expertise appropriate to the subject of its feasibility report.

Final Computation Date means the date on which all amounts due with respect to the Bonds are actually and unconditionally due, if cash is available at the place of payment, and no interest accrues with respect to any of the Bonds after such date.

Fiscal Year shall mean the fiscal year of the Agency, which shall be set and, if necessary, changed by the Agency.

Government Obligations shall mean U.S. Treasury Certificates, Bonds, and Bonds (including State and Local Government Series), and direct obligations of the U.S. Treasury, which have been stripped by the Treasury.

Incremental Tax Revenues shall mean the incremental tax revenues received by the Agency pursuant to the Act, as provided in the Urban Renewal Plan.

Installment Computation Date shall mean that last day of the fifth Bond Year and of each succeeding fifth Bond Year.

Investment Securities shall mean and include any of the securities set forth in Exhibit "B" which is annexed to this Resolution and by reference incorporated herein:

Maximum Annual Debt Service shall mean an amount equal to the greatest annual Debt Service with respect to the Bonds, and any Additional Bonds for the current or any future Bond Year.

Net Proceeds, when used with reference to the Bonds, shall mean the aggregate principal amount of the Bonds, plus accrued interest, if any, less the Reserve Fund Requirement and the Costs of Issuance of the Bonds.

Nonpurpose Payments means, in general, any payment with respect to an investment allocated to the Bonds. The following types of payments are specifically included:

(1) Direct Payments. The amount of gross proceeds of the Bonds directly used to purchase the investment. Direct payments do not include brokerage commissions, administrative expensed or similar expenses.

(2) Constructive Payments. The fair market value (as of the date of allocation to the Bonds) of any investment that was not directly purchased with gross proceeds of the Bonds, but which is allocated to the Bonds.

(3) Payments of Rebatable Arbitrage. Any payment of Rebatable Arbitrage if such payment is made no later than the due date for such payment.

Nonpurpose Receipts shall mean, in general, any receipt with respect to an investment allocated to the Bonds. The following types of receipts are specifically included:

(1) Actual Receipts. Any amount actually or constructively received with respect to an investment. Actual receipts may not be reduced by selling commissions, administrative expenses or similar expenses.

(2) Disposition Receipts. An amount determined by treating an investment that ceases to be allocated to the Bonds (other than by reason of a sale or retirement) as if sold for fair market value on the date the investment ceases to be allocated to the Bonds.

(3) Installment Date Receipts. The fair market value (or, for fixed rate investments, present value) of all investments allocated to the Bonds at the close of business on any Computation Date.

(4) Imputed Receipts. Any receipts that are required to be imputed and taken into account pursuant to Section 1.148-3 of the Income Tax Regulations or any successor Income Tax Regulations.

Outstanding, when used with reference to the Bonds, as of any particular date, shall mean the Bonds which have been issued, sold and delivered under this Resolution.

Payment Date shall mean any scheduled interest, or principal and interest, payment date with respect to the Bonds, or date fixed for redemption of the Bonds prior to maturity in accordance with Section 3.5 of this Resolution, the principal of and interest on which have not been paid pursuant to this Resolution, and which have not been replaced pursuant to Sections 3.7 or 3.8 of this Resolution.

Pledged Revenues shall mean the moneys pledged hereunder to the payment of the principal of and interest on the Bonds, consisting of (a) Incremental Tax Revenues received by the Agency pursuant to the Act as provided in the Urban Renewal Plan; (b) money in the Bond Fund; and (c) investment earnings on money held in the Bond Fund and Debt Service Reserve Fund. Pledged Revenues shall not include Rebatable Arbitrage.

Private Person shall mean any natural person engaged in a trade or business, the United States of America or any agency thereof, or any trust, estate, partnership, association, company or corporation. A state or local governmental unit is not a private person.

Private Person Use shall mean the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

Project shall mean the public improvements described in Section 2.1 hereof.

Rebatable Arbitrage shall mean the amount, calculated pursuant to Section 7.1 hereof, representing excess investment earnings which must be rebated to the Untied States.

Rebate Fund shall mean the fund created by Section 5.5 of this Resolution.

Registered Owner(s) shall mean the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Bond Registrar in accordance with the terms of this Resolution.

Reserve Fund Requirement shall mean the lesser of: (i) Maximum Annual Debt Service with respect to all Bonds Outstanding secured by the Debt Service Reserve Fund, (ii) 125% of average annual Debt Service on all Bonds secured by the Debt Service Reserve Fund, or (iii) 10% of the aggregate principal amount of the Bonds, and any Additional Bonds secured by the Debt Service Reserve Fund hereafter issued upon original issuance thereof (but not taking into account any series of bonds, or portion thereof, which has been paid in full or provision for which payment in full has been made pursuant to Article VIII hereof); provided that the Reserve Fund Requirement shall not exceed the amount permitted to be capitalized from Net Proceeds under then applicable provisions of federal tax law in order to protect the tax-exempt status of interest on the Bonds.

Resolution shall mean this Resolution No. 2007-___ of the Agency.

Revenue Allocation Area shall mean the "Revenue Allocation Area" as described in the Urban Renewal Plan, which is subject to the calculation and payment of Incremental Tax Revenues.

Revenue Allocation Fund shall mean the fund designated "Revenue Allocation Fund" created by Section 5.1 of this Resolution.

Treasurer shall mean the Treasurer of the Agency, or his/her successor in functions.

Underwriter shall mean Zions Bank Public Finance, as the original purchaser of the Bonds.

United States shall mean the United States of America.

Urban Renewal Plan shall mean that certain document entitled the "Second Amended and Restated Urban Renewal Plan, North Highway Urban Renewal Project," duly approved by Ordinance No. 950 of the City, adopted on December 21, 2005.

ARTICLE II

THE PROJECT

Section 2.1 THE PROJECT

The Riverside Park Urban Renewal Project (the "Project") to be financed from the proceeds of the Bonds shall consist of(1) acquisition of land and construction of a public outdoor swimming facility, including dressing facilities, access road, parking facilities, and related furnishings and improvements; construction and furnishing of a building for sporting and community events; installation of outdoor fields for soccer, football, baseball, and other public recreation purposes, and related improvements; (2) deposit of funds into the Debt Service Reserve Fund in an amount sufficient to meet the Reserve Fund Requirement; and (3) payment of the reasonable and necessary Costs of Issuance of the Bonds. The Agency hereby authorizes and directs the appropriate officers of the Agency to carry out the Project consistent with the terms of this Resolution and the Urban Renewal Plan. The total cost of the Project is estimated to be not to exceed $6,300,000, which shall be paid from the proceeds of the Bonds.

ARTICLE III

THE BONDS

Section 3.1 AUTHORIZATION

In order to provide financing to pay the Costs of Acquisition and Construction of the Project, the Agency shall issue its Revenue Allocation (Tax Increment) Bonds, Series 2008, designated "The Urban Renewal Agency of the City of Rexburg, Idaho, Revenue Allocation (Tax Increment) Bonds, Series 2007 (the "Bonds"), which are hereby authorized to be issued, sold, and delivered in accordance with this Resolution.

Section 3.2 DESCRIPTION OF BONDS

The Bonds shall be substantially in the form annexed hereto as Exhibit "A," shall be typewritten or printed, shall be dated their date of delivery, shall be issued in an aggregate principal amount not to exceed $6,300,000, shall be issued in fully registered form in the denomination of $5,000 each or integral multiples thereof (provided that no single Bond shall represent more than one maturity), shall bear interest from their date, or from the most recent date to which interest has been paid or duly provided for, at the rates, and shall be payable on the dates, in the years and principal amounts, as shall be set forth in the Bond Purchase Agreement.

Interest shall be computed on the basis of a twelve-month, 360-day year.

Section 3.3 PAYMENT OF DEBT SERVICE

The Bonds shall be payable, principal and interest, to the Registered Owner(s) whose name(s) appear on the Bond Register at the close of business on the fifteenth day at the calendar month next preceding the interest payment date, and shall be paid by check or draft of the Bond Registrar on the due date to the Registered Owner(s) at the address(es) appearing on the Bond Register, or at such other address(es) as may be furnished in writing by such Registered Owner(s) to the Bond Registrar.

Principal of the Bonds shall be payable to the Registered Owners, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, at the office of the Bond Registrar.

Section 3.4 MANNER OF PAYMENT

Both principal of and interest on the Bonds are payable in lawful money of the United States to the Registered Owner thereof, whose name and address shall appear on the Bond Register maintained by the Bond Registrar.

Section 3.5 REDEMPTION PRIOR TO MATURITY

Optional Redemption. The Bonds shall be subject to redemption prior to their stated maturity at the times and at the redemption prices as shall be set forth in the Bond Purchase Agreement.

Portions of the principal amount of any Bond, in installments of $5,000 or any integral multiple of $5,000, may also be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal corporate trust office of the Bond Registrar there shall be issued to the Registered owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, with like maturity and interest rate in any of the denominations authorized by this Resolution.

B. Notice of Redemption. Notice of any such redemption shall be sent by the Bond Registrar by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register. This requirement shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond to be redeemed.

C. Effect of Redemption. When so called for redemption, the Bonds shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bonds shall not be deemed to be Outstanding as of such redemption date.

D. Open Market Purchase. The Agency hereby reserves the right to purchase the Bonds on the open market. In the event the Agency shall purchase Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the Bonds so purchased shall be credited at the par amount thereof against the Debt Service requirement next becoming due. In the event the Agency shall purchase term Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the term Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be canceled.

Section 3.6 EXECUTION OF BONDS

The Bonds shall be executed on behalf of the Agency by the Chairperson and Treasurer and shall be attested by the Secretary (all of which may be by facsimile or manual signature).

The Bonds shall then be authenticated by the Bond Registrar. Only Bonds bearing thereon a Certificate of Authentication substantially in the form set forth in Exhibit "A," manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Agency before the Bonds so signed or attested shall have been authenticated or delivered by the Bond Registrar, or issued by the Agency, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Agency as though those who signed and attested the same has continued to be such officers of the Agency. Any Bond may also be signed and attested on behalf of the Agency by such persons as at the actual date of execution of such Bond shall be the proper officers of the Agency although at the original date of such Bond any such person shall not have been such officer of the Agency.

Section 3.7 TRANSFER OR EXCHANGE OF BONDS

Any Bond shall be transferable by the Registered Owner thereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of such Bond at the office of the Bond Registrar for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor. Provided, however, that the Bond Registrar shall not be required to transfer the Bonds within fifteen calendar days of the maturity date of any duly-noticed optional redemption date.

Any Bond shall be exchangeable for Bonds of any authorized denomination or denominations, upon surrender and cancellation of said Bond at the office of the Bond Registrar.

Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Bond Registrar shall authenticate and deliver to the transferee or exchange, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate, and for the aggregate principal amount of such Bond or bonds being surrendered.

The Bond Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee, or governmental charge required to be paid with respect to such transfer or exchange. The Bond Registrar and the Agency may also require the transferor and/or transferee of the Bond to execute any documents in connection with such transfer as may be reasonably required by the Agency and the Bond Registrar.

<u>Section 3.8</u> LOST, STOLEN, MUTILATED OR DESTROYED BONDS

In case any Bond shall be lost, stolen, mutilated, or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like date, denomination, interest rate, maturity, number, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the Agency and the Bond Registrar in connection therewith and upon his filing with the Agency and the Bond Registrar evidence satisfactory to the Agency of his ownership thereof, and upon furnishing the Agency and the Bond Registrar with indemnity satisfactory to the Agency and the Bond Registrar.

<u>Section 3.9</u> REGISTRATION

The Agency hereby adopts a system of registration with respect to the Bonds as required by Title 57, Chapter 9, Idaho Code, as amended, pursuant to this Article III.

The Bond Registrar is hereby appointed as registrar, authenticating agent, paying agent, and transfer agent with respect to the Bonds. The Bond Registrar shall keep, or cause to be kept, at his office, sufficient books for the registration and transfer of the Bonds, which books are hereby defined as the "Bond Register," in which shall be maintained the names and addresses of the Registered Owners of the Bonds. Said Bond Register shall at all reasonable times be open to inspection by the Agency.

<u>ARTICLE IV</u>

PLEDGE FOR PAYMENT OF THE BONDS

The Agency hereby pledges for the payment of the Bonds, and any Additional Bonds issued in accordance with this Resolution, equally and ratably, the Pledged Revenues and all money in the Bond Fund and Debt Service Reserve Fund. The Pledged Revenues and other money in the Revenue

Allocation Fund, the Bond Fund, and the Debt Service Reserve Fund, if any, shall not, except as provided in this Resolution, be used for any other purpose while any of the Bonds remain Outstanding. This pledge shall constitute a first and exclusive lien on the Pledged Revenues and such other moneys in the Revenue Allocation Fund, the Bond Fund, and the Debt Service Reserve Fund, if any, for the payment of the Bonds in accordance with the terms hereof.

The Agency covenants and agrees that all Pledged Revenues, when and as received, will be received by the Agency in trust hereunder and will be immediately deposited by the Agency in the Revenue Allocation Fund and will be accounted for through and held in trust in the Revenue Allocation Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as in this Resolution provided. All such Pledged Revenues shall nevertheless be disbursed, allocated and applied solely to the uses and purposed herein or therein set forth, and shall be accounted for separately and a part from all other money, funds, accounts, or other resources of the Agency.

ARTICLE V

FUNDS AND ACCOUNTS

Section 5.1 REVENUE ALLOCATION FUND

There has heretofore been created a fund, held by the Agency, separate and apart from all other funds of the Agency, designated the Revenue Allocation Fund (the "Revenue Allocation Fund"). All Incremental Tax Revenues shall be promptly deposited upon receipt by the Agency into the Revenue Allocation Fund. The Incremental Tax Revenues deposited therein shall be used only for the following purposes and in the following order of priority.

First, to pay the interest accruing on the Bonds and any Additional Bonds by required deposits into the Bond Fund;

Second, to pay the principal of the Bonds and any Additional Bonds payable within the next Bond Year by required deposits into the Bond Fund;

Third, to fund the Debt Service Reserve Fund by required deposits thereto, if any;

Fourth, to fund the Administration Fund;

Fifth, for any other lawful purpose of the Agency.

Section 5.2 CONSTRUCTION FUND

There is hereby created a fund to be held by the bond Registrar, separate and apart from all other funds of the Agency, designated the "Riverside Park Urban Renewal Project Construction Fund" or such other designation conforming to generally accepted accounting practices (the "Construction Fund"), into which shall be deposited the Net Proceeds of the Bonds (minus any Net Proceeds representing capitalized interest payments, which shall be deposited into the Bond Fund, and minus the Reserve Fund Requirement, which shall be deposited into the Debt Service Reserve Fund), and which shall be used to pay Costs of Acquisition and Construction of the Project. Such proceeds may be invested by the Bond Registrar in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such Costs of Acquisition and Construction. The interest, as well as the gain, if any, on such investments shall be deposited into the Construction Fund.

Section 5.3 BOND FUND AND DEBT SERVICE RESERVE FUND

A. Bond Fund Created. There is hereby created a fund, to be held by the Bond Registrar, separate and apart from all other funds of the Agency, designated the "Bond Fund." Not less than two (2) Business Days prior to the due date of any installment of principal and/or interest on the Bonds, the Agency shall transfer, or authorize the transfer, of such amount due on the Bonds from the Revenue Allocation Fund to the Bond Fund. Interest earnings for amounts in the Bond Fund shall be paid into the Bond Fund.

B. Debt Service Reserve Fund. There is hereby created a fund, to be held by the Bond Registrar, separate and apart from all other funds of the Agency, designated the "Debt Service Reserve Fund." Simultaneously with the issuance of the Bonds authorized herein, the Agency shall deposit, from the Net Proceeds or from other lawfully-available funds of the Agency, an amount equal to the Reserve Fund Requirement, into the Debt Service Reserve Fund. So long as the balance in the Debt Service Reserve Fund equals the Reserve Fund Requirement, interest earnings shall be paid into the Bond Fund.

If, on any Debt Service payment date (or on the date of Maturity or prepayment, in the case of principal), the amount in the Bond Fund is less than the amount required to pay such Debt Service, the Bond Registrar shall cause to be deposited from the Debt Service Reserve Fund into the Bond Fund amounts necessary to make said payments.

Any deficiency in the Debt Service Reserve Fund created by a withdrawal as authorized by the preceding paragraph shall be replaced as soon as practicable by deposits of lawfully available moneys from the Revenue Allocation Fund until the Debt Service Reserve Fund is restored to the Reserve Fund Requirement.

Whenever the amount in the Debt Service Reserve Fund, determined in accordance with Section 7.1 of this Resolution, together with the amounts in the Bond Fund, is sufficient to pay in full the amount of Bonds Outstanding, including interest thereon, in accordance with the terms of the Bonds, the funds on deposit in the Debt Service Reserve Fund shall be transferred to the Bond Fund. Any provision of this Resolution to the contrary notwithstanding, so long as there shall be held in the Bond Fund and Debt Service Reserve Fund an amount sufficient to pay in full the total principal amount Outstanding and interest accrued thereon, in accordance with the terms of the Bonds, no deposits shall be required to be made into the Debt Service Reserve Fund.

C. Priority of Lien of Payments into the Bond Fund. The amounts so pledged to be paid into the Bond Fund and the Debt Service Reserve Fund from the Pledged Revenues are hereby declared to be a prior lien and charge upon the Pledged Revenues superior to all other charges of any kind or nature whatsoever.

D. Application and Investment of Moneys in the Debt Service Reserve Fund. Moneys in the Debt Service Reserve Fund shall be invested in Investment Securities. All interest earned an income derived by virtue of such investments shall be deposited into the Bond Fund.

Section 5.4 AMINISTRATION FUND

There is hereby created a fund, to be held by the Agency, separate and apart from all other funds of the Agency, designated the "Administration Fund," into which shall be deposited from Incremental Tax Revenues each year, after provision has been make for payment of principal of and interest (and redemption premium, if any) on the Bonds, as required by Section 5.1 of this Resolution, an amount, as determined by the Board, sufficient to pay, together with any other moneys lawfully available to the Agency, the Costs of Administration of the Agency attributable to the Project for the Fiscal Year. The Agency's Costs of Administration shall be paid from the Administration Fund.

Section 5.5 REBATE FUND

There is hereby created a fund, known as the "Rebate Fund," separate and apart from other funds and accounts of the Agency, to be held and administered by the Bond Registrar. The Agency shall make deposits into the Rebate fund, from any lawfully available funds of the Agency, and shall make withdrawals and payments of Rebatable Arbitrage therefrom, at the times and in the manner provided in Section 6.1 of this Resolution.

ARTICLE VI

ARBITRAGE REBATE

Section 6.1 ARBITRAGE REBATE

A. General Rule. The Agency will pay to the United States of America, from the Rebate Fund, in accordance with the provisions of this section, (i) at least 90 percent of the Rebatable Arbitrage with respect to the Bonds as of each Installment Computation Date and 100 percent of the Rebatable Arbitrage with respect to the Bonds as of the Final Computation Date.

B. Computation of Rebatable Arbitrage. The Rebatable Arbitrage with respect to the Bonds shall be computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Income Tax Regulations under Section 148(f) of the Code, as of each Computation Date.

C. Payment Procedure.

(1) The payment of Rebatable Arbitrage due as of each Installment Computation Date will be paid no later than the date that is 60 days after the Installment Computation Date.

(2) Each payment of Rebatable Arbitrage will be made to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19225 and will be accompanied by IRS Form 8038-T.

D. Other Methodology. Notwithstanding this Section 6.1, payments of Rebatable Arbitrage will be made in accordance with instructions provided by a rebate analyst retained by the Agency or by nationally-recognized bond counsel retained by the Agency if necessary to maintain the federal income tax exemption for interest payments made on the Bonds.

ARTICLE VII

VALUATION AND SALE OF INVESTMENTS

Section 7.1 VALUATION AND SALE OF INVESTMENTS

Obligations purchased as an investment of money in any fund or account created under the provisions of this Resolution shall be deemed at all times to be a part of such fund or account and any profit realized from the liquidation of such investment shall be credited to, and any loss resulting from the liquidation of such investment shall be charged to the computation of net interest earned on the money and investments in such fund or account.

In computing the amount in any fund or account created under the provisions of this Resolution for any purposes provided in this Resolution, obligations purchased as an investment of money therein shall be valued at cost or market value, whichever is lower. Such computations shall be determined as of September 1 of each year.

Except as otherwise provided in this Resolution, the Bond Registrar shall sell at the best price obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever either shall be requested in writing by an Authorized Officer of the Agency so to do or whenever it shall be necessary in order to provide money to meet any payment or transfer from any fund or account mentioned in the preceding sentence, transfer such investment obligations, or interest pertaining thereto if such investment obligations shall mature or be collectable at or prior to the time the proceeds thereof shall be needed and such transfer of investment obligations may be made in book entry form. The Bond Registrar shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from such investment.

ARTICLE VIII

DEFEASANCE OF THE BONDS

Section 8.1 PROVISIONS FOR DEFEASANCE OF THE BONDS

In the event that money and/or direct obligations of, or obligations guaranteed by, the United States, as provided by Section 57-504 of the Idaho Code, as it now reads or is hereafter amended, maturing or having guaranteed redemption prices at the option of the Agency at such time or times and bearing interest to be earned thereon in such amounts as are sufficient (together with any resulting cash balances) to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payment need be made into the Bond Fund for the payment of the principal of and interest on that portion of the Bonds and interest accrued thereon shall then cease to be entitled to any lien, benefit or security of this Resolution, except the right to receive the funds so set aside and pledged, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder.

ARTICLE IX

ADDITIONAL BONDS

Section 9.1 ADDITIONAL BONDS

For so long as any of the Bonds remain Outstanding, the Agency will not issue any obligations having a greater or equal priority of lien upon the Pledged Revenues to pay and secure the payment of the principal of and interest on such obligations than the priority of lien created on such Pledged Revenues to pay and secure the payment of the principal of and interest on the Bonds except as follows:

A. The Agency reserves the right to issue Additional Bonds for the purposes of:

First, providing money to pay for any project as authorized under the Urban Renewal Plan, or

Second, refunding, as permitted by law, at or prior to their maturity, any bonds or other obligations payable out of Pledged Revenues.

Third, to pledge that payments will be made out of the Pledged Revenues and into the Bond Fund and the Debt Service Reserve Fund to pay and secure the payment of the principal of and interest on such Additional Bonds on a parity with the payment required herein to be made out of such Pledged Revenues into the Bond Fund to pay and secure the payment of the principal of and interest on the Bonds and any Additional Bonds then Outstanding, upon compliance with the following conditions:

(1) At the time of issuance of any Additional Bonds there is not a deficiency in the Bond Fund or in the Debt Service Reserve Fund.

(2) The principal of and interest on any Additional Bonds shall be payable out of the Bond Fund, and the requirements for the Debt Service Reserve Fund payments in Section 5.3(A) (2) hereof shall be met.

(3) Prior to the delivery of any Additional Bonds, (i) the Agency shall have on file a Consultant's Report, dated not earlier than 90 days prior to the date of delivery of such Additional Bonds, showing that the Pledged Revenues for the Fiscal Year immediately prior to issuance of such Additional Bonds was not less than at least 1.25 times the amount required in

any such year for the payment of the principal of and interest on the Bonds and all Additional Bonds Outstanding, including the Additional Bonds proposed to be issued. Said Certificate shall state that there has been no material event (such as a material decrease in the property values or tax levies) since the publication of the financial statements from which such conclusions were derived that would significantly reduce the Pledged Revenues available. No such certificate shall be required for Additional Bonds issued for the purpose of refunding a portion of the Bonds or any Additional Bonds if the combined Debt Service of the Bonds then Outstanding and any Additional Bonds does not exceed by more than $10,000 annually the Debt Service on the Bonds then Outstanding and Additional Bonds issued prior to the refunding; or (ii) the Agency has on file a Feasibility Consultant's Certificate stating, as of the time immediately after the issuance of such Additional Bonds, that for each of the two Fiscal Years immediately following the Fiscal Year during which it is estimated that the project to be financed by the Additional Bonds will be completed, the Pledged Revenues available for Debt Service is projected or forecasted to be an amount not less than 135% of the anticipated Maximum Annual Debt Service during such two Fiscal Year period.

The certificate of such consultant shall be conclusive and the only evidence required to show compliance with the provisions and requirements of this subsection A.

(4) The resolution authorizing such Additional Bonds shall contain the provisions for payment, security and deposits as set forth herein.

B. Nothing herein contained shall prevent the Agency from issuing obligations which are a charge upon the Pledged Revenues junior or inferior to the payments required by this Resolution.

ARTICLE X

COVENANTS OF THE AGENCY

Section 10.1 COVENANTS OF THE AGENCY

The Agency covenants and agrees with the Registered Owners of the Bonds as follows:

A. Punctual Payment. The Agency will punctually pay the interest on and principal of and redemption premiums, if any, to become due with respect to the Bonds, in strict conformity with the terms of the Bonds and of this Resolution, and will faithfully satisfy, observe, and perform all conditions, covenants, and requirements of the Bonds and of this Resolution.

B. Against Encumbrances. Except as provided in this Resolution, the Agency will not mortgage or otherwise encumber, pledge, or place any charge upon any of the Pledged Revenues or moneys in the Bond Fund, and will not issue any obligation or security superior to or on a parity with the Bonds payable in whole or in part from the Pledged Revenues.

C. Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for any interest on the Bonds.

D. Management and Operation of Properties. The Agency will manage and operate all properties owned by the Agency and comprising any part of the Project in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Project or any part thereof, and will keep such properties insured at all times in conformity with sound business practice.

E. Payment of Claims. The Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid might become a lien or charge upon the properties owned by the Agency or upon the Pledged Revenues or any part thereof, or upon any funds in the hands of the Bond Registrar, or which might impair the security of the Bonds; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

F. Books and Accounts; Financial and Project Statement. The Agency will keep proper books of record and accounts, separate from all together records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Project and the funds created hereunder. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Bond Registrar or of the Registered Owners of not less than twenty-five percent (25%) of the aggregate amount of the Bonds then outstanding or their representatives authorized in writing.

G. Protection of Security and Rights of Registered Owners. The Agency will preserve and protect the security of the Bonds and the rights of the Registered Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Bonds by the Agency, such Bonds shall be incontestable by the Agency.

H. Payment of Taxes and Other Charges. Subject to the provisions of Section 10.1(J) hereof, the Agency will pay and discharge all taxed, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Agency or any other properties owned by the Agency in the Urban Renewal Plan, or upon the revenues therefrom, when the same shall become due; provided that nothing herein contained shall require the agency to make any such payments so long as the Agency in good faith shall contest the validity of any such taxes, service charges, assessments or other governmental charges. (The Agency is not currently subject to the payment of taxes.)

I. Taxation of Leased Property. Whenever any property in the Revenue Allocation Area is redeveloped by the Agency and thereafter is leased by the Agency to any person or persons, or whenever the Agency leases any real property in the Revenue Allocation Area to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately-owned property (in accordance with the Law), and the lease or contract shall provide (1) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the leasehold interest, and (2) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease shall be less than the taxes that would have been payable upon the entire property if the property were assessed and taxed in the same manner as privately-owned property, the lessee shall pay such difference to the Agency within thirty (30) days after the taxes for such year become payable, and in any event prior to the delinquency date of such taxes established by law, which such payments shall be treated as Pledged Revenues and shall be deposited by the Agency in the Revenue Allocation Fund.

J. Disposition of Property in Revenue Allocation Area. The Agency will not, except as otherwise provided in this Section 10.1(J), authorize the disposition of any real property in the Revenue Allocation Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except for public ownership or use contemplated by the Urban Renewal Plan in effect on the date of adoption of this Resolution, or property to be used for public streets or easements or rights of way for public utilities, pedestrian/bicycle pathways, or other similar uses). If such dispositions, together with all similar prior dispositions on or subsequent to the effective date of this Resolution, shall comprise more than ten percent (10%) of the land area in the Revenue Allocation Area, it shall cause to be filed with the Bond Registrar a Consultant's Report on the effect of such proposed disposition. If the Consultant's Report concludes that the Pledged Revenues will not be materially reduced by such proposed disposition, the Agency may proceed with such proposed disposition. If the Consultant's Report concludes that Pledged Revenues will be materially reduced by such proposed disposition, the Agency shall, as a condition precedent to proceeding with such proposed disposition, require that such new owner or owners either:

(1) Pay to the Agency, so long as any of the Bonds are Outstanding, an amount equal to the amount that would have been receive by the Agency as Pledged Revenues if such property were assessed and taxed in the same manner as privately-owned non-exempt property, which payment shall be made within thirty (30) days after taxes for each year would become payable to the taxing agencies for non-exempt property and in any event prior to the delinquency date of such taxes established by law; or

(2) Pay to the Agency a single sum equal to the amount estimated by an independent redevelopment consultant to be receivable from taxes on such property from the date of such payment to the last maturity date of all Bonds then Outstanding, less a reasonable discount value.

All such payments to the Agency in lieu of taxes shall be treated as Pledged Revenues and shall be deposited by the Agency in the Revenue Allocation Fund.

K. Amendment of Urban Renewal Plan. The Agency will not amend the Urban Renewal Plan except as provided in this Section 10.1(K). If the Agency proposes to amend the Urban Renewal, it shall cause to be filed with the Bond Registrar a Consultant's Report on the effect of such proposed amendment. If the Consultant's Report concludes that Pledged Revenues will not be materially reduced and the Agency's obligations will not be materially adversely affected by such proposed amendment, the Agency may undertake such amendment. If the Consultant's Report concluded that the Pledged Revenues will be materially reduced, or the Agency's obligations will be materially adversely affected, by such proposed amendment, the Agency may not undertake such proposed amendment.

L. Further Assurances. The Agency will adopt, make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonable necessary or proper to carry out the intention or to facilitate the performance of this Resolution and for the better assuring and confirming unto the Registered Owners of the Bonds of the rights and benefits provided in this Resolution.

M. Accounts and Reports.

(1) The Agency shall keep proper books of records and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project and each fund and account established under this Resolution.

(2) The Agency shall comply with the applicable secondary market disclosure requirements promulgated under Rule 15c2-12 of the Securities Exchange Commission.

N. General.

(1) The Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Agency under the provisions of the Act and this Resolution.

(2) Upon the date of authentication and delivery of the Bonds, all conditions, acts, and things required by law and this Resolution to exist, to have happened, and to have been performed precedent to and in the issuance of such bonds shall exist, have happened, and have been performed, and the issue of such Bonds, together with all other indebtedness of the Agency, shall comply in all respects with the applicable laws of the State of Idaho.

(3) The Bonds are issued in connection with an urban renewal project, as defined in the Act. Accordingly, in any suit, action, or proceedings involving the validity or enforceability of the Bonds, the Bonds shall be conclusively deemed to have been issued for such purpose and such Urban Renewal Project shall be conclusively deemed to have been planned located and carried out in accordance with the provisions of the Law.

O. Arbitrage; Special Tax Covenants. The Agency shall comply with the provisions of this Section unless, in the written opinion of nationally-recognized bond counsel to the Agency, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

The Agency hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the Agency which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said Section. The Agency will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) throughout the term of the Bonds.

The Agency hereby further covenants that it will comply with the registration requirements of Section 149(a) of the Code so long as any portion of the Bonds is Outstanding.

The Agency hereby further covenants that it will not take any action or permit any action to be taken that would cause the Bonds to constitute "private activity bonds" under Section 141 of the Code.

P. Private Person Use Limitation. The Agency shall comply with the provisions of this Section unless, in the written opinion of nationally bond counsel to the Agency, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

The Agency covenants that so long as any portion of the Bonds are Outstanding, it will not permit:

(1) More than 10% of the principal or interest payments on the Bonds in a Bond Year to the be (under the terms of this Resolution or any underlying arrangement) directly or indirectly: (i) secured by any interest in property used or to be used for nay Private Person Use, or (ii) derived from payments (whether or not made to the Agency) in respect of property, or borrowed money, used or to be used for any Private Person Use;

The Agency further covenants that, if:

(2) More than 5% of the Net Proceeds of the Bonds are used for any Private Person Use; and

(3) More than 5% of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this Resolution or any underlying arrangement) directly or indirectly: (i) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (ii) derived from payments (whether or not made to the Agency) in respect of property, or borrowed money, used or to be used for any Private Person Use;

then, (i) any Private Person Use of the Project described in subsection (c) hereof or Private Person Use payments described in subsection (d) hereof that is in excess of the 5% limitation described in such subsections (b) or (c) will be for a Private Person Use that is related to the state or local governmental use portion of the Project to which the Private Person Use of such portion of the Project relates. The Agency further covenants that it will comply with any limitations on the users that are necessary, in the opinion of nationally-recognized bond counsel, to preserve the tax exemption of the interest on the Bonds.

Q. Private Loan Limitation. The Agency shall comply with the provisions of this Section unless, in the written opinion of nationally-recognized bond counsel to the Agency, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

The Agency covenants that so long as any portion of the Bonds are Outstanding, it will not permit such proceeds in excess of 5% of the Net Proceeds of the Bonds to be used (directly or indirectly) to make loans (other than loans that enable a borrower for a specific essential governmental function) to a Private Person.

R. Federal Guaranty Prohibition. The Agency shall comply with the provisions of this section unless, in the written opinion of nationally-recognized bond counsel to the Agency, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

The Agency covenants that so long as any portion of the Bonds is Outstanding, it will not take any action or permit or suffer any action to be taken if the result thereof would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and any Regulations promulgated thereunder.

S. Reimbursement. None of the proceeds of the Bonds will be used to reimburse the Agency for capital expenditures made prior to the date of delivery of the Bonds except as provided in an official intent resolution adopted by the Agency pursuant to Section 1.150-2 of the Treasury Regulations.

T. Opinions of Bond Counsel. Whenever an opinion of bond counsel is rendered in connection with any provision of this Resolution, the opinion shall affirmatively state, in a manner acceptable to the Agency and the Bond Registrar, that the action in question will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

U. Information Reporting. The Agency will comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission with respect to information to be reported by the Agency.

ARTICLE XI

AMENDMENTS

Section 11.1 AMENDMENTS TO RESOLUTION

A. The Agency from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the Agency in this Resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the Registered Owners of any of the Bonds, or to surrender any right or power herein reserved.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provision contained in this Resolution or any resolution authorizing future notes, warrants, or bonds in regard to matters or questions arising under such resolutions as the Agency may deem necessary or desirable and not inconsistent with such resolutions and which shall not adversely affect, in any material respect, the interest of any of the Registered Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Registered Owners of the Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. With the consent of the Registered Owners of not less than sixty percent (60%) in aggregate principal amount of the Bonds at the time Outstanding, the Agency may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

(1) extend the fixed maturity of the Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest from its due date, or reduce the amount of the principal thereof, or reduce any premium

payable on the redemption thereof, without the consent of the Registered Owner of each Bond so affected; or

(2) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental resolution, without the consent of the Registered Owners of all of the Bond the Outstanding.

It shall not be necessary for the consent of Registered Owners under this subsection B to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof.

C. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations of the Agency under this Resolution and all Registered Owners of the Bonds then Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respect to such modification and amendments, and all terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

ARTICLE XII

DEFAULT PROVISIONS AND REMEDIES OF REGISTERED OWNERS

Section 12.1 EVENTS OF DEFAULT

If any one or more of the following events of default shall happen, that is to say:

(1) if default shall be made in the due and punctual payment of the principal or redemption price of the Bonds when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(2) if default shall be made in the due and punctual payment of any installment of interest on the Bonds, when and as such interest installment shall become due and payable;

(3) if default shall be made by the Agency in the performance or observance of any other of the covenants, agreements, or conditions on its part in this resolution or in the Bonds contained, and such default shall continue for a period of sixty (60) days

after written notice thereof to the Agency by any Registered Owner.

(4) if judgment for the payment of money shall be rendered against the agency, and any such judgment shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such levy under such judgment, or order, decree or process or the enforcement thereof;

(5) if there shall occur dissolution or liquidation of the Agency or the filing by the Agency of a voluntary petition in bankruptcy, or the commission by the Agency of any act of bankruptcy, or adjudication of the Agency as a bankrupt, or assignment by the Agency for the benefit of its creditors, or the entry by the Agency into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Agency in any proceeding for its reorganization instituted under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted;

(6) if an order or decree shall be entered, with he consent or acquiescence of the Agency, appointing a receive or receivers of the Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the agency, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof;

then, and in each and every such case, so long as such Event of Default shall have been remedied, unless the Outstanding amount of the Bonds shall have already become due and payable, the Registered Owners of not less than twenty0five percent (25%) of the Bonds then Outstanding (by notice in writing to the Agency) may declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Bond Resolution or in the Bonds contained to the contrary notwithstanding. The right of the Registered Owners of not less than twenty-five (25%) of the Bonds then Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of Debt Service on the Bonds, together with interest on such overdue installment of Debt Service to the extent permitted by law and reasonable and proper charges, if any, and all the principal of, and interest accrued since the next preceding

Debt Service payment date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Agency or provision shall be made for such payment, than the payment of principal and interest due an payable, solely by reason of such declaration) shall be made good or be secured, then and in every such case the Registered Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding, by written notice to the Agency, may rescind such declaration and annul such default in its entirety. No such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 12.2 ACCOUNTING AND EXAMINATION OF RECORDS AFTER DEFAULT

A. The Agency covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Agency and all other records relating to the facilities shall at all reasonable times be subject to the inspection and use of the Registered Owners.

B. The Agency covenants that if an Event of Default shall happen and shall not have been remedied, the Agency, upon demand of the Registered Owners of at least 25% of the principal amount of the Bonds then Outstanding, will account, as if it were the trustee of an express trust, for all moneys, securities, and funds pledged or held under this Resolution for such period as shall be stated in such demand.

Section 12.3 APPLICATION OF FUNDS AND MONEYS AFTER DEFAULT

A. The Agency covenants that if an Event of Default shall happen and shall not have been remedied, the Agency, upon demand of the Registered Owners of at least 25% of the principal amount of the Bonds Outstanding, shall pay over or cause to be paid over on behalf of the Registered Owners (i) forthwith, all moneys, securities, and funds then held by the Agency in any Fund under this Resolution, and (ii) all Pledged Revenues as promptly as practicable after receipt thereof.

B. During the continuance of an Event of Default, all moneys, securities, funds, and Pledged Revenues received pursuant to any right given or action taken under the provisions of this Section 12.3 shall be applied as follows and in the following order:

(1) Expenses of Bond Registrar. To the payment of the reasonable and proper charges, expenses and liabilities of any trustee or receiver duly appointed for that purpose;

(2) Operating Costs. To the payment of the amounts required to prevent deterioration of the Project or loss of Pledged Revenues therefrom.

(3) Principal or Redemption Price and Interest. To the payment of the interest and principal or redemption price then due on the Bonds as follows:

(a) unless the principal of all of the Bonds shall have been declared due and payable,

First: Interest - To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or redemption price - To the payment to the persons entitle thereto of the unpaid principal or redemption price of the Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

C. If and whenever all overdue installments of interest on the Bonds, together with the reasonable and proper charges, expenses and liabilities of the Bond Registrar, and all other sums payable by the Agency under this Resolution, including the principal and redemption price of accrued unpaid interest on the Bonds which shall the be payable by declaration or otherwise, shall either be paid Bond Registrar for the account of the Agency, or provision shall be made for such payment, and all Events of Default under this Resolution shall be made good or secured, the Agency shall be restored, respectively, to its former position and right under this Resolution. No such restoration of the Agency shall extend to or affect any subsequent Events of Default under this Resolution or impair any right consequent thereon.

Section 12. 4 REMEDIES NOT EXCLUSIVE

No remedy by the terms of this Resolution conferred upon or reserved to the Registered Owners of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy given under this Resolution or existing at law or in equity or by statute on or after the date of adoption of this Resolution shall be available to the Registered Owners.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1 SALE OF THE BONDS

The sale of the Bonds to the Underwriter, in accordance with the terms and provisions set forth in the Bond Purchase Agreement attached hereto as Exhibit "C" is hereby approved.

The proper officials of the Agency are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bonds and for the proper use and application of the proceeds of sale thereof.

The Authorized Officers of the Agency are further authorized and directed to publish notice of the adoption of this Resolution substantially in the form set forth in Exhibit "D" attached hereto.

Section 13.2 NOTICES

Any notice, request, authorization, or demand required or permitted to be given by this Resolution shall be deemed sufficiently given when delivered or mailed, by registered or certified mail, postage prepaid, to the Agency, at: Rexburg City Hall, 12 North Center, Rexburg, Idaho 83440

Section 13.3 SEVERABILITY

If any one or more of the covenants or agreements provided in this Resolution 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 covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Resolution and shall in no way affect the validity of the other provisions of this Resolution or the Bonds.

Section 13.4 VALIDITY OF BONDS

Pursuant to Section 50-2911, Idaho Code, as amended, no direct or collateral action attacking or otherwise questioning the validity of the Bonds may be brought prior tot he effective date of this Resolution or after the elapse of thirty (30) days from and after the effective date of this Resolution.

Section 13.5 EXHIBITS INCORPORATED

All Exhibits hereto are hereby incorporated by reference as if fully set forth herein.

Section 13.6 EFFECTIVE DATE

This Resolution shall take effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of the City of Rexburg, Idaho, on December 4, 2007. Signed by the President of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 4, 2007.

THE URBAN RENEWAL AGENCY OF THE CITY OF REXBURG

By: Glen Pond

Glen Pond, President

ATTEST:

Jon O. Weber

Jon O. Weber, Secretary

PASSED by the Urban Renewal Agency of the City of Rexburg, Idaho, on December 4, 2007. Signed by the President of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 4, 2007.

THE URBAN RENEWAL AGENCY OF
THE CITY OF REXBURG

Glen Pond, President

ATTEST:

Jon O. Weber, Secretary

No. R-_____ $____________

UNITED STATES OF AMERICA
STATE OF IDAHO
COUNTY OF MADISON

THE URBAN RENEWAL AGENCY OF THE CITY OF REXBURG
REVENUE ALLOCATION (TAX INCREMENT) BOND, SERIES 200~~7~~8

THE URBAN RENEWAL AGENCY OF THE CITY OF REXBURG (the "Agency"), for value received, promises to pay from the Bond Fund (the "Bond Fund"), created by Resolution No. ____, adopted by the Board of Commissioners of the Agency on _________, 2007, (the "Bond Resolution"), to ____________________, or registered assigns, on ________, _____, the principal sum of

DOLLARS

and to pay interest thereon from the aforesaid Bond Fund from _________________, or the most recent date to which interest has been paid or duly provided for, at the rate of _________________ percent (_____%) per annum, payable commencing on _____________, and semiannually thereafter on each ___________ and _________ until the date of maturity or prior redemption of this Bond. Interest shall be computed on a 360-day year, consisting of twelve 30-day months.

Both principal of and interest on this Bond are payable in lawful money of the United States of America to the Registered Owner hereof, whose name and address shall appear on the registration records of the Agency (the "Bond Register") maintained by the Treasurer of the Agency at Rexburg, Idaho (the "Bond Registrar"). Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month next preceding the interest payment date, and shall be paid by check or draft of the Bond Registrar mailed to such Registered Owner to be received by the due date at his address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Bond Registrar. Principal shall be paid to the Registered Owner, upon presentation and surrender of this Bond on or after its date of maturity or prior redemption, at the office of the Bond Registrar.

This Bond shall not constitute an indebtedness within the meaning of any Constitutional or statutory debt limitation or restriction, and shall not constitute a general obligation or debt of the City of Rexburg, Idaho, or of any municipality, the State of

Idaho, or any of its political subdivisions. In no event shall this Bond give rise to a general obligation or liability of the Agency, any municipality, the State of Idaho, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds or properties other than those of the Agency specifically pledged therefor.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

This Bond is one of a duly authorized issue of Bonds of like date, tenor, designation, and effect, except for variations required to state numbers, denominations, rates of interest, and dates of maturity, aggregating $__________ in principal amount. The Bonds are issued as serial Bonds in fully registered form, in denominations of $5,000 or any integral multiple thereof (provided that no single Bond shall represent more than one maturity), and mature over the years _______ through _________, inclusive. The Bonds are limited obligations of the Agency payable solely from the Pledged Revenues (as defined in the Bond Resolution) pledged to the payment thereof under the Bond Resolution and certain other moneys held by the Bond Registrar. For a more particular description of the Pledged Revenues, and the nature and extent of the security afforded thereby, reference is made to the provisions of the aforementioned Bond Resolution. All capitalized terms used in this Bond shall have the meanings given to them by the Bond Resolution.

This Bond and the Bonds of this series are not general obligations of the Agency, and its full faith and credit are not pledged for payment of the principal thereof and interest thereon. The Bonds constitute a prior lien and charge upon the Pledged Revenues equal to the charge and lien of the Bonds (as defined in the Bond Resolution) and superior to all other charges of any kind or nature.

This Bond and the Bonds of this series are issued by the Agency pursuant to and in full compliance with the Constitution and laws of the State of Idaho, particularly the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20 and Idaho Code, Title 50, Chapter 29 (collectively, the "Law"), and also pursuant to the Bond Resolution, for the purpose of providing part of the moneys to finance the Cost of Acquisition and Construction of the North Highway Urban Renewal Project, together with the Costs of Issuance of the Bonds, as said capitalized terms are defined in the Bond Resolution. The Bonds are issued by the Agency in connection with an urban renewal project (as defined in the Law), and pursuant to Section 50-2012(f) of the Idaho Code, and this Bond shall be conclusively deemed to have been issued for such purpose and such

Project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of the Law.

The Bonds maturing in the years ______ through ______, inclusive, are not subject to redemption prior to their stated dates of maturity. The Agency has reserved the right, at its option, to redeem the Bonds maturing on and after ____________, in whole or in part (maturities to be selected by the Agency and by lot within a maturity in such manner as the Bond Registrar shall determine), on ____________, or any interest payment date thereafter, at the redemption price of 100% of the principal amount of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption.

Notice of any such redemption shall be sent by the Bond Registrar by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner at the address shown on the Bond Register maintained by the Bond Registrar, or at such other address as may be furnished in writing by such Registered Owner to the Bond Registrar. When so called for redemption, such Bond shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bond shall not be deemed to be Outstanding as of such redemption date.

This Bond is transferable or exchangeable by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of this Bond at the principal corporate trust office of the Bond Registrar. Upon such transfer or exchange, a new Bond or Bonds of authorized denomination of denominations, of equal aggregate principal amount and of the same maturity and interest rate, will be issued to the transferee or exchange, in exchange therefor. Provided, however, that the Bond Registrar shall not be required to transfer all or any portion of this Bond within fifteen (15) calendar days of its date of maturity.

The Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payments of principal hereof and interest due hereon and for all other purposes, and the Bond Registrar shall not be affected by any notice to the contrary.

The Agency has covenanted and agreed with the Registered Owner of this Bond that it will keep and perform all of the covenants of this Bond and of the Bond Resolution to be by it kept and performed.

The covenants contained herein and in the Bond Resolution may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Bond Resolution.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things essential to the validity of this Bond do exist, have happened, and have been done and that every requirement of the Constitution and statutes of the State of Idaho and the resolutions of the Agency affecting the issue hereof have been duly complied with; that the pledged Revenues have been pledged and will be set aside into the Bond Fund to be used for the payment of principal of and interest on this Bond in the order of priority provided in the Bond Resolution

IN WITNESS WHEREOF, the Urban Renewal Agency of the City of Rexburg has caused this Bond to be executed by the signatures of the Chairperson of the Board of Commissioners and the Treasurer, attested by the Secretary, ~~and the seal of the Agency to be impressed hereon,~~as of this _____ day of ______, 200~~7~~8.

THE URBAN RENEWAL AGENCY OF THE
CITY OF REXBURG

____
Chairperson, Board of Commissioners

____
Treasurer

ATTEST:

____
Secretary

~~[SEAL]~~

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of The Urban Renewal Agency of the City of Rexburg Revenue Allocation (Tax Increment) Bonds, Series 200~~7~~8, dated __________, 200~~7~~8, and described in the within-mentioned Bond Resolution.

THE URBAN RENEWAL AGENCY OF THE CITY OF REXBURG
Madison County, Idaho

By__________________________________
Treasurer, as Bond Registrar

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Name of Transferee:____

Address:____

____

Tax Identification No._____________________________________

the within Bond and hereby irrevocably constitutes and appoints

____

Of ____,

to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:________________________

____
Registered Owner

____
Registered Owner

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

____
Bank, Trust Company or Member Firm of the New York Stock Exchange

____
Authorized Signature

EXHIBIT "B"

INVESTMENT SECURITIES

A. Direct obligations of or obligations guaranteed by the United States of America, including obligations of any of the Federal agencies set forth in clause B below to the extent unconditionally guaranteed by the United States of America, and including certificates evidencing ownership of serially maturing interest payments and principal payments on United States Treasury Notes or Bonds held in custody by the Federal Reserve System;

B. Bonds, debentures, participation certificates, notes or other evidence of indebtedness issued by any of the following agencies: Bank of Cooperatives, Federal Intermediate Credit Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; United States Postal Service; Government National Mortgage Association; U.S. Department of Agriculture Rural Development Administration; Federal Home Loan Mortgage Association; Federal Financing Bank; or any agency or instrumentality of the United States of America which shall be established for the purposes of acquiring the obligations of any of the foregoing or otherwise providing financing therefor;

C. Certificates evidencing ownership of serially maturing interest payments and principal payments on United States Treasury Notes or Bonds.

D. Cash, time deposit accounts and savings accounts in state depositories, including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.

ZIONS BANK ZBPF PUBLIC FINANCE

Rexburg Urban Renewal Agency
Rexburg, Idaho
Revenue Allocation (Tax Increment) Bonds
Riverside Park Project

In An Amount Not To Exceed $6,300,000

Bond Purchase Agreement

November 13, 2007

Rexburg Urban Renewal Agency
P.O. Box 280
Rexburg, Idaho 83440

Board of Commissioners of the Agency:

The undersigned, Zions First National Bank (the "Purchaser"), offers to purchase from the Rexburg Urban Renewal Agency, Rexburg, Idaho (the "Agency"), all (but not less than all) of the not to exceed $6,300,000 Revenue Allocation (Tax Increment) Bonds (the "Bonds") of the Agency to be issued in conjunction with the Second and Amended Restated Urban Renewal Plan, with delivery and payment at the offices of Bond Counsel in Boise, based upon the covenants, representations and warranties set forth below. This offer is made subject to your acceptance of this Purchase Contract on or before 11:59 P.M., MST, on December 10, 2007.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, the Bonds. Exhibit "A", which is hereby incorporated by reference into this Bond Purchase Agreement, contains a brief description of the Bonds, the manner of their issuance, the purchase price to be paid and the date of delivery and payment (the "Closing").

2. Concurrently with the execution hereof, the Issuer will adopt a Bond Resolution (the "Bond Resolution") satisfactory in form and substance to the Purchaser.

3. You represent and covenant to the Purchaser that (a) you have and will have at the Closing the power and authority to enter into and perform this Bond Purchase Agreement, to adopt the Bond Resolution and to deliver and sell the Bonds to the Purchaser, (b) this Bond Purchase Agreement and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order or agreement to which the Issuer is subject, (c) no governmental approval or authorization other than the Bond Resolution is required in connection with the sale of the Bonds to the Purchaser, (d) this Bond Purchase Agreement and the Bonds are and shall be at the time of the Closing legal, valid and binding obligations of the Agency enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency or other similar laws generally affecting creditors' rights, and (e) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Agency, threatened against or affecting the Agency or affecting the corporate existence of the Agency or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Bond Resolution or this Bond Purchase Agreement or contesting the powers of the Agency or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of this Bond Purchase Agreement,

4. As conditions to the Purchaser's obligations hereunder:

   (a) From the time of the execution and delivery of this Bond Purchase Agreement to the date of Closing, there shall not have been any (i) material adverse change in the financial condition or general affairs of the Agency; (ii) event, court decision, proposed law or rule which may have the effect of changing the federal income tax incidents of the Bonds or the interest thereon or the contemplated transaction; or (iii) international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in the Purchaser's opinion, the market price of the Bonds.

   (b) At the Closing, the Agency will deliver or make available to the Purchaser:

      (i) The Bonds, in definitive form, duly executed;

      (ii) A certificate from authorized officers of the Agency, in form and substance acceptable to the Purchaser, to the effect that the representations of the Agency contained in this Bond Purchase Agreement are true and correct when made and as of the Closing;

      (iii) The unqualified approving opinion of Moore Smith Buxton & Turcke, Chartered, Bond Counsel, satisfactory to the Purchaser, dated the date of Closing, relating to the legality and validity of the Bonds and the excludability of interest on the Bonds from gross income of the holders thereof for federal income tax purposes;

(iv) Such additional certificates, instruments and other documents as the Purchaser may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Purchaser.

(c) The entire offer to purchase is expressly conditioned upon receipt of a final judicial confirmation judgment determining that the Agency has the authority under the Constitution and laws of Idaho to issue the Bonds, and that the Bonds, when issued, will be valid and enforceable in accordance with their terms. The actual sizing will be determined, in Purchaser's sole discretion, at the time of bond sale, and the size will be determined after considering among others, the following factors:

(i) Changes in the projections of the assessed valuation of real or personal property from the Consultant Report of Harlan Mann dated October 1, 2007, attachments 5A and 5B or other changes in market condition, in the Purchaser's sole discretion.

(ii) Changes in tax legislation or tax rates that would affect the funds available to pay bond debt service; and

(iii) Changes in interest rates.

5. The Agency will pay the cost of the fees and disbursements of counsel to the Agency and of Bond Counsel, the fees of the Paying Agent and other miscellaneous expenses.

6. This Bond Purchase Agreement is intended to benefit only the parties hereto, and the Agency's representations and warranties shall survive any investigation made by or for the Purchaser, delivery and payment for the Bonds and the termination of this Bond Purchase Agreement.

Sincerely,

Zions First National Bank

Alan Westenskow, Vice President

Accepted for and on behalf of the Board of Commissioners acting in their capacity as the governing body of the Rexburg Urban Renewal Agency, Rexburg, Idaho by its Chairperson.

Chairperson

Attest:

Jon A. Weber

Secretary

[SEAL]

EXHIBIT A

Description of Bonds:

a) Issue Size...Not to exceed $6,300,000
b) Dated Date.. To Be Determined
c) Closing Date... To Be Determined
d) Purchase Price:...Not to exceed $6,300,000
e) Rating .... To Be Determined
f) TIC... To Be Determined
g) Maturity Schedule, Principal Amounts and Interest Rates........... To Be Determined

November 13, 2007

LETTER TO TAXING ENTITIES

Blair Kay, City Clerk
City of Rexburg
P.O. Box 280
Rexburg, ID 83440

RE: University Boulevard Urban Renewal Plan
Rexburg Redevelopment Agency

Dear Mr. Kay:

Enclosed is a copy of a formal notice that has been published in *Standard Journal*, advising that the Rexburg City Council will hold a public hearing in the City Council Chambers, 12 North Center, Rexburg, Idaho, on Wednesday, December 19, 2007, at 7:00 p.m., to consider the University Boulevard Urban Renewal Plan ("the University Boulevard Plan") of the Rexburg Redevelopment Agency. At that time the City Council will consider an ordinance adopting the University Boulevard Plan.

This letter also serves as notice to you, in compliance with Idaho Code Section 50-2906, that the University Boulevard Plan contains a revenue allocation provision and the Rexburg Redevelopment Agency ("Agency") recommends approval of the University Boulevard Plan.

A copy of the University Boulevard Plan and Resolution adopted by the Agency are enclosed. As required by Idaho Code Section 50-2905, the Plan contains a statement listing (1) the kind, number, and location of all proposed public works improvements within the revenue allocation area; (2) an economic feasibility study; (3) a detailed list of estimated project costs; (4) a fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property on the revenue allocation area; and (5) a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred. You are encouraged to provide your comments, either in writing or at the public hearing.

The City Council will hold a work session on the proposed University Boulevard Plan on Wednesday, December 5, 2007, at 6:00 p.m. in the City Council Chambers, 12 North Center, Rexburg, Idaho. You are welcome to attend.

In the event you would like to schedule a separate meeting to discuss the University Boulevard Plan, representatives of the City and/or the Agency will make themselves available to explain the University Boulevard Plan.

Sincerely,

Shawn Larsen

Shawn Larsen, Mayor

Blair Kay

Blair Kay, City Clerk

Enclosures

I, ______________________________, hereby acknowledge receipt of the above-referenced University Boulevard Urban Renewal Plan and Agency Resolution.

TAXING ENTITIES:

1. Madison County Board of Commissioners
2. Rexburg Cemetery District
3. Madison Library District
4. City of Rexburg
5. Madison School District # 321 Board of Trustees
6. Madison County Ambulance District
7. Madison County Mosquito Abatement District

ELAM & BURKE
ATTORNEYS AT LAW

RYAN P. ARMBRUSTER

251 East Front Street, Suite 300
Post Office Box 1539
Boise, Idaho 83701
Telephone 208 343-5454
Fax 208 384-5844
E-mail rpa@elamburke.com

November 30, 2007

Mr. Terry Butikofer
terry.butikofer@ecipda.net

Ms. Judy Coy
judy.coy@ecipda.net

Mr. Richard Horner
richard@rexburg.org

Steve Zollinger, Esquire
stephenz@rexburg.org

Mr. Harlan Mann
hwmcons@aol.com

Mr. Blair Kay
blairk@rexburg.org

Re: Draft Ordinance and Summary of Ordinance

Judy and Gentlemen:

I enclose the first draft of the Ordinance approving the University Boulevard Plan. I have also enclosed the draft Summary of the Ordinance. The Ordinance form and Summary of Ordinance follows fairly closely the format used in approving urban renewal plans by the City Council. However, if anyone has any comment or concern, please let me know and we can make the necessary changes. As we have discussed previously, because of the schedule constraints, the public hearing and the three readings of the ordinance will take place on Wednesday, December 19, 2007. Therefore, the Ordinance, as drafted, indicates waiver of the three reading rule. If, however, there would be any advantage to have the first reading next week on the same night as the work session and this draft is close enough to a final document, then we could try that route. I leave that decision to Richard, Blair and Steve.

I ask that everyone review the signature page of the ordinance concerning the waiver of the reading rules and the signature block to confirm its accuracy and conformity with the usual form for the City of Rexburg.

The Ordinance references several exhibits that should be attached to the final version of the ordinance and the official records of the City. Those exhibits include:

Exhibit 1 the Planning and Zoning Resolution confirming the compliance with the Comprehensive Plan;

Exhibit 2 the notices published in the Standard Journal on November 16 and November 17, 2007;

Exhibit 3 the several consents from the property owners concerning the agricultural properties;

Exhibit 4 the Change Sheet (which I have attached as a separate document);

The Change Sheet includes a reference error in Section 500 and changes to Section 515, which references some retroactive application which should not be included in a new plan. The reference is from a form used for an amendment to an existing plan. There is also a numbering change—revising Section 313 to Section 323.

Exhibit 5 the Plan itself; and

Exhibit 6 the Summary of the Ordinance.

I believe the only remaining tasks involve the completion of the legal description to insert as Attachment 2 and the Land Use/Zoning Map to insert as Attachment 4. Those should be inserted prior to the public hearing on December 19, 2007.

Though I will not be in attendance at the work session because of a conflicting City Council meeting in the City of Eagle, Harlan will be in attendance to response to questions from either the Agency Board or the City Council. I will be in Rexburg Tuesday afternoon, December 4, 2007, to attend an Agency Board meeting on some other matters. If there are any problems or concerns, I can be available after the Board meeting, which convenes at 1:00 p.m. to answer or respond.

Please contact me if you have any comments.

Very truly yours,

ELAM & BURKE
A Professional Association

sent without signature
to avoid delay

Ryan P. Armbruster

RPA/ksk
Enclosures