

**FIRST AMENDMENT TO THE
URBAN RENEWAL PLAN FOR THE UNION DISTRICT URBAN RENEWAL
PROJECT**

**MERIDIAN URBAN RENEWAL AGENCY
(also known as Meridian Development Corporation)**

CITY OF MERIDIAN, IDAHO

**Ordinance No. 20-1882
Adopted June 9, 2020
Effective June 19, 2020, publication**

**First Amendment to the Union District Plan
Ordinance No. _____
Adopted _____
Effective _____ 2021, publication**

BACKGROUND

This First Amendment (“First Amendment”) to the Urban Renewal Plan for the Union District Urban Renewal Project (the “Plan”) amends the Plan for the following purpose: to add approximately 1.46 acres (including rights-of-way) of land contiguous to the northwestern boundary of the Union District Project Area and generally bounded by E. Idaho Avenue on the north, NE 2nd Street on the east, a portion of Broadway Avenue on the south, and E. Main Street on the west, an area referred to as the “Idaho Block.” The scope of this First Amendment is limited to addressing the addition of the Idaho Block to the Union District Project Area. It is important to note this First Amendment to the Plan does not extend the Plan’s duration. The Plan terminates on December 31, 2040; however, revenue allocation proceeds will be received in 2041 pursuant to Idaho Code Section 50-2905(7).

This First Amendment to the Plan, seeking to add the Idaho Block to the Union District Project Area pursuant to Idaho Code Section 50-2033, is not deemed to be a modification under Idaho Code Section 50-2903A. “Modification shall not be deemed to have occurred when: . . . (ii) There is a plan amendment to accommodate an increase in the revenue allocation area boundary as permitted in section 50-2033, Idaho Code...” Idaho Code Section 50-2903A(1)(a)(ii).

Idaho Code Section 50-2033 permits an urban renewal agency, after July 1, 2011, to add area to an existing revenue allocation area one (1) time “so long as the total area to be added is not greater than ten percent (10%) of the existing revenue allocation area and the area to be added is contiguous to the existing revenue allocation area” Idaho Code § 50-2033. Contiguity cannot be established solely by a shoestring or public railroad right-of-way. *See* Idaho Code § 50-2033. The geographic area to be added to the Union District Project Area is contiguous to the existing Union District Project Area and is less than ten percent (10%) of the existing revenue allocation area, which is 15.86 acres.

A separate base assessment value will be established for the area to be added to the Union District Project Area, effective retroactive to January 1, 2021. The Agency will receive an allocation of revenues from the added area from any increases in value above the base value through the remaining years of the Plan. The base values for the original Union District Project Area will continue to be retroactive to January 1, 2020.

The area to be added to the Union District Project Area was deemed to be a deteriorated area and/or a deteriorating area under the Law and Act and, therefore, eligible for inclusion into the existing revenue allocation area pursuant to the Idaho Block Annexation to Union District (Proposed) Eligibility Report, prepared by Kushlan | Associates, dated June 2021 (the “Eligibility Report”). The Eligibility Report was submitted to the Agency, which by adoption of Resolution No. 21-027 on June 9, 2021, found the additional area to be eligible and authorized the transmission of the Eligibility Report and Resolution to the Meridian City Council, together with the Agency’s recommendation that the area be designated as appropriate for an urban renewal project, and seeking direction from the City Council to proceed with urban renewal plan amendment. The Meridian City Council, by adoption of Resolution No. 21-2274 on July 6, 2021, found the area under consideration to be a deteriorating area or a deteriorated area in the City, as defined by the Law and the Act, and authorized preparation of a plan amendment.

AMENDMENTS TO THE PLAN

1. Definitions. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan.

2. The following defined terms are amended throughout the Plan as follows:

a. Delete “Project Area” and replace with “Amended Project Area” except where specifically referenced in this First Amendment.

b. Delete references to “Attachment 1” and replace with “Attachment 1, as supplemented by Attachment 1A” except where specifically referenced in this First Amendment.

c. Delete references to “Attachment 2” and replace with “Attachment 2, as supplemented by Attachment 2A” except where specifically referenced in this First Amendment.

d. Delete references to “Attachment 4” and replace with “Attachment 4, as supplemented by Attachment 4A” except where specifically referenced in this First Amendment

e. Delete references to “Attachment 5” and replace with “Attachment 5, as supplemented by Attachment 5A” except where specifically referenced in this First Amendment.

3. Amendment to List of Attachments. The List of Attachments on page iii of the Plan is amended by deleting the list of attachments and replacing it as follows:

Attachment 1	Boundary Map of Union District Urban Renewal Project Area and Revenue Allocation Area
Attachment 1A	Boundary Map of the Additional Area
Attachment 2	Legal Description of Union District Urban Renewal Project Area and Revenue Allocation Area
Attachment 2A	Legal Description of the Boundary of the Additional Area
Attachment 3	Properties Which May be Acquired by the Agency
Attachment 4	Map Depicting Expected Land Uses and Current Zoning Map of the Project Area
Attachment 4A	Map Depicting Expected Land Uses and Current Zoning Within the Area Added by the First Amendment
Attachment 5	Economic Feasibility Study
Attachment 5A	Supplement to the Economic Feasibility Study: Financial Analysis Related to the 2021 Annexation

4. Amendment to Section 100 of the Plan. Section 100 is amended by deleting the last sentence of the first paragraph and replacing it as follows:

Attachments 1 through 5, as supplemented by Attachments 1A, 2A, 4A and 5A, attached hereto (collectively, the “Plan Attachments, as supplemented”) are incorporated herein and shall be considered a part of this Plan.

5. Amendment to Section 102 of the Plan. Section 102 entitled “Procedures Necessary to Meet State and Local Requirements: Conformance with Idaho Code Sections 50-2008 and 50-2906” is amended by adding new paragraphs to the end of the existing language as follows:

Subsequent to the adoption of this Plan in 2020, in 2021, the Agency retained a third-party consultant to review approximately 1.46 acres of land adjacent and contiguous to the Project Area for an eligibility determination for an urban renewal project. The area reviewed included land contiguous to the northwestern boundary of the Union District Project Area and generally bounded by E. Idaho Avenue on the north, NE 2nd Street on the east, a portion of Broadway Avenue on the south, and E. Main Street on the west (the “Idaho Block”).

The Idaho Block was reviewed and determined to be a deteriorated area and/or a deteriorating area under the Law and the Act and, therefore, eligible for inclusion into the existing revenue allocation area pursuant to the Idaho Block Annexation to Union District Eligibility Report (proposed), prepared by Kushlan | Associates, dated June 2021 (the “Eligibility Report”). The Eligibility Report was submitted to the Agency, which by adoption of Resolution No. 21-027 on June 9, 2021, found the additional area to be eligible and authorized the transmission of the Eligibility Report and Resolution to the City Council, together with the Agency’s recommendation that the area be designated as appropriate for an urban renewal plan amendment. The City Council by adoption of Resolution No. 21-2274 on July 6, 2021, found the area under consideration to be a deteriorating area or a deteriorated area in the City, as defined by the Law and the Act, and authorized preparation of a plan amendment. The 1.46 acres being added to the Project Area hereby creates the “Amended Project Area” as further described and shown in Attachments 1, 1A, 2, and 2A.

This First Amendment to the Plan (the “First Amendment”) adds certain parcels that were deannexed from the Downtown District Plan and Project Area in 2021 pursuant to the Second Amendment to the Meridian Revitalization Plan.

This First Amendment was prepared and submitted to the Agency for its review and approval. The Agency approved the First Amendment by the adoption of Resolution No. _____ on _____, 2021 and

submitted the First Amendment to the City Council with its recommendation for adoption.

In accordance with the Law, this First Amendment was submitted to the Planning and Zoning Commission of the City. After consideration of the First Amendment, the Commission filed Resolution _____ dated _____, 2021, with the City Council stating that the First Amendment is in conformity with the City's Comprehensive Plan.

Pursuant to the Law and Act, the City Council, having published due notice thereof, held a public hearing on the First Amendment. Notice of the hearing was duly published in the *Idaho Press*, a newspaper having general circulation in the City. The City Council adopted the First Amendment on _____, 2021, pursuant to Ordinance No. _____.

6. Amendment to Section 103 of the Plan. In Section 103, the term "Project Area" is now replaced with the term "Amended Project Area."

7. Amendment to Section 103 of the Plan. Section 103 of the Plan is amended by the addition of new Section 103.1 entitled "History and Current Conditions of the Expansion Area" as follows:

During 2021, the City, Agency, and other interested parties began to examine the need to expand the Project Area to include additional area adjacent and contiguous to the Project Area that continued to be underdeveloped.

The approximately 1.46 acres to be added to the Project Area includes eleven (11) tax parcels with an Old Town (OT) zoning designation and are located within the older developed area within the community. None of the parcels appear to be owner-occupied residences. Only the south half of Idaho Avenue between Main Street and NE 2nd Street is included. The area reviewed exhibited deteriorated conditions due to the age or obsolescence of the structures. The area is transitioning to a modern commercial center and the configuration of small lots does not accommodate modern commercial development rendering redevelopment economically infeasible. Similarly, the eleven (11) parcels range in size with the majority of lots under 5,000 square feet, which is an insufficient size to accommodate economical economic development. Diversity of ownership is also present, which makes land assemblage challenging. These above conditions result in economic underdevelopment of the area and are conditions that substantially impair and arrest the sound growth of the City.

The First Amendment embraces the principles set forth in the Plan and proposes improvements to public infrastructure and other publicly owned assets throughout the expansion area, creating the framework for the development of mixed-use, retail, office, commercial, and residential,

projects, as well as, façade improvements, planning studies and installation and improvements to other public facilities, including, but not limited to, streets, streetscapes, water and sewer improvements, environmental and floodplain remediation/site preparation, public parking, other community facilities, parks, plazas, open space, and pedestrian/bike amenities. The expansion area is underdeveloped and is not being used to its highest and best use due to age and obsolescence, as well as faulty lot layout in relation to size, adequacy, accessibility or usefulness, obsolete platting, and diversity of ownership. The foregoing conditions have resulted in economic underdevelopment of the expansion area and has arrested or impaired growth in the expansion area.

The preparation and approval of an urban renewal plan amendment 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 Amended Project Area may be used by the Agency to finance a variety of needed public improvements and facilities. Finally, some of the new developments may also generate new jobs in the community that would, in turn, benefit area residents.

It is unlikely individual developers will take on the prohibitive costs of constructing the necessary infrastructure in the expansion area without the ability of revenue allocation to help offset at least some of these costs. But for urban renewal and revenue allocation financing, the proposed commercial, office, residential and related public improvements would not occur.

8. Amendment to Section 200 of the Plan.

a. Section 200 entitled “DESCRIPTION OF THE PROJECT AREA” is deleted and replaced as follows:

DESCRIPTION OF THE AMENDED PROJECT AREA

The boundaries of the Project Area and of the Revenue Allocation Area are shown on Attachment 1, Boundary Map of Union District Urban Renewal Project Area and Revenue Allocation Area, and are described in Attachment 2, Legal Description of Union District Urban Renewal Project Area and Revenue Allocation Area.

The boundaries of the area added to the Project Area, pursuant to the First Amendment, are shown on Attachment 1A, Boundary Map of the Additional Area, and are described in Attachment 2A, Legal Description of the Boundary of the Additional Area. Collectively, the Project Area, as amended, may be referred to as the “Amended Project Area.”

For purposes of boundary descriptions and use of proceeds for payment of improvements, the boundary shall be deemed to extend to the outer boundary of rights-of-way or other natural boundary unless otherwise specified.

The attachments referenced above are attached hereto and are incorporated herein by reference.

9. Amendment to Section 301 of the Plan. Section 301 is amended as follows:
- a. Section 301 is amended by deleting subsection (t) and replacing it as follows:
- t. The construction and financial support of cultural facilities and the enhancement, installation and/or construction of parks, open spaces, plazas, and public recreational facilities;
- b. Section 301 is amended by adding a new subsection (x) as follows:
- x. The provision of financial and other assistance to encourage and support the Agency's façade improvement program
- c. Section 301 is amended by adding a new subsection (y) as follows:
- y. The funding in whole, or in part, any planning studies within the Amended Project Area.
10. Amendment to Section 302 of the Plan. Section 302 is amended by deleting the first paragraph and replacing it as follows:

Urban renewal activity is necessary in the Amended Project Area to combat problems of physical deterioration or deteriorating conditions. As set forth in greater detail in Sections 103 and 103.1, the Amended Project Area has a history of stagnant growth and development compared to the greater downtown area of the City based on deteriorated or deteriorating conditions that have arrested or impaired growth in the Amended Project Area primarily attributed to: underdeveloped properties; inadequate pedestrian and bicycle connectivity and mobility; the presence of a substantial number of deteriorating structures; deterioration of site; age and obsolescence; a predominance of defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; unsanitary or unsafe conditions; diversity of ownership; and defective or very unusual conditions of title. The Plan for the Amended Project Area is a proposal to work in partnership with public and private entities to improve, develop, and grow the economy within the Amended Project Area by the implementation of a strategy and program set forth in Section 301, as amended.

11. Amendment to Section 502 of the Plan.

a. Section 502 is amended by deleting the first sentence of the first paragraph and replacing it as follows: The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, effective retroactively to January 1, 2020, for the original Project Area and effective retroactively to January 1, 2021, for the area added to the Project Area by the First Amendment.

b. Section 502 is amended by deleting the first and second sentences of the fifth paragraph and replacing them as follows: 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 for the Project Area, and as supplemented in Attachment 5A for the area added by the First Amendment. The information contained in Attachment 5 incorporated estimates and projections based on the Agency's and the consultants' knowledge and expectations at that time. The information contained in Attachment 5A necessarily incorporates estimates and projections based on the Agency's present knowledge and expectations and includes analysis and assessment based on the additional 1.461 acres added to the Project Area.¹

12. Amendment to Section 502.1 of the Plan. Section 502.1 is amended by deleting Section 502.1 and replacing it as follows:

Attachment 5 consists of the Economic Feasibility Study for the Union District Urban Renewal Area prepared by Kushlan | Associates and SMR Development, LLC for the original Project Area. Attachment 5A consists of the Economic Feasibility Study for the area added to the Project Area by the First Amendment prepared by Kushlan | Associates. Portions of the data from Attachment 5 are restated in Attachment 5A to the extent additional information was available related to the timing of projects impacting revenue generation and project funding in the expansion area (collectively, Attachments 5 and 5A are referred to as the "Study"). The Study constitutes the financial analysis required by the Act.

13. Amendment to Section 502.3 of the Plan. Section 502.3 of the Plan is amended by the addition of new Section 502.3.1 entitled "Updated Ten Percent Value Limitation and the Ten Percent Geographic Limitation" as follows:

Under the Act, the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed taxable value for the entire City. According to the Ada County Assessor, the assessed taxable value for the City as of January 1, 2020² less

¹ See also Section 301 to the Plan, as amended.

² Due to the timing of the assessment process and creation of this Plan, the 2020 values have been used to establish compliance with the 10% limitation. Using the 2020 values, the total adjusted base value of the existing and proposed revenue allocation areas combined with the value of this annexation into the Project Area are less than 2.62% of

homeowners' exemption is \$10,375,837,804. Therefore, the 10% limit is \$1,037,583,780.

The adjusted base assessed value of each of the existing revenue allocation areas, plus the expansion area and the proposed revenue allocation areas, as of January 1, 2020, is as follows:

Downtown District ³	\$146,334,050
Ten Mile District	\$39,539,125
Union District	\$2,144,360
Proposed Union District Project Area Amendment	\$3,414,100
Proposed Northern Gateway District	\$68,832,974
Proposed Linder District ⁴	\$11,978,500
TOTAL:	\$272,243,109

The adjusted base values for the combined revenue allocation areas total \$272,243,109, which is less than 10% of the City's 2020 taxable value.

Further, Idaho Code Section 50-2033 provides that after July 1, 2011: “[a]n urban renewal plan that includes a revenue allocation area may be extended only one (1) time to extend the boundary of the revenue allocation area so long as the total are to be added is not greater than ten percent (10%) of the existing revenue allocation area and the area to be added is contiguous to the existing revenue allocation area but such contiguity cannot be established solely by a shoestring or strip of land which comprises a railroad or public right-of-way.” The Project Area consists of approximately 15.86 acres; therefore, the 10% geographic limit is approximately 1.59 acres. The area to be added to the Project Area, which is adjacent and contiguous to the Project Area, consists of approximately 1.461 acres, which is less than 10% of the acreage included in the Project Area.

14. Amendment to Section 502.7 of the Plan.

a. Section 502.7 is amended by adding a new sentence at the end of the second sentence of the second paragraph as follows: The addition of the geographic area to the Project Area pursuant to the First Amendment does not reset the base⁵; however, for the area added, the base value is the assessed value as of January 1 of the year in which the municipality approved the expansion or, in this instance, January 1, 2021.

the total taxable value of the City. Even assuming an increase in values for 2022, the combined adjusted base values of the revenue allocation areas would not exceed 10% of the current assessed taxable value for the entire City.

³ Less area deannexed by the First Amendment to the Meridian Revitalization Plan Urban Renewal Project, and the Second Amendment to the Meridian Revitalization Plan Urban Renewal Project.

⁴ May not be established until calendar year 2022.

⁵ See Idaho Code Sections 50-2903A(1)(a)(ii) and 50-2033.

b. Section 502.7 is amended by adding a new footnote following the fourth sentence of the second paragraph as follows: House Bill 389 passed during the 2021 Legislative Session, effective in significant part as of January 1, 2021, further limits a taxing entity’s ability to increase the property tax portion of its budget. The Supplement to the Economic Feasibility Study: Financial Analysis Related to the 2021 Annexation, included as Attachment 5A, has considered the impact of House Bill 389 on the Project’s overall feasibility.

c. Section 502.7 is amended by adding a new footnote following the first sentence of the fifth paragraph as follows: House Bill 389 amended Idaho Code Sections 63-802 and 63-301A limiting the value placed on the new construction roll and available to a taxing district for a budget capacity increase. This could result in lower levy rates over time.

d. Section 502.7 is amended by deleting the last sentence of the fifth paragraph and replacing it as follows: Upon termination of this Plan, as amended by the First Amendment, and the Amended Project Area, the taxing entities will be able to include a percentage⁶ of the accumulated new construction roll value in setting the following year’s budget (subject to any applicable cap) pursuant to Idaho Code Sections 63-802 and 63-301A.

e. Section 502.7 is amended by adding new paragraphs following the end of the seventh paragraph as follows:

Pursuant to the First Amendment and Attachment 5A concerning the expansion, as 2021 certified levy rates are not determined until late September 2021, the 2020 certified levy rates have been used in Attachment 5A for purposes of the analysis.⁷ Those taxing districts and rates are as follows:

<u>Taxing Districts:</u>	<u>Levy Rates:</u>
The City of Meridian	.002230856
The West Ada School District (School District No. 2)	.000014472
Ada County	.002149935
Emergency Medical District/Ada County Ambulance	.000118422
Mosquito Abatement District	.000021106
The Ada County Highway District	.000701539
Meridian Library District	.000430489
Meridian Cemetery District	.000048343
Western Ada Recreation District	.000037736
College of Western Idaho	.000124266
TOTAL⁸	.005877164

⁶ Pursuant to House Bill 389, 80% of the total eligible increment value is added to the new construction roll.

⁷ Due to the timing of the taxing districts’ budget and levy setting process, certification of the 2021 levy rates did not occur until this First Amendment had been prepared and considered by the Agency. In order to provide a basis to analyze the impact on the taxing entities, the 2020 levy rates are used. Use of the 2020 levy rates provides a more accurate base than estimating the 2021 levy rates.

⁸ Net of voter approved bonds and levies.

House Bill 587, as amended in the Senate, effective July 1, 2020, amends Idaho Code Section 50-2908 altering the allocation of revenue allocation funds to the Agency from the Ada County Highway District levy⁹. This amendment will apply to the expansion area¹⁰ added by this First Amendment and provides: “[i]n the case of a revenue allocation area first formed or expanded to include the property on or after July 1, 2020, all taxes levied by any highway district, unless the local governing body that created the revenue allocation area has responsibility for the maintenance of roads or highways” will be allocated to the applicable highway district, which in this case is the Ada County Highway District.

However, amended Idaho Code Section 50-2908 further provides the highway district and Agency may enter into an agreement for a different allocation. A copy of any agreement is required to be submitted to the Idaho State Tax Commission and to the Ada County Clerk by the Ada County Highway District as soon as practicable after the parties have entered into the agreement and by no later than September 1 of the year in which the agreement takes effect. The Agency intends to work with the Ada County Highway District to enter into an agreement allowing the Agency to retain the revenues from the highway district levies for the expansion area. No agreement is required for the original Project Area.

The Study has made certain assumptions concerning the levy rate. The levy rate is estimated to be 10% lower than the combined 2020 certified levy rate to adjust for the impact of House Bill 389, as well as considering the rapidly increasing property values. The levy rate is anticipated to remain level for the life of the Project Area. As the actual impact of the property value fluctuations on the levy rate is unknown, the Study has assumed a combined conservative levy rate of .0053. Land values are estimated to inflate at 8%/year for five (5) years and then inflate at a rate of 4%/year for the remaining duration of the Project Area. Improvement values are estimated to inflate at a rate of 10%/year for five (5) years, and thereafter are estimated to inflate at a rate of 5%/year for the duration of the Project Area. Estimated new development is anticipated occur annually and be fully on the tax rolls from year 2025 through 2029. If the overall levy rate is less than projected, or if expected development fails to occur as estimated, the Agency shall receive fewer funds from revenue allocation. The Study has also considered the timing of the original projects identified in the Plan and pushed back the completion timeline where necessary to account for current market conditions.

⁹ Senate Bill 1107, as amended in the Senate, effective July 1, 2021, made a corresponding amendment to Idaho Code Section 40-1415(3) to address the responsibility for funding certain urban renewal projects.

¹⁰ The amendment to Idaho Code Section 50-2908 does not apply to the original Project Area.

15. Amendment to Section 800 of the Plan. Section 800 is amended by adding a new sentence at the end of the first paragraph as follows: The addition of parcels to the original Project Area pursuant to this First Amendment has no impact on the duration of this Plan.

16. Amendment to Plan to add new Attachment 1A. The Plan is amended to add new Attachment 1A entitled “Boundary Map of the Additional Area,” attached hereto.

17. Amendment to Plan to add new Attachment 2A. The Plan is amended to add new Attachment 2A entitled “Legal Description of the Boundary of the Additional Area,” attached hereto.

18. Amendment to Plan to add new Attachment 4A. The Plan is amended to add new Attachment 4A entitled “Map Depicting Expected Land Uses and Current Zoning Within the Areas Added by the First Amendment,” attached hereto.

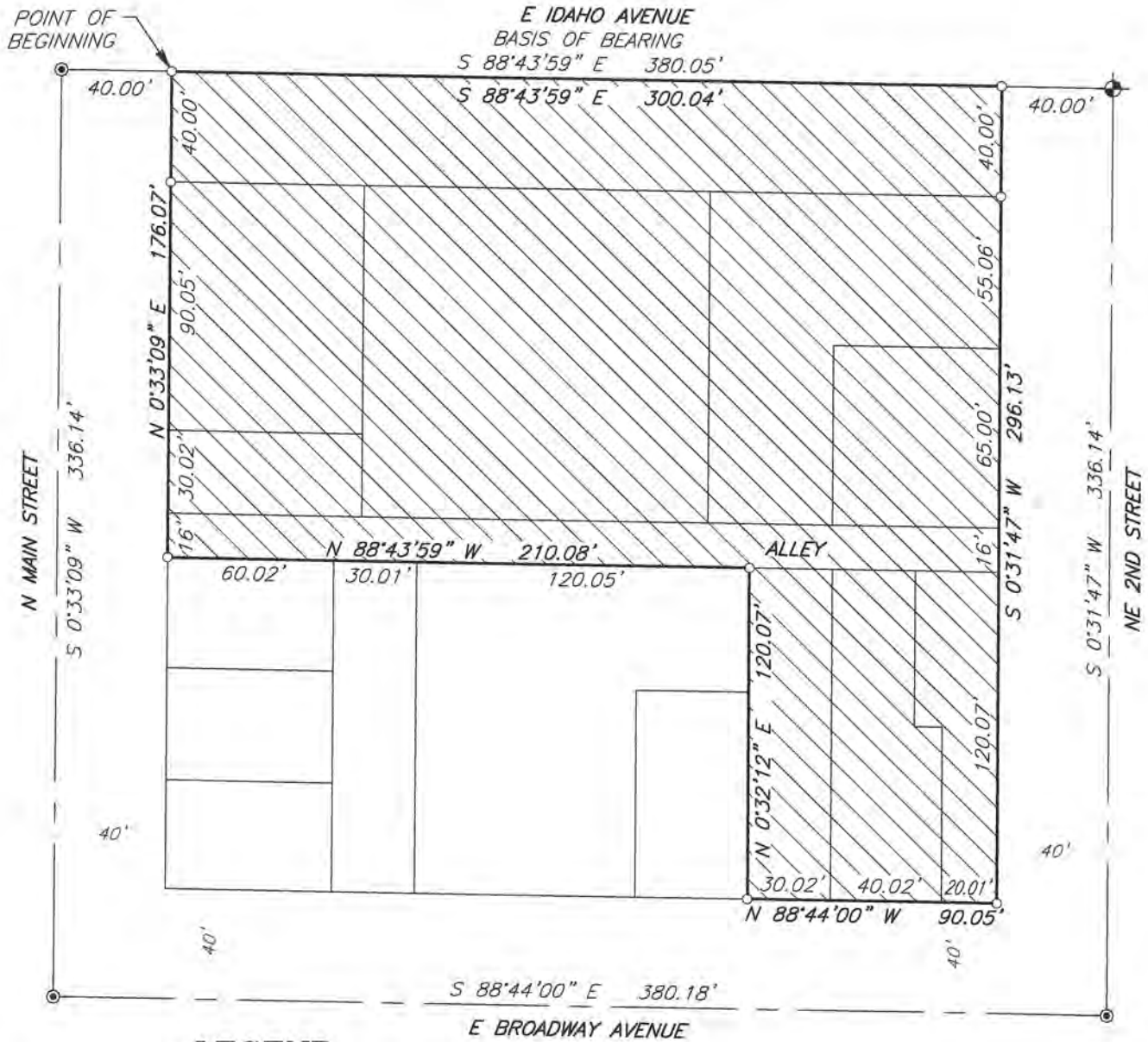
19. Amendment to Plan to add new Attachment 5A. The Plan is amended to add new Attachment 5A entitled “Supplement to the Economic Feasibility Study: Financial Analysis Related to the 2021 Annexation,” attached hereto.

20. Union District Plan Remains in Effect. Except as expressly modified in this First Amendment, the Plan and the Attachments thereto remain in full force and effect.



Attachment 1A
Boundary Map of the Additional Area

EXHIBIT B

SKETCH TO ACCOMPANY URBAN RENEWAL DISTRICT DESCRIPTION FOR MERIDIAN DEVELOPMENT CORPORATION LOCATED IN THE NW 1/4 OF THE SW 1/4 OF SECTION 7, TOWNSHIP 3 NORTH, RANGE 1 EAST, BOISE MERIDIAN, ADA COUNTY, IDAHO



LEGEND

-  URD BOUNDARY
-  URD AREA



CIVIL SURVEY CONSULTANTS, INC.
2893 SOUTH MERIDIAN ROAD
MERIDIAN, IDAHO 83642
(208)888-4312



SCALE: 1"=60'



Attachment 2A
Legal Description of the Boundary of the Additional Area

EXHIBIT A
URBAN RENEWAL DISTRICT BOUNDARY DESCRIPTION
FOR
MERIDIAN DEVELOPMENT CORPORATION

IDAHO BLOCK

A description for Urban Renewal District purposes located in the NW 1/4 of the SW 1/4 of Section 7, Township 3 North, Range 1 East, Boise Meridian, and being a part of Block 4 of the amended plat of the *TOWNSITE OF MERIDIAN* as found in Book 1 of plats at Page 30 in the office of the Recorder, Ada County, Idaho, more particularly described as follows:

Commencing at a 5/8 inch diameter iron pin marking the intersection of N Main Street and E Idaho Avenue, from which a brass cap monument marking the intersection of NE 2nd Street and E Idaho Avenue bears S 88°43'59" E a distance of 380.05 feet;

Thence S 88°43'59" E along the centerline of said E Idaho Avenue a distance of 40.00 feet to the POINT OF BEGINNING;

Thence continuing S 88°43'59" E a distance of 300.04 feet to a point on an extension of the easterly boundary of said Block 4;

Thence leaving said centerline S 0°31'47" W a distance of 40.00 feet to a point marking the northeasterly corner of said Block 4;

Thence continuing S 0°31'47" W along said easterly boundary a distance of 256.13 feet to a point marking the southeasterly corner of said Block 4;

Thence N 88°44'00" W along the southerly boundary of said Block 4 a distance of 90.05 feet to a point marking the southwesterly corner of Lot 8 of said Block 4;

Thence leaving said southerly boundary N 0°32'12" E along the westerly boundary of said Lot 8 a distance of 120.07 feet to a point marking the northwesterly corner of said Lot 8;

Thence N 88°43'59" W along the northerly boundary of Lots 1 – 7 of said Block 4 a distance of 210.08 feet to a point on the westerly boundary of said Block 4, said point being the northwesterly corner of Lot 1 of said Block 4;

Thence N 0°33'09" E along said westerly boundary a distance of 136.07 feet to a point marking the northwesterly corner of said Block 4;

Thence continuing N 0°33'09" E on an extension of said westerly boundary a distance of 40.00 feet to the POINT OF BEGINNING.

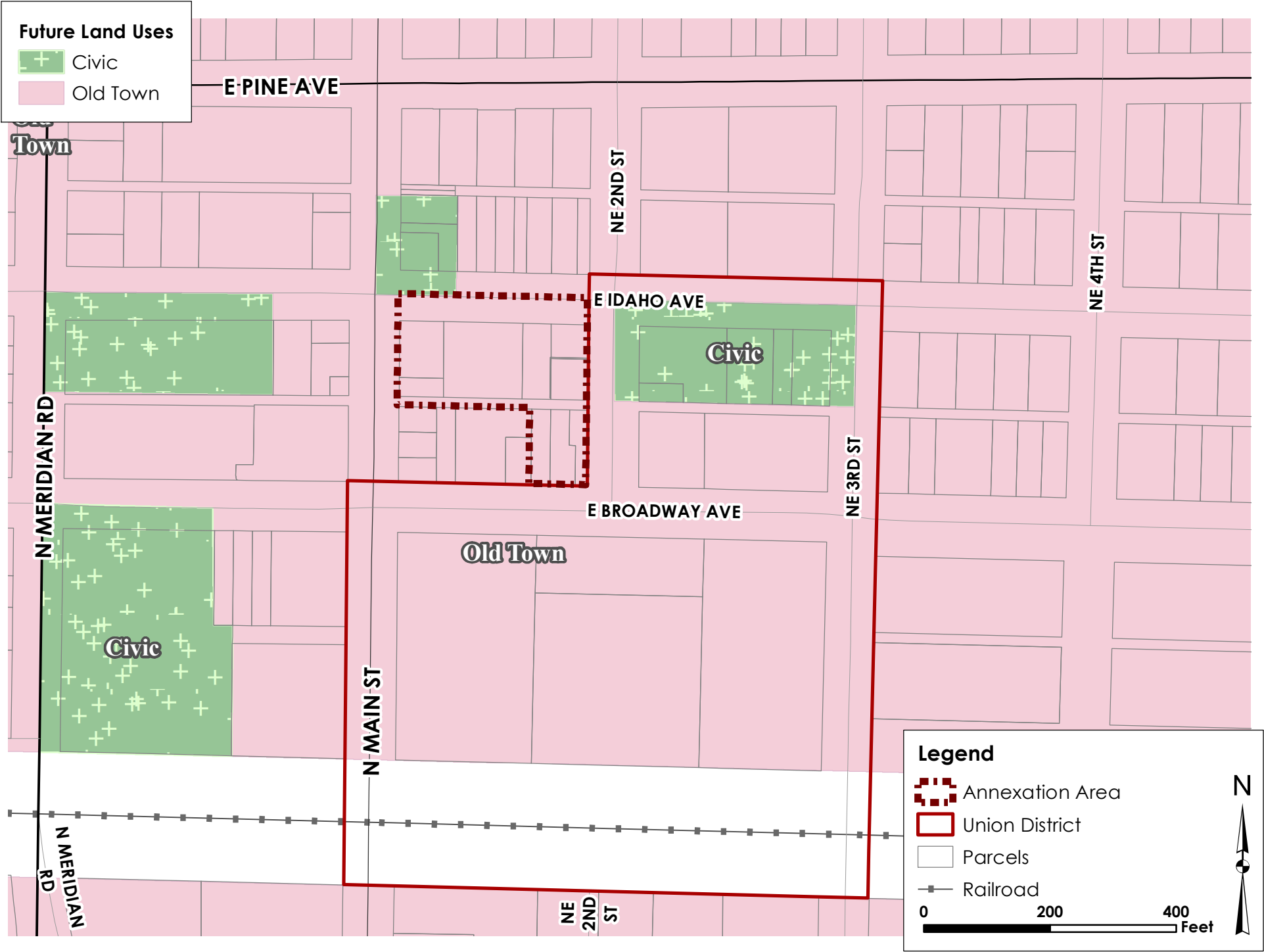
This parcel contains approximately 1.461 acres.

NOTE: This description was prepared using record information including Record of Surveys, Subdivision Plats and Deeds acquired from the Ada County Recorder's office. No field survey has been performed.

Prepared by: Kyle A. Koomler, PLS
Civil Survey Consultants, Incorporated
May 26, 2021



Attachment 4A
Map Depicting Expected Land Uses and Current Zoning Within the Areas Added by the First
Amendment



Future Land Uses

- Civic
- Old Town

Legend

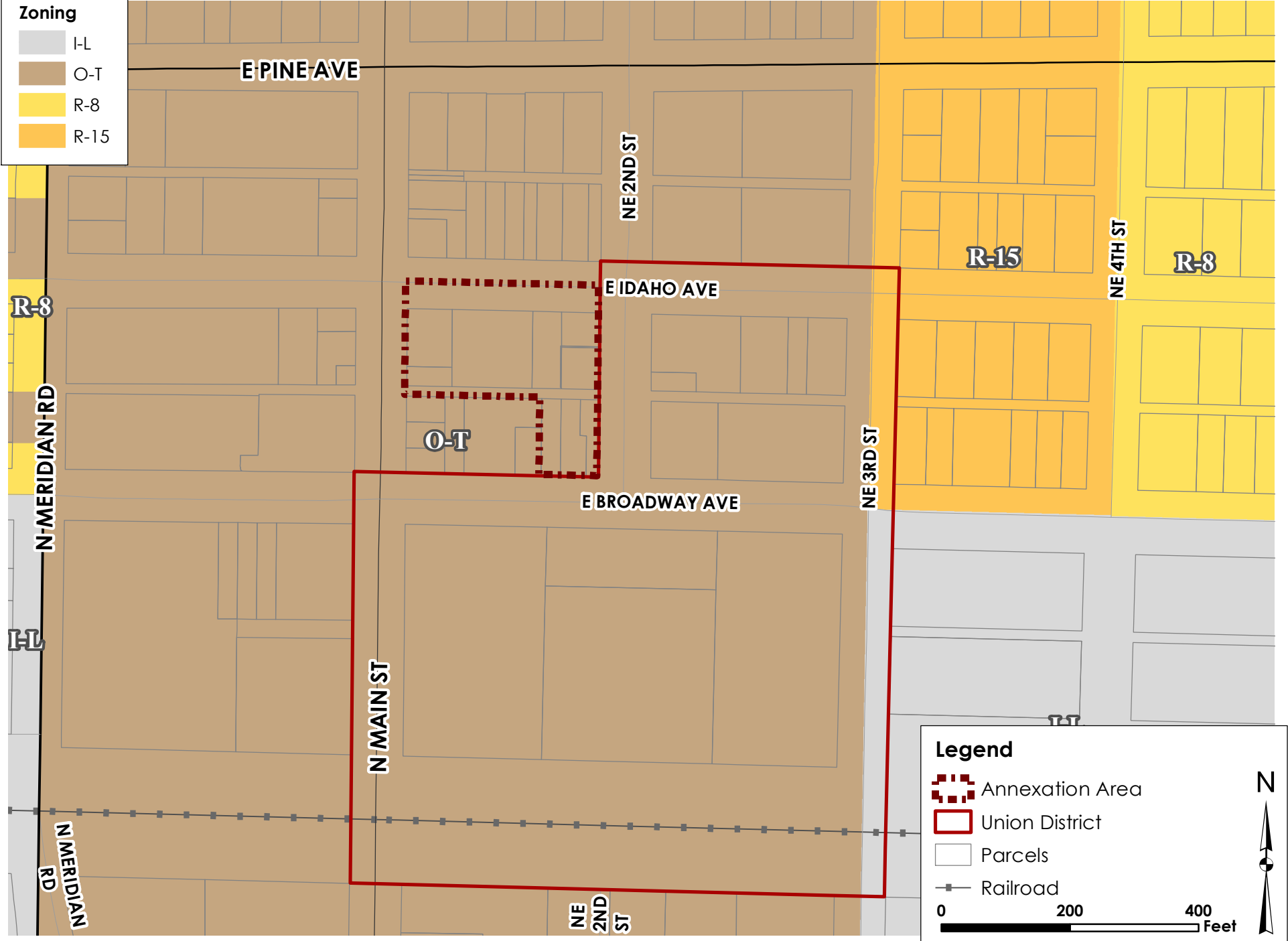
- Annexation Area
- Union District
- Parcels
- Railroad

0 200 400
Feet

N

Zoning

- I-L
- O-T
- R-8
- R-15



Legend

- Annexation Area
- Union District
- Parcels
- Railroad

0 200 400
 Feet

N

Attachment 5A
Supplement to the Economic Feasibility Study:
Financial Analysis Related to the 2021 Annexation

4835-4848-9712, v. 7

ATTACHMENT 5.1A
Public Improvements within the Revenue Allocation Area

This attachment includes a projected list of proposed public works or improvements within the Union District Project Area, as amended by the First Amendment to the Urban Renewal Plan for the Union District Urban Renewal Project (the “First Amendment”), which added approximately 1.46 acres to the Union District Project Area pursuant to Idaho Code Sections 50-2903A(1)(a)(ii) and 50-2033 (the “Amended Project Area”). This Attachment 5A, the Supplement to the Economic Feasibility Study: Financial Analysis Related to the 2021 Annexation, is intended to address the scope of projects related to the expansion area; however, portions of the Economic Feasibility Study may be restated if additional information is available related to the timing of projects impacting revenue generation and project funding in the expansion area. The proposed improvements within the Amended Project Area include improvements to streets, utilities, and other public rights-of-way amenities as well as construction and/or improvements to parks, plazas and open space, a community center, façade improvements, public parking (structured and surface parking), property acquisition to support development and/or redevelopment goals, and brownfield and/or environmental clean-up.

The Union District Improvement List set forth below identifies needed investments to support private investment in capital facilities. Capital facilities generally have long useful lives and significant costs. The overall project and the infrastructure to support it are all consistent with the vision articulated in the City of Meridian Comprehensive Plan, Destination: Downtown Plan, the future land use map and as required in City development regulations. The cost estimates provided by owner/developers and the City are based upon prices for similar construction in the area.

Estimated costs expected to be incurred in implementing the Urban Renewal Plan for the Union District Urban Renewal Project (the “Plan”) as amended by the First Amendment are as follows:

Union District Improvement List

Community Center Construction	<u>\$6,450,000</u>
Net District Cost Construction	\$6,450,000
Community Center Site Improvements	\$1,615,000
Structured Public Parking	<u>\$4,250,000</u>
Sub-Total	\$5,865,000
Total Community Center Cost	\$12,315,000

Proposed Public Infrastructure, including Engineering, Design, Installation, Construction, and/or Reconstruction of:

Improvements to 3rd Street	
Improvements to Broadway Avenue	
Intersection Improvements and Rail Crossing Safety Enhancements	
Pedestrian improvements	
Streetscape Improvements	
Sewer Infrastructure Improvements	
Water Infrastructure Improvements	
Electrical Distribution Improvements	
Right-of-Way Landscaping Improvements	
Utility Relocations	
Lateral Relocation and Improvements	
Irrigation and Drainage Improvements	
Public Improvements Sub-total	\$1,215,000
Additional Public Parking	\$3,810,000

Other Eligible Public Infrastructure Improvements

Façade Improvements	\$750,000
Property Acquisition	\$3,500,000
Public Plazas, Parks & Open Space	\$3,000,000
Environmental Remediation	\$2,250,000
Idaho Avenue Improvements	\$1,000,000
Planning Studies	\$259,000
Grand Total	\$28,099,000

The projects and estimated costs have been derived from Galena Opportunity Fund and updated by the City and the Meridian Development Corporation (MDC) based upon similar works being carried out in the broader community and existing market conditions. The costs related to the expansion area improvements are estimated in 2021 dollars and are not inflated. Costs will likely vary from the costs detailed here, as they will be subject to inflation and further project refinement and timing. The cost estimates used in this analysis are considered estimates for the purpose of financial planning.

The Amended Project Area is estimated to generate \$25,389,904 in tax increment revenue between 2020 and 2040¹ in addition to the initial \$100,000 loan from the MDC to activate the program. Additional potential sources of funding for the identified projects may include funding in the amount of \$3,800,000 from the City to support the Community Center project recognizing the City is not committing funds to this Project and any commitment

¹ As the Idaho property tax system provides for taxes being paid in arrears, Revenue Allocation funds will be received in FY 2041. However, the final year of income has not been considered in determining the economic feasibility of the Union District, as amended.

would occur through the City's appropriations/budget process. Further funding may be available through grants.

The total from all sources is estimated to be \$29,289,904. There are presently \$28,099,000 of project costs identified in the Union District Improvement List provided by developers, property owners and the City. The fiscal analysis generally assumes projects will be implemented by developers as part of certain private developments within the Union District Project Area, as amended, specifically related to the Meridian Station Project and the Civic Block Project as contemplated in the original Plan, and the Idaho Block project in the expansion area. It is assumed that the developers will be reimbursed through Owner Participation Agreements (OPA) from resources derived from the Amended Revenue Allocation Area established by the Union District Project Area, as amended by the First Amendment. Projects are also anticipated to occur on a pay-as-you-go basis, in addition to funding from other public entities, if available, and any available grant funding.

Administrative costs over the 20-year life of the district are estimated at \$920,000 or approximately 3.16% of total estimated revenue. The initial inter-district loan to support startup costs is assumed to be repaid at 5% simple interest for a total obligation of \$115,000².

The total estimated expenditures equal \$29,134,000, leaving a \$155,903 positive program balance of at the end of the 20-year term. See attached cash flow analysis for detailed estimates.

The Plan, as amended by the First Amendment, provides for the Plan and Amended Project Area to extend through its maximum term of 20 years. This First Amendment will constitute the one-time annexation to the Union District Project Area as permitted in Idaho Code 50-2033.

Secure funding includes revenue allocation funds and is money MDC is highly likely to receive. The funds may not be in MDC's possession at the beginning of the Plan period, but it is virtually certain that MDC will receive the funds. MDC may need to take specific actions to generate the funding, but those actions are within its powers. Despite the high probability of secure funding, no project can proceed until a specific, enforceable funding plan is in place.

Potential funding is money that might be received by MDC. In every case MDC is eligible for the funding, and the source of funding exists under current law. However, each potential funding source requires one or more additional steps or decisions before MDC can obtain the resources, and the ultimate decision is outside of MDC's independent control. The City's potential capital contribution and grant funds are an example of potential funding. Thus, potential funding is not assumed in determining financial feasibility.

² The amount of revenue allocation proceeds dedicated to the administration of the Union District, as amended [\$802,183 shown in Forecast] is supplemented by the Inter-district loan to produce the full amount over the life of the District.

Unfunded projects, or portions of projects lack secure or potential funding. At this time, all projects are anticipated to be funded.

The amount of tax increment contributed to the project will vary depending upon the actual cost of infrastructure.

The Plan, as amended by the First Amendment, proposes certain public improvements that will facilitate development in the Amended Project Area. The overall investment package could be funded from a variety of financing methods and sources. The primary method of financing MDC's obligation will be through the use of tax increment revenue (i.e., incremental property taxes from the revenue allocation area). This Plan, as amended by the First Amendment, anticipates that at least a portion of the tax increment revenue will be used to reimburse an owner/developer through a negotiated agreement for some or all of the eligible improvement costs or through direct investment by MDC.

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

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

The total project costs and the amount of tax increment are estimates. The estimated project costs and revenues are based on MDC's present knowledge and expectations supported by detailed information from property owners, developers, City and MDC staff and MDC's consultants based in part upon current construction projects in the broader community.

Summary of Projects

Based on the Union District Improvement List, as amended by the First Amendment, set forth above, the estimated total costs for the public improvements are \$28,099,000.

Cost of Operations and Improvements by Year (2020-2041)

Year	Secure Funding (TIF & MDC Loan)	Potential Funding	District Operating Expenses	MDC Loan Debt Service	Funds for Program, Capital, and Debt Service Expenses	Total Project Liabilities
2020	\$75,000	\$0	\$25,000	\$0		\$25,000
2021	\$25,000	\$0	\$25,000	\$0		\$25,000
2022	\$3,430	\$0	\$25,000	\$0		\$25,000
2023	\$7,167	\$0	\$25,000	\$0	\$0	\$25,000
2024	\$11,237	\$0	\$20,000	\$0	\$0	\$20,000
2025	\$390,630	*\$3,800,000	\$50,000	\$0	\$4,100,000	\$4,150,000
2026	\$676,794	\$0	\$50,000	\$115,000	\$475,000	\$640,000
2027	\$1,003,700	\$0	\$50,000	\$0	\$900,000	\$950,000
2028	\$1,187,991	\$0	\$50,000	\$0	\$1,100,000	\$1,150,000
2029	\$1,381,483	\$0	\$50,000	\$0	\$1,350,000	\$1,400,000
2030	\$1,452,136	\$0	\$50,000	\$0	\$1,400,000	\$1,450,000
2031	\$1,526,307	\$0	\$50,000	\$0	\$1,500,000	\$1,550,000
2032	\$1,604,171	\$0	\$50,000	\$0	\$1,550,000	\$1,600,000
2033	\$1,685,912	\$0	\$50,000	\$0	\$1,550,000	\$1,600,000
2034	\$1,771,724	\$0	\$50,000	\$0	\$1,800,000	\$1,850,000
2035	\$1,861,809	\$0	\$50,000	\$0	\$1,800,000	\$1,850,000
2036	\$1,956,381	\$0	\$50,000	\$0	\$1,900,000	\$1,950,000
2037	\$2,055,662	\$0	\$50,000	\$0	\$2,000,000	\$2,050,000
2038	\$2,159,889	\$0	\$50,000	\$0	\$2,100,000	\$2,150,000
2039	\$2,269,306	\$0	\$50,000	\$0	\$2,250,000	\$2,300,000
2040	\$2,384,174	\$0	\$50,000	\$0	\$2,324,000	\$2,374,000
2041	\$0	\$0	\$0	\$0		\$0
Total	\$25,489,903	\$3,800,000	\$920,000	\$115,000	\$28,099,000	\$29,134,000

Note: This analysis anticipates a positive fund balance of \$155,903 the end of the project.

*Potential City contribution to the Community Center Project. Not a binding commitment. Any City funding would be subject to annual appropriations/budgeting considerations.

ATTACHMENT 5.2A

Economic Feasibility Study

The Plan, as amended by the First Amendment, is economically feasible because the proposed development is sufficient to fully cover the anticipated cost of the redevelopment program.

The economic feasibility of the Plan, as amended by the First Amendment, is based on the following factors:

- The amount of development anticipated in the Amended Project Area
- The timing of the proposed taxable development
- The nature of the proposed development
- The amount of tax revenue to be generated by the proposed development
- The cost of public improvement projects.
- If revenue equals or exceeds project costs, the Plan is economically feasible.

The following is a summary of the analysis and estimates of the factors used to determine the economic feasibility of the Plan, as amended by the First Amendment.

The Economic Feasibility Analysis

Summary:

Over the course of the Plan and the Union District Project Area, as amended by the First Amendment, \$25,389,904 of Tax Increment Revenue is estimated to be generated using the development scenarios proposed by property owners/developers within the Union District Project Area, as amended by the First Amendment, the City and MDC, in consultation with its consultants. The Economic Feasibility Study assumes 10% of annual revenue allocation area proceeds, or TIF revenue, will be used for administration of the Union District Project Area, as amended by the First Amendment, with that amount capped at \$50,000 per year, for a total of \$920,000 for administration costs over the 20-year lifespan of the District.

The attached spreadsheets entitled “Union District Revenue Model, as amended by the First Amendment” and “Union District, as amended by the First Amendment, Cash Flow Analysis” gives a more detailed outlook on the revenues and expenses of the development scenario.

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

- Land Value Increase @ 8%/Year for 5 years then 4%/year through the remainder of the term
- Improvement Value Increase @ 10%/Year then 5%/year through the remainder of the term,

- Tax Rate reduced by 10% and then held constant through the life of the Plan
- Total Cost of Improvements over the life of the project: \$28,099,000
- Tax rate does not include levies excluded pursuant to Idaho Code 50-2908, such as voter approved bonds/levies after 2007, judgment levies or the School District Plant or supplemental levies excluded by law.

The Economic Feasibility Analysis shows that the project will generate adequate funds within the Amended Project Area to fund the necessary capital improvements.

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Year	Land Value (+8% annually for 5 years then 4%)	Impr. Value (+10% for 5 years then 5%)	Total Assessed Value	Annual New Const. Value on tax roll	Cum. New Const Value + Inflation @ 10% and 5%	Cumulative Homeowners' Exemption	Taxable Value	Increment Value (H - Base Value)	Levy Rate (-10%)	Tax Increment Yield	Admin Costs (10%)	Funding for Capital Projects / Debt Service		
2020	\$ 4,033,200	\$ -	\$ 4,033,200	\$ -	\$ -	\$ -	\$ 4,033,200	\$ -	0.0053					
2021	\$ 4,355,856	\$ 2,987,700	\$ 7,343,556	\$ -	\$ -	\$ -	\$ 7,343,556	\$ -	0.0053	\$ -	\$ -	\$ -		
2022	\$ 4,704,324	\$ 3,286,470	\$ 7,990,794	\$ -	\$ -	\$ -	\$ 7,990,794	\$ 647,238	0.0053	\$ 3,430	\$ 343	\$ 3,087		
2023	\$ 5,080,670	\$ 3,615,117	\$ 8,695,787	\$ -	\$ -	\$ -	\$ 8,695,787	\$ 1,352,231	0.0053	\$ 7,167	\$ 717	\$ 6,450		
2024	\$ 5,487,124	\$ 3,976,629	\$ 9,463,753	\$ -	\$ -	\$ -	\$ 9,463,753	\$ 2,120,197	0.0053	\$ 11,237	\$ 1,124	\$ 10,113		
2025	\$ 5,926,094	\$ 4,374,292	\$ 10,300,386	\$ 70,747,000	\$ 70,747,000	\$ -	\$ 81,047,386	\$ 73,703,830	0.0053	\$ 390,630	\$ 50,000	\$ 340,630		
2026	\$ 6,163,138	\$ 4,593,006	\$ 10,756,144	\$ 50,000,000	\$ 124,284,350	\$ -	\$ 135,040,494	\$ 127,696,938	0.0053	\$ 676,794	\$ 50,000	\$ 626,794		
2027	\$ 6,409,663	\$ 4,822,656	\$ 11,232,320	\$ 54,990,000	\$ 185,488,568	\$ -	\$ 196,720,887	\$ 189,377,331	0.0053	\$ 1,003,700	\$ 50,000	\$ 953,700		
2028	\$ 6,666,050	\$ 5,063,789	\$ 11,729,839	\$ 25,000,000	\$ 219,762,996	\$ -	\$ 231,492,835	\$ 224,149,279	0.0053	\$ 1,187,991	\$ 50,000	\$ 1,137,991		
2029	\$ 6,932,692	\$ 5,316,979	\$ 12,249,671	\$ 25,000,000	\$ 255,751,146	\$ -	\$ 268,000,816	\$ 260,657,260	0.0053	\$ 1,381,483	\$ 50,000	\$ 1,331,483		
2030	\$ 7,209,999	\$ 5,582,828	\$ 12,792,827	\$ -	\$ 268,538,703	\$ -	\$ 281,331,530	\$ 273,987,974	0.0053	\$ 1,452,136	\$ 50,000	\$ 1,402,136		
2031	\$ 7,498,399	\$ 5,861,969	\$ 13,360,369	\$ -	\$ 281,965,638	\$ -	\$ 295,326,007	\$ 287,982,451	0.0053	\$ 1,526,307	\$ 50,000	\$ 1,476,307		
2032	\$ 7,798,335	\$ 6,155,068	\$ 13,953,403	\$ -	\$ 296,063,920	\$ -	\$ 310,017,323	\$ 302,673,767	0.0053	\$ 1,604,171	\$ 50,000	\$ 1,554,171		
2033	\$ 8,110,269	\$ 6,462,821	\$ 14,573,090	\$ -	\$ 310,867,116	\$ -	\$ 325,440,206	\$ 318,096,650	0.0053	\$ 1,685,912	\$ 50,000	\$ 1,635,912		
2034	\$ 8,434,680	\$ 6,785,962	\$ 15,220,642	\$ -	\$ 326,410,472	\$ -	\$ 341,631,113	\$ 334,287,557	0.0053	\$ 1,771,724	\$ 50,000	\$ 1,721,724		
2035	\$ 8,772,067	\$ 7,125,260	\$ 15,897,327	\$ -	\$ 342,730,995	\$ -	\$ 358,628,322	\$ 351,284,766	0.0053	\$ 1,861,809	\$ 50,000	\$ 1,811,809		
2036	\$ 9,122,949	\$ 7,481,523	\$ 16,604,472	\$ -	\$ 359,867,545	\$ -	\$ 376,472,018	\$ 369,128,462	0.0053	\$ 1,956,381	\$ 50,000	\$ 1,906,381		
2037	\$ 9,487,867	\$ 7,855,599	\$ 17,343,467	\$ -	\$ 377,860,922	\$ -	\$ 395,204,389	\$ 387,860,833	0.0053	\$ 2,055,662	\$ 50,000	\$ 2,005,662		
2038	\$ 9,867,382	\$ 8,248,379	\$ 18,115,761	\$ -	\$ 396,753,969	\$ -	\$ 414,869,730	\$ 407,526,174	0.0053	\$ 2,159,889	\$ 50,000	\$ 2,109,889		
2039	\$ 10,262,077	\$ 8,660,798	\$ 18,922,876	\$ -	\$ 416,591,667	\$ -	\$ 435,514,542	\$ 428,170,986	0.0053	\$ 2,269,306	\$ 50,000	\$ 2,219,306		
2040	\$ 10,672,561	\$ 9,093,838	\$ 19,766,399	\$ -	\$ 437,421,250	\$ -	\$ 457,187,649	\$ 449,844,093	0.0053	\$ 2,384,174	\$ 50,000	\$ 2,334,174		
				\$ 225,737,000								\$ 25,389,904	\$ 802,183	\$ 24,587,721

Assumptions:

Values based on Ada County Assessor 2019 Data for original District properties (latest available) then 2020 values for Idaho Block expansion area

Land values inflate at 8% per year for 5 years, then 4% for the remainder of the Plan term

Improvement values inflate at 10% per year for 5 years then 5% for the remainder of the term

Tax Rate reduced by 10% in consideration of impacts of HB389; anticipation of potential further modifications to the property tax system; and the further termination of the Idaho Block Annexed to original Union District in 2021

New construction values based upon developer's estimates

Earliest C.O for private development projects will be in 2024

Residential units will not be owner occupied and thus not subject to the Homeowners Property Tax Exemption

Residential units will all be market rate rental units

10% of annual Revenue Allocation yield will be paid to Meridian Development Corporation for administration - Capped at \$50,000/year

Balance of Revenue Allocation Yield will be available for capital investment and/or program expenses

City of Meridian, subject to available funds pursuant to annual appropriations and budgeting, may provide \$3,800,000 in 2025 to support development of a Community Center within the District. This does not represent a commitment by the City; rather is included to assess potentially available funds to support projects.

**Union District, as amended by the First Amendment,
Cash Flow Analysis**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Balance	\$ -	\$ 50,000	\$ 50,000	\$ 28,430	\$ 10,597	\$ 1,834	\$ 42,464	\$ 79,258	\$ 132,958	\$ 170,949	\$ 152,432
Source of Funds											
Total Revenue Allocation	\$ -	\$ -	\$ 3,430	\$ 7,167	\$ 11,237	\$ 390,630	\$ 676,794	\$ 1,003,700	\$ 1,187,991	\$ 1,381,483	\$ 1,452,136
MDC Inter-District Loan *	\$ 75,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Community Center Contribution						\$ 3,800,000					
Total annual Funds Available	\$ 75,000	\$ 75,000	\$ 53,430	\$ 35,597	\$ 21,834	\$ 4,192,464	\$ 719,258	\$ 1,082,958	\$ 1,320,949	\$ 1,552,432	\$ 1,604,568
Use of Funds											
District Operating Expenses	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 20,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Repay Inter-District Loan @ 5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -	\$ -
Program, Capital and Debt Service Expenses		\$ -	\$ -	\$ -	\$ -	\$ 4,100,000	\$ 475,000	\$ 900,000	\$ 1,100,000	\$ 1,350,000	\$ 1,400,000
Total Use of Funds	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 20,000	\$ 4,150,000	\$ 640,000	\$ 950,000	\$ 1,150,000	\$ 1,400,000	\$ 1,450,000
Ending Balance	\$ 50,000	\$ 50,000	\$ 28,430	\$ 10,597	\$ 1,834	\$ 42,464	\$ 79,258	\$ 132,958	\$ 170,949	\$ 152,432	\$ 154,568
	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
Beginning Balance	\$ 154,568	\$ 130,875	\$ 135,046	\$ 220,958	\$ 142,682	\$ 154,491	\$ 160,872	\$ 166,534	\$ 176,423	\$ 145,729	
Source of Funds											
Total Revenue Allocation	\$ 1,526,307	\$ 1,604,171	\$ 1,685,912	\$ 1,771,724	\$ 1,861,809	\$ 1,956,381	\$ 2,055,662	\$ 2,159,889	\$ 2,269,306	\$ 2,384,174	\$ 25,389,903
MDC Inter-District Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
City Community Center Contribution											\$ 3,800,000
Total Funds Available	\$ 1,680,875	\$ 1,735,046	\$ 1,820,958	\$ 1,992,682	\$ 2,004,491	\$ 2,110,872	\$ 2,216,534	\$ 2,326,423	\$ 2,445,729	\$ 2,529,903	\$ 29,289,903
Use of Funds											
District Operating Expenses	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 920,000
Repay Inter-district Loan @ 5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
Program, Capital and Debt Service Expenses	\$ 1,500,000	\$ 1,550,000	\$ 1,550,000	\$ 1,800,000	\$ 1,800,000	\$ 1,900,000	\$ 2,000,000	\$ 2,100,000	\$ 2,250,000	\$ 2,324,000	\$ 28,099,000
Total Use of Funds	\$ 1,550,000	\$ 1,600,000	\$ 1,600,000	\$ 1,850,000	\$ 1,850,000	\$ 1,950,000	\$ 2,050,000	\$ 2,150,000	\$ 2,300,000	\$ 2,374,000	\$ 29,134,000
Ending Balance	\$ 130,875	\$ 135,046	\$ 220,958	\$ 142,682	\$ 154,491	\$ 160,872	\$ 166,534	\$ 176,423	\$ 145,729	\$ 155,903	

**Union District, as amended by the First Amendment,
Cash Flow Analysis**

<u>Assumptions</u>	
Initial District Start-up costs supported by MDC Inter-district Loan of \$100,000 to be repaid at 5% Interest	
10% of annual TIF yield dedicated to Meridian Development Corporation for District operating Expenses, capped at \$50,000, Yr.	
Land Values will increase at an average of 8% annually for 5 years then at 4% over the remaining life of the District	
Improvement Values will increase at an average of 10% annually for 5 years then at 5% over the remaining life of the District	
\$28,124,000 available for District Program Expenses, Capital Investment and Debt Service *	
* Includes \$3,800,000 City of Meridian contribution to Community Center; not a binding commitment	